

LETSEMENG LOCAL MUNICIPALITY



Final Annual Report

2020/21 Financial Year

"A responsive Municipality in pursuit of service excellence"

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1 MAYOR'S FOREWORD

COMPONENT A: MAYOR'S FOREWORD



It is a great pleasure and honour for me, to present the annual report to the community of Letsemeng. The report covers the work done during 2020/21 financial year, which started in July 2020 to June 2021.

The municipality was operating under severe unprecedented times and devastating situation under Global Pandemic. Service delivery has been our priority by ensuring that the community is receiving services they are entitled to receive. The impact of Covid-19 negatively affected the provision of service delivery whereby the President, Cyril Ramaphosa issued a directive in terms of reprioritisation of projects implementation within the country to accommodate Covid-19 related issues to reduce the outbreak of the corona virus.

The greater importance of accelerated provision service delivery through various mechanisms which were implemented by the senior management of the municipality to ensure that there is an effective and efficient projects implementation. The municipal offices were most of the time closed, except for the employees who were directly responsible for essential services, including, frontline desk and customer care services.

It is important to ensure that the municipality addresses most of the challenges resulted by the Covid-19 pandemic. However, strategies and plans will be revived to ensure that the service delivery related deficiencies are also addressed, accordingly.

1.1 Vision

“A responsive Municipality in pursuit of Service excellence”

1.2 Mission

“Providing sustainable quality services through partnering with Stakeholders and Communities”.

1.3 Values

- Integrity

- Commitment
- Transparency
- Innovation
- Accountability

1.4 Key Policy Developments

Although the municipality is still facing challenges with the developmental agenda as espoused in the IDP and the Free State Growth and Development Strategy, there is progress in achieving some of the goals we have set for ourselves. We have to ensure that our policies becomes consistent in its delivery to achieve the set objectives. We also have the responsibility to address the issues raised by the Auditor General on the pre-determined objectives and our Annual Financial Statements.

1.5 Key Service Delivery Improvements

The municipality has retained its audit outcomes. Some of the Capital projects could not be completed as a result of service delivery protests and the municipality is attentively looking into these challenges which contributed towards deficiencies identified. Detailed information will be reflected in this report in terms of its implementation of these capital projects.

1.6 Public Participation

Public Participation is the cornerstone of deepening the relationship between the communities and the municipality through improved community engagement mechanisms. It creates an opportunity aim at involving communities to better understand Letsemeng jurisdictions and practically direct efforts at the real needs of our communities. It also requires the involvement of stakeholder groups, including marginalised groups. These involvements are solely directed to create an opportunity for our stakeholders to present the interests of their constituencies. It has always been a challenge in terms of making sure that the regular coordination of our local stakeholder meetings and direct representation in some of the structures which are aimed at improving service delivery due to lack of staff. However, necessary measures are put in place in ensuring that these deficiencies are addressed. Ward Committees are also expected to narrow the gap between the various stakeholder groups, community and the municipality through their involvement during public participation programmes. The challenge had been the number of vacant sits which were deliberately abandoned by a number of ward committee members. However, this shortcoming had been addressed and vacant sits had been filled.

Thus the functionality of the Ward Committees and regular ward meetings are imperative. The municipality did not do well in this field. However, the situation is improving gradually and for the better since one public participation

officer was appointed. The Council should look at some of the issues below for effective strategy to be developed in addressing the failures;

- ❖ Public communication systems;
- ❖ Feedback to communities.
- ❖ Public Participation Models
- ❖ Service Delivery Satisfaction Survey for 19/20 Financial Year.

Amongst the above-mentioned issues, electronic complaints management system had been implemented and the municipality need to conduct awareness campaign by making sure that the community is aware of this service.

Capacity building of the Ward Committees will also be the main key in ensuring that our communities participate fully in the democratic processes and strengthening of the municipality.

1.7 Future Actions

I also need to inform that our plans have been drawn to accommodate public participation, implementation of revenue enhancement strategy without any fail. The municipality has also considered to interconnect human resource management, performance management system and strengthen retention strategies in order to ensure that we retain skilled employees. That the management fill up critical vacant positions promptly to improve remarkably on service delivery.

1.8 Agreements / Partnerships

The municipality did not enter into any agreement or partnership with any entity or service provider regarding local economic development as a result of long unrest and community protest that took place during the financial year under review

1.9 Conclusion

We rendered services under difficult circumstances mainly influenced by external forces within the space of service delivery.

We remain committed in making sure that we provide a responsive systems which support service delivery initiatives and local economic development.

We also recognised all the identified areas of development within communities. We anticipate improvements more especially on developmental needs of the communities through service delivery projects and programmes.

I must say that we remain committed to the principle of a responsive and accountable local government, a local government by the people, for the people.

Thank you,

.....
Cllr. B Mocwaledi
Mayor

2 EXECUTIVE SUMMARY

COMPONENT B: MUNICIPAL MANAGER'S OVERVIEW



Our motto “we sparkle in pursuit of service delivery” compels administration in general, and management in particular, to perform to our utmost best in ensuring that service delivery is rendered in an efficient and effective manner at all our communities irrespective of socio-economic status, colour or creed. In pursuance of the motto, minor changes were effected in the technical department to accommodate the electrical manager in the organogram. Further staff placement and re-assignment of duties in the technical and community services departments were made in order to minimise escalating overtime costs and improve efficiencies. Some improvement is starting to show through the downward trend of overtime costs at one of our units and slight improvement of refuse removal at the other unit.

The following specific activities highlight where there has been either improvement or under performance.

Year after year the municipality seem to be facing the same challenges. The situation can only change if the municipality and the supporting economic sector cluster can bring about a radical economic transformation in the area. **The key challenges are;**

- ❖ Attracting economic investment opportunities to improve the economy of the municipal area;
- ❖ Professionalizing the institution so as to enable it to render efficient government services to the people as per the electoral mandate;
- ❖ Creating adequate job opportunities in attempting to alleviate poverty;
- ❖ Empowerment of the SMMEs and entrepreneurs to create job opportunities and increase economic activity in the area;
- ❖ Provide alternative means of support to rural / informal population in order to decrease dependencies on the grants
- ❖ Improvement of the road networks (internal and external roads);

Council, management and staff strongly believe that challenges can be effectively addressed only if we maintain and continue to build partnerships that include all spheres of government, organizations of civil society, communities and the private sector.

The Municipality has now an internal audit unit in place. The risk management unit has also been established and headed by an officer.

The municipality used to have a shared Audit committee, unfortunately it was dissolved in the third quarter of the year under review.

Appreciation

I record my thanks and appreciation to the political leadership for support and guidance. The appreciation is also extended to the management and administration team who selflessly devoted so much time and effort in the execution of their mandates.

Regards,

Mr. TL Mkhwane
Municipal Manager

3 CHAPTER 1: MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

3.1 INTRODUCTION TO BACKGROUND DATA

Our Municipality is situated in the South Western part of the Free State Province and forms part of the smallest district namely Xhariep District Municipality, a rich agricultural area with natural economic resources. The local municipality area measures 10 192 square kilometres in extend and comprises of five towns; Koffiefontein (which is the head office), Petrusburg, Jacobsdal, Oppermansgronde and Luckhoff. The figure below shows the Letsemeng area with its main towns and neighbouring municipalities of the Xhariep District.



Figure 1: Letsemeng Municipal Area

It borders the Northern (through Jacobsdal) and Western Cape Provinces and is renowned for diamond, salt and slate mining as well as irrigation farming along the Orange Riet Canal and Van der Kloof Dam. Letsemeng Local Municipality is situated in the south-west of the Free State province within the Xhariep District Municipality, a rather agriculturally rich area with limited natural economic resources.

The N8 route transgresses the area to the North West and links Kimberley and Bloemfontein via Petrusburg. The N8 route also crosses the area to the north and links Kimberley and Bloemfontein via Petrusburg. The Port Elizabeth

railway line starts at Koffiefontein and connects at Springfontein with the Bloemfontein/Cape Town. It is also bordered by Tokologo Local Municipality in Lejweleputswa District to the north, Mangaung Metro Municipality to the east and Kopanong Local Municipality in the south-east. Other borders are the Pixley ka Seme District Municipality (Sol Plaatje Local Municipality) in Northern Cape Province to the west and Frances Baard District Municipality (Siyacuma, Thembalihle and Renoster Local Municipalities) in Northern Cape Province to the south-west.

The Local Municipality consists of the towns Koffiefontein, Jacobsdal, Petrusburg, Luckhoff and Oppermansgronde. Koffiefontein is the municipal head office.

The five towns are connected with tarred road infrastructure via Koffiefontein. The R705 links Jacobsdal with Koffiefontein while the R48 links Petrusburg, Koffiefontein and Luckhoff in a north-south direction. The R704 links Koffiefontein, Fauresmith and Jagersfontein with one another.

The municipal area also accommodates Oppermansgronde, just west of Koffiefontein, which is part of a land restitution project. Several pans occur in the area while the Van der Kloof dam, Kalkfontein Dam and Wuras Resort are some of the more prominent water sources available near the area. The Riet River drains through the area in a Westerly direction while the Orange River is the border west of the area. Although there are ample water sources available near the area, access to potable water in some of the towns remain problematic.

The Northern parts of the municipal area surrounding Petrusburg are good cultivated agricultural land while the southern area is renowned for livestock farming. The socio-economic development of the municipality is centred on agriculture. The municipal area also has mining activities, with diamonds being the major natural resource that helps with employment creation.

Table 1: Overview of Neighbourhoods within Letsemeng Municipality

Overview of Neighbourhoods within Letsemeng	
Settlement Type	Households
Towns	
Jacobsdal	1003
Koffiefontein	3203
Petrusburg	2639
Luckhoff	1007
Sub-Total	7852
Townships	
Ratanang	1112
Sub-Total	1112
Rural settlements	1717
Oppermansgronde	230

Overview of Neighbourhoods within Letsemeng	
Settlement Type	Households
Sub-Total	1947
Informal settlements	202
Sub-Total	202
Total	11113
	<i>T 1.2.6</i>

3.1.1 DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILE

The population figures are based on the census conducted in 2016 and the recent 2016 household survey. Migration tends to be voluntary, in most cases it is in search of better economic opportunities and a quality of life. A case in point is foreign nationals. Thus migration patterns are difficult to measure, keep track and get the exact reasons for migrating.

According to the 2016 survey, there is a positive growth in Letsemeng. It is an indication that more and more people are moving to Letsemeng municipality for various reasons. The population in Letsemeng currently stands at 40 044. This is according to the latest STATSSA figures.

Unemployment has marginally increased from 22.8% to 22.30%. Suffice to say the effect of drought and decreasing job opportunities might have a direct effect on migration out of the Letsemeng jurisdiction. Youth unemployment stands at 27.7%, which poses another challenge to the municipality and all Sector Departments to pay special attention to the youth in terms of both employment and economic empowerment.

Table 2: Census Key Statistics

Census Key Statistics	
Population	38 628
Age Structure	
Population under 15	29.70%
Population 15 to 64	64.80%
Population over 65	5.40%
Dependency Ratio	
Per 100 (15-64)	54.20
Sex Ratio	
Males per 100 females	105.70
Population Growth	
Per annum	-1.04%
Labour Market	
Unemployment rate (official)	22.30%
Youth unemployment rate (official) 15-34	27.70%
Education (aged 20 +)	

Census Key Statistics	
No schooling	17.70%
Higher education	4.80%
Matric	18.70%
Household Dynamics	
Households	11 242
Average household size	3.30
Female headed households	33.50%
Formal dwellings	83.20%
Housing owned	54.00%
Household Services	
Flush toilet connected to sewerage	72.80%
Weekly refuse removal	68.00%
Piped water inside dwelling	49.80%
Electricity for lighting	92.80%

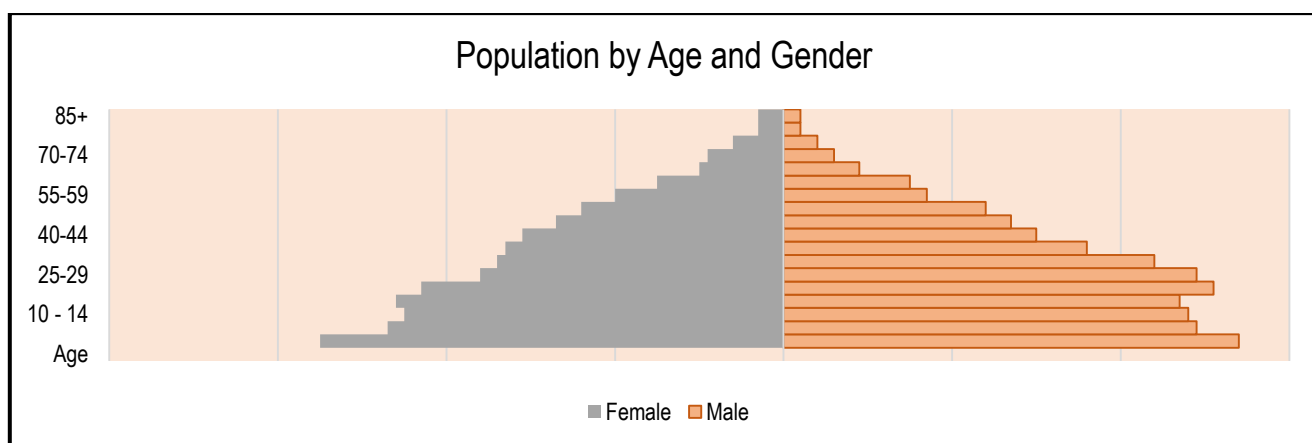


Figure 2: Population by Age and Gender

Table 3: Distribution of Population by Population Group

	Census 2011
Black African	67.80%
Coloured	23.40%
Indian/Asian	0.30%
White	8.10%

Households

There are 11 242 households in the municipality according to Stats SA. The technical department conducted a physical count of households at all five towns and found that there are 8 369 houses with an average household size of 3, 3 persons per household. 90, 8% of households have access to piped water either in their dwelling or in the yard. Only 2, 2% of households do not have access to piped water.

The figures above are according to the 2011 census, and they are still official statistics. The view might slightly change following the physical count done by the municipality.

Table 4: Settlement Type

Area	Percentage
Urban	83,3%
Tribal/Traditional	0%
Farm	16,7%

Housing and dwellings

All urban areas are composed of various residential components varying from formal housing units to informal dwellings units as indicated in the table below. Within the Local Municipality, 83.2% of the population live in formal housing, 16.1% in informal housing and only 0.5% in traditional housing. This reflects that the housing backlog is not that huge but will increase with the new development patterns in the municipality.

The following issues were highlighted regarding the housing delivery:

- ❖ Lack of funding for housing development;
- ❖ Access to land for sustainable human development;
- ❖ Construction of more RDP houses;
- ❖ Provision of services to new residential sites;
- ❖ Fast tracking land availability and transfer of land;
- ❖ Slow delivery of housing development;
- ❖ Lack of capacity at local municipal level;

Socio- economic Status

The socio-economic growth of the municipality is centred on agriculture. The municipality area also has mining activities that are taking place with diamond minerals being the major natural resource which helps with employment creation. The municipality's effort is to create an environment that will be conducive for investment and entrepreneurs to do business.

The LED division at the municipality is making effort to empower local small business and individuals to take advantage of local procurement, organize workshops business skills and making comply with relevant pieces of legislation.

However, the challenge is the sustainability thereof due to limited financial resources and lack of skills by various people to run their own projects. Whilst the trend is worldwide in that about 96% of businesses / projects fail within the first five years, the municipality will make an effort to reduce the failure rate.

Letsemeng Municipals economy is characterized by the following:

- ❖ Mining and agricultural sector are the largest contributor to the local economy;
- ❖ The decline in the agricultural sector over the recent years has had an adverse effect on the employment potential of the rural areas;
- ❖ Luckhoff has the highest unemployment rate;
- ❖ De Beers Mines contributed a major part to the local economy before it was closed;

By virtue of its geographic location the Municipality prides itself as a natural transportation route for people travelling to destinations such as Bloemfontein since one of the major national roads, namely N8 passes through the municipal area.

3.1.2 INCOME DISTRIBUTION

In order to determine the people's living standards, as well as their ability to pay for basic services, such as water and sanitation, the income levels of the local population are analysed.

Household Income

Household income is a parameter which is, amongst others, also indicative of poverty levels within a community. A financially healthy community's household income usually displays a so-called "normal" income distribution pattern where the income is spread over a fairly wide range of income categories, and the income of the bulk of the community is situated more or less within the first half to two thirds of the income category range.

Females are more likely to be unemployed and looking for work than males. Poor communities are sometimes highly dependent on the environment for survival and, in this regard, almost always over-exploit the environment.

Only 10.2% of households in the Letsemeng Municipal fall within the "No income" category. Of concern is that 7.4% of the households in Letsemeng have an annual income of less than R 10 000 and 23.9% of the households have an annual income of less than R19 601.00.

Table 5: Income profile

Income	Percentage
None income	10,2%
R1 - R4,800	4,2%
R4,801 - R9,600	7,4%
R9,601 - R19,600	23,9%
R19,601 - R38,200	24,6%
R38,201 - R76,400	14,1%
R76,401 - R153,800	8%
R153,801 - R307,600	4,5%
R307,601 - R614,400	2,3%
R614,001 - R1,228,800	0,5%
R1,228,801 - R2,457,600	0,2%
R2,457,601+	0,1%

3.1.3 EDUCATION AND SKILLS

11 788 people are economically active (employed or unemployed but looking for work), and of these 22, 3% are unemployed. Of the 6 058 economically active youth (15 – 34 years) in the area, 27, 7% are unemployed. The level of skills within an area is important to determine the level of potential employment.

Using the expanded definition, on average 22.3% of the population in Letsemeng is unemployed, with the highest rate of unemployment being in rural areas.

This high unemployment rate has serious repercussions on the ability of the residents of Letsemeng to pay for their daily needs. Unemployment is more than 21% in all of the areas and the highest is in Luckhoff at 32%.

Table 6: Employment Status:

Employment Status	Number
Employed	9164
Unemployed	2624
Discouraged Work Seeker	1745
Not Economically Active	11518

Table 7: Educations and skills profile

Group	Percentage
No Schooling	4,4%
Some Primary	45,4%
Completed Primary	8%
Some Secondary	29,9%

Completed Secondary	8,6%
Higher Education	0,6%
Not Applicable	3,1%

Table 8: Distribution of population aged 20 years and older by level of education attained

Group	%
No Schooling	4,4%
Some Primary	45,4%
Completed Primary	8%
Some Secondary	29,9%
Completed Secondary	8,6%
Higher Education	0,6%
Not Applicable	3,1%

4. SERVICE DELIVERY OVERVIEW

4.1. WATER

The Municipality's objective remains that of ensuring at least 100% of its inhabitants have access to portable water. Measures are being implemented on a regular and on-going basis to ensure that this objective is achieved. We will continue to ensure that this is met, and clean water is delivered to our communities. Where necessary and required, the municipality will engage the Provincial/National Government as well as other key stakeholders. Projects such as the Petrusburg one undertaken in the previous year is an example of such coordinated and joint efforts.

90, 8% of households have access to piped water either in their dwelling or in the yard. Only 2, 2% of households do not have access to piped water.

Table 9: Distribution of households with access to piped (tap) water by geography

Geography	Households				Percentages			
	Piped (tap) inside dwelling /yard	Piped (tap) water on community stand	No access to piped (tap) water	Total	Piped (tap) inside dwelling /yard	Piped (tap) water on community stand	No access to piped (tap) water	Total
FS161: Letsemeng	10211	788	243	11242	90.8	7.0	2.2	100.0
Koffiefontein	3180	8	15	3203	99.3	0.3	0.5	100.0
Ratanang	1105	1	6	1112	99.3	0.1	0.5	100.0
Jacobsdal	646	354	3	1003	64.4	35.3	0.3	100.0
Riet River	224	78	30	332	67.6	23.5	8.9	100.0

Petrusburg	2400	154	85	2639	91.0	5.8	3.2	100.0
Oppermans	230	-	-	230	100.0	-	-	100.0
Luckhoff	987	17	3	1007	98.0	1.6	0.3	100.0

4.2. SANITATION

The Municipality's continues to provide proper sanitation facilities to all communities. The municipality managed to reduce the number of bucket toilets. To date there are two hundred households who are still using a bucket system. Plans are afoot to totally eradicate the system.

Table 10: Toilet Facility

Toilet Facility	Percentage
None	5%
Flush toilet (connected to sewerage system)	72,8%
Flush toilet (with septic tank)	2,7%
Chemical toilet	0,5%
Pit toilet with ventilation	10,5%
Pit toilet without ventilation	5,3%
Bucket toilet	2,3%
Other	0,8%

4.3. ELECTRICITY

Electricity provision in the Municipality is jointly supplied by ESKOM and the Municipality. The Municipality is servicing four of the five towns under its jurisdiction, which are Koffiefontein, Petrusburg, Oppermansgronde and Luckhoff. The municipality also sells prepaid electricity to some Koffiefontein and Luckhoff residents. In Jacobsdal, Ratanang and Bolokanang distribution is done by ESKOM.

Table 11: Distribution of households with access to electricity for lighting by geography

Geography	Households				Percentages			
	Electricity	Other	None	Total	Electricity	Other	None	Total
FS161: Letsemeng	10430	796	17	11243	92.8	7.1	0.1	100.0
Koffiefontein	3157	41	5	3203	98.6	1.3	0.2	100.0
Ratanang	1068	44	-	1112	96.0	4.0	-	100.0
Jacobsdal	809	187	7	1003	80.6	18.7	0.7	100.0
Riet River	258	74	-	332	77.7	22.3	-	100.0
Petrusburg	2524	112	2	2638	95.7	4.3	0.1	100.0
Oppermans	227	2	-	229	98.9	1.1	-	100.0
Luckhoff	919	88	-	1007	91.3	8.7	-	100.0

4.4. REFUSE REMOVAL

Waste Removal Services are provided to all the towns Koffiefontein, Petrusburg, Luckhoff, Oppermansgronde and Jacobsdal. These land fill sites with the exception of Jacobsdal and Petrusburg, are currently used as transfer stations and will be registered accordingly and be used fully as land fill sites.

Table 12: Distribution of households by type of refuse removal and geography

Geography	Households					Percentages				
	Formal Dwelling	Informal	Traditional	Other	Total	Formal Dwelling	Informal	Traditional	Other	Total
FS161: Letsemeng	9358	1812	17	55	11242	83.2	16.1	0.1	0.5	100.0
Koffiefontein	2659	538	1	5	3203	83.0	16.8	0.0	0.2	100.0
Ratanang	861	240	2	10	1113	77.4	21.6	0.2	0.9	100.0
Jacobsdal	598	395	-	10	1003	59.6	39.4	-	1.0	100.0
Riet River	251	76	5	-	332	75.6	23.0	1.4	-	100.0
Petrusburg	2181	450	1	7	2639	82.6	17.1	0.0	0.3	100.0
Oppermans	229	1	-	-	230	99.5	0.5	0	0	100.0
Luckhoff	937	60	1	8	1006	93.1	6.0	0.1	0.8	100.0

4.5. HOUSING

The objective of the Municipality is to facilitate provision of adequate and affordable housing structures to the communities in its area of jurisdiction. Provision for houses is not the core competency of the Municipality; this objective is undertaken in partnership with the Provincial Department of Human Settlement which continues to allocate houses to residents on an on-going basis. This is mainly due to the fact that demand for housing remains a big challenge but we remain committed to facilitate the provision of shelter to the communities we serve.

4.6. ROADS AND STORM WATER

Another aim of the municipality is to facilitate the adequate and constant maintenance of access roads and to ensure regular maintenance of all internal roads. Every year, a lot more kilometres of internal roads have been repaired. Furthermore, there is an annual allocation to ensure that roads are maintained. The proportion of households with access to the minimum level of services is shown in the table below:

Table 13: Proportion of Households with minimum level of Basic Services

Proportion of Households with minimum level of Basic services				
			2019/20	2020/21
Electricity service connections			100%	100%
Water - available within 200 m from dwelling			99%	99%
Sanitation - Households with at least VIP service			99%	99%
Waste collection - Kerbside collection once a week			100%	100%

4.7. FINANCIAL OVERVIEW

This overview sets out highlights of the municipality's financial performance in the past year. Full details appear in the annual financial statements. .

Table 14: Financial Overview – 2020/21

2019/20				2020/21		
Details	Original budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget	Actual
Income:						
Grants	113 452 000	124 107 000	102 922 774	125 997 000	135 282 000	137 558 328
Taxes, Levies and tariffs	61 651 768	59 305 330	73 496 228	58 555 084	75 631 563	76 219 276
Other	6 110 411	5 637 662	16 971 864	5 574 817	9 930 026	16 202 395
Sub Total	181 214 179	189 049 992	193 390 866	190 126 901	220,843,589	229 979 999
Less: Expenditure	182 317 733	185 035 157	224 801 652	208 756 932	218 049 399	229 257 588
Net Total*	(1 103 554)	4 014 835	(31 410 786)	(18 630 031)	2 794 190	722 411
<i>* Note: surplus/(deficit)</i>						

Table 15: Operating Ratios

Operating Ratios				
Detail		2018/19	2019/20	2020/21
		%	%	
Employee Cost		26%	28%	29%
Repairs & Maintenance		1%	2%	3%
Finance Charges		0.7%	1.1%	3.4%

Table 16: Total Capital Expenditure

Total Capital Expenditure: '2018/19 - to '2020/21			
Detail	2018/19	2019-20	2020/21
Original Budget	49 949 000	48 392 250	58 573 470
Adjustment Budget	49 949 000	47 363 650	710 000 470
Actual	720 417 055	702,953,967	705 030 610

4.8. COMMENT ON CAPITAL EXPENDITURE

The municipality's property, plant and equipment for the financial year under review amounted to R 705,030,610 compared to R 708,314,027 for the previous year. Capital commitments as at 30 June 2021 amounted to R 51,505,667 (2020: R 54,008,572). The fixed assets were financed from government grants.

4.9. ORGANISATIONAL DEVELOPMENT OVERVIEW

Staffing

There are still some key posts at lower levels of the organogram that need to be filled with urgency. The challenge the institution will forever battle with is the retention of skilled personnel. The geographical location and the financial position of the municipality are major deterrents to potential candidates.

4.10. AUDITOR GENERAL REPORT

The Municipality Received a Qualified Opinion for 2020/2021 financial year

According to legislation the Annual Report of a municipality must be tabled in the municipal council on or before 31 January each year. In order to enhance Councils oversight function the municipality should submit their Annual Performance Reports as soon as possible after the financial year end, ideally this ought to be the end of August.

The Annual Financial Statements and Annual Performance Report were submitted on 31 August 2021 to the Auditor-General. Management is currently developing processes and systems in order to ensure that the remaining sections be in place for the 2020/21 Annual Report process. It is expected that the entire process should be concluded by the end of January. The legislative process for the creation, submission, review and approval of the 2020/21 Annual Report is set out in the table below.

4.11. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July 2021
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2020/21 Annual Report to Internal Audit	
5	Audit/Performance committee considers draft Annual Report of municipality	August 2021
6	Municipality submits draft Annual performance Report including annual financial statements to Auditor General	
7	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
8	Auditor General audits Annual performance Report including Annual Financial Statements	September – November 2021
9	Municipalities receive and start to address the Auditor General's comments	January 2022
10	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
11	Audited Annual Report is made public and representation is invited	February 2022
12	Oversight Committee assesses Annual Report	
13	Council adopts Oversight report	March 2022
14	Oversight report is made public	
15	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

5. CHAPTER 2 – GOVERNANCE

5.1. INTRODUCTION TO GOVERNANCE

The Letsemeng Local Municipality is an organ of state within the local sphere of government. It was established by means of Provincial Notice No 181, published in the Free State Provincial Gazette of 28 September 2000. The Municipality is a municipality with plenary executive system determined by the Determination of Types of Municipality Act, 2000 (Act No. of 2000).

In terms of section 151(3) of the Constitution of the Republic of South Africa the municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to the national and provincial legislation, as provided for in the Constitution.

5.2. COMPONENT A: POLITICAL AND ADMINISTRATIVE

5.2.1. INTRODUCTION TO POLITICAL GOVERNANCE

Section 151 of the Constitution, 1996 states that, the executive and legislative authority of a municipality is vested in its municipal council. This is complemented by the Municipal Structures Act and Municipal Systems Act. In terms of section 160(2) of the Constitution, 1996, the following powers may not be delegated by a municipal council and must therefore be exercised by council: passing of by-laws, approval of budgets, imposition of rates and taxes, levies and duties and the raising of loans. The Speaker is appointed by Council and performs her/his functions in terms of section 37 of the Municipal Structures Act, such as presiding at council meetings and overseeing the work of council committees.

The Municipal Council uses a governance system that applies to plenary executive type system. It is consisted of eleven (11) Councillors with a Speaker/Mayor being a member who has been designated as full time councillor. In terms of section 36(5) of the Local Government: Municipal Structures Act, No. 117 of 1998, the speaker must be called Mayor as the Letsemeng Municipal Council is plenary executive type system.

The main obligations of the Municipal Council is to formulate and endorse or pass by – laws, policies, most importantly the Integrated Development Plan and the Medium term revenue and expenditure framework (Budget)

The Speaker presides over ordinary as well as special Council meetings. The administration dispatch notices and agendas to Councillors forty eight (48) hours before the commencement of the council meetings as determined in the Standard Rule and Orders.

The Mayor as a political head of the Municipal Council attends to day to day obligations of the Municipal Council by playing oversight role over the administration and represents the meeting at the district and provincial intergovernmental relation forums as well as at the, South African Local Government Association. The Mayor provides general guidance over the fiscal and financial affairs of the municipality as well as the Integrated Development Plan.

The Council has established four (4) Section 79 Committees in terms of the Municipal Structures Act and the Municipal Finance Management Act to process items before they could be forwarded to the Municipal Council i.e. Finance, Local Economic Development and Planning and Development, Corporate Services committee and Local Labour Forum, Technical Services and Infrastructure Committee, and Community Services. These Committees process items before they could be forwarded to the Council.

The different Departments of the Municipality prepare reports that are then submitted to the Council for consideration and approval. Important to note is that the Section 79 Committees and Municipal Council sit as per schedule of Council meetings that was adopted by the Council.

The Municipal Council has established an MPAC, which is composed of four members and the Council is playing an Oversight role in the activities that are performed by the Municipality.

The Annual Report is prepared by the Performance Management Unit in collaboration with other departments. When the management is satisfied with this report it is then submitted to the Council for noting on or before the 31st of January of each year. Subsequent to this process it is forwarded to the Oversight Committee after tabling for assessment and thereafter it is presented before the Council with the Committee comments and recommendations. The Annual Report and the Oversight Committee report are submitted to Departments of Treasury, Cooperative Governance and Traditional Affairs for comments. Furthermore, these reports are separately published to the community for comments.

The Internal Audit Unit conducts audit throughout the year in terms of their audit plan and prepares Audit packs/reports that are then submitted to the Internal Audit Committee. After consideration of these reports the Audit Committee forwards its recommendations to Council for considerations and approval

The Municipality has appointed the Municipal Manager who is the head of the administration. He is responsible for day to day operations of the organization and accounts to the Mayor in between Council meetings. Other senior managers who have been appointed in terms of section 56 of the Local Government: Municipal Systems Act, 2000 reports directly to the Municipal Manager. It is important to highlight that the Municipality is composed of four (4) departments that are headed by departmental heads, section 56 managers, excluding the office of the Municipal Manager i.e. Corporate Services, Budget and Treasury, Community Services and Technical Services.

5.3. POLITICAL GOVERNANCE

POLITICAL STRUCTURE	Function
MAYOR Cllr MA Lebaka	<i>Preside over Municipal Council meetings and attend to day to day obligations of the Council by playing oversight role over the administration.</i>
Section 79 Committee Chairpersons Cllr XW Nqelani Cllr VP Mlozana Cllr N November Cllr MJ Phaliso	Chairperson for Planning and Development, LED and Finance Committee Chairperson for Corporate Services Committee and Local Labour Forum Chairperson for Community Services Committee Chairperson for Technical and Infrastructure Committee

COUNCILLORS

The Municipal Council of Letsemeng Local Municipality comprises of eleven (11) Councillors. Six of them were elected to represent wards and five (5) were proportional representative. The Council was represented of three political parties as follows:

African National Congress (ANC) : Eight (8)

Democratic Alliance (DA) : Two (2)

Economic Freedom Fighter (EFF) : One (1)

Four (4) members of Council, were designated as Chairpersons of Section 79 Committees. Each Committee is composed of three members which includes the Chairperson of the Committee. Furthermore, it has established a Municipal Public Accounts Committee which is composed of five (5) Council members. The Ward Councillors are Chairpersons of Ward Committees, and the Ward Committee serves as an advisory committee to the wards councillors.

5.4. ADMINISTRATIVE GOVERNANCE

5.4.1. INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the accounting officer of the municipality and the head of the administration and reports directly to the Mayor and Council. Directors (section 56 managers') report directly to the Municipal Manager and their performance is managed by the Municipal Managers in terms of the annually signed performance agreements and plans.

Directors are responsible for the management of their respective functions/departments, which include the management of service delivery programs and targets, personnel and budgets.

The Municipal Manager ensures accountability by departments through weekly and monthly management meetings and quarterly performance reviews of Directors.

Top Administrative Structure

	POST DESIGNATION	FUNCTION	PERFORMANCE AGREEMENT SIGNED YES/NO
1.	MUNICIPAL MANAGER Mr TL Mkhwane	Accounting Officer/Head of Administration	Yes
2	ACTING DIRECTOR: CORPORATE SERVICES Mr S Qwelane	<i>Human Resources, Auxiliary and Legal Services, Council Support</i>	No
3.	CHIEF FINANCIAL OFFICER Mr CFO/SJ Tooi	<i>Expenditure, Revenue, Assets & Liability Management, Budgeting & Reporting</i>	Yes
4.	DIRECTOR: COMMUNITY SERVICES Mr. CJ Makhoba	<i>Waste Management, Sport & Recreation, Arts & Culture, Public Safety and Parks</i>	Yes
5.	DIRECTOR: TECHNICAL SERVICES Mrs DG Tsikang	<i>Water, Sanitation, Electricity, Roads & Storm water, Urban Planning and PMU</i>	Yes

5.5.1. INTRODUCTION TO COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Letsemeng Municipality through the 2020/21 financial year participated in a number of intergovernmental forums. This ensures that the Municipality is kept up to date on key developments in strategic areas of its responsibilities.

Through active participation in these forums and the available platform created, the Municipality exchanges ideas and interact with other spheres of government to improve mutual relations between government institutions.

5.5.2. . NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality participate in the National South African Local Government Association Members Assembly which is held once annually. The municipalities converge annually at the assembly to discuss matters that affects the municipality and resolved how to tackle the challenges faced by the municipalities

5.5.3. PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Municipality is part of the Provincial Coordinating Forum which is used to facilitate intergovernmental relations between the province and local government in the province. The Municipality also participates in Provincial Forums which include Provincial IDP Forum, Provincial Energy Forum, Provincial AIDS Forum as well as South African Local Government Association (SALGA).

5.5.4. DISTRICT INTERGOVERNMENTAL STRUCTURES

Meetings are been held once in a quarter, whereby the District Municipality is responsible for ensuring the co-ordination of intergovernmental relations within the district municipality with local municipalities in the district. District Coordinating Forum consists of the Executive Mayor of the District and three other local municipalities' Mayors who are primary members of this structure.

5.5.4. TECHNICAL SUPPORT COMMITTEE

This Committee consists of the District Municipal Manager and other three Local Municipal Manager who are primary members of the structure. The Committee must meet at least once per quarter with other stakeholders to process issues in preparation of the political District Forum.

5.6. COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

5.5.1 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality improved on the responsibilities mentioned above as indicated in the 2020/21 IDP by:

- Providing feedback to different communities on issues people raised during the first round of public engagements.
- Providing progress report on funded projects implemented in the different Wards.
- Providing opportunity for communities to making input to the 2020/21 IDP process.
- Providing Ward Committee an opportunity to prioritise inputs received from the different wards.
- Encouraging Ward Councillors and Ward Committees to do further consultation about communities service delivery priorities.
- Encouraging communities, Stakeholders and individual members of society to make use of the opportunity to do submission regarding the IDP review and budget of the municipality.

The staff is allocated wards to work with and report on their activities. There are also members of ward committees responsible for different sections in their wards. These measures have helped as members of community reports issues related to service delivery at their earliest occurrence.

5.7. PUBLIC MEETINGS

5.7.1. KEY PURPOSES OF WARD COMMITTEES

- Create formal unbiased communication channels and co-operative partnerships between the Municipality and the community within a ward.
- Ensure contact between the Municipality and the community through the relevant feedback mechanisms.

- Act as an advisory body on council policies and matters affecting communities in the ward as requested.
- Make recommendations on matters affecting the ward to the ward councillor.
- Serve as a constructive mobilizing agent for positive community action.

5.7.2. COMMUNICATION, PARTICIPATION AND FORUMS

The municipality uses loud hailing, print media, posters, as well as physical delivery of invitation such as IDP/budget which are on semester interval. These meetings are inclusive of representative from Safety, Business and CBO's.

Table 17: Public Meetings

Public Meetings							Comments
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community	
IDP, Budget Consultation meeting at Oppermansgronde	None	0	0	0	None	Meetings were not conducted due to Covid-19 regulations	Community Members were requested to forward their inputs to the Office of the Speaker/ Mayor and Municipal Manager
IDP and Budget Consultation at Petrusburg	None	0	0	0	None	Meetings were not conducted due to Covid-19 regulations	Community members requested to forward their inputs
IDP and Budget Consultation at Koffiefontein (Ward 5)	None	0	0	0	None	Meetings were not conducted due to Covid-19 regulations	Community members requested to forward their inputs
IDP and Budget Consultation at Luckhoff	None	0	0	0	None	Meetings were not conducted due to Covid-19 regulations	Community members requested to forward their inputs
IDP and Budget Consultation at Phambili	None	0	0	0	None	Meetings were not conducted due to Covid-19 regulations	Community members requested to forward their inputs

5.7.3. COMMENT ON THE EFFECTIVENESS OF PUBLIC MEETINGS HELD

The community consultation meetings were not conducted due to Covid-19 regulations.

5.8. IDP PARTICIPATION AND ALIGNMENT

Table 18: IDP Participation and Alignment Criteria

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align directly to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
*Section 26 Municipal Systems Act 2000	

5.9. COMPONENT D: CORPORATE GOVERNANCE

5.9.1. OVERVIEW OF CORPORATE GOVERNANCE

The municipality endeavours to comply with the regulatory frameworks and best practices regarding corporate governance. This includes the establishment of a risk management function, internal audit unit and independent audit committee and the implementation of fraud and anti-corruption policies and measures.

In addition, Letsemeng Municipality follows a comprehensive system of rules and processes that are designed to sustain and enhance optimal end to effective organizational management.

5.10. RISK MANAGEMENT

Risk Management provides a clear and structured approach to identifying risks. Having a clear understanding of all risks allows the municipality to measure and prioritise them and take the appropriate actions to reduce possible losses.

The Municipality implements and maintains effective, efficient and transparent systems of risk management and internal control. The risk management will assist the municipality to achieve its service delivery outcomes and enhance organisational performance. The risks are managed formally and periodically by means of a factual and realistic approach. This promotes the achievement of objectives and further avoids these risks from impacting negatively on the organizational efficiency.

The average risks in developing the Internal Audit Coverage Plan was extracted from the risk assessment report, considering the impact and likelihood of critical issues/risks within each of the identified activities.

5.11. ANTI-CORRUPTION AND FRAUD

The actions that constitute corruption can be classified as follows:

- Any dishonest, fraudulent or corrupt act,
- Theft of funds, supplies and other assets,
- Maladministration or financial misconduct in handling or reporting of money,
- Making profit from insider knowledge,
- Disclosing confidential information to outside parties,
- Deliberately refusing or omitting to report or act upon reports of irregular or dishonest conduct

The strategies in place to prevent corruption, fraud and theft are the application of policies approved by council such as the supply chain management policy and the segregation of duties to approval of transactions within the municipality.

Key risk areas susceptible to corruption and fraud are the procurement, cash collection and payments as well as unauthorized distribution of information from the institution. Policies were approved by council. The code of conduct in terms of the Municipal Systems Act was communicated to all employees to highlight the importance of proper employee behaviour and conduct.

A previous challenge that is now overcome was the lack of important structures to effectively deal with the occurrence of corruption and fraud within the municipality. A lack of capacity at the Internal Audit and Supply Chain and the ineffective functioning of the Audit Committee were some of the challenges the municipality faced to effectively eliminate the occurrence of fraud and corruption. These challenges have now been resolved and a functional internal audit, supply chain management. The Municipality established an Audit Committee that serve only the Letsemeng Local Municipality

5.12. SUPPLY CHAIN MANAGEMENT

Supply Chain Management is centralised and attached to Budget and Treasury Office which is mainly responsible for the administration and procurement of goods and services. The municipality is currently utilizing *Sage Evolution*. All the procurements are transacted through sage evolution system to avoid irregular and fruitless expenditure. Supply Chain processes are regulated by supply chain policy which is in line with relevant regulations.

5.13. BY-LAWS LITIGATION

Table 19: By-laws introduced

By-laws Introduced during 2020/21					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
None	-	-	-	-	-
<i>*Note: See MSA section 13.</i>					

5.13.1. COMMENT ON BY-LAWS

For the financial year under review the municipality did not have any new By-Laws to be promulgated.

5.14. WEBSITE

A municipal website <http://www.letsemeng.fs.gov.za> is a key communication mechanism in terms of service offering, information sharing and public participation and should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets, budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Table 20: Municipal Website: Content and Currency of Material

Municipal Website: Content and Currency of Material	
Documents published on the Municipality's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (2019/20)	Yes
The annual report (2020/21) to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2020/21) and resulting scorecards	Yes
All service delivery agreements (2020/21	No
All long-term borrowing contracts (2020/21	No
All supply chain management contracts above a prescribed value R100 000 for 2020/21	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No
Contracts agreed in 2020/21 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in 2020/21	No
All quarterly reports tabled in the council in terms of section 52 (d) during 2020/21	Yes
T 2.10.1	

6. CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

6.1 INTRODUCTION

The municipality as a Service Authority within its area of jurisdiction has a legislative mandate to provide services in a safe and healthy environment. The Technical Department is responsible for operation and maintenance of infrastructure which include electricity, water services, roads and storm water. The Technical Department also provides support services such as the mechanical workshop.

The Technical Department plays a pivotal role in terms of facilitation and coordination of services provided by Provincial and National Departments. The municipality has adopted a five-year IDP Plan which is a strategic document aiding in the developments within the municipality. Sector plans are also included which gives effect to the strategies and objectives in the IDP. The IDP is further informed by both the National and Provincial development strategies.

The purpose of the report is to provide information in respect of the core responsibilities, objectives, achievements as well as challenges faced by the Technical Department during the 2020/21 financial year.

6.2 COMPONENT A: BASIC SERVICES - WATER

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services. The municipality accepted that the number of households within the municipal area is 40 044 as provided by Statistics South Africa for 2016.

INTRODUCTION TO BASIC SERVICES

Technical Services Department is responsible for the following services:

- Provision of new infrastructure in terms of planning and implementation.
- Operating, maintenance and refurbishing/rehabilitation of existing infrastructure.
- Provision of basic services such as water, electricity and roads.

This is done as a basic service delivery aspect in the following areas:

A. Water and waste water services

- Water purification
- Sewerage treatment
- Storage dams
- Water reservoirs
- Water and sewage reticulation networks

B. Roads, storm water, railways and public works

- Roads design, construction and maintenance
- Storm water drainage system
- Bridges and culverts
- Landfill site management

C. Electricity

- Electricity Distribution
- Electricity network maintenance and upgrading
- Electricity Consumption Care
- Public lighting

D. Buildings survey

- Approval of building plans, construction and inspections thereof

Objectives and Achievements

Strategic objectives are set out in planning and budgeting tools such as IDP and SDBIP in order to properly plan and achieve targets. Priority areas regarding basic service delivery are as follows:

- Access to water,
- Water loss,
- Water quality,
- Access to sanitation,

- Access to electricity,
- Energy efficiency,
- Access to municipal surfaced roads

Departmental Challenges

- Institutional and organizational development:
 - Inadequate attraction and retention of skilled competent personnel,
 - Prolonged recruitment processes,
 - Inadequate training and development of staff
- Infrastructure maintenance and development:
 - Outdated technology and aged infrastructure,
 - Water and Sanitation Master plans are in place and have been approved by council,
 - Inadequate infrastructure capacity to meet supply demand,
 - Increasing theft and vandalism of infrastructure,
 - Limited preventative maintenance,
 - Decaying infrastructure,
 - Heavy motor vehicular movement through and around CBD,
 - High distribution losses (water and electricity)
- Machinery, equipment and fleet:
 - Shortage of machinery, equipment and fleet,
 - High average age of municipal fleet,
 - Most fleet out of useful lifespan,
 - Prolonged turnaround time in terms of repairs and continued breakages,
 - Limited maintenance equipment,
 - Delayed processing time of purchase request in terms of maintenance and repairs,
 - Shortage of vehicles and machinery causing low productivity and low morale of staff cascading into serious delays in service delivery.

- Financial Constraints:
 - Insufficient maintenance budget,
 - Insufficient capital budget appropriated (own funding),
 - Lack of consumables and sundry items,
 - Supplier / municipal relations dented,
 - Long processing period of purchase orders.

- Natural Hazards:
 - rainfall and flooding causes delay in project implementation and flooding of residential areas,
 - Drought, leading to inadequate raw water supply and thereby negatively affecting the Municipality's mandate of providing basic water service to its communities.
 - Extensive damage to infrastructure (decaying roads surfaces and potholes) and facilities / property.

- Compliance to Regulations:
 - Inadequate monitoring and measuring equipment and processes to facilitate compliance.

- Bulk Supply Services:
 - Inadequate bulk raw water supply in Petrusburg and Koffiefontein.
 - Rapidly deteriorating condition of roads network including main roads.

WATER PROVISION

Water needs are determined via the consumer base on the ground. Figures used to determine this includes provision for registered indigents according to the municipal policy. Supply and disruptions are monitored and future needs are based on results. Further inputs from the community and political offices are compared with departmentally identified issues and included in the IDP as needed. National government targets are also included in future planning.

For blue drop purposes the water quality is monitored continuously and uploaded on the IRIS site and water provision to the community is done in accordance with the Water Services Act 1997.

The top four priorities are:

1. Sufficient water supply for communities.
2. Connections to individual stands with provision for indigents.
3. Provision of water within legal requirements (Water within Blue drop and SANS 241 standards)
4. Monitoring of water supply through proper installation of water meters

The challenge in water supply remains the balance between the available raw water and demand from the community.

The blue drop status have increased and it is expected to improve with a bigger percentage in the next financial year due to the appointment of process controllers that are in line with regulation 813 of the national standards for process controllers and water services works. There is currently construction of a Water Treatment Works in progress at the Jacobsdal water treatment plant. This will improve the quality of water supply and capacity in general and also contribute to an increase in the bluedrop status.

All formal areas of Letsemeng available for occupation are provided with water networks with pre installed connections and consumers moving onto unconnected stands are connected on application.

Letsemeng Local Municipality (LLM) is a Water Service Provider (WSP) and a Water Service Authority (WSA), all this functions are currently operated by the Municipality. Letsemeng Local Municipality has through the Department of Cooperative Governance and Traditional Affairs (Cogta) prepared a Water and Sanitation Master Plan and Maintenance and Operations in 2019.

LLM is struggling to meet the water demand from four towns namely Luckhoff, Koffiefontein, Jacobsdal and Petrusburg. This is due to the low capacity of the Water treatment Works (WTW), old aged infrastructure e.g Canal in Jacobsdal and availability of surface water. The demand of water is higher than the available supply, this is in some cases compromising the quality of water since the plants would be pushed to the maximum capacity or even be exeded resulting in turbidity increasing. LLM has through the Department of Water & Sanitation (DWS) constructed a 4.15Ml Jacobsdal Conventional WTW.

Unavailability of surface water poses a high risk to the community of Petrusburg because they rely on ground water, most of the boreholes have already started showing reduced capacity while there is no alternatice sources. LLM has prioritized two projects to improve water supply in Petrusburg and Bolokanang, the refurbishment and equipping of 12 boreholes and construction of a new pipeline from

borehole 14 and 15 in Petrusburg to Bolokanang Reservoir. Improvement of water supply in Ratanang 202 sites has been completed with water reticulation and yard connections. LLM through MIG funding was able to install and refurbish Bulk and Domestic meters of Koffiefontein, Petrusburg, Jacobsdal and Luckhoff. The aforementioned project was implemented to assist with addressing the challenge of water losses and to improve revenue collection of the municipality.

6.3 COMMENT ON WATER USE BY SECTOR:

As indicated earlier, LLM did not have enough metering points to be able to gather the water balancing statistics, it is only recently when Oppermansgronde has been declared ready for water balancing. The below graph will not be able to show different categories and their usage.

Table 21: Water Service Delivery Levels

Water Service Delivery Levels					
Description	Ref	Households			
				2019/20 Actual 0-Jan- 00	2020/21 Actual No.
<u>Water: (above min level)</u>					
Piped water inside dwelling				8 336	8 336
Piped water inside yard (but not in dwelling)				0	0
Using public tap (within 200m from dwelling)	2			693	693
Other water supply (within 200m)	4			493	493
<i>Minimum Service Level and Above sub-total</i>				9 522	9 522
<i>Minimum Service Level and Above Percentage</i>				100%	100%
<u>Water: (below min level)</u>					
Using public tap (more than 200m from dwelling)	3	490	490	0	0
Other water supply (more than 200m from dwelling)	4	0	0	0	0
No water supply		0	0	0	0
<i>Below Minimum Service Level sub-total</i>		490	490	0	0
<i>Below Minimum Service Level Percentage</i>		5%	5%	0%	0%
Total number of households*	5	9 319	9 319	9 320	9 522

Table 22: Households - Water Service Delivery Levels

Description		2019/20	2020/21
		Actual No.	Actual No.
Formal Settlements			
Total households		8 134	8 336
Households below minimum service level		0	0
Proportion of households below minimum service level		0%	0%
Informal Settlements			
Total households		493	493
Households below minimum service level		0	0
Proportion of households below minimum service level		0%	0%

Actual performance against the predetermined objectives and targets

TECHNICAL SERVICES

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-2020	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TL1	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	100 Percentage of complete new 4.2 Ml Conventional WTW at Jacobsdal by 2020/21 financial year.	Percentage	Progress reports and completion certificate	90%	10% Completion of the new 4.2Ml Conventional WTW in Jacobsdal by 30 June, 2020/21 financial year	10% achieved	10% Achieved	N/A	N/A	Completion Certificate submitted	
TL2	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Equipping and connection of 12 boreholes to the water supply scheme at Petrusburg by 30 June 2021.	Number	Progress reports and completion certificate	0	12 Boreholes Completed, equipped and connected to the water supply scheme at Petrusburg by 2020/21 financial year	13 Boreholes Completed,	Achieved	N/A	N/A	Information submitted	
TL3	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations	Installation of 750 domestic water meters at Dithlake, Sonwabile, Diamanthoogte, (MIS: 321576) by	Number	Progress reports	0	750 Installed domestic water meters at Dithlake, Sonwabile, Diamantho	750 water meters installed project is complete	Achieved	N/A	N/A	Completion certificate submitted	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-2020	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
		and maintenance	30 September 2020.				ogte by 30 June 2021					
TL4	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Installation of 1 bulk water meter at Koffiefontein by 30 June 2021.	Number	Progress reports and completion certificate	0	1 bulk water meter installed at Koffiefontein by 31 March 2020/21	1 bulk water meter installed Project is complete	Achieved	N/A	N/A	Completion Certificate submitted
TL5	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Installation of 681 domestic water meters at Jacobsdal and Ratanang by 30 September 2020.	Number	Progress reports	0	681 domestic water meters installed at Jacobsdal and Ratanang by 31 December 2020	681 water meters installed project is complete	Achieved	N/A	N/A	Completion Certificate submitted
TL6	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Installation of 2 bulk water meters at Ratanang by 30 June 2021.	Number	Progress reports and completion certificate	0	2 bulk water meters installed at Ratanang by 30 June 2021	2 bulk water meters installed Project is complete	Achieved	None	None	Completion Certificate submitted
TL7	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations	Installation of 250 domestic water meters at Relebohile by 30 September 2020.	Number	Progress reports	0	250 domestic water meters installed at Relebohile by 31 December 2020	250 water meters installed project is complete	Achieved	N/A	N/A	Completion Certificate submitted

Ref	KPA	Strategic Objective	KPI	Unit of Measure	Evidence	Baseline 2019-2020	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
		and maintenance										
TL8	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Installation of 1 bulk water meter at Luckhoff by 30 June 2021.	Number	Progress reports	0	1 bulk water meter installed at Luckhoff by 30 June 2021	1 bulk water meter installed Project is complete	Achieved	None	None	Completion Certificate submitted
TL9	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Installation of 150 domestic water meters at Bolokanang by 30 September 2020.	Number	Progress reports	0	150 domestic water meters installed at Bolokanang by 31 December 2020	150 water meters installed project is complete	Achieved	N/A	N/A	Completion Certificate submitted
TL10	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Installation of 8 bulk water meters at Petrusburg (5) and Bolokanang (3) by 30 June 2021	Number	Progress reports and Completion certificate	0	8 bulk water meters installed at Petrusburg (5) and Bolokanang (3) by 31 March 2021	8 bulk water meters installed Project is complete	Achieved,	None	None	Completion Certificate submitted
TL11	Basic Service delivery	Eradicate backlogs in order to improve	100 Percentage of construction of new pipeline from boreholes	Percentage	Progress reports	0	100% Complete Construction of new	95% achieved	Not achieved	The contractor still not completed the snag list	Project to be completed in the new financial year.	The project to be comple

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-2020	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
		access to services and ensure proper operations and maintenance	14 & 15 at Petrusburg to reservoir at Bolokanang by 30 June 2021.				pipelines from boreholes 14 & 15 in Petrusburg to reservoir at Bolokanang by 30 June 2021					ted in the next financial year
TL12	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	100 Percentage of upgrading and refurbishment of Sports Facility at Koffiefontein, Dithake by 30 September 2020.	Percentage	Completion Certificate/Closure report	0	100% Complete Upgrading and refurbishment of Sports Facility at Koffiefontein, Dithake 30 September 2020	Achieved	Achieved	None	None	Information submitted
TL13	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	100 houses electrified at Koffiefontein, Diamanthoogte by 30 June 2021.	Number	Completion certificate	0	100 houses electrified at Koffiefontein, Diamanthoogte by 30 June 2021	Achieved	Achieved	None	None	Information submitted

Ref	KPA	Strategic Objective	KPI	Unit of Measure	Evidence	Baseline 2019-2020	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TL14	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	344 houses electrified at Jacobsdal, Riemvasmak by 30 June 2021.	Number	Progress report	0	344 houses electrified Jacobsdal, Riemvasmak by 2020/21 financial year	352 houses electrified.	Achieved	None	None	Information submitted	
TL15	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	900 electrical meters replaced at Letsemeng municipal area, Petrusburg (), by 31 March 2021.	Number	Meter replacement report	0	900 Electrical Meters replaced in the Letsemeng municipal area by 2020/2021	101 Electrical meters replaced	Achieved	None	None	Information submitted	
TL16	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	100 Percentage of the refurbishment of Water Treatment Works Filters at Koffiefontein by 31 December 2021.	Percentage	Completion Certificate/ Close out report	0	100% Completion of the Refurbishment of Water Treatment Works Filters at Koffiefontein by 31 March 2021	Project not complete	Not Achieved	There is more vandalism that was not covered in the original scope	Contractor on site to do portion of scope, LLM to complete outstanding work	None	
TL17	Basic Service delivery	Eradicate backlogs in order to improve access to	Number of Section 79 Committee meetings held	Number	Attendance registers, minutes of committee meetings and	3	5 Section 79 Committee meetings held in the 2020/21	1 section 79 committee meeting held	Not achieved	Due to poor network coverage in some of the areas around Letsemeng in order to convene virtual	The service provider need to upgrade the network towers.	The municipality need to intervene	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-2020	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
		services and ensure proper operations and maintenance	2020/21 financial year		approved schedule of committee meetings		financial year			meetings with the committee members.		ne with the network service provider to address this challenge.

COMMUNITY SERVICES

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TL18	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Number of Section 79 Committee meetings to be held in the 2020/21 financial year	Number	Attendance registers, minutes of committee meetings and approved schedule of committee meetings	3	5 Section 79 Committee meetings held in the 2020/21 financial year	Only 2 section 79 meetings held	Not Achieved	Due to poor network coverage in some of the areas around Letsemeng in order to convene virtual meetings with the committee members.	The service provider need to upgrade the network towers.	The municipality need to intervene with the network service provider to address this challenge.	
TL19	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	100 Percentage for the extension of Diamanthoogte Cemetery at Koffiefontein by 30 June 2021.	Percentage	Completion Certificate/ Progress report	100%	100% Completion on the Extension of Diamanthoogte Cemetery, Koffiefontein by 30 June 2021	100% Achieved	Achieved	None	None	Completion certificate	

LOCAL ECONOMIC DEVELOPMENT

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL20	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	1 Local LED forum established in the municipality by 30 June 2021.	Number	TOR, Report of establishment and attendance register.	0	1 Local LED Forums Established in the municipality for the 2020/2021 financial year	No LED forum established	Not Achieved	Items were not included in the final agenda to council as only compliance items were accepted	KPIs will be included in the new financial year 2021-22	None
TL21	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	1 LED Strategy approved by Council by 30 June 2021.	Number	Strategy and Council resolution	0	1 LED Strategy approved by council for the 2020/21 financial year	No LED forum established	Not Achieved	Items were not included in the final agenda to council as only compliance items were accepted	KPIs will be included in the new financial year 2021-22	None
TL22	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	1 Commonage Policy approved by Council by 30 June 2021.	Number	Commonage policy and Council resolution	0	Completion Certificate/ Progress report	No LED forum established	Not Achieved	Items were not included in the final agenda to council as only compliance items were accepted	KPIs will be included in the new financial year 2021-22	None

TL23	Basic Service delivery	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	1 Business Licensing policy approved by Council, 30 June 2021.	Number	Business licence policy and Council resolution	0	Completion Certificate/ Progress report	No LED forum established	Not Achieved	Items were not included in the final agenda to council as only compliance items were accepted	KPIs will be included in the new financial year 2021-22	None	
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MUNIPAL MANAGER

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TL24	Public participation and good governance	Efficient administration and good governance	% on the installation of surveillance Cameras for the municipal Stores Building at Koffiefontein by 31 December 2020	Percentage	Project Report/Close out report	0	100% Installed and Functional Cameras for the municipal Stores Building at Koffiefontein by 31 December 2020	100% installation	Achieved	None	None	Evidence submitted	
TL25	Public participation and good governance	To promote a culture of participatory and good governance	% on Re-cabling of the network infrastructure for Letsemeng Municipality Remote site	Percentage	Project Report/Close out report	0	100% Complete Re-cabled infrastructure for Letsemeng municipality Remote site	No installation was done.	Not Achieved	None	Due to the Municipality's financial status the project couldn't start. The CFO has	Move the Project for the 2021/22 financial year	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
			offices by 30 June 2021				offices, Petrusburg municipal offices, Jacobsdal municipal offices, Luckhoff municipal offices by 30 June 2021				agreed that the project can be moved to the 2021/22 financial year.		
TL26	Public participation and good governance	To promote a culture of participatory and good governance	% on the Installation of an uninterrupted power supply dedicated to the server room at Koffiefontein by 31 March 2021	Percentage	Delivery Report	0	100% Installed and Functional Power Supply dedicated to the server room at Koffiefontein by 31 March 2021	100% power supply 12 installed	Achieved	None	None	Delivery reports submitted	
TL27	Public participation and good governance	To promote a culture of participatory and good governance	% on the Installation of surveillance cameras for the Municipal Head Office at Koffiefontein by 30 June 2021	Percentage	Project Report/Closure report	0	100% Installed and Functional cameras for the Municipal Head Office at Koffiefontein by 30 June 2021	0% installation	Not Achieved	Due to the Municipality's financial status the project couldn't start. The CFO has agreed that the project can be moved to the 2021/22 financial year.	Move the Project for the 2021/22 financial year	The project should be moved to the next ensuing financial year.	
TL28	Public participation and good governance	Efficient administration and	% for Procurement of a bulk license for	Percentage	Goods received note	100%	100% Acquisition of a bulk license for	No procurement was done	Not Achieved	Procurement of the software was not possible due to financial constraints	None	None	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
		good governance	software(Microsoft Office, Windows, and others) by 2020/21 financial year				software(Microsoft Office, Windows, and others) by 2020/21 financial year					
TL29	Public participation and good governance	To promote a culture of participatory and good governance	No. of Establishment of an ICT Steering Committee by 30 June 2021	Number	Appointment letters and Council resolution	0	1 Established ICT Steering Committee by 30 June 2021	No committee established	Not Achieved	ICT committee not established due to shift schedule made it difficult to have nominations.	Committee to be established in the new financial year	None
TL30	Public participation and good governance	To promote a culture of participatory and good governance	No. of Workshops conducted on ICT Policies by 31 March 2021	Number	Attendance registers	0	1 Workshop conducted on ICT Policies by 2020/21 financial year	No workshop conducted	Not Achieved	Workshop could not be conducted due to covid-19	None	None
TL31	Public participation and good governance	Efficient administration and good governance	No. of Municipal audit assignments conducted for the 2020/21 FY	Number	Internal Audit reports	11	15 Municipal Audit assignments conducted in the 2020/21 FY	12 audit conducted	Not Achieved	IA has conducted all the Audits for 2021 Annual Plan, It is just that some were performed late.	It will be correct going forward,	None
TL32	Public participation and good governance	Efficient administration and good governance	No. of Municipal audit committee meetings held for the 2020/21 FY	Number	Attendance registers, resolution registers, IA reports, schedule of audit committee meetings.	3	6 Municipal Audit committee meetings held in the 2020/21 FY	3 audit committee meetings conducted	Not achieved	Due to late submission of information, this led to APC Meeting not conducted as planned.	It will be correct going forward,	None

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL33	Public participation and good governance	Efficient administration and good governance	No. of approved Municipal Audit Strategic documents for the 2021-22 financial year.	Number	Approved risk based audit plan (RBAP) (MFMA - Section 165(2) (a)) Approved Internal Audit Charter Approved Audit Committee Charter Approved Audit Methodology	4	4 Municipal audit strategic documents, risk based audit plan (RBAP) (MFMA - Section 165(2) (a)) Approved Internal Audit Charter Approved Audit Committee Charter Approved Audit Methodology approved by 2020/21 financial year	3 documents approved		IA has done and submitted to the APC Members some of the strategic document and some were considered and some were not. (The term of the APC Member has come to an end by 30 th June 2021, as a result we could not hold any meetings until their contracts were extended again)	It will be correct going forward,	None
TL34	Public participation and good governance	Efficient administration and good governance	No. of Risk Committee Meetings held for the 2020/21 financial year	Number	Minutes of meeting and attendance registers	2	4 Risk Committee Meetings held in the 2020/21	4 risk committee meetings held	Achieved	None	None	Information submitted
TL35	Public participation and good governance	To promote a culture of participatory and good governance	No. of Risk management strategic documents Approved by the Accounting Officer for the	Number	Approved Risk management policy Approved Risk	7	7 Risk management strategic documents Approved by the Accounting Officer in	Not Achieved	Not achieved	The Audit Committee members and DCogta advised that policies must first be workshopped to employees prior to their approval. The municipality is currently working under stringent lockdown restriction and this	Based on consultations with CFO, it was decided that the workshops be	None

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
			2021/22 Financial year		management strategy Approved anti-fraud and corruption policy Approved anti-fraud and corruption strategy Approved Risk committee charter Approved risk management implementation plan Approved and signed off strategic and operational risk register		the 2020/21 Financial year			have hampered our means to workshop the strategic documents to employees.	postponed until further notice.	
TL36	Public participation and good governance	To promote a culture of participatory and good governance	No. of RM reports compiled in the 2020/21 financial year	Number	Approved report:	3	3 Compiled and approved RM reports In the 2020/21 Financial year	2 reports compiled	Not achieved	Report and been compiled but not yet presented to the Risk Committee. At this stage the report remains a draft	Until approved by the Risk Committee.	None

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL37	Public participation and good governance	To promote a culture of participatory and good governance	No. of Risk and fraud Awareness workshops conducted to inculcate a culture of Risk Management in the 2020/21 financial year	Number	Attendance registers of workshop conducted.	1	1 Risk and fraud Awareness workshop conducted by 30 September 2020	No workshop conducted	Not achieved	Workshop could not be conducted due to covid	None	None
TL38	Public participation and good governance	To promote a culture of participatory and good governance	No. of risk assessments facilitated quarterly per department in the 2020/21 financial year	Number	Attendance registers of risk assessments conducted per department, per quarter and updated risk registers per department, per quarter.	3	4 Risk assessments facilitated quarterly per department in the 2020/21 financial year	4 risk assessment facilitated	Achieved	None	None	Information submitted
TL39	Public participation and good governance	To promote a culture of participatory and good governance	No. of Municipal Process plans approved by Council for 2020/21 Financial year by 30 September 2020	Number	Approved process plan and Council resolution	1	1 Approved Municipal process plan for the 2020/21 financial year by 30 September 2020	1 Process plan approved	Achieved	None	None	Information submitted

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TL40	Public participation and good governance	To promote a culture of participatory and good governance	No. of approved 2020/2021 IDP and related sector plans submitted to Council in the 2020/21 financial year	Number	IDP and Council resolution	1	1 approved IDP and related sector plans for the 2020/21 financial year by Council	1 Approved IDP	Achieved	None	None	Soft copy available	
TL41	Public participation and good governance	To promote a culture of participatory and good governance	No. of integrated Development Plan Community Representative forums held in the 2020/21 financial year	Number	Report of the IDP Rep forum, attendance register	0	3 integrated Development Plan Community Representative forums held for the 2020/21 financial year	No Representative forum meetings held	Not Achieved	Workshop could not be conducted due to covid-19	The municipality need to introduce new mechanisms to conduct public participation programmes virtually	Virtual meeting need done to convene meetings	
TL42	Public participation and good governance	To promote a culture of participatory and good governance	No. of draft Integrated Development Plan(IDP) tabled in Council for the 2020/21 financial year	Number	2020/21 Draft IDP and Council resolution	1	1 Draft Integrated Development Plan(IDP) tabled in Council by 31 March 2021	1 adopted IDP	Achieved	None	None	Soft copy available	
TL43	Public participation	To promote a culture of	No. of credible and	Number	Approved IDP	1	1 credible and legally	1 Approved IDP	Achieved	None	None	Soft copy available	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
	and good governance	participatory and good governance	legally complaint Integrated Development Plan submitted to Council for approval in the 2020/21 financial year		2020/21 and Council resolution		complaint Integrated Development Plan submitted to Council for approval by 30 June 2021					
TL44	Public participation and good governance	To promote a culture of participatory and good governance	No. of approved SDBIP's in the 2020/21 financial year within 28 days by the Mayor	Number	Approved SDBIP2020 /21	1	1 Approved SDBIP	1 Approved	Achieved	None	None	Soft copy available
TL45	Public participation and good governance	To promote a culture of participatory and good governance	No. of 2020/21 financial year SDBIP's published on the website, notice boards and libraries within 14days after approval of the Mayor by 30 September 2020	Number	screen dump for publication on website	1	1 2020/21 financial year SDBIP published on the website, notice boards and libraries within 14days after approval of the Mayor by 30 September 2020	1 published SDBIP	Achieved	None	None	Information submitted
TL46	Public participation	To promote a culture of participatory	No. of SDBIP's submitted to	Number	Proof of submission	1	1 SDBIP submitted to Cogta,	Achieved	Achieved	None	None	Information submitted

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
	and good governance	y and good governance	Cogta, PT and NT for the 2020/21 financial year				PT and NT for the 2020/21 financial year by 30 September 2021					
TL47	Public participation and good governance	To promote a culture of participatory and good governance	No. of Performance Agreements developed and signed by relevant officials for the 2020/21 financial year	Number	Signed performance agreements	5	5 Performance Agreements for the 2020/21 financial year developed and signed by relevant officials by 30 September 2020	Achieved	Achieved	None	None	POE available
TL48	Public participation and good governance	To promote a culture of participatory and good governance	No. of performance agreements submitted to the department of Cogta for the 2020/21 by 30 September 2020	Number	Proof of submission	5	5 performance agreements submitted to the department of Cogta for the 2020/21 by 30 September 2020	Achieved	Achieved	None	None	Information submitted
TL49	Public participation	To promote a culture of participatory	No. of Quarterly Performance	Number	Performance reports	4	4 Quarterly Performance Reports	4 performance reports	Achieved	Achieved	None	Soft copy available

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
	and good governance	y and good governance	Reports developed and submitted to Council in the 2020/21 financial year		and council resolution		developed and submitted to Council in the 2020/21 financial year by 30 June 2021					
TL50	Public participation and good governance	To promote a culture of participatory and good governance	No. of Annual Performance Reports for 2019/20 financial year submitted to AGSA in the 2020/21 financial year by 30 September 2020	Number	Annual Performance Report and proof of submission.	1	1 Annual Performance Report for 2019/20 financial year submitted to AGSA in the 2020/21 financial year by 30 September 2020	1 APR submitted to AG	Achieved	Achieved	None	Soft copy available
TL51	Public participation and good governance	To promote a culture of participatory and good governance	No. of Draft Annual Reports for 2019/20 financial year submitted to Council in the 2020/21 financial year by 31 March 2021	Number	Draft Annual Report and proof of submission.	1	1 Draft Annual Report for 2019/20 financial year submitted to Council in the 2020/21 financial year by 31 March 2021	1 Annual Report submitted to Council 4 June 2020	Achieved	Non-compliance	Management ensure adherence in terms of legislated date	The Annual Report 2019/20 was prepared and tabled before council in June 2021
TL52	Public participation	To promote a culture of participatory	No. of approved Oversight	Number	Council Resolution, Oversight	0	1 Approved Oversight Report and	No oversight report	Not Achieved	MPAC is established. However, not functional	MPAC meeting to be	The MPAC need to adhere to the

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
	and good governance	y and good governance	Reports and Final Annual Reports for the 2019/20 financial year submitted to NT, PT and FS Legislature in the 2020/21 financial year		Report and proof of submission to NT, PT and Legislature		Final Annual Report for the 2019/20 financial year submitted to NT, PT and FS Legislature in the 2020/21 financial year by 2020/21 financial year				convened according to the approved schedule of meetings	approved schedule of meetings	
TL53	Public participation and good governance	To promote a culture of participatory and good governance	No. of Bid committee members appointed by the Municipal Manager in the 2020/21 financial year	Number	Proof of appointment letters	13	13 Bid committee members appointed by the Municipal Manager in the 2020/21 financial year by 30 September 2020	13 members appointed	Achieved	None	None	Information submitted	
TL54	Public participation and good governance	To promote a culture of participatory and good governance	No. of approved PMS Policies in the 2020/21 financial year	Number	Approved PMS Policy and Council Resolution	1	1 Approved PMS Policy in the 2020/21 financial year by 30 June 2021	Policy not yet approved	Not achieved	The PMS Policy could not be workshopped	Employees need to be workshopped to solicit inputs before tabling to council	PMS need to follow-up on the review of the PMS Policy	
TL55	Public participation and good governance	To promote a culture of participatory	No. of reviewed Communication Strategy	Number	Approved Communication Strategy and	0	1 Reviewed Communication Strategy	Strategy not yet approved	Not achieved	The Communication Strategy could not be workshopped	Employees need to be workshopped to solicit	PMS need to follow-up on the review of	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
		y and good governance	approved by Council in the 2020/21 financial year		Council resolution		approved by Council in the 2020/21 financial year by 31 December 2020				inputs before tabling to council	the Communication Strategy
TL56	Public participation and good governance	To promote a culture of participatory and good governance	No. of Local Communicators forum meetings held in the 2020/21 financial year	Number	Invitations, attendance register and minutes	1	2 Local Communicators forum meetings held in the 2020/21 financial year	No meetings held	Not achieved	Due to poor network coverage in some of the areas around Letsemeng in order to convene virtual meetings with the members of the communication forum	The service provider need to upgrade the network towers.	The municipality need to intervene with the network service provider to address this challenge.
TL57	Public participation and good governance	To promote a culture of participatory and good governance	No. of Press release on Council resolutions in the 2019/20 financial year	Number	Screen shots from official Facebook page; press release to print media	0	4 Press release on Council resolutions in the 2019/20 financial year	No council resolutions publicised	Not achieved	Due to poor network coverage in some of the areas around Letsemeng in order to convene virtual meetings with the council members.	The service provider need to upgrade the network towers.	The municipality need to intervene with the network service provider to address this challenge.

CORPORATE SERVICES

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
TL58	Municipal Transformation and Institutional Development	An effective administration capable of sustainable service delivery	No. of Ordinary Council meetings of the municipality held in the 2020/21 financial year	Number	Attendance registers and Council minutes, approved schedule of Council meetings	2	4 Ordinary Council meetings of the municipality held in the 2020/21 financial year	1 Ordinary meeting held	Not achieved	Due to poor network coverage in some of the areas around Letsemeng in order to convene virtual meetings (Ordinary) with the council members.	The service provider need to upgrade the network towers.	The municipality need to intervene with the network service provider to address this challenge.
TL59	Municipal Transformation and Institutional Development	An effective administration capable of sustainable service delivery	No. of the Municipal LLF meetings held in the 2020/21 financial year	Number	Attendance registers, minutes of LLF meetings and approved schedule of LLF meetings	0	2 LLF meetings held in the 2020/21 financial year	1 LLF meeting held	Not achieved	Due to poor network coverage in some of the areas around Letsemeng in order to convene virtual meetings with the forum members.	The service provider need to upgrade the network towers.	The municipality need to intervene with the network service provider to address this challenge.
TL60	Municipal Transformation and Institutional Development	An effective administration capable of sustainable service delivery	No. of Occupational Health and Safety Committee meetings to be held in the 2020/21 financial year	Number	Attendance registers, minutes of committee meetings and approved schedule of committee meetings	0	4 Occupational Health and Safety Committee meetings to be held in the 2020/21 financial year	No committee meetings held	Not achieved	Due to poor network coverage in some of the areas around Letsemeng in order to convene virtual meetings with the committee members.	The service provider need to upgrade the network towers.	The municipality need to intervene with the network service provider to address this challenge.
TL61	Municipal Transformation and Institutional Development	Efficient administration and good governance	No. of adopted By-laws by Council in the 2020/21 financial year	Number	Attendance registers of public consultations and approved by-laws, Council resolution.	0	6 adopted By-laws by Council in the 2020/21 financial year	No by-laws for the financial year under review	Not achieved	Due to poor network coverage in some of the areas around Letsemeng in order to convene virtual meetings for public consultations.	The service provider need to upgrade the network towers.	The municipality need to intervene with the network service provider to

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
												address this challenge.
TL62	Municipal Transformation and Institutional Development	Efficient administration and good governance	No. of progress reports on the Municipal Council resolutions submitted to Council in the 2020/21 financial year	Number	Resolution register and Council resolution.	4	4 progress reports on the Municipal Council resolutions submitted to Council in the 2020/21 financial year	1 Progress report	Not achieved	Mostly, special council meetings were convened in the financial year	None	None
TL63	Municipal Transformation and Institutional Development	An effective administration capable of sustainable service delivery	No. of the Municipal Reviewed Organizational Structure approved by Council in the 2020/21 financial year	Number	Council resolution and organisational structure.	1	1 Municipal Reviewed Organizational Structure approved by Council in the 2020/21 financial year	1 structure approved	Achieved	None	None	Information submitted
TL64	Municipal Transformation and Institutional Development	An effective administration capable of sustainable service delivery	No. of WSP developed and submitted to LGSETA by 30 June 2021	Number	WSP and proof of submission to LGSETA	1	1 WSP developed and submitted to LGSETA by 30 June 2021	1 WSP	Achieved	None	None	Information submitted

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TL65	Municipal Transformation and Institutional Development	An effective administration capable of sustainable service delivery	No. of Municipality EE Plan compiled and submitted to DOL by 2020/21 financial year	Number	EE plan and proof of submission to DOL	1	1 Municipality EE Plan compiled and submitted to DOL by 31 March 2021	EE plan compiled	Achieved	None	None	Information submitted	
TL66	Municipal Transformation and Institutional Development	An effective administration capable of sustainable service delivery	No. of Customer Care Policy developed and approved by Council in the 2020/21 financial year	Number	Approved Customer care policy, Service Charter and Council resolution	0	1 Customer Care Policy developed and approved by Council in the 2020/21 financial year	Not achieved	not achieved	Employees must be workshopped before it is approved by Council and must be submitted to section 79 committee	Workshop will be conducted in the New Financial year	None	
TL67	Municipal Transformation and Institutional Development	An effective administration capable of sustainable service delivery	No. of PPE procured for municipal employees in the 2020/21 financial year	Number	Goods received notes	0	280 PPE procured for municipal employees in the 2020/21 financial year	Not achieved	Not achieved	None	None	None	
TL68	Municipal Transformation and Institutional Development	An effective administration capable of sustainable service delivery	No. of HR related policies reviewed and approved by Council 30 June 2021	Number	Integrated HR policy manual and the Council resolution	1	1 Integrated HR related policies reviewed and approved by Council 30 June 2021	1 Approved IHR policy	Achieved	None	None	Information submitted	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TL69	Municipal Transformation and Institutional Development	An effective administration capable of sustainable service delivery	No. of updates on the strategic risk register in the 2020/2021 financial year	Number	Reports implementation of risk mitigating plans and evidence.	3	4 updated reports on the strategic risk register for the 2020/2021 financial year	4 reports	Achieved	None	None	Information submitted	
TL70	Municipal Transformation and Institutional Development	An effective administration capable of sustainable service delivery	No. of Section 79 Committee meetings to be held in the 2020/21 financial year	Number	Attendance registers, minutes of committee meetings and approved schedule of committee meetings	2	5 Section 79 Committee meetings held in the 2020/21 financial year	1 section committee meeting held	Not achieved	Due to poor network coverage in some of the areas around Letsemeng in order to convene virtual meetings with the committee members.	The service provider need to upgrade the network towers.	The municipality need to intervene with the network service provider to address this challenge.	

FINANCIAL SERVICES

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TL71	Financial viability and management	To improve overall financial management in the municipality by	No. of updates on the approved valuation Roll for the 2020/21 financial year	Number	Supplementary valuation roll certified by the Accounting Officer	1	1 Updated and approved valuation Roll for the 2020/21	1 Supplementary roll	Achieved	None	None	Information submitted	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
		developing and implementing appropriate financial management policies, procedures and systems					financial year						
TL72	Financial Viability and Management	Efficient administration and good governance	No. of indigent households registered in all 6 Wards for the 2020/21 financial year	Number	Indigent register and indigent forms	1722	2100 indigent households registered in all 6 Wards for the 2020/21 financial year	1700 registered indigents	Not achieved	Due to covid-pandemic	Councillors to encourage communities to apply for indigent subsidies in all towns	None	
TL73	Financial viability and management	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems	No. of GRAP compliant asset Register updates in the 2020/21 financial year	Number	Quarterly updates on the asset register	4	4 GRAP compliant asset Register updated in the 2020/21 financial year	4 asset management reports	Achieved	None	None	Information submitted	
TL74	Financial Viability and Management	Efficient administration and	No of Budget related policies reviewed and	Number	(1 Approved policy manual, including procurement	1	1 Approved policy manual, including	No manual tabled to council	Not achieved	The budget related policies could not be workshopped	Policy to be workshopped and tabled before	PMS Unit need to follow-up on the review of	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
		good governance	adopted by Council for the 2020/21 financial year		<i>plan) and Council resolution</i>		procurement plan) for the 2020/21 financial year				council in the next ensuing financial year	the budget related policies	
TL75	Financial viability and management	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems	No. of Section 72 reports submitted to the PT, NT and the Mayor on or before the 25 th of January 2020 for the 2020/21 financial year	Number	Section 72 reports and proof of submission to PT, NT and the Mayor	1	Section 72 report submitted to the PT, NT and the Mayor on or before the 25 th of January 2020 for the 2020/21 financial year	1 Section 72 report	Achieved	None	None	Soft copy available	
TL76	Financial Viability and Management	Efficient administration and good governance	No. of Section 52d reports submitted to Council within 30 days after end of each quarter for the 2020/21 financial year	Number	Section 52d reports and Council resolution	1	3 Section 52d reports submitted to Council within 30 days after end of each quarter for the 2020/21 financial year	3 section 52d reports	Achieved	None	None	Information submitted	
TL77	Financial viability and management	To improve overall financial management	No. of Section 66 reports submitted to Council per	Number	Section 66 reports and Council resolution	12	12 Section 66 reports submitted to Council	12 sec 66 reports	Achieved	None	None	Information submitted	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
		t in the municipality by developing and implementing appropriate financial management policies, procedures and systems	quarter in the 2020/21 financial year				per quarter in the 2020/21 financial year					
TL78	Financial Viability and Management	Efficient administration and good governance	No. of Section 70 reports submitted to Council per quarter in the 2020/21	Number	Section 70 reports and Council resolution	0	2 Section 70 reports submitted to Council per quarter in the 2020/21	2 sec 70 reports	Achieved	None	None	Information submitted
TL79	Financial viability and management	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems	No. of Section 71 reports submitted to the Mayor, PT and NT within 10 days after the end of the month in the 2020/21 financial year	Number	Section 71 reports and proof of submission	12	12 Section 71 reports submitted to the Mayor, PT and NT within 10 days after the end of the month in the 2020/21 financial year	12 reports	Achieved	Achieved	None	Information submitted

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
TL80	Financial viability and management	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems	No. of MFMA compliant AFS submitted to the AGSA on or before 31 August 2020 in the 2020/21 financial year	Number	AFS and proof of submission	1	1 MFMA compliant AFS submitted to the AGSA on or before 31 August 2020 for the 2020/21 financial year	1 AFS submitted	Achieved	Achieved	None	Soft copy available	
TL81	Financial viability and management	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems	No. of SCM implementation reports submitted to the Mayor and PT in the 2020/21 financial year	Number	SCM reports and proof of submission	4	4 SCM implementation reports submitted to the Mayor and PT in the 2020/21 financial year	4 implementation reports	Achieved	Achieved	None	Information submitted	
TL82	Financial viability and management	To improve overall financial management in the municipality	No. of SCM deviations reports submitted to Council in the	Number	Deviations register and Council resolution	3	4 SCM deviations reports submitted to Council in the	Not achieved	Not achieved	Reports could not be submitted, only special council meeting were held	SCM to ensure compliance is adhere to	Deviation report be considered by the municipal council even during special	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
		by developing and implementing appropriate financial management policies, procedures and systems	2020/21 financial year				2020/21 financial year					council meetings	
TL83	Financial viability and management	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems	No. of Contracts Above R100 000.00 published on the municipal website in the 2020/21 financial year	Number	Proof of website uploads (website screenshots and document upload register	43	45 Contracts Above R100 000.00 published on the municipal website for the 2020/21 financial year	Publications done	Achieved	None	None	Information submitted	
TL84	Financial viability and management	To improve overall financial management in the municipality by developing and implementing appropriate financial	No. of billing reports signed off by the CFO in the 2020/21 financial year	Number	Pre-billing reports	12	12 pre-billing reports signed off by the CFO for the 2020/21 financial year	12 signed report	Achieved	None	None	Information submitted	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
		management policies, procedures and systems											
TL85	Financial viability and management	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems	No. of reports on faulty electricity and water meters submitted to Technical department in the 2020/21 financial year	Number	Proof of submission to Technical department	0	12 reports on faulty electricity and water meters submitted to Technical department for the 2020/21 financial year	No reports submitted	Not achieved	None	None	The municipality has managed to employ additional meter readers to assist the municipality	
TL86	Financial viability and management	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems	No. of revenue enhancement strategies approved by Council in the 2020/21 financial year	Number	Revenue enhancement strategy and Council resolution	1	1 revenue enhancement strategy approved by Council for the 2020/21 financial year	Strategy was not submitted to Council	Not achieved	The revenue enhancement Strategy could not be workshopped	Employees need to be workshopped to solicit inputs before tabling to council	PMS Unit need to follow-up on the review of the revenue enhancement Strategy	
TL87	Financial viability and management	To improve overall financial	No. of approved audit action	Number	Audit action plan and	1	1 approved audit action plan for the	Audit Action plan	Achieved	None	None	Information submitted	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment	
		management in the municipality by developing and implementing appropriate financial management policies, procedures and systems	plans in the 2020/21 financial year		Council resolution		2020/21 financial year						
TL88	Financial viability and management	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems	No. of updates on the strategic risk register in the 2020/2021 financial year	Number	Reports implementation of risk mitigating plans and evidence.	3	4 updated reports on the strategic risk register for the 2020/2021 financial year	4 risk reports	Achieved	None	None	Information submitted	
TL89	Financial viability and management	To improve overall financial management in the municipality by developing and implementing	No. of Section 79 Committee meetings to be held in the 2020/21 financial year	Number	Attendance registers, minutes of committee meetings and approved schedule of committee meetings	2	5 Section 79 Committee meetings held in the 2020/21 financial year	2 meetings held	Not achieved	Due to poor network coverage in some of the areas around Letsemeng in order to convene virtual meetings with the committee members.	The service provider need to upgrade the network towers.	The municipality need to intervene with the network service provider to address this challenge.	

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Evidence	Baseline 2019-20	Annual Target	Actual Results	Actual Performance	Reason for non-achievement	Corrective measures	PMS Comment
		ng appropriate financial management policies, procedures and systems										

Table 23: Employees Water Service

Employees: Water Services					
Job Level	2019-20	2020-21			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 – 3	0	0	0	0	0%
4 – 6	11	20	11	9	45%
7 – 9	2	0	2	0	0%
10 – 12	0	0	0	0	0%
Total	13	20	13	2	40%

Table 24: Financial Performance Water Service

Financial Performance : Water Services					
R'000					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	7604	8576	8576	10055	-1479
Expenditure:					
Employees	2711	4480	5321	3917	1404
Repairs and Maintenance	2115	300	0	0	0
Other	2409	150	150	691	-541
Total Operational Expenditure	7235	4930	5471	4608	863
Net Operational Expenditure	369	3646	3105	-5447	-2342

Table 25: Capital Expenditure Water Service

Capital Expenditure 2020-21 Water Services					
Capital Projects	2020-21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				0	
Project A: Upgrading of Jacobsdal Water Treatment Works	R12,293,390.62	0	R12,293,390.62	0	76 000 000
Refurbish & Equipping of Boreholes And Connect Into the Existing Water Supply Scheme in Petrusburg	R 12,789,790.75	0	R12,101,107.27	888,683.48	13 800 000
Koffiefontein/Ditlhake/Diamanthoogte: Installation of 340 new domestic water meters and refurbishment of 432 domestic water meters (MIS:321576)	2,688,403.52	0	2,688,403.52	0	2,688,403.52
Jacobsdal/Ratanang: Installation of 232 new domestic water meters, bulk water meters, 296 refurbishment of domestic meters (MIS:321605)	1,441,949.71	0	1,441,949.71	0	1,441,949.71
Luckhoff/Relebohile: Installation of 308 new domestic water meters and refurbishment of 46 domestic water meters (MIS:321628)	951,554.25	0	951,554.25	0	951,554.25
Petrusburg/Bolokanang: Installation of 231 domestic water meters and refurbishment of 134 domestic water meters (MIS:321618)	498,638.24	0	498,638.24	0	498,638.24

6.3.1 COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The Department of Water & Sanitation has been the main source of funds for upgrading the WTW's, even though progress has been made by completing Jacobsdal WTW, it has not yet made an immediate impact to all communities, however, the following are Municipality Interventions: Construction of the 5Ml Reservoir in Oppermansgronde catered for additional Raw Water storage for Koffiefontein and Oppermansgronde. The municipality currently is busy augmenting water supply in Petrusburg by refurbishing and equipping 13 boreholes and also construction of 3km pipeline connecting 2 boreholes to water supply scheme, this will act as additional water supply for Petrusburg.

All the future projects will be based on upgrading and looking for alternative surface water from other available sources. This will be a long-term solution since Petrusburg does not have any alternative water source except the ground water. The Department of Water and Sanitation is conducting a feasibility study for an alternative water source in Petrusburg.

6.4. WASTE WATER (SANITATION) PROVISION

6.4.1 INTRODUCTION TO SANITATION PROVISION

LLM is a Water Service Authority (WSA) and a Water Service Provider, this means that LLM has a responsibility to authorise water & sanitation usage and also provide the services, it is the role of the Municipality to provide acceptable form of sanitation. Through programmes like Accelerated Community Infrastructure Programme (ACIP), Municipal Infrastructure Grant (MIG) and Municipal Water Infrastructure Grant (MWIG), LLM has been engaged in a number of projects upgrading and refurbishing the WWTW and the Sewer pump stations.

There is however prolonged challenges within the municipality that requires long term redress like the bucket toilets and the vandalism & theft of pumps and cables in the pump stations. This problem persisted for more than 5 years without a proper redress, the LLM always fixed the stolen and damaged goods out of its own funds. In some cases there would be spillages in to the river for months because of the above said challenge. The Koffiefontein WWTW has not been fully operational due to lack of maintenance and the stolen cables, pumps & motors. A project for refurbishment was registered with ACIP and it was able to get the plant to 90% operational.

One of the major challenges as outlined in the Sewer Master Plan is the location of the plant. It is indicated that the plant requires 80% of the sewer to be pumped upstream where the current plant is. A new conventional plant should be located at an area lower than the existing and the future planned settlements, which will eliminate all the current pump stations from the system.

Table 26: Sanitation Service Delivery

*Households				
Description			2019/20	2020/21
			Outcome No.	Actual No.
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)			8 021	8021
Flush toilet (with septic tank)			250	250
Chemical toilet			0	0
Pit toilet (ventilated)			354	354
Other toilet provisions (above min. service level)				
<i>Minimum Service Level and Above sub-total</i>			8 625	8 625
<i>Minimum Service Level and Above Percentage</i>			90.6%	90.6%

<u>Sanitation/sewerage:</u> (below minimum level)				
Bucket toilet			452	452
Other toilet provisions (below min. service level)			443	443
No toilet provisions				
<i>Below Minimum Service Level sub-total</i>			895	895
<i>Below Minimum Service Level Percentage</i>			9.4%	9.4%
Total households			9 520	9 520
<i>*Total number of households including informal settlements</i>			<i>T 3.2.3</i>	

Table 27: Sanitation Service Delivery Levels below the minimum

				Households
Description			2019/20	2020/21
			Actual No.	Actual No.
Formal Settlements				
Total households			8 625	8 625
Households below minimum service level			202	202
Proportion of households below minimum service level			2%	2%
Informal Settlements				
Total households			480	493
Households below minimum service level			480	493
Proportion of households below minimum service level			100%	100%
			<i>T 3.2.4</i>	

*Households				
Description			2019/20	2020/21
			Outcome No.	Actual No.
<u>Sanitation/sewerage:</u> (above minimum level)				
Flush toilet (connected to sewerage)			8 021	8 021
Flush toilet (with septic tank)			250	250
Chemical toilet			0	0
Pit toilet (ventilated)			354	354
Other toilet provisions (above min. service level)				
<i>Minimum Service Level and Above sub-total</i>			8 625	8 625
<i>Minimum Service Level and Above Percentage</i>			90.6%	90.6%
<u>Sanitation/sewerage:</u> (below minimum level)				
Bucket toilet			452	452
Other toilet provisions (below min. service level)			443	443
No toilet provisions				
<i>Below Minimum Service Level sub-total</i>			895	895
<i>Below Minimum Service Level Percentage</i>			9.4%	9.4%
Total households			9 520	9 520
<i>*Total number of households including informal settlements</i>			<i>T 3.2.3</i>	

Table 28: Employees: Sanitation Service

Employees: Sanitation Services					
Job Level	2019-20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	1	1	1	0	0%
7 – 9	0	0	0	0	0%
10 - 12	16	16	16	0	0%
Total	17	17	17	0	0%
T 3.2.7					

Table 29: Financial Performance 2019/20: Sanitation Service

Financial Performance : Sanitation Services					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	10659	10348	9416	9180	-1644
Expenditure:					
Employees	0	0	0	0	0
Repairs and Maintenance	2495	0	0	0	0
Other	814	400	1806	155	1651
Total Operational Expenditure	3309	400	1806	155	1651
Net Operational Expenditure	7350	400	1806	155	1651
T 3.2.8					

Table 30: Capital Expenditure 2020/21: Sanitation Service

Capital Expenditure 2020/21: Sanitation Services					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Jacobsdal/Ratanang: Construction of waterbourne Sanitation for 202 stands IS:272657)	200,344.37	0	200,344.37	0	10,331,338.98
Petrusburg: Refurbishment of waste water treatment works (MIS:325185)	363,234.19	0	0	0	8,111,686.00
					T 3.2.9

6.4.2 COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

LLM has not been compliant with the required legislative Water Acts for various reasons, including continuous spillages into the river, in-compliant final effluent from plants and many other areas. Ensuring Security availability at all the WWTW will guarantee continued reliable sanitation to the LLM constituencies and ensure compliance with the required laws and acts. The municipality has refurbished four sewer pump stations in Koffiefontein, and the pump stations are monitored and maintained by the water and sanitation teams.

Inadequate operation and maintenance budget also impact the poor service experience, resulting in pump stations not having attendants at all times, shortage of process controllers at WWTW. If this aspect can be addressed or prioritized, the municipality can experience a positive change in attitude by the consumers regarding revenue collection and other positive outcomes.

6.5. ELECTRICITY

6.5.1 INTRODUCTION TO ELECTRICITY

LLM shares the supply of electricity with Eskom within the municipality; there is about 50% for LLM and 50% for Eskom; LLM has secured and retained three electrical personnel. LLM has strategic documents like the Electrical Master Plan, Operations and Maintenance plan that should be submitted to Council for approval

One most significant challenge in the LLM supply area is the ageing and dilapidated infrastructure, requiring maintenance from time to time. Department of Mineral Resources and Energy allocated R5.2 million to upgrade and refurbish the main substation and bulk feeder lines. LLM has completed the project and is fully operational. Even though LLM is struggling with ageing infrastructure, it always makes sure that there is electricity available at all times. Some shutdowns were experienced during this year. However, they were attended to immediately.

Challenges are experienced with meters tampered with; however, the municipality has embarked on a systematic field assessment looking for irregular connections, damaged consumption meters and unmetered consumers. The shortage of vehicles is also a challenge in this regard. The frequent theft and vandalism of equipment and cables also negatively impacted the financial and operational effectiveness of the section because materials and equipment stolen must be replaced as soon as possible.

Besides, the network's damage extends much further than only the piece of cable or equipment that was damaged and, in some cases, requires specialised repairs. Vandalism and cable theft also pose a danger to the community and the culprits stealing the equipment due to exposed live conductor and consequent dangerous situations.

The constraints mentioned above all negatively impacted service delivery due to an additional workload. Unproductive standing time, the long waiting period for spares and equipment, limited preventative maintenance, and unnecessary and avoidable damage to the infrastructure.

Table 31: Electricity Service Delivery Levels

Electricity Service Delivery Levels					Households
Description				2019/20 Actual No.	2020/21 Actual No.
Energy: (above minimum level)					
Electricity (at least min.service level)				8369	8369
Electricity - prepaid (min.service level)					
<i>Minimum Service Level and Above sub-total</i>				8369	8369
<i>Minimum Service Level and Above Percentage</i>				100.0%	100.0%
Energy: (below minimum level)					
Electricity (< min.service level)				–	–
Electricity - prepaid (< min. service level)					
Other energy sources					
<i>Below Minimum Service Level sub-total</i>				–	–
<i>Below Minimum Service Level Percentage</i>				0.0%	0.0%
Total number of households				8369	8369
					<i>T 3.3.3</i>

Table 32: Households - Electricity Service Delivery Levels below the minimum

Households - Electricity Service Delivery Levels below the minimum					Households
Description			2019/20	2020/21	
			Actual	Actual	
			No.	No.	
Formal Settlements					
Total households			8369	8369	
Households below minimum service level			0	0	
Proportion of households below minimum service level			0%	0%	
Informal Settlements					
Total households			0	0	
Households below minimum service level			0	0	
Proportion of households below minimum service level			0%	0%	
					<i>T 3.3.4</i>

Table 173: Employees: Electricity Services

Employees: Electricity Services					
Job Level	2019/2020	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	6	5	1	16.67%
4 - 6	0	0	0	0	0%
7 - 9	3	3	3	0	0%

10 - 12	0	0	0	0	0%
Total	8	9	8	1	11.11%

T 3.3.6

Table 34: Financial Performance: Electricity Services

Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	17604	21955	23990	1391	22599
Expenditure:	4742				
Employees	114	3281	5000	2319	2681
Repairs and Maintenance	30403	80	0	0	0
Other	35259	22614	22550	2318	20232
Total Operational Expenditure	-17655	25975	27550	4637	22913
Net Operational Expenditure	-51	-4020	-3560	-3246	-314

Table 35: Capital Expenditure: Electricity Services

Capital Expenditure 2020/21					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A: Construction of 500KVA, 22KV, 40m Bulk Supply Point/Jacobsdal	890 000	0	890 000	0	890 000
Project B: Electrification of 344 Households Connections in Ratanang/Jacobsdal P1	6 956 660.30	0	6 956 660.30	0	6 956 660.30
Project C: Electrification of 100 Households Connections in Diamanthoogte P1	1 700 000	0	1 700 000	0	1 700 000

T 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

LLM has successfully completed the Upgrading of Koffiefontein Substation and bulk feeder lines project, Electrification of 492 households' connections was completed throughout Letsemeng Vicinity. Letsemeng has improved reliability, safety and quality of power supply. Long term plans will be included in the next IDP for the implementation of these projects. LLM has prioritized the following projects to address backlogs and infrastructure challenges for the current financial year 2020/21:

- ❖ Electrification of 252 sites in Koffiefontein (152)households for Phase 2)
- ❖ Electrification of 194 household connection in Jacobsdal Ratanang
- ❖ Enhance power supply and increase capacity
- ❖ Replacement of existing meters with split meters revenue enhancement and reduction of losses

6.6 WASTE MANAGEMENT

6.6.1 INTRODUCTION TO WASTE MANAGEMENT

Waste Management is a core function of local government and a basic service delivered by Letsemeng Municipality. It is also a major generator of revenue for the municipality and therefor the Municipality has to put mechanisms in place to deliver this service on a sustainable basis in the most cost-effective way. Section 11.4 of the Waste Act (59 of 2008) requires local municipalities to Develop Integrated Waste Management Plans. The IWMP of Letsemeng Municipality was adopted in 2015 and serves as an effective institutional framework for the following purpose:

- Pollution and waste minimization;
- Impact management and remediation;
- Holistic and integrated planning with the intention to develop mechanisms to ensure that integrated pollution and waste management considerations are integrated into the development of government policies, strategies and programmes; and

Table 36: Solid Waste Service Delivery Levels

Solid Waste Service Delivery Levels				
Description			2019 /20	Households 2020 /21
			Actual No.	Actual No.
<i>Solid Waste Removal: (Minimum level)</i>				
Removed at least once a week			8369	8369
<i>Minimum Service Level and Above sub-total</i>			8369	8369
<i>Minimum Service Level and Above percentage</i>			100.0%	100.0%
<i>Solid Waste Removal: (Below minimum level)</i>				
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
<i>Below Minimum Service Level sub-total</i>			0	0

<i>Below Minimum Service Level percentage</i>		0.0%	0.0%	0.0%
Total number of households		9 319	8369	8369
<i>T 3.4.2</i>				

Table 37: Households - Solid Waste Service Delivery Levels

Households - Solid Waste Service Delivery Levels below the minimum				
Description			2019/20	Households
			Actual No.	2020/21 Actual No.
Formal Settlements				
Total households			8369	8369
Households below minimum service level			0	0
Proportion of households below minimum service level			0%	0%
Informal Settlements				
Total households			0	0
Households below minimum service level			0	0
Proportion of households below minimum service level			0%	0%
<i>T 3.4.3</i>				

Table 38: Employee: Waste Management Services

Employees: Waste Management Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	0				100%
10 - 12	6				%
13 - 15	5				0%
Total	11				15%
<i>T 3.4.5</i>					

Table 39: Employee: Waste Disposal and other services

Employees: Waste Management Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	1	0	1	100%
13 - 15	34	34	34	0	0%
Total	34	35	34	1	2.9%
<i>T 3.4.5</i>					

Table 40: Financial Performance 2019/20: Waste Management Services

Financial Performance 2020/21: Waste Management Services					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	10175				
Expenditure:					
Employees	370				
Repairs and Maintenance	3376				
Other	1321				
Total Operational Expenditure	5067				
Net Operational Expenditure	5108				
T 3.4.7					

Table 41: Capital Expenditure: Waste Management Services

Capital Expenditure 2020/21: Waste Management Services					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
No projects for the financial year					

COMMENT ON THE OVERALL PERFORMANCE OF WASTE MANAGEMENT SERVICES

The municipality is having a shortage of waste management personnel and equipment

6.7 HOUSING

6.7.1 INTRODUCTION TO HOUSING

The biggest challenge is that the demand for housing grows annually out of proportion in correlation with the funding resources that are available. With budgetary constraints it is difficult to install bulk services and infrastructure for housing development and the construction of top structures.

Some of the other fundamental challenges that influence housing delivery in Letsemeng Municipality include:

- Inadequate funding allocations for human settlement development;
- Limited availability of suitable land;
- Inadequate capacity of existing bulk infrastructure;
- Lengthy environmental and other statutory approval processes; and
- Alignment of identified pipeline projects
- **Allocated sites**

Town	Status
Ditlhake	Five crèches site allocated
Ditlhake	7 business site allocated
Ratanang	1 business site allocated
Luckhoff	1 residential site confirmed and allocated
Jacobsdal	12 residential site confirmed and allocated
Bolokanang	12 residential site confirmed and allocated
Ditlhake	37 residential site confirmed and allocated

Table 42: Households - Access to basic housing

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

Table 43: Employees: Housing

Employees: Housing					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	100%
4 – 6	1	1	1	0	0%
7 – 9	1	1	1	0	0%
10 – 12	0	0	0	0	0%
Total	2	2	0	0	0%
T 3.5.4					

Table 44: Financial Performance: Housing

Financial Performance 2020/21: Housing					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	465	-465
Expenditure:					
Employees	111	462	455	524	-69
Repairs and Maintenance	0	0	0	0	0
Other	0	310	150	0	150
Total Operational Expenditure	111	772	605	524	81
Net Operational Expenditure	111	0	0	465	-465
T 3.5.5					

Table 45: Capital Expenditure: Housing

Capital Expenditure 2020/21: Housing					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
No capital projects for the financial year.					

6.8 COMPONENT B: FREE BASIC SERVICES AND INDIGENT SUPPORT

6.8.1 INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Section 97(1)(c) of the Municipal Systems Act requires municipalities to formulate an Indigent Policy that is consistent with Council's rate and tariff policies and also meets the requirements of S152 of the Constitution. The policy on indigent support and social rebates means that many households who would normally struggle to pay their accounts receive free or subsidised basic services thereby keeping them free of the burden of municipal debt. Adequate provision has to be made in the budget for provision of bad debts based on assumptions on collection rates. The municipality has an indigent register for 2020/2021 financial year. The municipality provides indigent households with free 6kl of water per month, free sanitation and refuse removal per month, 50 units of electricity per indigent household per month and exemption on Property Rates for properties valued at R70 000.

Table 46: Free Basic Services

Free Basic Services To Low Income Households										
	Total	Number of households								
		Households earning less than 3580 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
2019/20	10 024	2 001	2 001	20%	2 001	20%	2 001	20%	2 001	20%
2020/21	10 024	1 700	1 700	20%	1 700	20%	1 700	20%	1 700	20%
T 3.6.3										

Table 47: Financial Performance: Free Basic Services

Financial Performance 2020/21: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2019/20	2020/21			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	4999	3980	3980	5668	-1688
Waste Water (Sanitation)	3819	2000	2000	1854	146
Electricity	664	2500	2500	1877	623
Waste Management (Solid Waste)	3693	4000	4000	1821	2179
Total	13175	12480	12480	11220	1260
T 3.6.4					

6.8.1 COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality allocates free basic water to all households including indigents households only in terms of the national norms.

The objective of Indigent Support is to ensure the following:

- The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council;
- To provide procedures and guidelines for the subsidisation of rates and basic service charges to its indigent households, using the Council's budgetary provisions received from National Government, according to prescribed policy guidelines;
- That Council recognises that many of the residents can simply not afford the cost of full provision and for this reason Council will endeavour to ensure affordability through:
- To set rates and tariffs in terms of the Council's Rates and Tariff Policy, which will balance the economic viability of continued service delivery; and
- To determine appropriate service levels.

6.9 COMPONENT C: ROAD AND TRANSPORT

6.9.1 INTRODUCTION TO ROADS

Letsemeng Local Municipality has about 189km of roads or streets in five (5) towns. The table below shows the length of the existing roads per Town. Out of the 58km paved roads, 70% of them are in a poor condition if not very poor. This is as a result of poor or no maintenance at all. The condition is deteriorating in a fast pace since the existing potholes and cracks are not being attended as soon as they surfaces.

TOWN	PAVED ROADS (KM'S)	GRAVEL ROADS (KM'S)
Jacobsdal	9.539	22.6
Luckhoff	3.536	20.6
Petrusburg	10.942	47,249
Oppermans	4.306	16.2
Koffiefontein	24.365	24.1
TOTALS	52.688	130.7
Koffiefontein	23.7	24.1

6.10 ROADS

Table 48: Gravel Road Infrastructure

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to pave	Kilometres Gravel roads graded/maintained
2020/21	130	0	1	0
T 3,7.2				

Table 49: Paved Road Infrastructure

Paved Road Infrastructure					
	Total paved roads	New paved roads	Existing paved roads re-paved	Existing pave roads re-sheeted	Kilometres Pave roads maintained
2020/21	54.8	2.2	0	0	0
T 3.7.3					

Table 50: Employees: Road Services

Employees: Road Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	0	1	0	1	100%
13 - 15	0	5	0	5	100%
Total	0	6	0	6	100%

Table 51: Financial Performance: Road Services

Financial Performance 2020/21: Road Services					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	7734	9444	8084	4105	3979
Repairs and Maintenance	26	0	0	0	0
Other	42	100	0	0	0
Total Operational Expenditure	7802	9544	8084	4105	3979
Net Operational Expenditure	7802	9544	8084	4105	3979
T 3.7.8					

Table 52: Capital Expenditure: Road Services

Capital Expenditure 2020/21: Road Services					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A: Koffiefontein upgrading of 2.2km paved road and storm water	12 380 666	0	11 770 028.06	610 637.94	12 380 666
Project B: Luckhoff upgrading of 0.9km paved road and storm water	8 500 000	0	836 628.18	7 663 371.82	8 500 000
T 3.7.9					

6.10.1 COMMENT ON THE PERFORMANCE OF ROADS OVERALL

LLM does not have any dedicated roads maintenance teams in place, a new organogram clearly indicates that there must be a maintenance team, no additional employees were appointed to address this matter. LLM has little road maintenance equipment available, this will assist the new team to **Start and Go**; the only obstacle will be their Vehicle, PPE and minor tools.

6.11 TRANSPORT

The municipality does not perform this function.

6.12 COMPONENT D: WASTE WATER (STORMWATER DRAINAGE)

6.12.1 INTRODUCTION TO STORMWATER DRAINAGE

The storm water of LLM is also one of the infrastructure that is neglected. This is due to the unavailability of staff, the above team mentioned in Roads section will also be tasked with maintaining the storm water drainage and unblocking them. Currently most of the storm water V-drains and canals are filled with debris if not blocked, this is a challenge during heavy rains because people housed get flooded where as they are not supposed to.

LLM is faced with a paramount challenge of controlling storm water in the entire municipality, areas like Petrusburg, Jacobsdal and Koffiefontein get flooded by occasional floods which affects the streets in Bolokanang. There is also historical records of floods in these areas, and the matter has been neglected for years. A Storm Water Wasterplan, O&M manuals and plans are the highest priority in this case. As LLM is likely a flat area, a full study must be made to control this storm water, all the aforesaid flags require budget which can be able to address them one at a time for a period of 5 years.

Table 53: Storm water Infrastructure

Storm water Infrastructure				Kilometres
	Total Storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
2019/20	0			
2020/21	0			
				T 3.9.2

Table 54: Employees: Storm water Services

Employees: Road Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	7	7	7	0	0%
13 - 15	3	6	3	3	50%
Total	10	13	10	3	23%
T3.7.7					

Table 55: Financial Performance: Storm water Services

Financial Performance 2020/21: Storm water Services					
R'000					
Details	2020/21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	Included in roads table above				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
T 3.9.7					

6.12.2 COMMENT ON PERFORMANCE OF STORMWATER DRAINAGE OVERALL

LLM currently does not have any sector plans for Storm water, it is however part of the procurement plan to appoint service providers to develop a Master plan for the entire municipality. The priorities of Storm water projects are as the list below:

- ❖ Petrusburg Bolokanang – the entire Bolokanang require an urgent attention with regards to storm water flooding from the N8 National Road to the Bolokanang area, the road is collecting water from downstream (Bloemfontein), acting as a barrier, it channels water to the Bolokanang houses and streets.
- ❖ Jacobsdal – Occasional floods has been recorded, this Storm water does not have any channelling, internal streets get flooded as and when it rains heavy.
- ❖ Koffiefontein – no proper Storm water channels, the elevation of Koffiefontein is close to a flat surface, some of the houses in Khayelitsha get flooded as and when it heavily rains.

6.13. COMPONENT E: PLANNING AND DEVELOPMENT

6.13.1 INTRODUCTION TO PLANNING AND DEVELOPMENT

This component includes planning and local economic development.

6.14. PLANNING

6.14.1 INTRODUCTION TO PLANNING

Table 56: Applications for Land Use Development

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Planning application received	0	0	0	0	0	0
Determination made in year of receipt	0	0	0	0	0	0
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	0	0
						<i>T 3.10.2</i>

Table 57: Employees: Urban Planning & Property Management

Employees: Urban Planning & Property Management					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
Total	0	0	0	0	0
					<i>T 3.10.4</i>

Table 58: Financial Performance: Urban Planning & Property Management

Financial Performance 2019/20: Urban Planning & Property Management					
R'000					
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4 320	0	0	0	0
Expenditure:					
Employees	174	475	475	204	271
Repairs and Maintenance	0	0	0	0	0
Other	0	0	0	0	0
Total Operational Expenditure	174	475	475	204	271
Net Operational Expenditure	4 146	475	475	204	271
					<i>T 3.10.5</i>

Table 59: Capital Expenditure 2019/20: Urban Planning & Property Management

Capital Expenditure 2020/201 Urban Planning					
					R' 000
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
No projects for the financial year					

6.15. LOCAL ECONOMIC DEVELOPMENT

6.15.1 INTRODUCTION TO ECONOMIC DEVELOPMENT

The growth of our local economy remains key priority to unlocking the employment opportunities for our people, thereby fighting head-on the socio-economic challenges facing our communities. The municipality is duty bound to create an environment that promotes the development of the local economy and create jobs.

In this regard, the municipality continue to strive to maximise our natural resources with the aim of attracting investors to unlock employment opportunities for our community and thereby helping to tackle the socio-economic challenges faced by our communities.

The municipality remain positive and hopeful that due to our stable political environment and our rich natural resources we will attract positive investment which will benefit our community in the long term.

The development of local SMME's also remains our responsibility to ensure that they are developed and assisted to grow into self-sustainable businesses that will continue to invest and contribute to the local economic growth.

Expanded Public Works Programme and Community Works Programme have contributed positively in keeping our towns clean and also created jobs.

6.15.2. COMMENT ON LOCAL JOB OPPORTUNITIES:

Creation of long-term sustainable jobs remains a key challenge, majority of jobs created are short term and only in the main alleviate key challenges such as unemployment for a short period. There is a much broader need to identify and source funding for bigger projects with the aim of creating long term sustainable employment opportunities for our people.

The majority of our youth are unemployed due to shortage of skills in order to qualify for some of the identified opportunities that end up being sourced elsewhere. To curb this, the municipality has partnered with the key local stakeholders such as Motheo and Petra Mine to ensure that some of the youth are given opportunities to be skilled in order to access better employment opportunities as they become available.

Table 60: Jobs Created during 2020/21 by LED Initiatives

Jobs Created during 2020/21 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Top initiatives				
Contractor Development through subcontracting In projects implemented	42	0	42	MIG non-financial report.

Table 61: Jobs Created through EPWP projects

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2019/20	3 Projects: Infrastructure Sector-120(Roads) Environmental Sector-120(Cleaning) Social Sector-40(Securities)	280
2020/21	3 Projects: Infrastructure Sector-50(Roads) Environmental Sector-50(Cleaning) Social Sector-10(Securities)	110
* - Extended Public Works Programme		

Table 62: Employees: LED Services

Employees: Local Economic Development Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
Total	1	1	1	0	0%
T 3.11.8					

Table 63: Financial Performance 2020/21: LED Services

Financial Performance 2020/21: Local Economic Development Services					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		0	0	0	0
Expenditure:					
Employees	626	538	683	336	347
Repairs and Maintenance	32	0	0	808	-808
Other	111	1445	115	56	59
Total Operational Expenditure	483	1983	798	1200	-402
Net Operational Expenditure	483	1983	798	1200	-402

Table 64: Capital Expenditure 20 LED Services

Capital Expenditure 2019/20 Economic Development Services					
R' 000					
Capital Projects	2019/20				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
No capital projects					
T 3.11.10					

6.15.3. COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

High unemployment and poverty remain huge challenges that affect the growth of the local economy. As such it is incumbent upon the municipality to make a conducive environment in which people may find it easier to become entrepreneurs in order to create job opportunities for the unemployed and also as a way to escape poverty.

As a municipality we remain committed to assisting our local SMMEs, formal and informal businesses to can conduct their business in a way that is sustainable and efficient for the local economy to can grow.

For the year under review, the LED unit has implemented the following successfully:

- The municipality also leased its unused building in Petrusburg to be used by two local SMMEs who have since established a funeral parlour and a tyre business at the said premises. The municipality will also avail other properties for the development of local SMMEs.
- At the start of the New Year 2020 the municipality had planned to host a SMME workshop in March which would have seen some SMMEs funded with grants to expand and grow their businesses based on their needs, adverts were issued in this regard and closed only waiting for adjudication with the

stakeholders that the municipality had partnered with. Unfortunately due to the country going into lockdown in March we had to cancel this event and postpone it.

- In the period under review and in line with the national directives the municipality issued over 200 trading permits to the Hawkers, Spazashops and other businesses that were allowed to open during the different lockdown levels. This allowed our local business to keep operating and earning an income.
- The LED Officer coordinated the process of distribution, filling, and submission of application for relief from farmers to the Department of Agriculture. Over 40 application forms were submitted to the Department on behalf of the farmers. The Department of Agriculture is still busy with verification of the information provided by the farmers and are busy visiting the farms that have been identified for funding.
- There are various SMME relief funds that are related to loss of income during the lockdown by the National and Provincial Small Business Departments made available to the SMMEs. All of these funds require that the SMMEs apply directly to the departments and as the municipality we are not involved at all in this process and as such we have no idea as to the number of our SMMEs that are applying for these reliefs. However as the LED unit we have circulated information to our SMMEs to inform them of the available funding options that they can access.
- The LED Officer with SEDA have undertaken visits to the South African owned tuckshops to assist the entrepreneurs to apply for the relief by the Departments.
- The Municipality with Department of Small Business in Free State (DESTEA) through their office of the consumer protector coordinated unannounced raids on businesses in our municipality to check compliance on lockdown regulations by these businesses. The last raids were conducted in Luckhoff on 03 June 2020 and in Petrusburg on 05 June 2020 other towns will be done unannounced.
- As part of removing the red tape for the hawkers, informal and small businesses operating in our jurisdiction, the municipality waived the Application Fee for trading permits and has issued more than 200 Trading permits at no cost to our entrepreneurs during the national lockdown at various alert levels.
- **Agricultural Development**
- The municipality has successfully applied for landcare funds on behalf of our emerging farmers
- Letsemeng Local Municipality successfully assisted our emerging farmers that were in our commonages to be allocated 2093 hectares of land by the Department of Rural Development and Land Reform to lease on a long term basis to beneficiaries from the local community who have ventured into commercial farming.
- The Provincial Department of Agriculture has disbursed R1, 5 Million to assist our emerging farmers in commonage for infrastructure improvement at our Petrusburg Commonages.

As the municipality was having financial constraints to can fund some of our activities, we leveraged on our good partnerships with various stakeholders including other government departments and agencies as well as the private sector particularly Petra Diamonds Mine who came on board and ensured that some of our activities could take place without any hindrance.

Some of the planned activities could not be done due to the national lockdown restrictions.

The municipality is in the process of finalising the key policies which will assist with the direction the municipality should take in tackling the economic development challenges. These policies are;

- Commonage Management Policy
- Business Licence Policy

These policies are expected to be finalised during the coming financial year.

6.16 COMPONENT F: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

6.16. INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The libraries function has been transferred to the Provincial Government.

6.17 LIBRARIES, ARTS AND CULTURE

6.17.1. INTRODUCTION TO CIVIC THEATRE, ARTS AND CULTURE

The municipality does not perform this function.

6.18 PARKS AND CEMETERIES

6.18.1 INTRODUCTION TO PARKS AND CEMETERIES

OVERVIEW

It is the responsibility of the Community services division to provide a healthy and a conducive environment to the public, to upgrade the current developed parks and to develop new parks for informal recreation. It is of paramount importance to maintain cemeteries and to provide graves for funerals.

CORE AREAS OF RESPONSIBILITY

- Public Parks and open spaces
- Cemeteries

LOCAL JOB OPPORTUNITIES

The municipality is making use of EPWP and CWP employees for the cleaning of the cemeteries.

Table 65: Employees: Parks and Cemeteries

Employees: Parks and Cemeteries					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
Total	0	0	0	0	0
T 3.13.4					

Table 66: Financial Performance: Parks and Cemeteries

Financial Performance 2020/21: Parks and Cemeteries					
R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0				
Expenditure:					
Employees	0				
Repairs and Maintenance	304	1000	100	0	100
Other	0	500	105	192	-87
Total Operational Expenditure	340	1500	205	192	13
Net Operational Expenditure	340	1500	205	192	13
T 3.13.5					

Table 67: Capital Expenditure: Parks and Cemeteries

Capital Expenditure 2020/21: Parks and Cemeteries					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
No capital project for the Financial year					
T 3.13.6					

6.19 SPECIAL PROGRAMMES

6.19.1 INTRODUCTION TO SPECIAL PROGRAMMES

Special programmes are located in the Office of the Mayor and include the youth, women, disabled, aged, children and HIV/AIDS. The majority of the programmes and projects are implemented in partnership with other government departments, NGOs, CBO's and other external stakeholders.

6.19.2 COMMENT ON THE PERFORMANCE OF SPECIAL PROGRAMMES OVERALL

The majority of the programmes and projects are implemented in partnership with other government departments, NGOs, CBO's and other external stakeholders.

6.20 COMPONENT G: ENVIRONMENTAL PROTECTION

6.20.1. INTRODUCTION TO ENVIRONMENTAL PROTECTION

Top priority of the municipality is to formulate policies and procedures aimed at conserving the natural resources, preserving the current state of natural environment and where possible, reversing its degradation.

6.20.1 SERVICE STATISTICS FOR ENVIRONMENTAL PROTECTION

Environmental master plan to be designed with the assistance of the Department of Economic, Small Business Development, Tourism and Environmental Affairs.

6.21 OTHER (DISASTER MANAGEMENT & OTHER)

16.21.1. INTRODUCTION TO DISASTER MANAGEMENT

As per Section 53 (1) of the Disaster Management Act, 57 of 2005 each municipality must:

- prepare a disaster management plan for its area according to the circumstances prevailing in the area;
- co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players; and
- regularly review and update its plan; and through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the Local Government Systems Act, 2000 (Act No. 32 of 2000), consult the local community on the preparation or amendment of its plan.

Letsemeng Municipality has mostly partnered with the Xhariep District Municipality to develop a disaster management plan for its area of jurisdiction since. Disaster management function is not functional due lack of equipment. LLM has developed a Disaster Management Plan locally and it was approved by Council for the year under review.

1.22 SPORT AND RECREATION

6.22.1 INTRODUCTION TO SPORT AND RECREATION

The Municipality's core function is to maintain all sport and recreation facilities within its jurisdiction. The municipality also supports sports programmes such as the O.R Tambo regional games by assisting with transport through the office of Mayor.

Table 68: Employees: Sport and Recreation

Employees: Sport and Recreation					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
Total	0	0	0	0	
T 3.23.3					

Table 69: Financial Performance: Sport and Recreation

Financial Performance 2020/21: Sport and Recreation R'00/0					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0
Other	0	0	0	0	0
Total Operational Expenditure	0	0	0	0	0
Net Operational Expenditure	0	0	0	0	0

Table 70: Capital Expenditure: Sport and Recreation

Capital Expenditure 2020/21: Sport and Recreation R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
No project for sports and recreation	0	0	0	0%	0
2020/21					
T 3.23.5					

7. CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

7.1. INTRODUCTION TO THE OFFICE OF THE MUNICIPAL MANAGER

The Municipal Manager is the Accounting Officer of the Municipality. As Accounting Officer he/she may delegate certain duties to the Chief Financial Officer, who will be accountable to him. The Municipal Manager is therefore accountable for all transactions entered into by his designates.

The Office of the Municipal Manager consists of the following administrative units:

- Internal Audit and Risk Management
- Integrated Development Planning and Performance Management
- ICT

The Municipality as a Service Authority within its area of jurisdiction has a legislative mandate to provide services in a safe and healthy environment. The top three service delivery priorities are as follows:

- Provision of new infrastructure in terms of planning and implementation.
- Operating, maintenance and refurbishment/rehabilitation of existing infrastructure.
- Provision of basic services such as water, electricity and roads

SERVICE STATISTICS FOR THE OFFICE OF THE MUNICIPAL MANAGER

Table 71: Service Statistics: Office of the Municipal Manager

Service Activity	Service Results
Number of senior management meetings held:	9
Number of management meetings held:	5
Number of quarterly stakeholder meetings convened:	0

Table 72: Employees: Office of the Municipal Manager

Employees: Executive and Council					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	0	1	0	1	100%
7 – 9	3	4	3	1	25%
10 - 12	2	2	2	0	0%
13-15	0	0	0	0	
Total	5	7	5	2	
					T 3.24.4

Table 73: Financial performance: Office of the MM

Financial Performance 2020/21: Office of the MM						R'000
Details	2019/20	2020/2021				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	0	0	0	0	0	
Expenditure:						
Employees	5189	5303	5222	2648	2574	
Repairs and Maintenance	2754	50	20	0	20	
Other	3893	3238	3204	10520	-7316	
Total Operational Expenditure	11836	8591	8446	13168	-4722	
Net Operational Expenditure	11836	8591	8446	13168	-4722	
						T 3.24.5

Table 74: Capital Expenditure: Office of the MM

Capital Expenditure 2020/21: Office of the MM						R' 000
Capital Projects	2020/2021					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	0	0	0	0%		
No capital expenditure for the financial year						

7.2. FINANCIAL SERVICES

7.2.1. INTRODUCTION TO FINANCIAL SERVICES

Debt recovery has been a serious concern over the past years. The municipality struggles to collect 100% of what is billed on monthly basis. The arrears are not really serviced. Write-offs have been implemented on irrecoverable inactive accounts older than 3 years and cut offs were not performed regularly due to COVID. The municipality has put its focus on debt collection supporting Revenue Division under those circumstances.

There is a challenge of low revenue collection due to non-payment of accounts. . Cut-off processes are performed on regular basis to address revenue losses from electricity, water services and other services. Faulty meters both water and electrical are being replaced as much as the supply of manpower allows to improve the collection rate.

Table 75: Employees: Financial Services

Employees: Financial Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	15	19	15	4	21.05%
4 – 6	16	24	16	8	33.33%
7 – 9	4	6	4	2	33.33%
10 - 12	3	3	3	3	0%
13 - 15	0	0	0	0	0
Total	38	52	38	17	27%
T 3.25.4					

Table 76: Financial Performance: Financial Services

Financial Performance 2020/21: Financial Services R'000					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	26292	82673	84473	82673	1800
Expenditure:					
Employees	7928	9695	9406	6600	2806
Repairs and Maintenance	2768	50	30	0	30
Other	20844	10989	10989	12929	-1940
Total Operational Expenditure	31540	20734	20425	19529	896
Net Operational Expenditure	-5248	61939	64048	63144	904
T 3.25.5					

Table 77: Capital expenditure: Financial Services

Capital Expenditure 2020/21: Financial Services R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
No capital expenditure for the financial year					

7.3. HUMAN RESOURCE SERVICES

7.3.1. INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resources is one of the supporting function in Corporate Services Department, its main functions are as follows: Leave Administration, Recruitment, Benefits and Terminations.

Priority: Institutional Performance Capacity and staff provision

To improve performance the Council approved Performance Management Policy and the Institutional Performance Management Framework that will provide guidance in measuring, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players.

7.3.2. SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The Municipality is currently standing with a total staff component of 200 employees as at end June 2020. The Municipality filled a total number of 17 positions, during the financial year 2020/21. A total of 17 terminations were recorded due to different types of terminations e.g. Death, retirement, ill health and resignations.

A total number of 5 training interventions were implemented with 75 employees being trained. Other main service statistics are included in Chapter 4 of the Annual Report.

Table 78: Employees: Human Resource Services

Employees: Human Resource Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	8	10	8	2	20%
4 – 6	8	9	8	1	11.11%
7 – 9	1	5	1	4	80%
10 - 12	2	2	2	0	0%
Total	19	26	19	7	111.11%
T3.26.4					

Table 79: Financial Performance: Human Resource Services

Financial Performance 2020/21: Human Resource Services					
R'000					
Details	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		0	0	0	0
Expenditure:	0				
0	5 188	2591	4565	4928	-363
Repairs and Maintenance	-	1191	20	33	-13
Other	1 586	4158	806	2108	-1302
Total Operational Expenditure	6 774	7940	5391	7069	-1678
Net Operational Expenditure	-6 774	7940	5391	7069	-1678
T 3.26.5					

Table 80: Capital Expenditure: Human Resource Services

Capital Expenditure 2020/21: Human Resource Services					
R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
No projects for the financial year					

7.4. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

7.4.1. INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Our 3 primary objectives in ICT are:

- To minimize IT downtime;
- To ensure that our financial system data is backed-up on a regular basis; and
- To ensure all IT queries are addressed within 48 hours depending on the nature of the query and availability of resources .

Table 81: Employees: ICT Services

Employees: ICT Services					
Job Level	2019/20	2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
7 - 9	1	2	1	1	50%
Total	1	2	1	1	50%
					T3,27.4

Table 82: Capital Expenditure: ICT Services

Capital Expenditure 2020/21: ICT Services R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
No capital project for this year					

7.5. LEGAL AND COUNCIL SUPPORT SERVICES

7.5.1 INTRODUCTION TO LEGAL AND COUNCIL SUPPORT SERVICES

The primary function of this division is to:

- Provide administrative support to Council.

- To attend to all legal related matters on behalf of the Municipality.
- To provide auxiliary services to the administration.
- To spearhead Batho Pele Principles and Back to Basics.
- To attend to all customer care related issues.

Table 83: Employees: Legal and Council Support Services

Employees: Legal and Council Support Services					
Job Level	2019/20	2020/21			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	0			0	0%
4 - 6	0	0	0	0	0%
10 - 12	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
					T 3.28.4

Table 84 Financial Performance: Legal and Council Support Services

Financial Performance 2020/21: Legal and Council Support Services R'000					
Details	2020/21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees		0	0		
Repairs and Maintenance					
Other					
Total Operational Expenditure		0	0		
Net Operational Expenditure					
					T 3.28.5

Table 85: Capital Expenditure: Legal and Council Support Services

Capital Expenditure 2020/21: Legal and Council Support Services R' 000					
Capital Projects	2020/21				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	
No capital project for this year					
Polishers	0	0	0	0	
Space saving cabinets	0	0	0	0	
					T 3.28.6

COMMENT ON LEGAL AND COUNCIL SUPPORT SERVICE PERFORMANCE OVERALL

The Legal and Support Services Division perform exceptionally well for the period in review. It ensured that the Municipal Council sits as required by the Municipal Systems Act and the Standard Rules and Orders and make necessary preparations for community consultation. It further provided administrative support to the entire institution.

7.6. COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

7.6.1. EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 86: Total Number of Employees

Description	Employees				
	2019/20	2020/21			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	11	20	09	03	33%
Waste Water (Sanitation)	6	12	16	00	0%
Electricity	8	9	07	04	57%
Waste Management	24	30	35	08	23%
Housing	2	2	02	00	0%
Waste Water (Storm water Drainage)	0	0	11	16	145%
Roads	0	0	-		0%
Transport	0	0	-		0%
Planning	0	0	0	00	0%
	1	1	1	00	0%
Planning (Strategic & Regulatory)	0	0	0	00	0%
Community & Social Services	0	0	0	00	0%
Environmental Protection	0	0	0	00	0%
Health	0	0	0	00	0%
Security and Safety	0	0	0	00	0%
Sport and Recreation	0	0	0	00	0%
Corporate Policy Offices and Other	0	0	0	00	0%
Totals	51	73	81	31	38%

T 4.1.1

Table 87: Vacancy Rate

Vacancy Rate: 2020/21			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	100%
CFO	1	0	100%
Other S57 Managers (excluding Finance Posts)	2	1	50%
Other S57 Managers (Finance posts)	0	0	0%
Police officers	0	0	0%
Fire fighters	0	0	0%
Senior management: Levels 13-15 (excluding Finance Posts)	2	2	100%
Senior management: Levels 13-15 (Finance posts)	3	0	100%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	4	3	25%
Highly skilled supervision: levels 9-12 (Finance posts)	2	2	100%
Total	15	8	
T 4.1.2			

A high turnover rate may be costly to a Municipality and might negatively affect productivity, service delivery and institutional memory/Organizational knowledge. Below is a table that shows the turnover rate within the Municipality.

The table below indicates the turn-over rate over the last two years:

Table 88: Turn-over rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2019/20	0	11	
2020/21	0	0	
T 4.1.3			

7.6.2. COMMENT ON VACANCIES AND TURNOVER:

The Council approved the organizational structure in January 2020. Some critical positions that needed to be filled have been filled and recruitment processes are underway to accommodate other critical positions.

Turnover is mainly as a result of terminations e.g. death, resignation, retirements and ending of fixed term contracts.

7.7 COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

7.7.1 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality is constituted of five departments, Office of the Municipal Manager, Department of Corporate Services, Department of Finance, Department of Community Services and the Department of Technical Services of which each head of department is responsible for the management of the workforce in its department. Furthermore, each department is divided into divisions that are headed by managers who responsible for the discipline and work of employees in their divisions.

7.7.2 COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The Human Resource Policies Manual was not reviewed for the period under review.

7.8 POLICIES

Table 89: HR Policies and Plans

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action		95.0%	Not available
2	Attraction and Retention	100%		Part of HR Policy Manual/ 29 August 2019
3	Code of Conduct for employees		100%	Collective Bargaining Council matter
4	Delegations, Authorisation & Responsibility		95.0%	Avail, needs to be reviewed
5	Disciplinary Code and Procedures	100%		Collective Bargaining Council
6	Essential Services		95.0%	Discussed at the level of the Local Labour Forum
7	Employee Assistance / Wellness	100%		Part of HR policy Manual/ 29 August 2019
8	Employment Equity		95.0%	Not available
9	Exit Management		00.0%	Policy not yet developed
10	Grievance Procedures		100.0%	Collective Bargaining Council matter
11	HIV/Aids		95.0%	Part of HR Policy Manual/ 29 August 2019
12	Human Resource and Development	100%		Part of HR Policy Manual/ 29 August 2019
13	Information Technology	100%		In the process of developing IT policies
14	Job Evaluation		0%	No job evaluation
15	Leave	100%		Part of HR Policy manual/ 29 August 2019
16	Occupational Health and Safety	100%		Part of HR Policy Manual/ 29 August 2019
17	Official Housing	100%		Part of HR Policy Manual/ 29 August 2019
18	Official Journeys		95.0%	Available
19	Official transport to attend Funerals		95.0%	A draft has been developed, still to be tabled before the LLF.
20	Official Working Hours and Overtime	100%		Part of HR Policy Manual/29 August 2019

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
21	Organisational Rights		95.0%	Collective Bargaining Council matter
22	Payroll Deductions		95.0%	Referred back to the section 79 Committee to further refinement.
23	Performance Management and Development		95%	Awaiting workshop to be conducted.
24	Recruitment, Selection and Appointments	100%		Part of HR Policy Manual/29 August 2019
25	Remuneration Scales and Allowances		95.0%	Available
26	Resettlement		95.0%	Available
27	Sexual Harassment	100%		Part of HR Policy Manual/29 August 2019
28	Skills Development	100%		Part of HR Policy Manual/ 29 August 2019
T 4.2.1				

7.9 INJURIES, SICKNESS AND SUSPENSIONS

Table 90: Number and Cost of Injuries on Duty

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	0	0	0	0	0
Temporary total disablement	-				
Permanent disablement	-				
Fatal	-				
Total	0	0	0	0	0
T 4.3.1					

7.9.1 COMMENT ON INJURY AND SICK LEAVE:

The Municipality has put necessary precautions in place to mitigate the injuries from happening. The rate of employees who take sick leave is very minimal and it does not affect the smooth running of the operations.

Table 91: Number and Period of Suspensions

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
NONE				
T 4.3.5				

Table 92: Disciplinary Action Taken on Cases of Financial Misconduct

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
NONE			
			<i>T 4.3.6</i>

7.9.2 COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

No employee was suspended for negligent of responsibilities under period in review and no cases of financial misconducted were reported or discovered.

7.10 PERFORMANCE REWARDS

In terms of regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 R.805 a bonus may only be paid after the municipal council has adopted the annual report of the year under review.

The majority of Managers (Directors) appointed in terms of Section 56 of the MSA are on fixed-term performance contracts. The Individual Performance Management System has not yet been cascaded down to the second reporting line of managers. Currently no performance bonus system or policy exists to pay bonus to non-section 57 employees. This will be put in place once the organisation achieves the necessary performance management maturity level.

7.10.1 COMMENT ON PERFORMANCE REWARDS

There were no performances rewards issued to employees during the period under review.

7.11 ORGANISATIONAL PERFORMANCE SCORECARD

Performance Management is a process, which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, and 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 institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets meet its strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996) section 152 states that, 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 also linked with the concept of Performance management, with reference to 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 Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, 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.”

Section 57 makes the employment of the Municipal Manager and Managers directly accountable to him subject to a separate performance agreement concluded annually before the end of July each year. Section 67 regards the monitoring, measuring and evaluating of performance of staff as a platform to develop human resources and to hold municipal staff accountable to serve the public efficiently and effectively. Performance Management, therefore, is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities.

7.11.1. COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states, that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource 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).

7.11.2. INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The local sphere of government falls under Local Government Sector Education and Training Authority and is required to conduct skill audit and thereafter develop Workplace Skill Plan (WSP) which is accompanied by Training Plan. This Training Plan outlines the trainings that would be undertaken in a particular financial year. The employees are being sent to different training courses based on the skills identified in the WSP.

7.12. SKILLS DEVELOPMENT AND TRAINING

Table 93: Skills Matrix

Skills Matrix														
Management level	Gender		Number of skilled employees required and actual as at 30 June 2020/21											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of 2020/21	Actual: End of 2020/21	2020/21 Target	Actual: End of 2020/21	Actual: End of 2020/21	2020/21 Target	Actual: End of 2020/21	Actual: End of 2020/21	2020/21 Target	Actual: End of 2020/21	Actual: End of 2020/21	2020/21 Target
MM and s57	Male	1	0	0	0	0	0	0	0	0	0	0	0	0
	Male	4	0	0	0	0	4	4	0	4	0	0	4	0
	Female	1	0	0	0	0	1	1	0	1	0	0	1	0

Councillors, senior officials and managers	Female	2	0	0	0	0	0	0	0	2	2	2	2	2
	Male	9	0	0	0	0	0	0	0	9	9	9	9	9
Technicians and associate professionals *	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0	0	0	0	0
Professionals	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		16	0	0	0	0	4	4	0	15	11	11	15	11

*Registered with professional Associate Body e.g. CA (SA)

T 4.5.1

Table 94: Financial Competency Development: Progress Report

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<i>Accounting officer</i>	1	0	1	1	1	1
<i>Chief financial officer</i>	1	0	1	1	1	1
<i>Senior managers</i>	3	0	3	3	3	3
<i>Any other financial officials</i>	15	0	15	12	0	12
Supply Chain Management Officials	0	0	0	0	0	0
<i>Heads of supply chain management units</i>	1	0	1	1	0	1
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
TOTAL	20	0	20	17	4	17

7.13. COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

7.13.1. INTRODUCTION TO WORKFORCE EXPENDITURE

Section 66 of the MFMA 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.

7.14. EMPLOYEE EXPENDITURE

The success or failure of a municipality depends on the quality of its political leadership, sound governance of its finances, the strength of its institutions and the caliber of staff working for the municipality.

Although sound financial governance is perceived to be most important, without proper personnel management, municipalities are likely to experience difficulty. This has become increasingly evident in a number of large municipalities that have recently found themselves in precarious financial situations, and is certainly true of many smaller municipalities. An analysis of municipal finances suggests that personnel issues lie at the heart of many of the financial problems experienced by municipalities.

At an aggregate level, about 33 per cent of the total municipal operating budget gets spent on the remuneration of personnel.

Municipalities are required to carry out quality services in an effective, efficient and financially sound manner by supporting the principles of ensuring cost-effective and affordable service delivery. Accountability and transparency are, therefore, important when managing workforce expenditure. If the Municipality wants to be effective, it is important to ensure that the Municipality plan properly. To ensure that the Municipality adhere to legislation, only approved and budgeted posts on the structure are advertised. The training and development of internal staff are aimed at ensuring that they are able to perform their duties better.

As can be seen from the graph below the workforce expenditure is on an upward curve since 2011. Demands by Labour have led to a steady increase in workforce expenditure despite a very slow economy. If the trend below continues in the future further pressure will be placed on the municipality's limited resources and will necessitate increases in tariffs that will place a greater burden on the rate payers.

7.14.1 COMMENT ON WORKFORCE EXPENDITURE:

The Municipal workforce expenditure is on an upward curve since 2011. Demands by Labour have led to a steady increase in workforce expenditure despite a very slow economy. If the trend below continues in the future further pressure will be placed on the municipality's limited resources and will necessitate increases in tariffs that will place a greater burden on the rate payers.

Table 95: Number of Employees Who's Salaries Were Increased Due to Their Positions Being Upgraded

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
There were no salary increases due to upgrading of employee's position on the period under review.		
<i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i>		

Table 96: Employees who's Salary Levels Exceed the Grade Determined by Job Evaluation

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None.				

Table 97: Employees appointed to posts not approved

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
No appointments were made to posts not approved on the structure.				

7.14.2 COMMENT ON WORKFORCE EXPENDITURE:

There was no upgrade of positions due to job evaluation for the financial year 2020/21. Some variances are legacy issues that occurred as a result of previous amalgamation.

8. CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of the following three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

8.1. COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The municipality's performance during the year under review has been unsatisfactory, due to financial constraints, municipality experienced decline in revenue.

With the GRAP 24 (Presentation of Budget Information in Financial Statements) now effective, detailed analysis and comments for comparatives of Actual against Budgeted Amounts are shown in the financial statement, which forms part of this report.

The following sections provide an overview of the financial results of the Municipality for the year under review per economic classification compared to the prior year audited results, the original and final adjustments budget.

Total recognised revenue was R 229,979,999, the budgeted figure of R 220,843,589

The highlights of income recognised are as follows:

- Actual service charges amounts to R50,614,190 against a budget amount of R51,657,341
- Treasury withheld funds to repay unspent grants on MIG and WSIG.
- Total expenditure incurred amounted to R 229,257,588 and the budgeted expenditure was R218,049,399.

8.1.1 GRANTS

Table 98: Grant Performance

Grants Performance				
Description	2019/20	2020/2021		
	Actual	Budget	Adjustment Budget	Actual
<u>Operational Transfers and Grants</u>	-	-	-	-
Equitable Shares	63,668,000	78,873,000	-	78,873,000
Other Transfers	5,625,000.00	11 053 686	-	11 053 686
<u>Capital Grants and Transfers</u>				
MIG	17,149,000.00	16,852,000	-	13,643,332
INEP	5,200,000.00	9,547,000	-	9,547,000
WSIG	24,000,000.00	24,201,000	-	24,201,000

Grants received from sources other than Division of Revenue Act (DoRA)

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2020/21	Actual Grant 2020/21	2020/21 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals – No grants received						
Foreign Governments/Development Aid Agencies – No grants received						
Private Sector / Organisations – No grants received						

T 5.2.3

8.1.2 COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The municipality did not receive any conditional grants from sources other than the DoRA.

8.1.3 ASSET MANAGEMENT

Table 99: Treatment of the three largest assets acquired

Future Purpose of Asset	Sports and Recreation
Describe Key Issues	
Policies in Place to Manage Asset	Yes

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED '2020/21				
Asset 1				
Name	Jacobsdal Electrification of 392 Household Connections			
Description	Jacobsdal Electrification of 392 Household Connections			
Asset Type	Infrastructure asset			
Key Staff Involved	Sizwe Fikizolo			
Staff Responsibilities	Project Management & Oversight			
Asset Value (Spent in 2020/21)			2020/21	
			R 6 596 660.30	
Capital Implications	Service Delivery Asset			
Future Purpose of Asset	Improved Service Delivery			
Describe Key Issues				
Policies in Place to Manage Asset	Yes			
Asset 2				
Name	Jacobsdal Electrification of 100 Household Connections			
Description	Jacobsdal Electrification of 100 Household Connections			
Asset Type	Infrastructure asset			
Key Staff Involved	Sizwe Fikizolo			
Staff Responsibilities	Project Management & Oversight			
Asset Value (Spent in 2020/21)			2020/21	
			R 1.7 million	
Capital Implications	Service Delivery Asset			
Future Purpose of Asset	Service delivery			
Describe Key Issues				
Policies in Place to Manage Asset	Yes			

Asset 2				
Name	Electrical Bulk Supply Point			
Description	500KVA, 22KV, 40m Bulk Supply Point			
Asset Type	Infrastructure asset			
Key Staff Involved	Sizwe Fikizolo			
Staff Responsibilities	Project Management & Oversight			
Asset Value (Spent in 2020/21)			2020/21	
			R 890 000.00	
Capital Implications	Service Delivery Asset			
Future Purpose of Asset	Service delivery			
Describe Key Issues				
Policies in Place to Manage Asset	Yes			

8.2 COMMENT ON ASSET MANAGEMENT:

Majority of Assets are procured through Grants, the Municipality has an asset management unit, which deals with all asset management issues.

Table 100: Repairs and Maintenance Expenditure

Repair and Maintenance Expenditure: 2020/21				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	2820	1750	5924	-4174
				<i>T 5.3.4</i>

8.3. FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

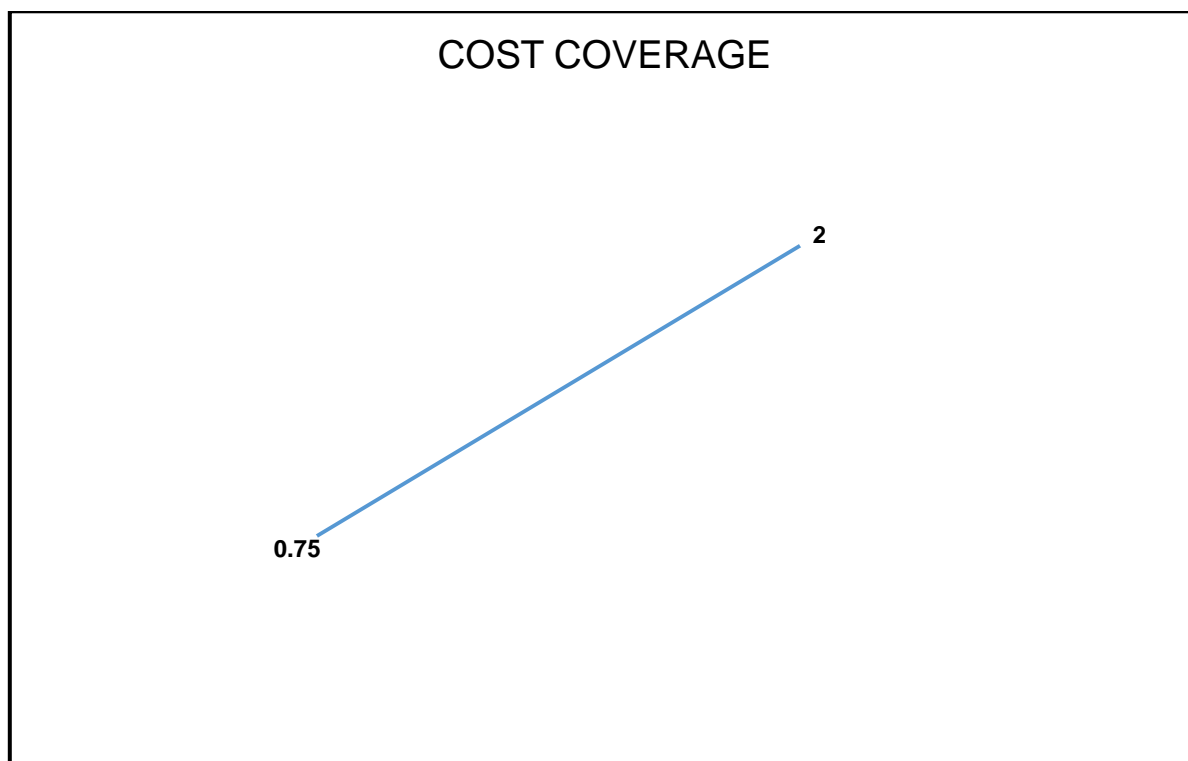


Figure 3: Ratio Cost Coverage

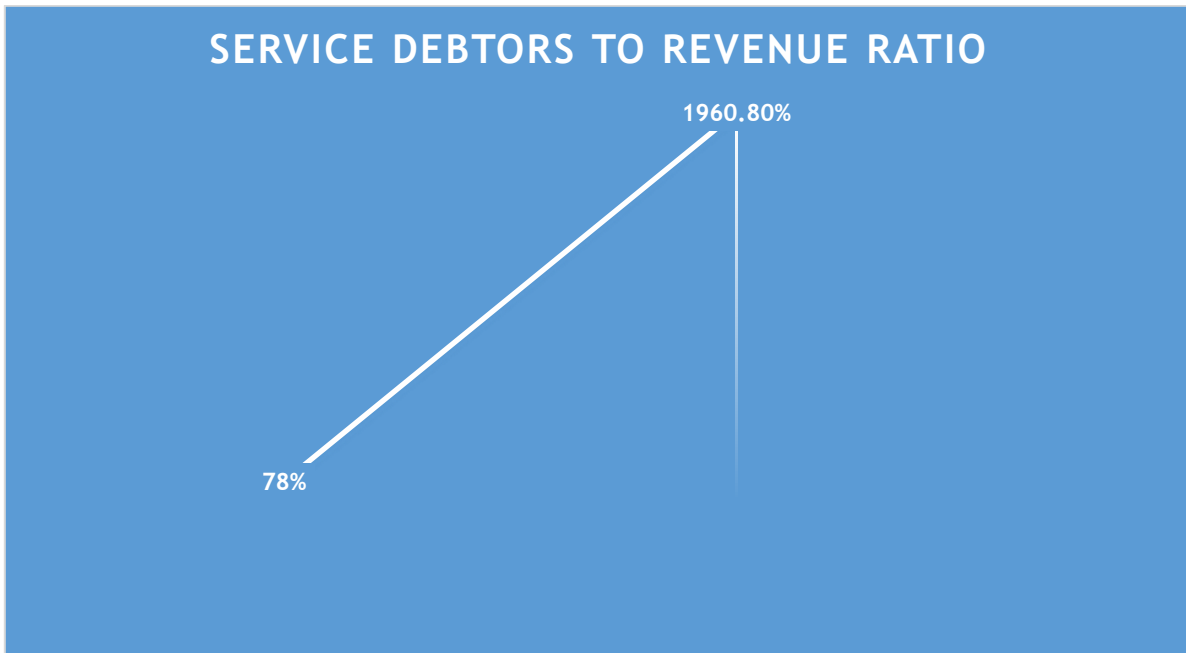


Figure 4: Service Debtors to Revenue Ratio

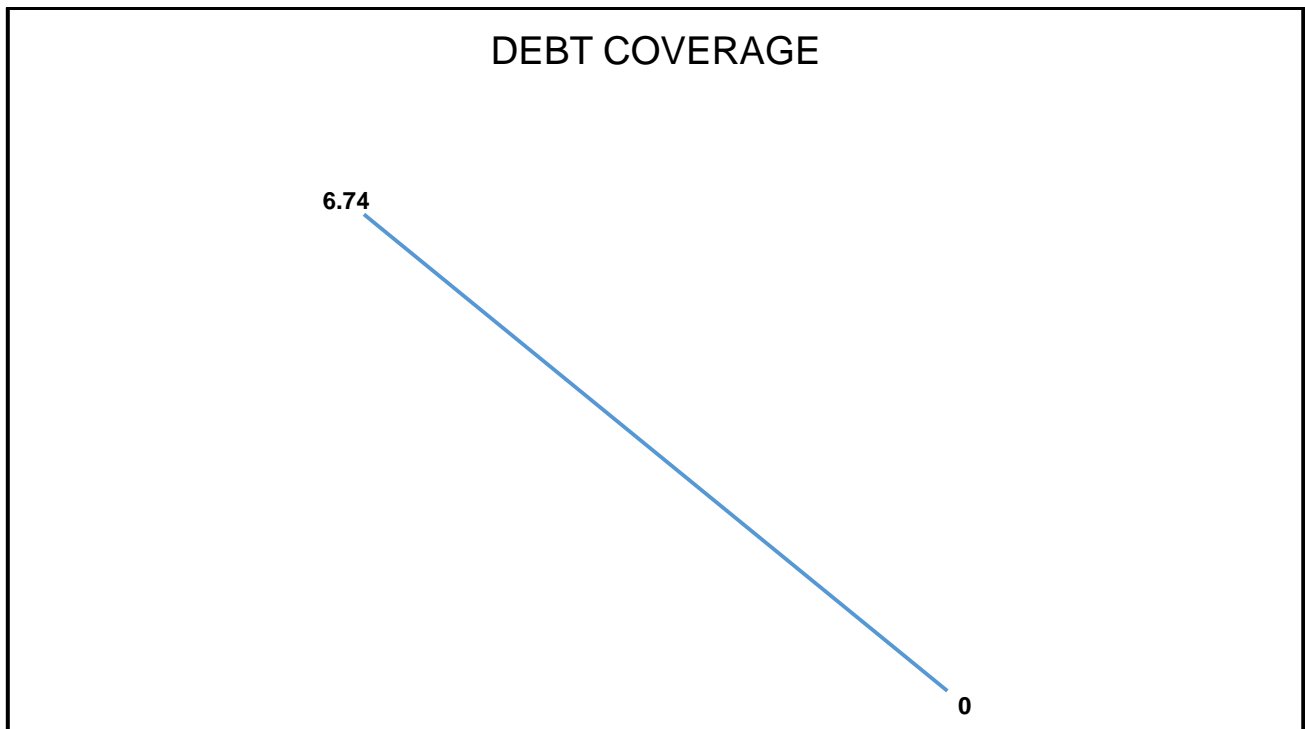


Figure 5: Debt Coverage Ratio

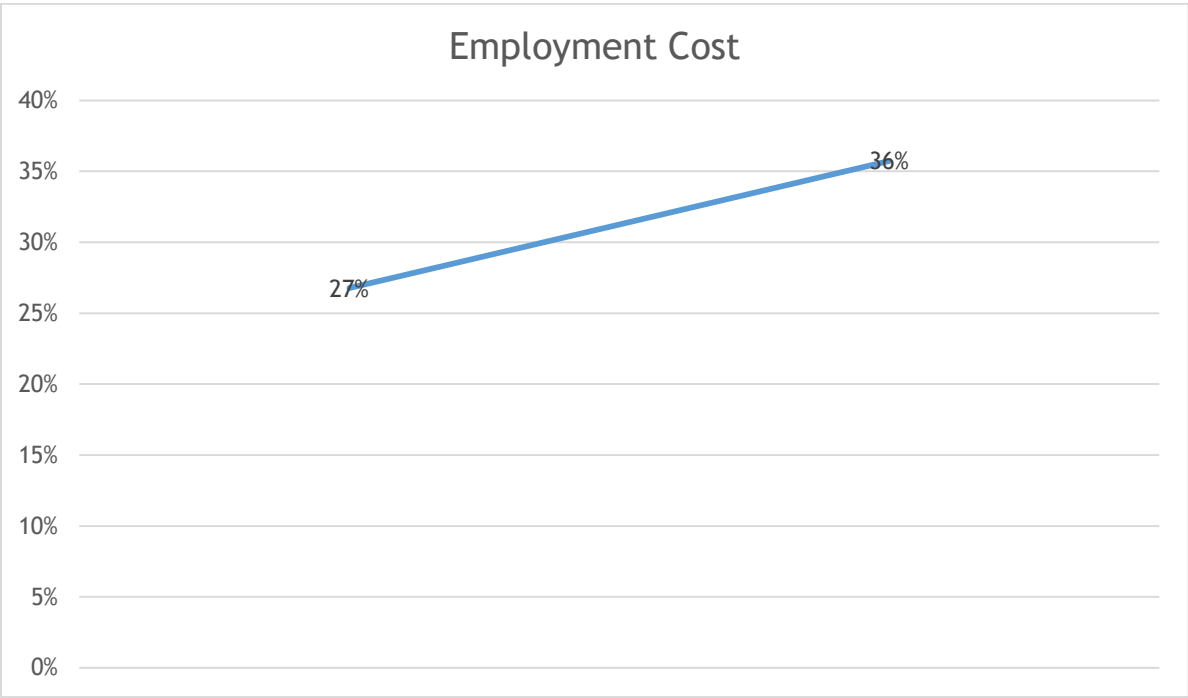


Figure 6: Employee Cost

8.4. COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

8.4.1. INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend.

8.4.2. CAPITAL EXPENDITURE

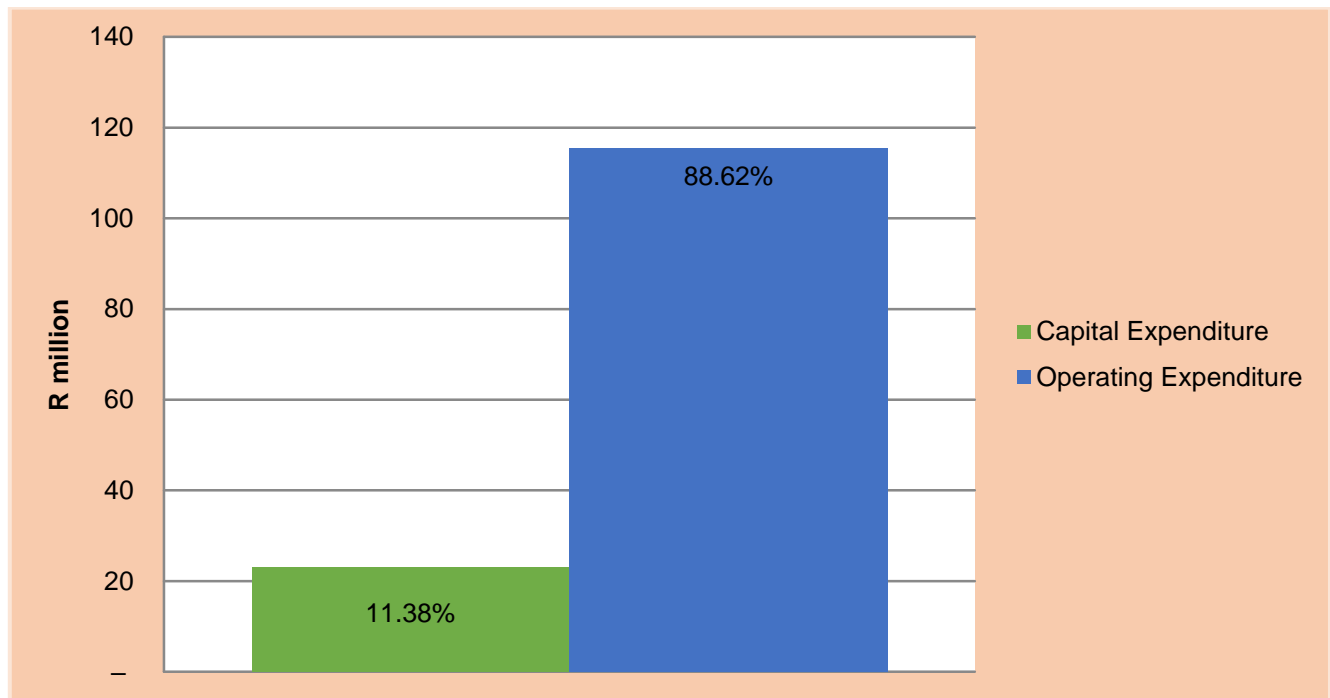


Figure 7: Capital Expenditure

8.5. INDIGENTS HOUSEHOLDS

The municipality embarked on an indigent registration for the period under review. At the end of June 2021 the number was standing at 2100

8.6. DEBTORS AGE ANALYSIS

The debtors of the municipality arise from the households, government, business and other. These debtors arise from the following services, water, electricity, sewerage and refuse removal.

DEBTORS PER SERVICE

The information below shows the total outstanding debtors of the municipality as at 30 June 2021.

Table 100: Debtors Age Analysis by Income Source (Exchange Transactions)

5. Receivables from exchange transactions		
Gross balances		
Electricity	8,805,429	12,917,689
Water	44,712,207	45,795,031
Sewerage	38,007,534	40,048,823
Refuse	35,442,196	35,772,585
Other	221,439	120,787
Housing rental	1,791,904	2,179,878
Interest	110,193,677	60,194,841
	239,174,386	197,029,634

Table 103: Debtors Age Analysis by Income Source (Non- Exchange Transactions)

6. Receivables from non-exchange transactions

Assessment rates	51,269,614	42,332,920
Provision for impairment	(29,643,665)	(24,108,576)
Other receivables	455,153	-
	22,081,102	18,224,344

8.7. OPERATING EXPENDITURE

Budget on Cash Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Expenditure						
Employee costs	(58,918,002)	(2,154,143)	(61,072,145)	(63,364,198)	(2,292,053)	
Remuneration of councillors	(4,313,164)	(258,790)	(4,571,954)	(4,217,404)	354,550	
Depreciation / amortisation and impairment loss	(47,139,650)	-	(47,139,650)	(50,824,122)	(3,684,472)	
Finance costs	(600,000)	(1,400,000)	(2,000,000)	(7,871,577)	(5,871,577)	
Debt Impairment	(50,000,000)	-	(50,000,000)	(30,287,712)	19,712,288	
Repairs and maintenance	(5,940,000)	(5,315,000)	(11,255,000)	(5,924,176)	5,330,824	
Bulk purchases	(28,000,000)	6,000,000	(22,000,000)	(38,632,663)	(16,632,663)	
Contracted services	(8,924,117)	(2,550,883)	(11,475,000)	(11,158,122)	316,878	
General expenses	(4,921,999)	(3,613,651)	(8,535,650)	(16,977,614)	(8,441,964)	
Total expenditure	(208,756,932)	(9,292,467)	(218,049,399)	(229,257,588)	(11,208,189)	
Operating surplus	(18,630,031)	21,424,221	2,794,190	722,411	(2,071,779)	
Loss on disposal of assets	-	-	-	(11,299,625)	(11,299,625)	
Fair value adjustments	-	-	-	3,200	3,200	
Actuarial gains/losses	-	-	-	(308,000)	(308,000)	
Inventories losses	-	-	-	146,549	146,549	
	-	-	-	(11,457,876)	(11,457,876)	
Surplus	(18,630,031)	21,424,221	2,794,190	(10,735,465)	(13,529,655)	

8.8. BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

8.8.1. INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Table 101: Service Backlogs

Service Backlogs as at 30 June 2021				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	9814	100%	0	0
Sanitation	9558	100%	0	0
Electricity	5720	100%	0	0

Waste management	9414	100%	0	0
Housing				
				<i>T 5.8.2</i>

8.8.2. COMMENT ON BACKLOGS:

As can be seen the basic services backlogs are a huge problem for Letsemeng Local Municipality, only few projects were implemented in the last financial year and this were fully funded by MIG and WSIG.

8.9. COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

8.9.1. INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The proper management of cash resources is paramount in ensuring viability and sustainable growth and development. The municipality did not maintain significant investments due to pressing operational requirements and an effort to maintain creditors' payment within 30 days and addressing the long term liabilities.

Letsemeng Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Cash Flow Statement

	Note(s)	2021 R	2020 Restated* R
Cash flows from operating activities			
Receipts			
Sale of goods and services		40,584,358	29,368,750
Grants and subsidies received		140,526,686	77,239,763
Interest income		375,044	441,075
Dividends received		4,527	-
		181,490,615	107,049,588
Payments			
Employee costs		(64,201,405)	(63,522,321)
Supplier and other payments		(65,938,559)	(12,169,270)
Finance costs		(5,248,374)	(4,453,700)
		(135,388,338)	(80,145,291)
Net cash flows from operating activities	41	46,102,277	26,904,297
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(46,578,621)	(45,305,822)
Proceeds from sale of property, plant and equipment		-	15,936,447
Net cash flows from investing activities		(46,578,621)	(29,369,375)
Cash flows from financing activities			
Finance lease payments		(80,794)	(35,741)
Net increase/(decrease) in cash and cash equivalents		(557,138)	(2,500,819)
Cash and cash equivalents at the beginning of the year		1,202,958	3,703,777
Cash and cash equivalents at the end of the year	7	645,820	1,202,958

8.10. COMPONENT D: OTHER FINANCIAL MATTERS

8.10.1. SUPPLY CHAIN MANAGEMENT

COMMENTS ON SUPPLY CHAIN MANAGEMENT

Organogram for Supply Chain Management Unit has been amended to include an extra Demand Acquisition vacant position which will be filled.

8.10.2. GRAP COMPLIANCE

COMMENTS ON GRAP COMPLIANCE

Letsemeng Local Municipal compiles its Annual Financial Statements in line with General Recognised Accounting Practise.

9. CHAPTER 6 – AUDITOR GENERAL AUDIT REPORT

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

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Letsemeng Local Municipality set out on pages 157 to 312, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Letsemeng Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 10 of 2020 (Dora).

Basis for qualified opinion

Receivables from exchange transactions

3. The municipality did not recognise and classify receivables from exchange transactions in accordance with GRAP 104, financial instruments as the total interest on outstanding debtors was incorrectly recognised under receivables from exchange transactions line item and not split between receivables from exchange transactions and receivables from non-exchange transactions. I was unable to determine the full extent of the misstatement on receivables from exchanges transactions and receivables from non-exchange transactions as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit evidence that receivables from exchange transactions had been properly accounted for, due to the status of the accounting records. I was unable to confirm the receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to receivables from exchange transactions stated at R76 962 481 (2020: R60 942 871) in note 5 in the financial statements.

Irregular expenditure

4. The municipality did not disclose all instances of irregular expenditure incurred in the notes to the financial statements, as required by section 125(2) (d) of the MFMA. The municipality made payments in contravention

of the supply chain management (SCM) requirements, which were not disclosed. In addition, the prior period correction made by management, stated in note 44 to the financial statements, was recorded at incorrect amounts and it included duplicate transactions. I was unable to determine the full extent of the misstatement of irregular expenditure as it was impracticable to do so. I was also unable to obtain sufficient appropriate audit evidence for the breakdown of the irregular expenditure transactions incurred due to the status of the accounting records. I was unable to confirm the irregular expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to irregular expenditure stated at R504 835 371 (2020: R502 749 903) in note 47 to the financial statements.

Service charges

5. The municipality did not recognise revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions*, as consumers were not billed for the services they received. In addition, unreconciled differences were identified between the revenue billing system and the accounting records. I was unable to determine the full extent of the understatement of service charges stated at R50 614 190 (2020: R49 589 282) in note 20 to the financial statements and receivables from exchange transactions stated at R76 962 481 (2020: R60 942 871) in note 5 to the financial statements, as it was impracticable to do so. Additionally, there was an impact on the deficit for the period and the accumulated surplus.

Property, plant and equipment

6. The municipality did not recognise work in progress relating to infrastructure assets in accordance with GRAP 17, *Property, plant and equipment*. Infrastructure assets available for use was incorrectly classified as work in progress and was not accounted for in the correct financial year, resulting in an overstatement of the work in progress balance by R23 430 364 as stated under the reconciliation of work in progress in note 9 to the financial statements. In addition, I was unable to obtain sufficient appropriate audit evidence to confirm additions to work in progress referred to in the reconciliation of the work in progress sub-note, due to the status of accounting records. I was unable to confirm the infrastructure assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to infrastructure assets work in progress stated at R35 972 910 and consequently infrastructure stated at R602 494 770 stated in note 9 to the financial statements.

Context for the opinion

7. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
8. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)*

(IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.
11. Note 55 to the financial statements indicates that the municipality incurred a net loss of R10 735 465 during the year ended 30 June 2021 and, as of that date, the municipality's current liabilities exceeded its current assets by R72 189 947. In addition, the municipality owed Eskom R86 576 571 (2020: R54 512 777) and the water boards R12 426 881 (2020: R8 090 549) as at 30 June 2021, both of which were long overdue. These events or conditions, along with other matters as set forth in note 55, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

Unauthorised expenditure

13. As disclosed in note 49 to the financial statements, the municipality incurred unauthorised expenditure of R177 058 547 (2020: R91 986 310), due to overspending of the budget.

Fruitless and wasteful expenditure

14. As disclosed in note 48 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R3 536 734, due to some infrastructure projects written-off where value for money was not received.

Underspending of conditional grants

15. As disclosed in notes 17 and 26 to the financial statements, the municipality materially underspent the municipal infrastructure grant by R3 234 319.

Restatement of corresponding figures

16. As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2021.

Contingencies

17. With reference to note 52 to the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result were made in the financial statements.

Material losses

18. As disclosed in note 50 to the financial statements, material water distribution losses of R3 158 304 (78%) ((2020: R4 296 573) (82%)) and electricity distribution losses of R11 180 470 (38%) ((2020: R11 718 554) (42%)) were incurred by the municipality, mainly due to inherent resistance of conductors, transformers and other electrical equipment, tampering of meters, incorrect ratio used on bulk meters, faulty meters and illegal connections.
19. As disclosed in note 38 to the financial statements, material losses of assets amounting to R11 299 625 were incurred by the municipality mainly due to theft, write-offs and assets that could not be located in the field.

Material impairment

20. As disclosed in note 31 to the financial statements, property, plant and equipment was impaired by R8 198 288 (2020: R13 232 331).

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

23. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
24. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

25. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
26. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

27. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance area (KPA) presented in the annual performance report. I was engaged to perform procedures to identify findings but not to gather evidence to express assurance.
28. I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the municipality's annual performance report for the year ended 30 June 2021:

KPA	Pages in the annual performance report
KPA 1 – basic service delivery and infrastructure development	38-44

29. The material findings on the usefulness and reliability of the performance information of the selected development KPA are as follows:

KPA 1 – basic service delivery and infrastructure development

TL 1 - 100 percentage of complete new 4.2 Ml conventional WTW at Jacobsdal by 2020-21 financial year

30. The achievement of 10% was reported against target 10% in the annual performance report. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 100%.

TL 16 – 100 completion of the refurbishment of water treatment works filters at Koffiefontein by 31 March 2021

31. The planned indicator and target were 100%, but the reported achievement referred to was project not complete. In addition, I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined method of calculation or the related systems and processes were established to ensure consistent measurement and reliable reporting of the actual achievement of this indicator. This was due to insufficient measurement definitions and processes. I was unable to test whether the indicator was well-defined and verifiable by alternative means.
32. I was unable to obtain sufficient appropriate audit evidence for the achievement and the related measures taken to improve performance as reported in the annual performance report for the indicator. Limitations were placed on the scope of my work, as the actual level of achievement for the year was not quantified. I was unable to confirm the reported achievement and the reported measures taken by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement and the reported measures taken to improve performance.

TL 19 – % completion of the refurbishment of water treatment works at Koffiefontein by 2020-21 financial year

33. The indicator was initially approved in the service delivery and budget implementation plan, but were not included and reported on in the annual performance report. In addition, I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined method of calculation or the related systems and processes were established to ensure consistent measurement and reliable reporting of the actual achievement of this indicator. This was due to insufficient measurement definitions and processes. I was unable to test whether the indicator was well-defined and verifiable by alternative means. As a result, I was unable to audit the reliability of the indicator listed below. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments was required to the indicator.

Various indicators

34. The indicators listed below were approved in the initial service delivery and budget implementation plan (SDBIP) but were not included and reported on in the annual performance report. As a result, I was unable to obtain sufficient appropriate audit evidence for the achievement of planned and reported indicators listed below in the annual performance report, due to a lack of accurate and complete records. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.

Indicator descriptions	Planned targets	Reported achievements
TL 16 – (water quality) - No. of water samples submitted to an accredited laboratory for testing by 30 June 2021	24 reports	Not reported in the APR
TL 17 – (Green drop status) – No. of water samples submitted to an accredited laboratory for testing by 30 June 2021	24 reports	Not reported in the APR

Various indicators

35. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information and method of collection or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement of the indicators listed below. This was due to a lack of measurement definitions and processes. I was unable to confirm that the indicator is well defined and verifiable by alternative means. As a result, I was unable to audit the reliability of the achievements reported in the annual performance report of the listed indicators.

Indicator descriptions	Planned targets	Reported achievements
TL 3 – Installation of 750 domestic water meters at Ditlhake, Sonwabile, Diamandhoogte, (MIS: 321576) by 30 September 2020.	750	750
TL 5 – Installation of 681 domestic water meters at Jacobsdal and Ratanang by 30 September 2020.	681	681
TL 11 - 100 percentage of construction of new pipeline from boreholes 14 and 15 at Petrusburg to reservoir at Bolokanang by 30 June 2021.	100%	95%

Various indicators

36. I was unable to obtain sufficient appropriate audit evidence that systems and processes were established to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions for the indicators listed below. This was due to insufficient measurement definitions and processes. As a result, I was unable to obtain sufficient appropriate audit evidence. I was unable to confirm the verifiability of the indicator and the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements.

Indicator descriptions	Planned targets	Reported achievements
------------------------	-----------------	-----------------------

TL 4 – installation of 1 bulk water meter at Koffiefontein by 31 March 2021	1	1
TL 6 – installation of 2 bulk water meters at Ratanang by 30 June 2021	2	2
TL 7 – installation of 250 domestic water meters at Relebohile by 30 September 2020	250	250
TL 8 – installation of 1 bulk water meter at Luckhoff by 30 June 2021	1	1
TL 9 – installation of 150 domestic water meters at Bolokanang by 30 September 2020	150	150
TL 10 – installation of 8 bulk water meters at Petrusburg (5) and Bolokanang (3) by 30 June 2021	8	8

Other matters

37. I draw attention to the matters below.

Achievement of planned targets

38. Refer to the annual performance report on pages 38 to 65 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 30 to 36 of this report.

Report on the audit of compliance with legislation

Introduction and scope

39. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
40. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

41. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current liabilities, revenue, expenditure, and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

42. Reasonable steps were not taken to prevent irregular expenditure amounting to R2 085 468 as disclosed in note 47 to the annual financial statements, as required by section 62(1) (d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the irregular expenditure was caused due to competitive bidding processes not followed.
43. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R177 058 547, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1) (d) of the MFMA. The majority of the unauthorised expenditure was caused by non-cash items that were not adequately budgeted for.
44. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R 3 536 734, as disclosed in note 48 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA due to infrastructure projects written off.
45. Payments were made from the municipality's bank accounts without the approval of the chief financial officer, as required by section 11(1) of the MFMA.
46. Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the approval of funds, as required by section 65(2) (a) of the MFMA.

Consequence management

47. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
48. Irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2) (b) of the MFMA.
49. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2) (b) of the MFMA.

Utilisation of conditional grants

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

Revenue management

51. An adequate management, accounting and information system that accounts for revenue and debtors was not in place, as required by section 64(2) (e) of the MFMA.

52. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2) (f) of the MFMA.

Strategic planning and performance management

53. The performance management system and related controls were not maintained and implemented to ensure sufficient appropriate audit evidence; which ensures that systems and processes established enable consistent measurement and reliable reporting of processes, as required by municipal planning and performance management regulation 7(1).

Procurement and contract management

54. Sufficient appropriate audit evidence could not be obtained that goods and services with a transaction value of below R200 000 were procured using price quotations as required by SCM regulation 17(1) (a) and (c). Similar non-compliance was also reported in the prior year.
55. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded only to bidders who submitted a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.
56. Sufficient appropriate audit evidence could not be obtained that quotations were only accepted from bidders whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.
57. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services above R30 000, as required by section 2(1) (a) of the Preferential Procurement Policy Framework Act 5 of 2000.
58. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
59. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to bidders based on points given for criteria that were stipulated in the original invitation for bidding and quotations, as required by the 2017 preferential procurement regulation 5(1) and 5(3).
60. Invitation to tender for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).
61. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM regulation 5. A similar limitation was also reported in the prior year.

62. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. A similar limitation was also reported in the prior year.
63. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. A similar limitation was also reported in the prior year.

Other information

64. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those KPA presented in the annual performance report that has been specifically reported in this auditor's report.
65. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
66. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
67. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

68. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
69. Leadership did not monitor and enforce the implementation of the corrective measures included in the audit action plan and prevent the re-occurrence of qualifications reported in the audit report. These measures were to address the weaknesses of the finance and supply chain directorates in procurement and contract

management and the prevention of irregular, fruitless and wasteful, unauthorised expenditure and performance information

70. Key officials and supporting staff lacked the necessary commitment to implement and monitor internal controls over the daily and monthly processing of transactions, resulting in the audit findings reported in this audit report.
71. There was no consequence management at the municipality and officials were not held accountable for irregular, unauthorised, and fruitless and wasteful expenditure incurred in the current and previous financial years.
72. Slow corrective measures by management to address the drivers of non-compliance with laws and regulations. As a result, material instances of non-compliance that could have been prevented were repeated by the municipality.
73. Ineffective monitoring and supervision over financial and performance reporting resulted in material misstatements in the financial statements and annual performance report. The municipality continued to rely on consultants to resolve the prior year's audit findings; however, internal controls within the municipality did not improve as repeat findings were reported in the current year.

Material irregularities

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

Eskom not paid within 30 days

75. The accounting officer did not take all reasonable steps to ensure that amounts due to Eskom for the bulk purchase of electricity were paid within 30 days of receiving the relevant invoice or statement, as required by section 65(2)(e) of the MFMA. The late payment resulted in interest of R3 711 420 being incurred for the period 1 April 2019 to 31 March 2020. The interest incurred is likely to result in a material financial loss for the municipality due to the liability to pay Eskom.
76. The accounting officer was notified of the material irregularity on 25 February 2021 and was invited to make written submission on the actions taken and that will be taken to address this matter. In his response, the accounting officer referred to the following actions that have been taken and further actions to be taken to address the material irregularity:
 - A payment agreement was entered into on 30 October 2020 with Eskom relating to the Luckhoff account. In addition, a meeting was held with Eskom on 9 November 2021 to discuss a payment plan for the remaining towns. A decision was taken to wait for the outcome of the pending court case between Eskom and the municipality regarding the outstanding balance.

- The municipality has undertaken projects to replace all faulty electricity and water meters. Contractors for these projects were appointed on 12 June 2019 for the electricity meters, 21 February 2020 for the water meters and the projects are currently in progress.
- The accounting officer submitted a report on fruitless and wasteful expenditure incurred to the municipal public accounts committee (MPAC) for investigation on 30 July 2021. This matter will be dealt with in the next MPAC meeting.

77. I will follow up on the investigation and implementation of the planned actions during my next audit.

Bloemfontein
30 November 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected KPA[s] and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Letsemeng Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

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

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give " <i>full and regular</i> " reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe " <i>what we do</i> ".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)

Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDIX 'A' – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Cllr MA Lebaka	FT	Oversight role	ANC – PR	98	2
Cllr XW Nqelani	P/T	Finance – Chairperson Add members: <ul style="list-style-type: none"> Cllr PN Dibe Cllr MJ Phaliso Cllr JDJ Barnes 	ANC – Ward Councillor	98	2
Cllr SJ Bahumi	P/T	Good Governance and Monitoring (MPAC) – Chairperson Add members: <ul style="list-style-type: none"> -Cllr AN November -Cllr MJ Phaliso -Cllr JDJ Barnes -Cllr TS Moqhoishi 	ANC – Ward Councillor	98	2
Cllr PV Mlozana	P/T	Corporate Services – Chairperson Add members: <ul style="list-style-type: none"> - Cllr AN November - Cllr TV Nthapo 	ANC – Ward Councillor	98	2
Cllr MC Ntemane	P/T	Additional member – Technical Services	ANC – Ward Councillor	95	2
Cllr MJ Phaliso	P/T	Technical Services – Chairperson Add members: <ul style="list-style-type: none"> - Cllr MC Ntemane - Cllr TS Moqhoishi 	ANC – Ward Councillor	98	2
Cllr AN November	P/T	Community Services, Planning and LED – Chairperson Add members: <ul style="list-style-type: none"> - Cllr PM Dibe - Cllr JDJ Barnes 	ANC – PR Councillor	95	5
Cllr PM Dibe	P/T	Additional member - Community Services	ANC – PR Councillor	98	2

Cllr JDJ Barnes	P/T	Additional member - Finance Services	DA – PR Councillors	98	2
Cllr TV Nthapo	P/T	Additional member - Corporate Services	DA – PR Councillor	98	2
Cllr TS Moqhoishi	P/T	Additional member - Technical Services	EFF – PR Councillor	98	2
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					T A.1

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Municipal Public Accounts Committee	Playing an oversight Role over the finances and the administration of the Municipality
Audit Committee	Performing duties as stipulated in Section 166 of the MFMA
Finance Committee	Perform duties as outlined on the legislation and advice council on finance related matters
Technical Services Committee	Perform duties as outlined on the legislation and advice council on technical department related matters
Corporate Services	Perform duties as outlined on the legislation and advice council on Corporate services related matters
Community and LED services	Perform duties as outlined on the legislation and advice council on Community services and LED related matters

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	Municipal Manager – Mr TL Mkhwane
Financial Services	Chief Financial Officer – Mr SJ Tooi
Technical Services	Director: Technical Services – Mrs DG Tsikang
Corporate services	Acting Director: Corporate Services – Mr S Qwelane
Community Services	Director: Community Services – Mr CJ Makhoba

APPENDIX D –FUNCTIONS OF MUNICIPALITY/ENTITY

Municipal Functions	
Municipal Functions	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
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	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	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	No
Licensing and control of undertakings that sell food to the public	Yes
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

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APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr XW Ngelani	Yes	-	-	-
2	Cllr PV Mlozana	Yes	-	-	-
3	Cllr MA Lebaka	Yes	-	-	-
4	Cllr MC Ntemane	Yes	-	-	-
5	Cllr MJ Phaliso	Yes	-	-	-
6	Cllr SJ Bahumi	Yes	-	-	-

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in '2020/21 (Full List at Appendix O)				
No.	Project Name and detail	Start Date	End Date	R' 000 Total Value
2	Jacobsdal: Construction of new water treatment works (4.2 ml/day)	2014	2021-04-30	R12,142,579.51
5	Koffiefontein: Construction of new sports facility in Sonwabile	2019	Not yet completed	R2 551 452.00
4	Upgrading of Koffiefontein substation and bulk feeder lines	2018	2020/07/31	R 5.2 000 00
4 & 5	Koffiefontein/Ditlake/Diamanthoogte: Installation of 340 new domestic water meters and refurbishment of 432 domestic water meters (MIS:321576)	2020-07-16	2021-04-28	R2,689,666.28
1	Jacobsdal/Ratanang: Installation of 232 new domestic water meters, bulk water meters, 296 refurbishment of domestic meters (MIS:321605)	2020-02-21	2021-04-28	R1,740,766.55

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	8916	8223	8040	8081	
Households without minimum service delivery		490	0	0	
Total Households*	8916	8713	8040	8081	
Houses completed in year					
Shortfall in Housing units					

Top Two Service Delivery Priorities for Ward (Highest Priority First)		
Ward No.	Priority Name and Detail	Progress During '2020/21
1 (Jacobsdal)	Jacobsdal: Construction of new water treatment works (4.2 ml/day)	The project is under construction at 97% progress
4 & 5 (Koffiefontein))	Koffiefontein/Ditlhake: Upgrading of sport facility	The project is under construction at 100% progress

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2020/21

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2019/20	Recommendations adopted (enter Yes) If not adopted (provide explanation)
N/A		
		T G

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (Largest Contracts Entered into during 2020/21) R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Pan Solutions/My Connect	Internet, Telephones and emails hosting services for 3 Years	03/06/2019	03/06/2021	IT Technician	695 000.00
BlaQ M Holdings	Short Term Insurance for 3 Years	03/06/2019	03/06/2021	SCM Manager	1500 289.00
					<i>T H.1</i>

Public Private Partnerships Entered into during 2020/21 R' 000					
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2015/16
None entered into.					

NONE					
TH.2					

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The municipality do not have a municipal entity.

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of 2020/21 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Cllr Lebaka	Nil
Member of MayCo / Exco		
Councillors		
	Cllr TS Moqhoishi	Nil
	Cllr AN November	Nil
	Cllr TV Nthapo	Nil
	Cllr JDJ Barnes	Nil
	Cllr XW Nqelani	Nil
	Cllr Dibe	Nil
	Cllr MC Ntemane	Nil
	Cllr SJ Bahumi	Nil
	Cllr MJ Phaliso	Nil
	Cllr PV Mlozana	Nil
Municipal Manager	Mr TL Mkhwane	Nil
Chief Financial Officer	Mr SJ Tooi	Nil
Other S57 Officials	Ms DG Motlogelwa	Nil
	Mr CJ Makhoba	Nil
TJ		

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference Note 54
	R	R	R	R	R	

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	35,050,944	16,606,397	51,657,341	50,614,190	(1,043,151)	-2%
Rental of facility/equipment	296,822	-	296,822	713,613	416,791	140%
Interest on debtors	4,252,876	4,252,876	8,505,752	10,323,620	1,817,868	21%
Other income	569,000	107,256	676,256	708,139	31,883	5%
Dividends received	10,450	(2,450)	8,000	4,527	(3,473)	-43%
Interest-external investment	407,490	-	407,490	375,044	(32,446)	-8%
Total revenue from exchange transactions	40,587,582	20,964,079	61,551,661	62,739,133	1,187,472	

Revenue from non-exchange transactions

Taxation revenue

Property rates	23,504,140	470,082	23,974,222	25,605,086	1,630,864	7%
Interest on debtors	-	-	-	4,063,552	4,063,552	100%

Transfer revenue

Transfer and subsidies	125,997,000	9,285,000	135,282,000	137,558,328	2,276,328	2%
Fines	33,233	-	33,233	13,900	(19,333)	-58%
Licences and permits	4,946	(2,473)	2,473	-	(2,473)	-100%

Total revenue from non-exchange transactions	149,539,319	9,752,609	159,291,928	167,240,866	7,948,938	
Total revenue	190,126,901	30,716,688	220,843,589	229,979,999	9,136,410	

APPENDIX L: CONDITIONAL GRANTS RECEIVED/SPENT

Grants Performance				
Description	2019/20120	2020/2021		
	Actual	Budget	Adjustment Budget	Actual
<u>Operational Transfers and Grants</u>				
	-	-	-	-
Equitable Shares	63,668,000	78,873,000	-	78,873,000
Other Transfers	5,625,000.00	11 053 686	-	11 053 686
<u>Capital Grants and Transfers</u>				
MIG	17,149,000.00	16,852,000	-	13,643,332
INEP	5,200,000.00	9,547,000	-	9,547,000
WSIG	24,000,000.00	24,201,000	-	24,441,310

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
Description	2019/20	2020/21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<u>Capital expenditure by Asset Class</u>							
<u>Infrastructure - Total</u>	-			-	-	-	-
Infrastructure: Road transport - Total	-				-	-	-
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	-				-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							

Infrastructure: Water - Total	—				—	—	—
<i>Dams & Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>							
Infrastructure: Sanitation - Total	—				—	—	—
<i>Reticulation</i>							
<i>Sewerage purification</i>							
Infrastructure: Other - Total	—			—	—	—	—
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
Community - Total	—			—	—	—	—
Parks & gardens							
Sports fields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							

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Capital Expenditure - New Assets Programme*							
R '000							
Description	2019/20	2020/21			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	—			—	—	—	—
Buildings							
Other							
Investment properties - Total	—			—	—	—	—
Housing development							
Other							
Other assets	—				—	—	—
General vehicles							
Specialised vehicles							
Plant & equipment							

Computers - hardware/equipment						
Furniture and other office equipment						
Abattoirs						
Markets						
Civic Land and Buildings						
Other Buildings						
Other Land						
Surplus Assets - (Investment or Inventory)						
Other						
<u>Agricultural assets</u>	–				–	–
<i>List sub-class</i>						
<u>Biological assets</u>	–				–	–
<i>List sub-class</i>						
<u>Intangibles</u>	–				–	–
Computers - software & programming						
Other (<i>list sub-class</i>)						
Total Capital Expenditure on new assets	–				–	–

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2020/21

PPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2020/21

Capital Programme by Project by Ward: 2020/21 R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
Jacobsdal Construction of 4.15Ml WTW	2	Yes
Installation of Water Meters	All wards	Yes
Pipeline from borehole 14 and 15	3	No
Equipping of 13 boreholes and connecting to water supply scheme	3	No
Sanitation/Sewerage		

Jacobsdal: Ratanang sanitation of 202 stands	2	Yes
Petrusburg Refurbishment of waste water treatment works	3	No
Electricity		
Koffiefontein: Upgrading of Koffiefontein substation and bulk feeder lines	(4 & 5)	No
ICT and Other	-	-
Koffiefontein/Ditlhake: Upgrading of sport facility	4 & 5	Yes
Koffiefontein/Sonwabile: Upgrading of sport facility	5	No
T O		

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
None that the municipality is aware of.				
Clinics (NAMES, LOCATIONS)				
None that the municipality is aware of.				
T P				

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

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:	None that the municipality is aware of.	
Housing:		
Licensing and Testing Centre:		
Reservoirs		

Schools (Primary and High):		
Sports Fields:		

TQ

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

Declaration of Loans and Grants made by the municipality: 2019/20				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2019/20 R' 000	Total Amount committed over previous and future years
No grants or loans were made.				
* Loans/ Grants - whether in cash or in kind				TR

