Annual Report

2019/20

Pixley Ka Seme District Municipality

IUSTITIA OMNIBUS

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Chapter 1: Mayor's Foreword and Executive Summary

Component A: Mayor's Foreword

Chapter 7(152) of the Constitution, 1996 demands that local government must achieve certain objects, which amongst others are:

(a) To provide democratic and accountable government for local communities.

(e) To encourage the involvement of communities and community organisations in the matters of local government.

It is with the abovementioned constitutional mandate in mind that the Pixley ka Seme District Municipality wishes to report to its' communities and stakeholders on the operations and decisions taken during the 2019-2020 financial year. This annual report will cover the period 1 July 2019 to 30 June 2020.

We wish to report that some progress has been registered in relation to the district development model, as announced by President Ramaphosa in the SONA address in 2019. The Draft First Generation District Plan has been compiled and submitted to the Department of COGHSTA. This draft district plan consists of infrastructure plans submitted by all eight local municipalities and the sector departments in the district. The main objective of the One Plan One Budget in each district is to ensure that spheres of government integrate their planning, so as to minimize wastage of resources and to improve the management of the fiscal purse. This approach will also afford the government to properly account to the citizenry of the country. Minister Ayanda Dlodlo has been appointed as the national champion for Pixley ka Seme District, whilst both MEC's Vosloo and Dapula-Vilakazi have been appointed as the provincial champions.

The world and the country have experienced the impact of COVID19 since March 2019. This was a period characterized by the total shutdown of the economies of the global economy, resulting in the increase of unemployment and socio-economic distress. The COVID19 pandemic also stretched the global health resources, both public and private, and exposed the inadequacy and lack of planning. However, we must acknowledge the work done by the Minister of Health, through the Department of Health, despite the daily difficulties. The World Health Organisation also acknowledged the management of the COVID19 pandemic by the government of South Africa.

The COVID19 impacted every sector of society and disrupted our daily lives. A high number of families were left distraught as a result of their family members dying because of COVID19, schools and places of work had to be closed and the government had to implement restrictions on our movement to curb the spread of COVID19. Government was forced to adjust its' budget allocations, as more funds were needed to fight this battle. This resulted in government, at all spheres, not being able to meet its' planned targets. Government had to purchase PPE for its' employees and for the vulnerable in society, as well as ensuring that public health facilities are ready to respond to the pandemic. In some cases, new temporary facilities had to be set-up and additional medical personnel had to be appointed.

The COVID19 pandemic deepened Intergovernmental Relations in the country, as it proved that all spheres of government can plan and execute any programme together. The pandemic forced national government, provincial government and local government to break down the artificial walls and silos amongst the spheres of government. Decision-making was swift, delivery of goods and services was swift and implementation of programmes were without the normal delays.

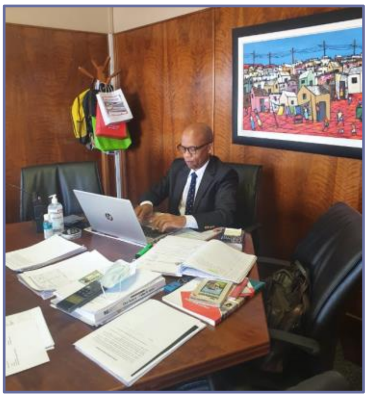
We also wish to report that the Municipal Council and the Mayoral Committee met as planned during 2019-2020, and no meeting had to be postponed due to the lack of a quorum. All councillors conducted themselves in a proper manner and no councillor had to be subjected to a disciplinary hearing. The Executive Mayor, Speaker, Members of the Mayoral Committee and directly-elected councillors visited a number of towns in the district, as part of the Council-Meets-The-People campaign. This afforded the Executive Mayor and other councillors with an opportunity to address service delivery challenges and to communicate government programmes.

Pixley ka Seme District Municipality once again achieved an Unqualified Audit Opinion with Matters of Emphasis during the 2019-2020, with reduced matters.

G Nkumbi
EXECUTIVE MAYOR

Component B: Executive Summary

Municipal Manager's Overview



Pixley ka Seme District Municipality, as part of local government in the country, must adhere to the principles of good governance, transparency and accountability. The compilation and publication of this annual report therefore serves to ensure that the stakeholders and community of the district and beyond the borders of the district are informed of the operations and decisions taken by the Pixley ka Seme District Municipality during the 2019-2020 financial year.

The processing of this annual report was informed by Chapter 12(127) (5)(a)(i)(ii) of the Local Government: Municipal Finance Management Act, 56, 2003. This ensured that all stakeholders and the community of the district were informed about this important process, which allowed them to participate. The participation of stakeholders and communities must be facilitated to provide legitimacy unto the process of soliciting their views.

Pixley ka Seme District Municipality continued to be a trendsetter in the province, in that it is the only municipality that adopted a Municipal Health Services Bylaw, which has the potential to be developed as a sustainable and alternative revenue stream. This is an important development for Pixley ka Seme District Municipality, especially considering the current unstable global economic situation which reduced the fiscal ability of other spheres of government. The Municipal Health Services Bylaw contributed to increase the levels of health services compliance requirements in the district.

The impact of COVID19 was devastating on the general livelihoods of the people of the district, in that it resulted in the increase of unemployment and poverty. It also caused government to being forced to change its' budgetary commitments, as more funds had to be directed at the fight against COVID19, resulting in other service delivery commitments having had to be halted. COVID19 also introduced more effective and efficient processes to manage public resources, which can be applied beyond the pandemic.

The Annual Report consists of the following chapters:

- Chapter 1: Mayor's Foreword and Executive Summary
- Chapter 2: Governance
- Chapter 3: Service Delivery Performance
- Chapter 4: Organisational Development
- Chapter 5: Financial Performance
- Chapter 6: Auditor-General Audit Findings

Mr RE Pieterse

MUNICIPAL MANAGER

1.2 Municipal Overview

This report addresses the performance of the Pixley Ka Seme District Municipality in the Northern Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2019/20 Annual Report reflects on the performance of the Municipality for the period 1 July 2019 to 30 June 2020. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.2.1 Vision and Mission

The Municipality committed itself to the vision and mission of:

Vision:

"Developed and Sustainable District for Future Generations"

Mission:

- Supporting our local municipalities to create a home for all in our towns, settlements and rural areas to render dedicated services;
- Providing political and administrative leadership and direction in the development planning process;
- Promoting economic growth that is shared across and within communities;
- Promoting and enhancing integrated development planning in the operations of our municipalities; and
- Aligning development initiatives in the district to the National Development Plan.

Strategic Objectives:

- Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit outcome;
- Compliance with the tenets of good governance as prescribed by legislation and best practice;
- Guide local municipalities in the development of their IDP's and in spatial development;
- Monitor and support local municipalities to enhance service delivery;
- Promote economic growth in the district;
- To provide a professional, people-centered human resources and administrative service to citizens, staff and Council;
- To provide an independent and objective internal audit assurance and consulting service to add value and to improve the administrative operations of all the municipalities in the district through an approach that is systematic and disciplined;
- To provide disaster management services to the citizens; and
- To provide municipal health services to improve the quality of life of the citizens.

1.2.2 Municipal Area at a Glance

Total municipal area	103 410 km²	Demographics (Stats SA Estimates 2019)			
		Population	203 788	Households	58 975
Selected statistics					
Total population intercensal growth rate (2011-2016)	1.05%	Population density(persons/km²)	1,9		
Matric pass rate 2020	66% (Northern Cape) 67.3% (District)	Proportion of households earning less than R4500 per annum in 2019	11.51%		
Access to basic services- minimum service level*					
Water	99%	Sanitation	89%	Electricity	89.8%	Refuse removal	74.2%
Education					
Persons aged 20 years+ who have completed grade 12 (2016)	34 929	Higher education	5.4%		
Economy		Labour Market in 2011			
GDPR Northern Cape in 2011	2.2%	Unemployment rate	28.3%		
GDPR South Africa in 2011	3.5%	Youth unemployment rate (ages 15 to 34)	35.4%		
Largest sectors (using the relative size of the provincial economy by industry)					
Finance and business services	Mining	Government services	Wholesale, retail and motor trade; catering and accommodation		
11.6%	26.7%	12.8%	9.9%		
Health in Pixley Ka Seme District					
Health care facilities (hospitals/clinics /hospice)	Immunisation rate%	HIV prevalence rate	Teenage pregnancies - delivery rate to women U/18%		
44	69.9%	2.6%	21.8%		
Top Crimes in the District (2019/20)					
1	2	3	4	5	
Burglaries (Residential and business)	Stock theft	Assault (GBH and Common)	Theft (General)	Malicious Damage to Property	

Table 1: ***Municipal Area at a Glance***

1.2.3 Geographical Context

Spatial Location

The jurisdiction of the Pixley ka Seme District Municipality (as a category C Municipality) covers an area of 103 410km², which is also 27,7% of the total area that constitutes the Northern Cape province.

This district municipal area is the eastern-most district Municipality within the Northern Cape, and borders on the Western Cape, Eastern Cape and Free State provinces.

The map below indicates the location of the Municipality in the province:

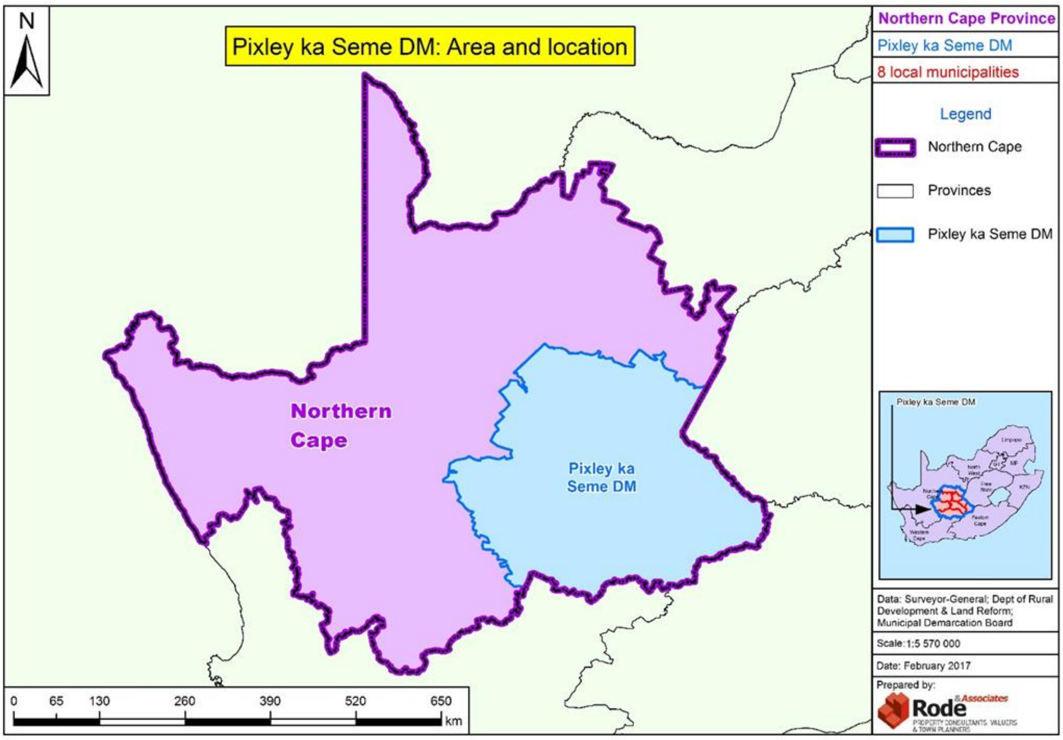


Figure 1 Locality map

There are 8 category B municipalities within the municipal are, viz. Emthanjeni, Kareeberg, Renosterberg, Siyancuma, Siyathemba, Thembelihle, Ubuntu and Umsobomvu. The following main towns in these category B municipalities represent an even spread throughout the district as central places and agricultural service centers: Douglas, Prieska, Carnarvon, Victoria West, Colesberg, Hopetown and De Aar. De Aar is the 'largest' of these towns. The closest major city to these towns is Bloemfontein in the Free State province.

Emthanjeni Municipality: comprising of the three towns De Aar, Britstown and Hanover. De Aar is the second most important railway junction in the country. When the railway line was built from Cape Town to Kimberley, the administration bought a large portion of the farm, De Aar, meaning coincidentally "artery", after underground water supply, envisaged as large life-giving veins of water.

Kareeberg Municipality: This Municipality comprises of three towns, that is, Carnarvon, Van Wyksvlei and Vosburg. The municipal area is the heart of the Karoo and the predominant economic activity is livestock farming. The possibilities of having Kilometre Array Telescope befit the landscape of the Municipality that is characterised by clear skies and less pollution. This Municipality is an entry point to the Western Cape Province from the Northern parts of the country.

Renosterberg Municipality: The Municipality is located on the banks of the Orange River. The Municipality was formed through the amalgamation of three towns, that is, Petrusville, Vanderkloof and Phillipstown.

The Municipality covers approximately 553 000 ha of land and forms about 5% of the total area of the district.

Siyancuma Municipality: This Municipality hosts the confluence of the Vaal and the Orange River. It comprises in the main of three towns, that is, Campbell, Douglas and Griekwastad and has densely populated rural settlement called Smitchdrift. The municipal area is richly endowed with precious and semi-precious stones, that is, diamonds and tiger's eye. Beneficiation of tiger's eye is on the high impact project identified in the District Growth and Development Strategy. The Municipality has a great tourism potential.

Siyathemba Municipality: This Municipality is located on the banks of the Orange River and boosts with massive and high scale irrigation farming, the river not only adds agricultural value to the Municipality but also boosts massive tourism and economic potential. The Municipality comprises of three towns, that is, Marydale, Prieska and Niekerkshoop. The Municipality has massive potential for mining activities of both precious and semi-precious stones. The Municipality also has the Alkantpan testing area where international and national ammunition testing is done.

Thembelihle Municipality: This Municipality is also located on the banks of the Orange River. The Municipality was formed through the amalgamation of three towns, that is, Hopetown, Strydenburg and Orania. The outcome of the dispute regarding Orania has not yet been decided upon and the uncertainty still exists as to where Orania is demarcated. N12 cuts through this municipal area and is a major boost to the economies of Hopetown and Strydenburg.

Ubuntu Municipality: The Municipality comprises of three towns that is Victoria West, Loxton and Richmond. The N12 and N1 pass through this Municipality and have a great tourism potential. The preliminary study in the district's Mining Strategy highlights that the Municipality is endowed with uranium deposits.

Umsobomvu Municipality: This Municipality comprises of three towns, that is, Colesberg, Norvalspond and Noupoort. N1 and N9 traverse trough the Municipality. It shares borders with other municipalities in the Eastern Cape and Free State Provinces. In the district this Municipality is among the municipalities that hold massive tourism potential.

Two of the abovementioned towns, viz. Prieska and Carnarvon have in recent years changed character from small rural towns to potentially regional hubs as a result of investments in renewable energy generation and the Square Kilometre Array radio telescope project, respectively.

The map below indicates the municipal area divided into local municipalities with their main towns:

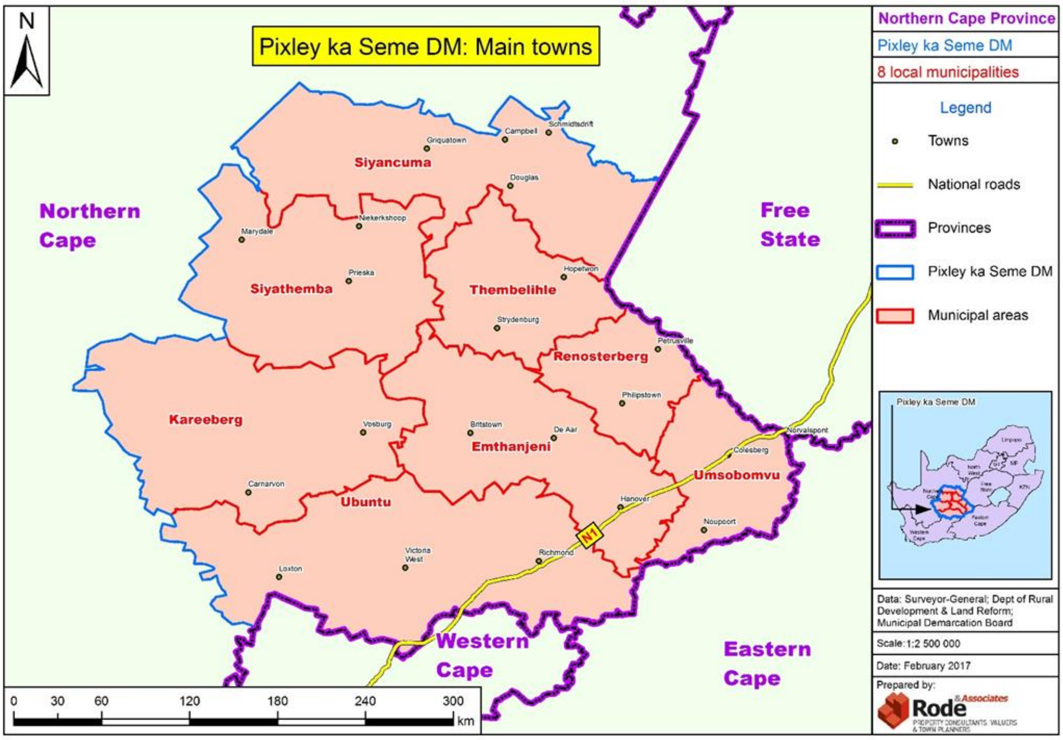


Figure 2 District Municipal Area Divided into Local Municipalities

1.2.4 Demographic Profile

Population

The table below indicates both an increase in the population size and the number of households between 2011 and 2019:

<table>
<tr><th colspan="2">Indicator</th><th>2011</th><th>2016</th><th>2019</th></tr>
<tr><td colspan="2">Population</td><td>186 351</td><td>195 595</td><td>203 788</td></tr>
<tr><td colspan="2">Households</td><td>49 193</td><td>56 309</td><td>58 795</td></tr>
<tr><td colspan="2">People per household</td><td>3,8</td><td>3,5</td><td>3,5</td></tr>
<tr><td rowspan="2">Gender breakdown</td><td>Males</td><td>92 068 (49,4%)</td><td>97 594 (49.9%)</td><td rowspan="9">Data not currently available</td></tr>
<tr><td>Females</td><td>92 284 (50,6%)</td><td>98 001 (50.1%)</td></tr>
<tr><td rowspan="3">Age breakdown</td><td>0 - 14</td><td>31,6%</td><td>25.8%</td></tr>
<tr><td>15 - 64</td><td>62,4%</td><td>68.2%</td></tr>
<tr><td>65+</td><td>6,1%</td><td>6.0%</td></tr>
<tr><td rowspan="4">Race Composition</td><td>Black-African</td><td>31,5%</td><td>30.0%</td></tr>
<tr><td>Coloured</td><td>59,2%</td><td>63.3%</td></tr>
<tr><td>White</td><td>8,1%</td><td>6.3%</td></tr>
<tr><td>Asian</td><td>0,6%</td><td>0.4%</td></tr>
<tr><td colspan="5">Source: Statistics Census 2011, Community Survey 2016 – Statistical Release & Stats SA Estimates 2019</td></tr>
</table>

Table 2: Demographic Profile

As mentioned above, the Pixley ka Seme District Municipality area consists of 8 local municipalities, where Ubuntu Municipality being the largest area and Emthanjeni Municipality having the highest population. The table below provides the km² area and total population per local Municipality:

Local Municipality	Area (km²)	Population	Households
Emthanjeni	13 472	45 404	12 668
Kareeberg	17 702	12 772	3 868
Renosterberg	5 527	11 818	3 563
Siyancuma	16 753	35 941	11 150
Siyathemba	14 725	23 075	6 620
Thembelihle	8 023	16 230	4 736
Ubuntu	20 389	19 471	6 615
Umsobomvu	6 819	30 883	9 575
Total	**103 410**	**195 595**	**58 795***
Source: Community Survey 2016 & Municipal Own Data 2019. Data not currently available for population per town for 2019.*			

Table 3: Total Area and Population per Local Municipality

1.2.5 Economic Profile

The economy in the Pixley ka Seme municipal area is characterised by the following:

- High levels of poverty and low levels of education;
- It is a small to medium-town sub-region with a low level of development despite the strategic location in terms of the national transport corridors;
- Sparsely populated towns with a number of larger towns serving as “agricultural service centres”; spread evenly throughout the district as central places;

- High rate of unemployment, poverty and social grant dependence;
- Prone to significant environmental changes owing to long-term structural changes (such as climate change, energy crises and other shifts);
- Geographic similarity in economic sectors, growth factors and settlement patterns;
- Economies of scale not easily achieved owing to the relatively small size of towns;
- A diverse road network with national, trunk, main and divisional roads of varying quality;
- Potential and impact of renewable energy resource generation; and
- Potential and impact of radio telescope initiatives, e.g. Square Kilometre Array radio telescope project.

Employment Status

The employment status of the available workforce/economically active group in the Pixley ka Seme municipal area is listed in the table below. It indicates that the overall results with regard to the employment status of the workforce/potential economically active group in the municipal area have improved from the 2001 figure of 63,1% employed and 36,9% unemployed. In 2011, the number of unemployed individuals was almost 8% below what it was in 2001. However, any unemployment rate, irrespective of how large, has serious repercussions for the ability of the residents to pay for their daily needs and for municipal services. Owing to the high numbers of unemployed persons, other main sources of income are pension/welfare payments:

Employment status	2001	% 2001	2011	% 2011
Employed	36 921	63,1%	43 664	71,7%
Unemployed	21 632	36,9%	17 203	28,3%
Not economically active	101 886	42,5%	116 201	47,6%
Source: Statistics SA 2001 and 2011 Census				

Table 4: Employment Status

Economic Sector Contributor

The economic activities in the Northern Cape Province are dominated by mining, agriculture, manufacturing and construction, contributing to the provincial GDP, i.e. 22%, 7%, 3% and 2% respectively. Note that the Northern Cape only contributed about a share of 2% to the national GDP in 2014 and which contribution fluctuated around that mark since 2004. Between 2011 and 2014, the annual growth in the agriculture and mining sectors was about 4,2% and 5,2%, respectively.

The economic activities in the Pixley ka Seme municipal area are dominated by agriculture, social and personal services, financial services, tourism and transport and lately, retail and construction activities emanating from the establishment of the Square Kilometre Array project.

Household Income

According to Census 2011, almost 11 % of all households within the municipal area have no income, whilst another 3,4% of households earn between R0 and R4800 per annum. In the context of housing delivery, these people as well as another 50% of all households will be beneficiaries of housing programmes, i.e. the RDP and BNG programmes with ownership as the tenure type, and the CRU programme with rental as tenure type. In total, almost 61% of all households in the municipal area will qualify for these housing options owing to a monthly household income of less than R3500. Another segment of the population, viz. 24,8% earns below 'R15 000' per month, and for this group it would not possible to qualify for a (commercial) home loan. These people would then rely of housing subsidies (to gain ownership of a house) or social housing (to rent a dwelling).

It is accepted that, on average, South African households have an annual income of R138 168, viz. a monthly income of R11 514. Hence, more than 90% of the households living in the Pixley ka Seme municipal area have a monthly income below the average for a South African household

1.3 Municipal Highlights and Challenges

1.3.1 Service Delivery Highlights

Highlight	Description
Implementation of the Municipal Health Services By-Law	Environmental Health Practitioners implemented MHS By-Law as adopted by the Municipal Council. This will provide an additional income steam for Municipality.

Table 5: Services Delivery Highlights

1.3.2 Service Delivery Challenges

Service Area	Challenge	Actions to address
Shared Services to local municipalities	Failure by most local municipalities to settle their SLA commitments	- Reduction of annual subscription - Stricter enforcement of credit control policy

Table 6: Services Delivery Challenges

1.4 Financial Health Overview

1.4.1 Financial Viability Highlights

Highlight	Description
Unqualified Audit opinion with matters	Decrease in matters of emphasis
100% Grant spending	All Grants allocated spend, no rollover application for EPWP and RRAMS
Issuing of MHS Health certificates	Improved collection rate on Health certificates
Adhering to agreements	Agreements with creditors e.g. Auditor General and SALGA honoured to the latter
No 3rd party defaults	All staff deductions are paid to third parties

Table 7: Financial Viability Highlights

1.4.2 Financial Viability Challenges

Challenge	Description
Covid-19	Financial impact of COVID-19
Shared services	Non-payment for shared services by local municipalities
IT Infrastructure	Outdated ICT Infrastructure
Equitable share allocation	Equitable share formula still not assisting Municipality

Table 8: Financial Viability Challenges

1.4.3 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

KPA & Indicator	Unit of Measurement	2018/19	2019/20
Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2017 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	1	1.11
Financial viability measured in terms of the municipality's ability to meet it's service debt obligations by 30 June 2017 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of debt coverage	45%	11%

Table 9: *National KPI's for financial viability and management*

1.4.4 Financial Overview

Details	2018/19	2019/20		
		Original budget	Adjustment Budget	Actual
	R			
Income				
Grants (Operating + Capital)	62 564 182	58 309 000	65 249 000	63 453 351
Taxes, Levies and tariffs	0	0	0	0
Other	5 674 018	4 777 000	5 560 000	8 887 524
Sub Total	68 238 200	63 086 000	70 809 000	72 340 875
Less Expenditure	63 079 412	61 226 866	70 432 000	61 472 728
Net surplus/(deficit)	**5 158 788**	**1 859 134**	**377 000**	**10 868 147**

Table 10: *Financial Overview*

1.4.5 Operating Ratios

Detail	Expected norm	Actual %	% Variance	Actual %	% Variance
		2018/19		2019/20	
Employee Cost	30%	55.25%	25.25%	64.76%	34.76%
Repairs & Maintenance	9%	2.21%	(6.79%)	0.92%	(8.08%)
Finance Charges & Depreciation	18%	2.12%	(15.88)	5.94%	(12.06%)
Note: Repairs and Maintenance on basic services are not applicable as the municipality as a District Municipality is not responsible for the delivery of basic services					

Table 11: *Operating ratios*

Employee cost is 34.76% higher than the norm of 30% as the municipality is a district municipality which mainly provide services and support to local municipalities that involve mostly human resources. The municipality do not deliver and/or maintain any basic infrastructure services. This is also the reason for the variance on repairs and maintenance.

Finance charges and depreciation are 12.06% lower than the norm of 18% which is a positive and can mainly be attributed to the low level of borrowing by the municipality.

1.5 Organisational Development Overview

1.5.1 Municipal Transformation and Organisational Development Highlights

Highlight	Description
Municipal Finance Management Programme (MFMP)	Through the Discretionary Grant the municipality was able to train 30 officials in the MFMP programme. The officials were not only from the District but also from other local municipalities.
Study Assistance Programme	In the period under review the municipality has noted an increase in employees who are having an interest to further their studies. The municipality using its own funds was able to offer bursaries to 15 employees.
Conducting of Job Evaluation process	In the year under review the municipality through its Job Evaluation Unit managed to conduct job evaluations of all posts and only the Final Audit Outcomes is awaited from the Provincial Audit Committee.
Training of Ward Committees of local Municipalities	Through the Local Government SETA Discretionary Grant, the municipality was able to train (186) 18.1 (unemployed) ward committee members and young people from all local Municipalities in the Pixley ka Seme District except for Siyancuma.

Table 12: *Municipal Transformation and Organisational Development Highlights*

1.5.2 Municipal Transformation and Organisational Development Challenges

Challenge	Actions to address
Limited budget for study assistance	Municipality applied for a LGSETA discretionary grant to assist employees who wish to further their studies.
Insufficient budget for employee wellness	The municipality will form partnerships with sector departments like the Department of Social Development and the South African Police Service.

Table 13: *Municipal Transformation and Organisational Development Challenges*

1.6 Auditor-General Report

The Municipality received an unqualified report with findings by the Auditor-General for 2019/2020.

This audit opinion means that the financial statements present fairly, in all material respects, the financial position and its financial performance and cash flows in accordance with applicable laws, regulations and standards. Matters of emphasis were highlighted by the Auditor-General and are listed in Chapter 6 of this report.

The audit outcomes received for the past four years are indicated in the table below:

Year	2016/17	2017/18	2018/19	2019/20
Status	Unqualified with findings	Unqualified with findings	Unqualified with findings	Unqualified with findings

Table 14: *Audit Outcomes*

CHAPTER 2: Governance

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

a) National Key Performance Indicators - Good Governance and Public Participation

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & Indicators	2018/19	2019/20
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	No major capital projects	No major capital projects

Table 15: National KPIs - Good Governance and Public Participation Performance

b) Good Governance and Public Participation Highlights

Highlight	Description
Training of ward committees	Training of ward committees in seven of our eight local municipalities to capacitate ward committee members on their roles and responsibilities
Distribution of food, hygiene packs, blankets and juice to communities and shelters across the district	To assist and give support to vulnerable communities during COVID-19 lockdown period

Table 16: Good Governance and Public Participation Performance Highlights

c) Good Governance and Public Participation Challenges

Description	Description
Insufficient number of vehicles	Allocation of white fleet remains a challenge

Table 17: Good Governance and Public Participation Challenges

Component A: Political and Administrative Governance

2.1 Political Governance Structure

The council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

2.1.1 Council

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area. The tables below categorise the councillors within their specific political parties for the 2019/20 financial year:

Council Members	Capacity	Political Party	Representative or Proportional
Z Monakali	Executive Mayor	ANC	Proportional
CC Jantjies	Speaker	ANC	Proportional
UR Itumeleng	Member Mayoral Committee	ANC	Proportional
AT Sintu	Member Mayoral Committee	ANC	Proportional
GL Nkumbi	Member Mayoral Committee	ANC	Proportional
R Smith (From 14 January 2020)	Member Finance Committee	DA	Proportional
J Grobbelaar (Deceased December 2019	Chairperson MPAC	DA	Proportional
H Marais	Chairperson of MPAC (Jan 2020)	DA	Proportional
MA Matebus	Councillor	EFF	Proportional
PP Mhlauli	Councillor	ANC	Representative
J Hoffman	Councillor	DA	Representative
JEJ Hoorn	Councillor	ANC	Representative
ME Bitterbos	Councillor	ANC	Representative
A Oliphant	Councillor	ANC	Representative
D Smous	Councillor	DA	Representative
JT Yawa	Councillor	ANC	Representative
S Swartling	Councillor	ANC	Representative
CC Jantjies (Until 19 June 2019)	Councillor	ANC	Representative
E Humphries	Councillor	ANC	Representative
NJ Batties	Councillor	DA	Representative

Table 18: Council

Below is a table which indicates the Council meetings and attendance for the 2019/20 financial year:

Meeting dates	Number of items submitted	Number of Councillors Present	Number of Apologies Submitted
28 August 2019	18	11	4
05 November 2019	1	16	3
06 December 2019	19	12	4
31 January 2020	18	13	6
31 March 2020	23	19	0
13 May 2020	2	19	0
19 May 2020	25	13	4
29 May 2020	13	13	3
15 June 2020	2	15	3

Table 19: Council meetings

2.1.2 Executive Mayoral Committee

The Executive Mayor of the Municipality, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the

Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below:

Name of member	Meeting Dates
Cllr GL Nkumbi – Finance Committee	16 July 2019 20 August 2019 15 October 2019 24 October 2019 19 November 2019 28 January 2020
Cllr UR Itumeleng – Corporate Services and Council Support	
Cllr AT Sintu – Infrastructure Development, Housing and Planning	

Table 20: Executive Mayoral Committee

2.1.3 Portfolio Committees

In terms of section 80 of the Municipal Structures Act, 1998, if a council has an executive committee; it may appoint in terms of section 79 committees of councillors to assist the executive committee or executive mayor. Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council.

The composition of the portfolio committees are stipulated in the tables below:

Finance

Name of Member	Meeting Dates
Clr GL Nkumbi	28 August 2019 06 December 2019
Clr PP Mhlauli	
Clr H Marais	
Mr BF James	

Table 21: Finance Portfolio Committee

Infrastructure Development, Housing & Planning

Name of Member	Meeting Dates
Clr AT Sintu	No meetings were held during 2019/20
Clr JEJ Hoorn	
Clr E Humphries	
Clr JT Yawa	
Mr HP Greeff	
Ms H Maganya	
Mr E McKenzie	
Mr A Sibeko	
Mr Z Dingile	

Table 22: Infrastructure Development, Housing & Development Portfolio Committee

Corporate Services and Council Support

Name of Member	Meeting Dates
Cllr UR Itumeleng	- 30 January 2020 - 28 May 2020
Cllr ME Bitterbos	
Cllr J Hoffman	
Mr TA Loko	
Mr S Foster	
Mr C Menziwa	
Mr MK Mfazwe	
Mr S Nkondeshe	
Ms M Zwiegers	
Ms M Mukoma	
Ms BT Bosch	

Table 23: Corporate Services and Council Support Portfolio Committee

Rules Committee

Name of Member	Meeting Dates
Clr NL Hermans	No meetings were held during 2019/20
Clr UR Itumeleng	
Clr J Grobbelaar	
Clr MA Matebus	
Mr TA Loko	

Table 24: Rules Committee

Municipal Public Accounts Committee

Name of Member	Meeting Dates
Clr J Grobbelaar	- 20 August 2020 - 24 February 2020 - 27 May 2020
Clr A Oliphant	
Clr E Humphries	
Clr S Swartling	
Clr N Batties	
Clr MA Matebus	
Mr D Fourie	

Table 25: Municipal Public Accounts Committee

2.2 Administrative Governance Structure

The Municipal Manager is the Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reportees, which constitutes the Senior Management Team, whose structure is outlined in the table below:

Name of Official	Department	Performance Agreement Signed (Yes/No)
RE Pieterse	Municipal Manager	Yes
BF James	Financial Services	Yes
TA Loko	Corporate Services	Yes
H Greeff	Infrastructure, Planning, Development & Housing	Yes
R Sors	Internal Audit	Yes

Table 26: Administrative Governance Structure

Component B: Intergovernmental Relations

2.3 Intergovernmental Structures

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

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

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
District IGR Forum	All Mayors	General service delivery challenges affecting local communities, sharing of best-practice, etc. Seeks to improve on local service delivery. Provides report to PIGRF
District Aids and Health Forum	All Mayors, sector departments led by Department of Health, Civil Society, Office of the Premier	District health report, e.g. NHI, HIV\AIDS, status of health-facilities, etc. Seeks to enhance the delivery of health services in the district, comprehensive approach in dealing with HIV\AIDS, impact of poor health of communities on municipal service delivery. Provides report to Provincial Council on Aids
District Communication Forum	Pixley ka Seme DM, GCIS, sector departments, state-owned enterprises etc.	Improvement and coordination of government communication and messaging, alignment of government programmes in the district
Technical IGR Forum	All MM's, CFO's, Pixley Ka Seme DM senior managers, regional heads of sector departments, private sector service providers, SOE's, SALGA	Government service delivery challenges, including local government challenges, sharing best practice, presentations by private sector service providers, etc. Provides technical advice and report to DIGRF
MM\CFO Forum	All MM's and CFO's	Technical financial matters and related challenges, e.g. mSCOA, budgeting, ESKOM, shared services, audit outcomes by AG

Table 27: Intergovernmental Structures

2.4 Joint Projects with Sector Departments

All the functions of government are divided between the different spheres namely National, Provincial and Local. The municipality therefore share their area and community with other spheres of government and their various sector departments and has to work closely with national and provincial departments to ensure the effective implementation of various projects and functions.

The table below provides detail of such projects:

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved	Contribution of Sector Department
Career exhibition	A more informed youth, reduction of general unemployment	Siyathemba LM, Dept of Basic Education, Dept of Labour, Dept Home Affairs, mining companies	Mobilization, catering, presentations, human resources.
Adoption of schools	Functional schools, improved levels of education and teaching	Department of Basic Education, School Governing Bodies	Identification of needy schools

Table 28: Joint Projects with Sector Departments

Ubuntu MIG Project

Background

Ubuntu LM has been identified by MIG since 2016/17 financial year as unstable municipality as administration utilized grant funding for operational purposes. Subsequently the MIG administration both Provincial and National together with Ubuntu municipality resolved that the MIG funds will be administered by the District Municipality until the municipality's administration and management has improved. Thus, Pixley ka Seme DM became involved administering Ubuntu Municipality MIG funds for the 2018/19 cycle.

On the 1st of February 2018, PKS DM received Ubuntu Municipality council resolution that Pixley ka Seme will administer the MIG for the 2018/19 year, followed by the MOU which was only signed in July 2018. Pixley ka Seme District Municipality appointed a Professional Service Provider, IX Engineers to assist with the implementation of the project and the first meeting was held in August 2018 where the scope of works was identified by officials of Ubuntu Municipality.

Project Registration

The scope of the existing registered project did not cover all aspects and was the service provider requested to amend the business plan. The revised project was registered on the MIG system early in 2019 for an amount of R 30 million.

MIG 2018/19 Allocation

The MIG allocation for the 2018/19 financial year amounts to ***R9 862 000*** and was transferred to the district municipality towards the end of March 2019. A roll-over application was submitted and approved by National Treasury, so project implementation proceeds with the balance of the MIG funds in the 2019/20 financial year. The 2019/20 MIG allocation was allocated to Ubuntu Municipality and therefore the district municipality did not administer this year's MIG allocation.

Scope of Work

Water related priorities identified are:

- ***Enhancement of water quality*** by further treatment methods which may include primary aeration process or water purification plant. The challenge is that the municipal aquifer fields are contaminated with Hydrogen Sulphate (water have rotten egg smell) and needs to be treated. Further the supply pipelines from these boreholes are not interconnected and water is stored in separate reservoirs and distributed separately to the neighbourhoods. The objective is to enhance the water quality with cost effective treatment option which will reduce the reliance of external water sources.
- ***A Telemetric system*** is needed as a municipality is utilizing different boreholes which supply water to different reservoirs. The system should be set up in such a manner optimizing the safe yield of the different boreholes.
- ***Augmentation of the bulk water supply*** is needed therefore MISA has embark on a process to drill a new borehole for Victoria West. Three new boreholes were also planned to be drilled under the MIG project and for this a **geo-hydrological assessment** was done determining possible water sources, the drilling of the boreholes and the analysis of the water quality and quantity.
- ***Commissioning of new borehole(s)*** is a priority as it will reduce the reliance on external water sources. This includes the provisioning of electricity, borehole pumps and pressure pipelines to Martin se Gat.
- ***Water free flow to the Mandela Square Pump Station***. **Upgrading of the Mandela Square booster pumps** are necessary in order to utilize the storage in the reservoir for emergencies. A balancing reservoir at the pump station may be needed but the technical investigation will highlight the need.
- The municipality plan to replace the connection balancing water main between Hostel Reservoir and Moonlight Hill with the Water Services Improvement Grant. ***Upgrading of the Gravity feeder line*** from Moonlight Hill reservoir to the community is needed as the current water pipeline capacity is insufficient.

Implementation Progress and Way Forward

- Augmentation of the bulk water supply, geo-hydrological assessment of new and existing boreholes;

  Ubuntu Municipality is relying from external water sources supplied by Mr. Conroy in the Hutchinson area. In order for the municipality to be independent additional water sources need to be found. IX Engineers appointed Kimopax as the geo-hydrologist to identify new aquifers and to drill the boreholes. They also have to sample all the water sources and determine the safe yield of the production boreholes. This all was completed and was a report ready to be discussed with the municipality by mid July 2019.

- Commissioning of the new boreholes and telemetric system; Commissioning of the new boreholes will be done after the EIA has been approved;

  Commissioning of the new boreholes can only be done after the Environmental Impact Assessment study has been done. The EIA process can only commence after the production boreholes has been identified. It is anticipated that the EIA process will commence in September 2019 and the timeframe is either 230 or 360 days depending on the type of application e.g. Basic Assessment of full EIA.

  Assessment of the existing telemetric system was completed and a report with recommendations was discussed with the municipality. Five boreholes were identified to be used and will Ubuntu Municipality continue with this phase of the project.

- Enhancement of the water quality by appropriate treatment methods of the borehole water;

This phase depends on the water analysis Phase 1 and IX Engineers was requested to find the most economical and sustainable solution for the municipality and present it before continuing with the design. Process designs for the treatment works can start as soon as the municipality has given the go-ahead. Various treatment options were investigated and a reverse osmosis plant was considered to be the most economical option. Ubuntu Municipality will continue implementing this phase over the next few financial years.

- Upgrading of the gravity feeder line from Moonlight hill and reticulation network and upgrading of the Mandela Square booster pump station and sealing of the Mandela Square reservoir.

  Balintulo Construction was appointed for an amount of R3,2 million on the 25 March 2019 for this phase and continue with the implementation of the project until December 2019. The work entails exposure of existing bulk water pipelines, installation of a new bulk water pipeline adjacent to it and erf connections. Further the contractor has to seal the Mandela Square Reservoir and refurbish the booster pump station. Balintulo Construction did not return to site after the December 2019 break and the district municipality was forced to cancel the contract in March 2020 after following the correct contractual termination procedures. We were ready to go out on tender for the remaining works in March 2020 but could not continue due to the Covid-19 lock down. After various consultations between the provincial MIG office and Ubuntu Municipality consent was given late in May 2020 to continue with the implementation of the project in-house, but due to time constraints and timeous SCM process works could not commence yet. An application was lodge to National Treasury to allow the district to continue with the outstanding works of this phase of the project.

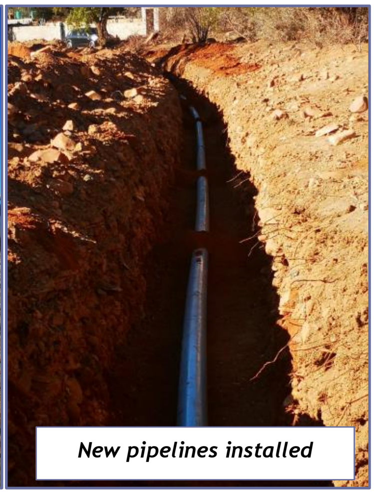
Below are some photo's of the geo-hydrological assessment and upgrading of water pipelines in Victoria West.

Blocked pipes indicating the need to be upgraded

Mandela Square booster pump station to be revamp

Drilling of new boreholes

Team setting up equipment for pump test of new boreholes



New pipelines installed

Component C: Public Accountability and Participation

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

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

2.5 Public Meetings

Nature and purpose of meeting	Date of events	Number of Community members attending
Council Meeting the People	22 August 2019	190
	22 November 2019	24
Budget and IDP	04 March 2020	25
	05 March 2020	93
AG Outcomes (2018-2019)	19 February 2020	54

Table 29: Public Meetings

2.6 Representative Forums

Local Labour Forum

The table below specifies the members of the Local Labour forum for the period under review:

Name of Representative	Capacity	Meeting Dates
Clr. N Nkumbi	Council Representative	15 August 2019 23 January 2020 23 January 2020 (special) 29 May 2020 25 June 2020
Clr. Itumeleng	Council Representative	
Clr. Sintu	Council Representative	
Mr TA Loko	Employer Representative	
Miss S Antonnnie	Imatu Representative	
Mr. E Mackenzie	Imatu Representative	
Mr. P Demas	SAMWU Representative	
Mr. C Valla	SAMWU Representative	
Miss Y Mabedla	SAMWU Representative	
Mr. S Ntamehlo	LLF Secretary	
Mr C Valla	LLF Chairperson (SAMWU)	

Table 30: Local Labour Forum

IDP Forum

Name of Representative/ Organisation Presenting	Capacity	Meeting Dates
Mr. Greeff and MR. Baas - Planning Unit	Pixley ka Seme District Municipal Steering Committee	9 December 2019 4 February 2020 17 March 2020
Mr. Greeff and Mr Baas- Planning Unit	Pixley ka Seme District Municipal IDP Representative Forum Meeting	25 February 2020
Mayor and Councilors, - Mayor's office Mr. Greeff and MR Baas - Planning Unit	Pixley ka Seme District Municipal IDP Public Engagement Session in Campbell and Richmond	4 and 6 March 2020 respectively

Table 31: IDP Forum

District and Local AIDS Committee Meetings

Name of Municipality and Town	Type of Committee Meeting	Meeting Dates
Sector Departments, Civil Society, local Municipalities, Non-Governmental Organizations and Office of the Premier	Managers, Chairpersons and Secretaries, Local Mayors and District Coordinators	10 July2019: Civil Cociety launch Thembelihle 12 July DAC: Induction workshop PKSDM 16 July 2019: LGBTIQ training Emthanjeni 05 August 2019: Civil Society launch and LAC launch Siyancuma 19 September 2019: DAC meeting PKSDM 09 December 2019: DAC meeting PKSDM

Table 32: District and Local AIDS Council

District Communication Forum

Name of Municipality and Town	Type of Committee Meeting	Meeting Dates
Pixley ka Seme District Municipality, De Aar	District Communication Forum	13 September 2019
Pixley ka Seme District Municipality, De Aar	District Communication Forum	27 November 2019
Thembelihle Local Municipality, Hopetown	Local Communication Forum	12 November 2019
Kareeberg Local Municipality, Carnarvon	Local Communication Forum	13 November 2019
Siyancuma Local Municipality, Douglas	Local Communication Forum	14 November 2019
Siyathemba Local Municipality, Prieska	Local Communication Forum	15 November 2019

Table 33: District Communication Forum

2.7 Shared Services

2.7.1 Planning

The Planning Section falls under the Infrastructure Development and Housing Department and is charged with the responsibility of planning for the district. This planning function is multidimensional focusing on spatial planning and integrated development planning for the district as a whole.

Part B of Schedules 4 and 5 of the Constitution of the Republic of South Africa, Act 108 of 1996, places the function of town planning on local municipalities. However, taking the abilities of the local municipalities in consideration, Council has decided that Pixley ka Seme District Municipality should provide hands on support to all its local municipalities, in adherence to the prescripts of the Local Government: Municipal Structures Act, 117 of 1998.

Support was rendered in the following activities:

- Processing of building plan applications in order for applicants to get building permits in time.
- Assist local municipality with land development applications e.g. zoning, residential layout and removal of restrictions

During the year the following achievements were made in this field:

- 70 building applications were received of which 28 were approved and 38 were not approved due to incompliance issues in terms of the Title Deed of the property or Municipal Scheme Regulations or National Building Regulation and Building Standards Act. The quality of the building plans remains a challenge for the section and is a major contributor to the non-approval of building plans.

Spatial Plan Land Use Management Act

SPLUMA came into effect from 1 July 2015 and since council has decided to establish a District Municipal Planning Tribunal (DMPT), the planning unit drove the process in order to establish the DMPT.

The DMPT met 5 times during the 2019/20 financial year to consider 58 applications of which 35 were approved, 17 were referred back to the applicant for review due to non-compliance with the Municipal By-Law on Spatial Planning and Land Use Management. 5 Withdrawn and 1 was related to the correction of previous minutes.

Integrated Development Planning

The Municipal Systems Act requires municipalities to review and adopt their IDPs annually to guide development within their areas of jurisdiction to ensure sustainable development, poverty eradication and a better life for all. The Municipality adopted its reviewed IDP for the 2020/21 in May 2020. The District must assist our nine local municipalities on proper municipal planning to ensure alignment and objective driven IDP's.

The IDP is a strategic planning tool for addressing developmental challenges, the plan sets out some strategic agendas and focus for development and service delivery in years to come. The strategic development agendas are premised on five key performance areas as set out by the Department of Cooperative Governance, Human Settlements and Traditional Affairs. The said five key performance areas are basic service delivery, good governance and public participation, municipal transformation and institutional development, municipal financial viability and management and local economic development.

2.7.2 Internal Audit

During the 2019/2020 financial year, internal audit services were rendered to all eight (8) local municipalities within the Pixley ka Seme District in terms of the Service Level Agreement. These services were therefore rendered to the following municipalities:

- Emthanjeni Municipality
- Umsobomvu Municipality
- Siyathemba Municipality
- Siyancuma Municipality
- Kareeberg Municipality
- Thembelihle Municipality

- Ubuntu Local Municipality
- Renosterberg Municipality

Service Level Agreement expired on 30 June 2020 and a new SLA has been entered into with municipalities as from 1 July 2020 for the next three years.

Quarterly audits have been reduced to 3 due to the National lockdown and Internal audit plans had to be revised.

The table below indicates the audit activities per local municipality for the year under review:

Activity	Name of Local Municipality	Date/Number
Quarterly Audits	Emthanjeni	3
	Umsobomvu	3
	Siyathemba	3
	Siyancuma	3
	Kareeberg	3
	Thembelihle	3
	Ubuntu	3
	Renosterberg	3
Audit committee meetings	Emthanjeni	2
	Umsobomvu	2
	Siyathemba	1
	Siyancuma	3
	Kareeberg	2
	Thembelihle	3
	Ubuntu	3
	Renosterberg	0
Quality Assurance Programme/ GAP Analysis	1	
Adopted Audit committee Charters	Emthanjeni	1
	Umsobomvu	1
	Siyathemba	0
	Siyancuma	1
	Kareeberg	1
	Thembelihle	1
	Ubuntu	1
	Renosterberg	0
Developed and approved Risk Based Audit Plan and three year strategic plans	Emthanjeni	1
	Umsobomvu	1
	Siyathemba	0
	Siyancuma	1
	Kareeberg	1
	Thembelihle	1
	Ubuntu	1
	Renosterberg	0

Table 34: Shared Services: Internal Audit Activities

Component D: Corporate Governance

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

2.8 Risk Management

In the absence of a dedicated Risk Management Unit, the Internal Audit Services Department assumed a coordinating role regarding the updating of the risk profile for the Municipality. The risk profile was also submitted to the Audit Committee.

The role of the service departments is to assist management in identification and review of risks in order to properly manage them. Risk management is an integral or natural part of the organisational processes and procedures. Risk management should be embedded in the organisation. It becomes an intrinsic part of business planning and decision making as there is no direction taken without looking at potential risks.

As from 01 April 2018 Pixley ka Seme District responded to the need to establish a Risk management unit and appointed a Risk Officer within the institution.

The table below include the top risks of the Municipality:

Risk	Root Cause	Risk Exposure
Compromised Financial sustainability	• The increase in expenditure is higher than the increase in revenue/grants. • Non-payment by debtors (category B municipalities) for services rendered. • No investments.	25
Accountability over IT	• Nonadherence to CGICT Framework and SALGA ICT Guidelines • Partial ICT Strategic documents and policies. • Lack of ICT Contingency Plan. • ICT Steering committee 2 a year (4) • ICT Structure (Nert & OP) e.g. security • DM not assuming accountability over those IT areas it should (e.g. functional requirements, development priorities, assessing opportunities through new technologies) • Lack of IT Governance e.g. (Cyber, Access Control, Password / Security, Change Management, etc.)	25
Inability of the municipality achieve clean audit status.	Material impairment. Misstatements.	20
Inability of the Municipality to remain within the allocated budget (SDBIP).	• Ineffective monitoring and review of over and under expenditure.	12
Fraud and corruption within the municipality.	Conflict of interest, poor governance and lack of accountability.	12
Unusual ability to respond to disease outbreaks / pandemics	• Delay on information on the nature of the pandemic. • Delay on suitable resources for safe disposal. • Information overload and confusing sources. • Public not adhering to safety rules. • Poor communication.	12

Table 35: Top Risks

2.8.1 Risk Committee

The role of the Risk Committee is to provide timely and useful enterprise risk management reports to the Audit Committee of the municipality. The members and meeting dates of the Committee are indicated in the table below:

Name of Committee Member	Capacity	Meeting dates
Ms. J Mafilika	Chairperson	- 17 October 2019 - 25 March 2020 (Postponed)
Mr. RE Pieterse	Municipal Manager	
Mr. BF James	CFO	
Ms. R.A Sors	Chief Audit Executive	
Mr. H Greeff	Senior Manager Infrastructure, Development Housing and Planning	
Mr. T Loko	Senior Manager Corporate Services	
Ms. C Oliphant	Representative from Provincial Treasury	
Ms N Sindelo	Risk Officer	

Table 36: Risk Committee

2.9 Anti-Corruption and Anti-Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

No cases of corruption were reported during the 2019/20 financial year.

Developed Strategies

Name of Strategy	Developed Yes/No	Date Adopted/Reviewed
Fraud Prevention Plan	Yes	March 2009 / May 2017

Table 37: Strategies: Anti-corruption and Anti-fraud

2.10 Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

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

2.10.1 Functions of the Audit Committee

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 which is further supplemented by the Local Government Municipal and Performance Management Regulation as well as the approved Audit Committee charter:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To carry out such investigations into the financial affairs of the municipality as the council may request.
- Perform such other functions as may be prescribed.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

2.10.2 Members of the Audit Committee

Meeting Dates	Member: J Blair	Member: J Mafilika	Member: DPS van Wyk
27 August 2019	Attended	Attended	Not Attended
15 November 2019	Attended	Attended	Not Attended
30 March 2020	Cancelled due to national Covid-19 lockdown		

Table 38: Members of the Audit Committee

2.10.3 Members of the New Audit and Performance Committee

Meeting Dates	Member: J Snyders	Member: A Shabalala	Member DPS van Wyk
29 June 2020	Attended	Attended	Not Attended

Table 39: Members of the New Audit and Performance Committee

2.11 Internal Auditing

Section 165(2)(a), (b)(iv) of the MFMA requires that the internal audit unit of a municipality must –

(a) prepare a risk based audit plan and an internal audit program for each financial year; and

(b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to risk and risk management.

The municipality has an in-house Internal Audit function consisting of four auditors, four internal audit clerks, one Senior Internal Auditor and one Chief Audit Executive.

The table below indicates the detail of internal audit activities for the year under review for Pixley ka Seme itself:

Activity	2018/19	2019/20
Quarterly Audits	4	4
Adhoc assignments	0	2
Quality Assurance Programme	1	1
Reviewed and approved Internal Audit Charter	1	1
Reviewed and adopted Audit Committee Charter	1	1
Developed and approved Risk Based Audit Plan	1	1

Table 40: Internal Audit Activities

2.12 Auditor-General

The Municipality is audited by the Auditor-General of South Africa in terms of Section 188 of the Constitution and Section 4 of the Public Audit Act and Section 126 of the MFMA. The audit report for the financial year under review is in Annexure B of this report.

2.13 By-Laws and Policies

Section 11 of the MSA gives Council the executive and legislative authority to implement By-Laws and policies. The Municipal Health Services By-Law were revised during the year.

Below is a list of all the policies developed and/or reviewed during the 2019/20 financial year:

Policies Developed/ Revised	Date Adopted
PKSDM Air Quality Management Plan	19 May 2020
Cost Containment Policy	28 August 2019
Disaster Management and Contingency Plan	29 May 2020
Car and Travel Allowance Policy	29 May 2020
Asset Management Policy	29 May 2020
Borrowing Policy	29 May 2020
Cash and Invest Policy	29 May 2020
Commitments Policy	29 May 2020
Contingent Liability Policy	29 May 2020
Credit Control Policy	29 May 2020
Electronic Funds Transfer Policy	29 May 2020
Fraud Prevention Plan	29 May 2020
Rates Policy	29 May 2020
Related Party Policy	29 May 2020
Revenue Management Policy	29 May 2020
Risk Management Framework	29 May 2020
Risk Management Policy	29 May 2020
Supply Chain Management Policy	29 May 2020
Supply Chain Management Infrastructure Policy	29 May 2020
Tariff Policy	29 May 2020
Unauthorized, Irregular, Fruitless and Wasteful Expenditure Policy	29 May 2020
Updated Financial Procedures	29 May 2020

Table 41: Policies Developed/ Revised

2.14 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa, 1996 and other statutory enactments all impose an obligation on local government and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful communication strategy therefore links the people to the municipality's programme for the year.

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

2.14.1 Communication Activities

Description	Yes/No
Communication strategy	Yes
Customer satisfaction surveys	Yes
Newsletters distributed at least quarterly	Yes
Crisis Communication Procedure	No
Language Policy and Procedure	No
Media Protocol Procedure	No
Social Media	Yes
District Communication Forum	13 September 2019 27 November 2019
Local Communication Forums	Thembelihle Local Municipality: 12 November 2019 Kareeberg Local Municipality: 13 November 2019 Siyancuma Local Municipality: 14 November 2019 Siyathemba Local Municipality: 15 November 2019

Table 42: Communication Activities

2.14.2 Communication Unit:

Number of People in the Unit	Job Titles
4 positions, but only 3 filled.	Communications Specialist
	Researchers (2), Field Worker (1)

Table 43: Communication Unit

2.14.3 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of S75 of the MFMA and S21A and B of the Municipal Systems Act ("MSA") as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's communication strategy.

The table below gives an indication of the information and documents that are published on the municipal website.

Description of information and/or document	Yes/No
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the Municipal Finance Management Act)	
Draft Budget 2019/20	Yes
Adjusted Budget 2019/20	Yes
Asset Management Policy	Yes
Credit control & Debt collection Policy	Yes
Investment & Cash Management Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Travel and Subsistence Policy	Yes
Borrowing Policy	Yes
Top Layer SDBIP 2019/20	Yes
Budget and Treasury Office Structure	Yes
Budget and Treasury Office delegations	Yes
Delegations	Yes
Integrated Development Plan and Public Participation (Section 25(4)(b) of the Municipal Systems Act and Section 21(1)(b) of the Municipal Finance Management Act)	
Reviewed IDP for 2019/20	Yes
IDP Process Plan for 2019/20	Yes
Supply Chain Management (Sections 14(2), 33, 37 &75(1)(e) & (f) and 120(6)(b)of the Municipal Finance Management Act and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes
Long Term borrowing contracts	Yes
SCM contracts above R30 000	Yes
Contracts which impose a financial obligation on the municipality beyond 3 years	Yes
Service delivery agreements	Yes
Public invitations for formal price quotations	Yes
Annual Report of 2018/19	Yes
Oversight report of 2018/19s	Yes
Mid-year budget and performance assessment of 2019/20 (Sec 72 MFMA)	Yes
Quarterly Reports (sec 52 MFMA)	Yes
Monthly Budget Statement (Sec 71 MFMA)	Yes
Performance Management (Section 75(1)(d) of the Municipal Finance Management Act)	
Performance Agreements for employees appointed as per S57 of Municipal Systems Act for 2019/20	Yes
Assurance Functions (Sections 62(1), 165 & 166 of the Municipal Finance Management Act)	
Internal Audit charter	Yes

Description of information and/or document	Yes/No
Audit Committee charter	Yes
Risk Management Policy	Yes

Table 44: Information on Website

2.15 B-BBEE Compliance Performance Information

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

2.15.1 Senior Management

Category	Number	Race Classification	Gender	Disability
Senior Management	5	2 African 2 Colored 1 White	4 Male 1 Female	0

Table 45: B-BBEE Compliance Performance Information: Senior Management

2.15.2 Enterprise and Supplier Development

Total Number of Suppliers	322
Total Value Spend	R15 640 632.23

Name of supplier	Total value spend R'000	% Black Ownership	%Black women ownership
Exempt Micro Enterprises (EME's) suppliers			
Red Apple Media (Pty) Ltd	175 265.75	0%	0%
Memotek (Pty) Ltd	153 905.54	35%	35%
Aery CC	188 904,75	100%	100%
OTP Logistics (Pty) Ltd	68 000.00	100%	100%
De Aar Stone Crushers	92 690.00	N/A	N/A
Aery CC	68 986.89	100%	100%
Obalux (Pty) Ltd	89 975.00	100%	0%
Tshireletso Multi-Skills & Training (Pty) Ltd	158 092.11	100%	68%
Epicrange Online P(ty) Ltd	57 485.00	100%	0%
Aery CC	197 575.00	100%	100%
Albies Wireless	39 325.00	0%	0%
Netcare Basic Emergency	67 948.00	n/a	n/a
Gariep Forever Resort	74 833.00	n/a	n/a
Ignite	423 063.00	n/a	n/a
RXD Logistics (Pty) Ltd	193 527.75	100%	0%

Name of supplier	Total value spend R'000	% Black Ownership	%Black women ownership
Weird Industries	668 292.50	100%	100%
Total number of Qualifying Small Enterprises (QSE's) suppliers			
None	None	None	None
Total number of large suppliers			
None	None	None	None

*Table 46: **B-BBEE Compliance Performance Information: Enterprise and Supplier Development***

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

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

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

Legislative requirements

The Constitution of the RSA, 1996, section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are 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." Performance management 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. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

In terms of section 46(1)(a) of the systems Act (Act 32 of 2000) a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

Organisational performance

Strategic performance indicates how well the municipality is meeting its objectives and whether policies and processes are working effectively. All government institutions must measure and report on their strategic performance to ensure that service delivery is done in an efficient, effective and economical manner. Municipalities must therefore develop strategic plans and allocate resources for the implementation. The implementation of the plans must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the Strategic Objectives and performance on the National Key Performance Indicators as prescribed in terms of section 43 of the Municipal Systems Act, 2000.

Performance Management System used in the financial year 2019/20

The IDP and the Budget

The IDP and the main budget for 2019/20 was approved by Council on ***28 May 2019***. As he IDP process and the performance management process are integrated, the IDP fulfils the planning stage of performance management whilst performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

The Mayor approved the Top Layer Service Delivery Budget Implementation Plan (SDBIP) for 2019/20 on ***28 June 2019***. The Top layer SDBIP indicators are aligned with the budget which was prepared in terms of the reviewed IDP. The indicators in the Top layer SDBIP include indicators required by legislation, indicators that will assist to achieve the objectives adopted in the IDP and indicators that measure service delivery responsibilities.

The actual performance achieved in terms of the KPI's was reported on quarterly. The indicators and targets were adjusted after the finalisation of the previous year budget and mid-year budget assessment. The Top Layer SDBIP was revised with the Adjustments Budget in terms of section 26 (2)(c) of the Municipal Budget and Reporting Regulations and an amended Top Layer SDBIP was approved by the Council on ***31 January 2020*** through resolution number ***R 200 - 31(9.8)***.

Actual Performance

The municipality utilizes an electronic web-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- A performance comment.
- Actions to improve the performance against the target set, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

Monitoring of the Service Delivery Budget Implementation Plan

Municipal performance is measured as follows:

- Quarterly reports were submitted to council on the actual performance in terms of the Top Layer SDBIP.
- Mid-year assessment and submission of the mid-year report to the Mayor in terms of section of Section 72(1) (a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the municipality during the first half of the financial year.

PERFORMANCE REPORT PART I

3.1 Introduction

This section provides an overview of the key service achievements of the municipality that came to fruition during 2019/20 in terms of the deliverables achieved against the strategic objectives of the IDP.

3.2 Strategic Service Delivery Budget Implementation Plan

This section provides an overview on the achievement of the municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP assists with documenting and monitoring of the municipality's strategic plan and shows the strategic alignment between the IDP, Budget and Performance plans.

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI's applicable to 2019/20 in terms of the IDP strategic objectives.

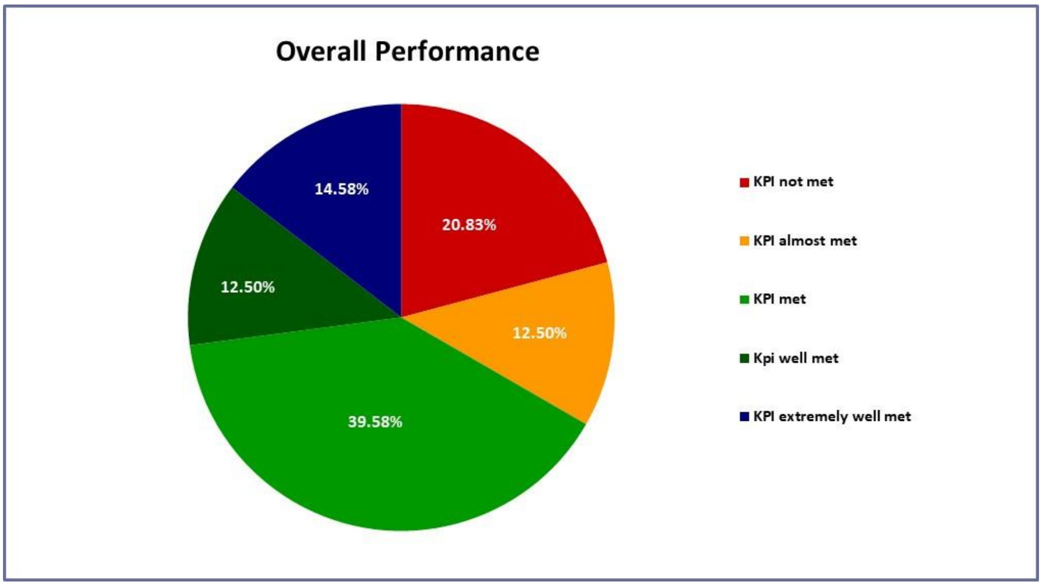
The following table explains the method by which the overall assessment of the actual performance against the targets set for the key performance indicators (KPI's) of the SDBIP are measured:

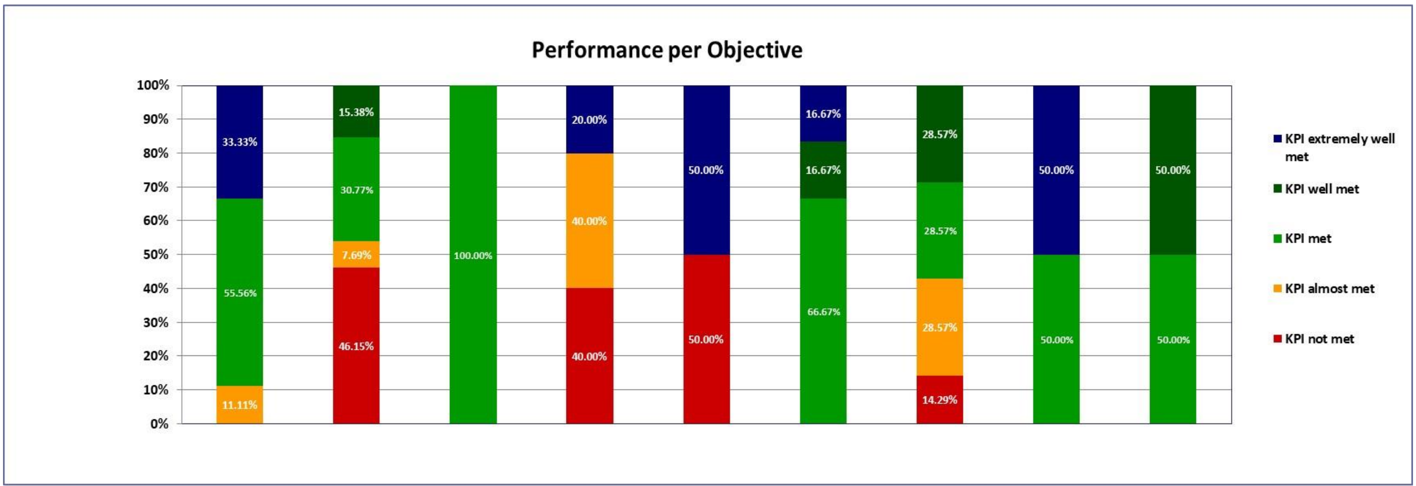
Category	Colour	Explanation
KPI Not Yet Measured	n/a	KPI's with no targets or actuals in the selected period
KPI Not Met	R	0% > = Actual/Target< 75%
KPI Almost Met	O	75% > = Actual/Target < 100%
KPI Met	G	Actual/Target = 100%
KPI Well Met	G2	100% > Actual/Target < 150%
KPI Extremely Well Met	B	Actual/Target > = 150%

Figure 3 SDBIP measurement criteria

3.2.1 Overall Performance as per Top Layer SDBIP

The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the tables and graphs below:





Measurement Criteria	Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit outcome	Compliance with the tenets of good governance as prescribed by legislation and best practice	Guide local municipalities in the development of their IDP's and in spatial development	Monitor and support local municipalities to enhance service delivery	Promote economic growth in the district	To provide a professional, people-centered human resources and administrative service to citizens, staff and Council	To provide an independent and objective internal audit assurance and consulting service to add value and to improve the administrative operations of all the municipalities in the district through an approach that is systematic and disciplined	To provide disaster management services to the citizens	To provide municipal health services to improve the quality of life of the citizens
KPI Not Met	0	6	0	2	1	0	1	0	0
KPI Almost Met	1	1	0	2	0	0	2	0	0
KPI Met	5	4	2	0	0	4	2	1	1
KPI Well Met	0	2	0	0	0	1	2	0	1
KPI Extremely Well Met	3	0	0	1	1	1	0	1	0
Total	9	13	2	5	2	6	7	2	2

Graph 1: Top Layer SDBIP Performance per objective

Actual performance as per Top Layer SDBIP according to objectives

Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit outcome

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
TL21	Compile and submit an Audit Action Plan to Council by 31 January 2020 to address the issues raised by the AG	Audit Recovery Plan compiled and approved by 31 January 2020	1	0	0	1	0	1	1	G
TL22	Report quarterly to Council on meetings with and correspondence to defaulting municipalities on debt relating to services rendered	Number of reports submitted to Council	4	1	1	1	1	4	3	O
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic, reports could only be submitted for the first 3 quarters of the financial year.								
TL23	Prepare and submit the draft budget to Council by 31 March 2020	Draft budget submitted by 31 March 2020	1	0	0	1	0	1	1	G
TL24	Prepare and submit the final budget to Council by 31 May 2020	Final budget submitted by 31 May 2020	1	0	0	0	1	1	1	G
TL25	Prepare and submit the adjustments budget to Council by the 28 February 2020	Adjustments budget submitted by 28 February 2020	1	0	0	1	0	1	1	G
TL26	Submit the annual financial statements to the Auditor-General by 31 August 2019	Statements submitted to the Auditor-General by 31 August 2019	1	1	0	0	0	1	1	G
TL27	Co-ordinate the District MM/CFO forums on a bi-annual basis	Number of meetings coordinated	2	0	1	0	1	2	3	B
TL28	Financial viability measured in terms of the Municipality's ability to meet it's service debt obligations by 30 June 2020 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue -	% debt coverage	45%	0.00%	0.00%	0.00%	45.00%	45.00%	11.00%	B

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
	Operating Conditional Grant)									
TL29	Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2020 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	0.19	0	0	0	0.01	**0.01**	**1.11**	B

Table 47: Administer finances in a sustainable manner and strive to comply with legislative requirements to achieve a favorable audit outcome

Compliance with the tenets of good governance as prescribed by legislation and best practice

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
TL1	Submit a report to Council on the monitoring and evaluation of community participation by 31 May 2020	Report submitted to council by 31 May 2020	1	0	0	0	1	**1**	**1**	G
TL2	Facilitate the quarterly meetings of the District Communication Forum	Number of meetings facilitated	4	1	1	1	1	**4**	**2**	R
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic, meetings could not take place in the last two quartes of the financial year.								
TL3	Host commemorative days as per the approved list by the Municipal Manager and Mayor	Number of commemorative days hosted	7	2	1	1	1	**5**	**3**	R
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic, not all commemorative days could be hosted .								

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
TL4	Facilitate the quarterly meetings of the District HIV/AIDS Council	Number of meetings facilitated	5	1	1	1	1	4	3	O
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic, the meeting for quarter 4 could not take place.								
TL5	Facilitate the bi-annual meetings of the Youth Council	Number of meetings facilitated	3	0	1	0	1	2	0	R
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic, meetings could not take place in the last two quartes of the financial year.								
TL7	Facilitate the meeting with relevant stakeholders on the Street Children and Fetal Alcohol Syndrome Special Programme by 30 June 2020	Meeting facilitated by 30 June 2020	New Key Performance Indicator for 2019/20	0	0	0	1	1	0	R
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic the meeting could not take place.								
TL8	Compile and distribute the District Municipality's external newsletter on a quarterly basis	Number of newsletters compiled and distributed	New Key Performance Indicator for 2019/20	1	1	1	1	4	2	R
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic, newsletter could not be distributed in the last two quarters of the financial year.								
TL9	Facilitate the quarterly meetings of the Technical District Intergovernmental Forum	Number of meetings facilitated	4	1	1	1	1	4	5	G2
TL10	Sign Section 57 performance agreements with all directors by 31 July 2019	Number of performance agreements signed	4	4	0	0	0	4	5	G2
TL12	Facilitate the quarterly meetings of the Political District Intergovernmental Forum	Number of meetings facilitated	4	1	1	1	1	4	4	G
TL13	Complete the Risk Assessment and submit the updated risk register to the Risk Management Committee by 31 March 2020	Risk Analysis completed and updated risk register submitted to the Risk Management Committee by 31 March 2020	New Key Performance Indicator for 2019/20	0	0	1	0	1	0	R

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic the meeting could not take place. It will be submitted to the enxt meeting.								
TL30	Submit the Top layer SDBIP for approval by the Mayor within 14 days after the budget has been approved	Top Layer SDBIP submitted annually to Mayor within 14 days after the budget has been approved	1	0	0	0	1	1	1	G
TL31	Submit the draft Annual Report to Council by 31 January 2020	Draft Annual Report submitted to Council by 31 January 2020	1	0	0	1	0	1	1	G

Table 48: Compliance with the tenets of good governance as prescribed by legislation and best practice

Guide local municipalities in the development of their IDP's and in spatial development

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
TL46	Review the IDP and submit draft to Council by 31 March 2020	Draft reviewed IDP submitted to Council by 31 March 2020	1	0	0	1	0	1	1	G
TL47	Compile an IDP framework by 31 August 2019 to guide local municipalities	IDP framework completed by 31 August 2019	1	1	0	0	0	1	1	G

Table 49: Guide local municipalities in the development of their IDP's and in spatial development

Monitor and support local municipalities to enhance service delivery

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
TL11	Report quarterly to Council on Shared Services	Number of reports submitted to Council	3	1	1	1	1	4	3	O
Corrective Measures		As the council meeting for the first quarter of the financial year already took place in August 2019, before the quarter ended a report could not be submitted. The reports for the rest of the quarters were submitted.								
TL42	Arrange and convene quarterly Infrastructure Forum meetings	Number of meetings arranged	2	1	1	1	1	4	3	O
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic, meetings could not take place in the last two quartes of the financial year.								
TL43	Submit quarterly progress reports to the Portfolio Committee on the activities in the department including expenditure on all	Number of reports submitted	3	1	1	1	1	4	2	R

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
	MIG projects of local municipalities in the district and infrastructure grants/allocations implemented by the district municipality									
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic, meetings could not take place in the last two quartes of the financial year.								
TL44	Review the Human Settlements Sector Plan and submit to Council for approval by 31 May 2020	Reviewed Human Settlements Sector Plan submitted to council annually by 31 May 2020	0	0	0	0	1	**1**	**0**	R
Corrective Measures		Reviewed Human Settlements Sector Plan was not submitted as the national department indicated that it is no longer necessary to review the Human Settlements Plan.								
TL45	Conduct housing consumer education in towns of non-accredited municipalities in the district	Number households educated	803	180	180	180	180	**720**	**1 086**	B

Table 50: Monitor and support local municipalities to enhance service delivery

Promote economic growth in the district

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
TL6	Facilitate 2 career exhibitions in the Pixley Ka Seme District area by 30 June 2020	Number of career exhibitions facilitated	2	0	1	0	1	**2**	**0**	R
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic, the career exhibitions could not be facilitated.								
TL48	Create full time equivalents (FTE's) through the Expanded Public Works Programme (EPWP) by 30 June 2020 [Person days / FTE (230 days)]	Number full time equivalents (FTE's) created by 30 June 2020	34	0	0	0	14	**14**	**40.7**	B

Table 51: Promote economic growth in the district

To provide a professional, people-centered human resources and administrative service to citizens, staff and Council

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
TL32	Spent 1% of personnel budget on training by 30 June 2020 (Actual total training expenditure divided by total personnel budget)	% of the personnel budget spent by 30 June 2020	1%	0.00%	0.00%	0.00%	1.00%	**1.00%**	**1.09%**	G2
TL33	Submit a business proposal to LGSETA for discretionary grant to avail funds to train employees and unemployed by 31 March 2020	0Proposal submitted by 31 March 2020	1	0	0	1	0	**1**	**1**	G
TL34	Implement the WPSP measured by the % of identified employees that completed training as identified in WPSP by 30 June 2020 (Total number of officials that received training as was identified in the WPSP/total number of officials that were identified for training in the WPSP)	% of identified employees that completed training as identified in WPSP by 30 June 2020	90%	0.00%	0.00%	0.00%	90.00%	**90.00%**	**90.00%**	G
TL35	Limit the vacancy rate to less that 10% of budgeted posts by 30 June 2020 ((Number of posts filled/Total number of budgeted posts)x100)	% vacancy rate of budgeted posts by 30 June 2020 (Number of posts filled/Total number of budgeted posts)x100	9.52%	0.00%	10.00%	0.00%	10.00%	**10.00%**	**10.00%**	G
TL36	Review the Workplace Skills Plan and submit to the LGSETA by 30 April 2020	Plan submitted to the LGSETA by 30 April 2020	1	0	0	0	1	**1**	**1**	G
TL37	The number of people from employment equity target groups employed (newly appointed) in the three highest levels of management in compliance with	Number of people employed (newly appointed)	3	0	0	0	1	**1**	**4**	B

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
	the municipality's approved Employment Equity Plan by 30 June 2020									

Table 52: To provide a professional, people-centered human resources and administrative service to citizens, staff and Council

To provide an independent and objective internal audit assurance and consulting service to add value and to improve the administrative operations of all the municipalities in the district through an approach that is systematic and disciplined

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
TL14	Submit a Quality Assurance Plan for Pixley Ka Seme District Municipality to the Audit Committee by 30 June 2020	Quality Assurance Plan submitted annually by 30 June 2020	1	0	0	0	1	**1**	**0**	R
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic, the meeting could not take place. The plan will be submitted to the next meeting that will take place.								
TL15	Submit quarterly internal audit reports to the local municipalities in terms of the Service Level Agreements	Number of reports submitted	23	5	5	5	5	**20**	**18**	O
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic, all fieldwork had to stop. It was started again on 1 June 2020 with the announcement of level 3.								
TL16	Compile the Risk Based Audit Plan (RBAP) for Pixley Ka Seme District Municipality and submit to the Audit Committee for consideration by 30 November 2019	RBAP submitted by 30 November 2019	1	0	1	0	0	**1**	**1**	G
TL17	Compile the Risk Based Audit Plans (RBAP) for the local municipalities in terms of the Service Level Agreements and submit to the local municipalities by 30 June 2020	Number of plans submitted	6	0	0	0	5	**5**	**6**	G2
TL18	Review the 3 year Strategic Audit Plan for Pixley Ka Seme District Municipality and	Revised 3 year Strategic Audit plan submitted to the AC by 30 November 2019	1	0	1	0	0	**1**	**1**	G

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
	submit to the Audit Committee by 30 November 2019									
TL19	Review the 3 year Strategic Audit Plan for the Local Municipalities in terms of the Service Level Agreements and submit to the to the Audit Committee by 30 June 2020	Revised 3 year Strategic Audit plan submitted to the AC by 30 June 2020	4	0	0	0	5	**5**	**6**	G2
TL20	Facilitate the quarterly Audit Committee meetings during the 2019/20 financial year for Pixley Ka Seme District Municipality	Number of Audit Committee meetings facilitated	4	1	1	1	1	**4**	**3**	O
Corrective Measures		Due to the national lockdown as result of the Covid-19 pandemic, the meeting for quarter 4 could not take place.								

Table 53: To provide an independent and objective internal audit assurance and consulting service to add value and to improve the administrative operations of all the municipalities in the district through an approach that is systematic and disciplined

To provide disaster management services to the citizens

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
TL38	Host a training session by 30 June 2020 to train volunteers ito Disaster Management	Training session hosted by 30 June 2020	4	0	0	0	1	**1**	**3**	B
TL39	Review the Disaster Management Plan and submit to Council by 31 May 2020	Reviewed plan submitted to Council by 31 May 2020	1	0	0	0	1	**1**	**1**	G

Table 54: To provide disaster management services to the citizens

To provide municipal health services to improve the quality of life of the citizen

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
TL40	Compile monthly water quality analysis reports to local municipalities in terms of the	Number of reports compiled	105	24	24	24	24	**96**	**114**	G2

Ref	KPI	Unit of Measurement	Actual performance 2018/19	Performance of 2019/20						
				Targets					Actual	
				Q1	Q2	Q3	Q4	Annual		
	Water Quality Monitoring Programme									
TL41	Submit quarterly reports to Council on municipal health services rendered	Number of reports submitted	1	1	1	1	1	4	4	G

Table 55: *To provide municipal health services to improve the quality of life of the citizen*

3.3 Service Providers Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement:

a) Service provider means a person or institution or any combination of persons and institutions which provide a municipal service

b) External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality

c) Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

During the year under review the municipality did not appoint any service providers who provided a municipal service to or for the benefit of the local community on behalf of the municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured, that the requirements of the contract are complied with.

3.4 Municipal Functions

The table below indicates the functional areas that the municipality are responsible for in terms of the Constitution:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal health services	Yes
Trading regulations	Yes
Constitution Schedule 5, Part B functions:	
Control of public nuisances	Yes
Licensing and control of undertakings that sell food to the public	Yes

Table 56: *Functional areas*

COMPONENT A: BASIC SERVICES

3.5 Housing

Pixley ka Seme DM, a level 2 accredited housing service delivery agent is delivering the housing service as a shared service to seven of the seven local municipalities in the district. The strategic objectives in terms of housing delivery for the institution are:

- Promote integrated sustainable human settlements;
- Align housing projects to existing IDP development priorities;
- Develop and implement a programmed approach to land development for housing;
- Develop and implement efficient land identification and land release strategies;
- Ensure effective planning and servicing of identified land;
- Improve skills and capacity building within the municipalities; and
- Implement IGR goals and objectives related to housing.

Highlights: Housing

Highlight	Description
Consumer Education	Consumer education was conducted in the following municipalities within the district: Umsobomvu 226, Siyancuma 77 and Siyathemba 438. In total 741 beneficiaries were trained during the year.

Table 57: Housing Highlights

Challenges: Housing

Challenge	Action to Address
Accreditation	Accreditation Framework to be revised to fit the current function housing function of Municipalities, as the district is not allowed to fulfill all the functions for Level 2 Accredited Municipality.
Grant Funding for Housing	The Conditions in the Grant must be relaxed to ease the burden on the Municipality.
Housing Development	The function to be awarded as per accreditation status.
Consumer Education	The unit need to include gap market housing and social housing programmes into the consumer education programme.

Table 58: Housing Challenges

Service Statistics: Housing

A summary of houses built, includes:

Financial year	Number of houses built	Number of sites serviced
2017/18	150 (Victoria West) 20 (Richmond) 55 (Marydale) 47 (Niekerkshoop)	63 (Strydenburg) 201 (Hopetown)
2018/19	15 (Prieska Fairview) 14 (Noupoort) 30 (Hanover)	364 (Prieska Fairview) 475 (Hanover)
2019/20	200 Hanover 85 Prieska (Fairview)	0

Table 59: Houses built and Sites Serviced

Employees: Housing

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3				
4 - 6	4	4	0	0
7 - 9	0	0	0	0
10 - 12	2	1	1	50.0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**7**	**6**	**1**	**14.3**
As at 30 June 2020				

Table 60: Employees Housing

Capital Expenditure: Housing

No capital funding is allocated to the District. The provincial department assigns implementation of housing projects to their appointed Project Management Unit (PMU).

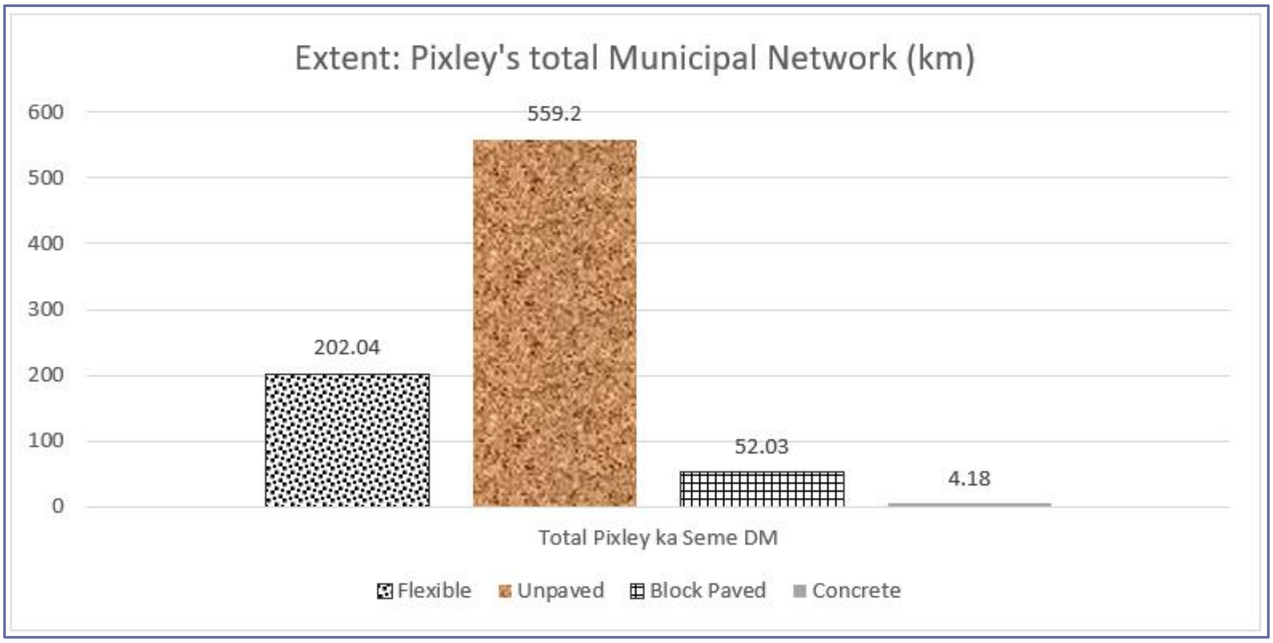
COMPONENT B: ROAD TRANSPORT

3.6 Roads

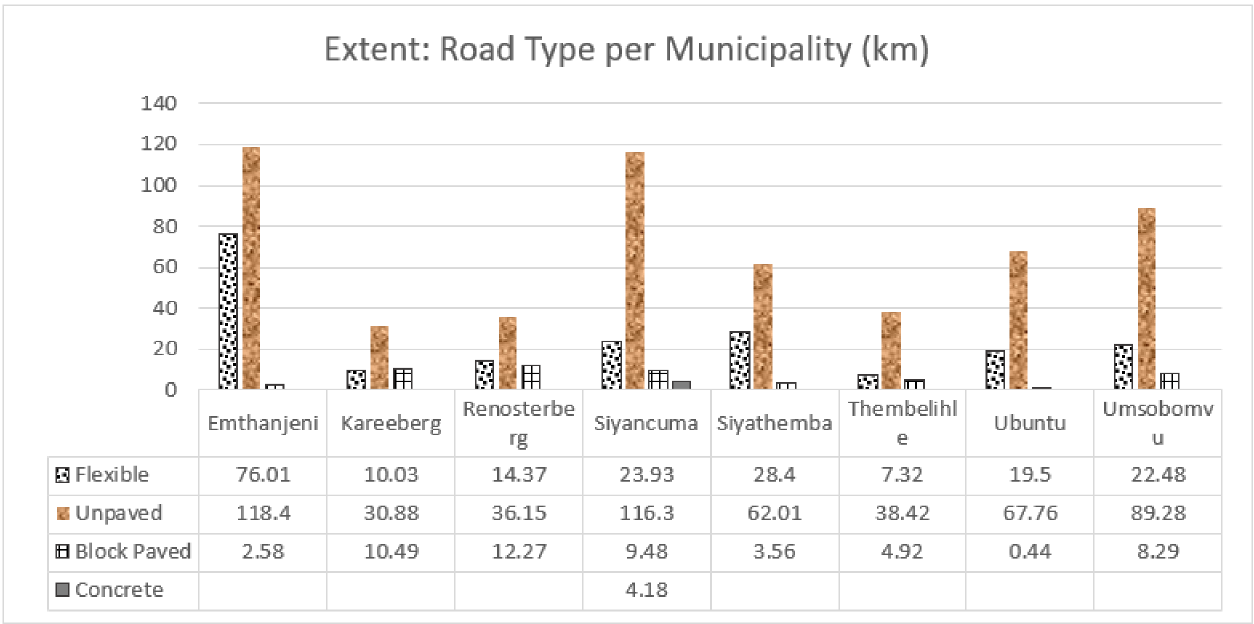
The District Municipality does not have any road assets to maintain, however the municipality is involved with the Rural Road Asset Management which entails the condition assessment of municipal streets, traffic analysis and condition assessment of bridges within the district which is funded by the National Department of Transport.

36 Traffic numerators, 4 civil engineering graduates and 2 data capturers were employed in order to implement the programme with the available funding. Lidwala Consulting (Pty) Ltd provide technical assistance as and when needed with the implementation of the programme.

The diagrams below illustrates the network per road typed assessed and the overall condition of the network assessed during the period.



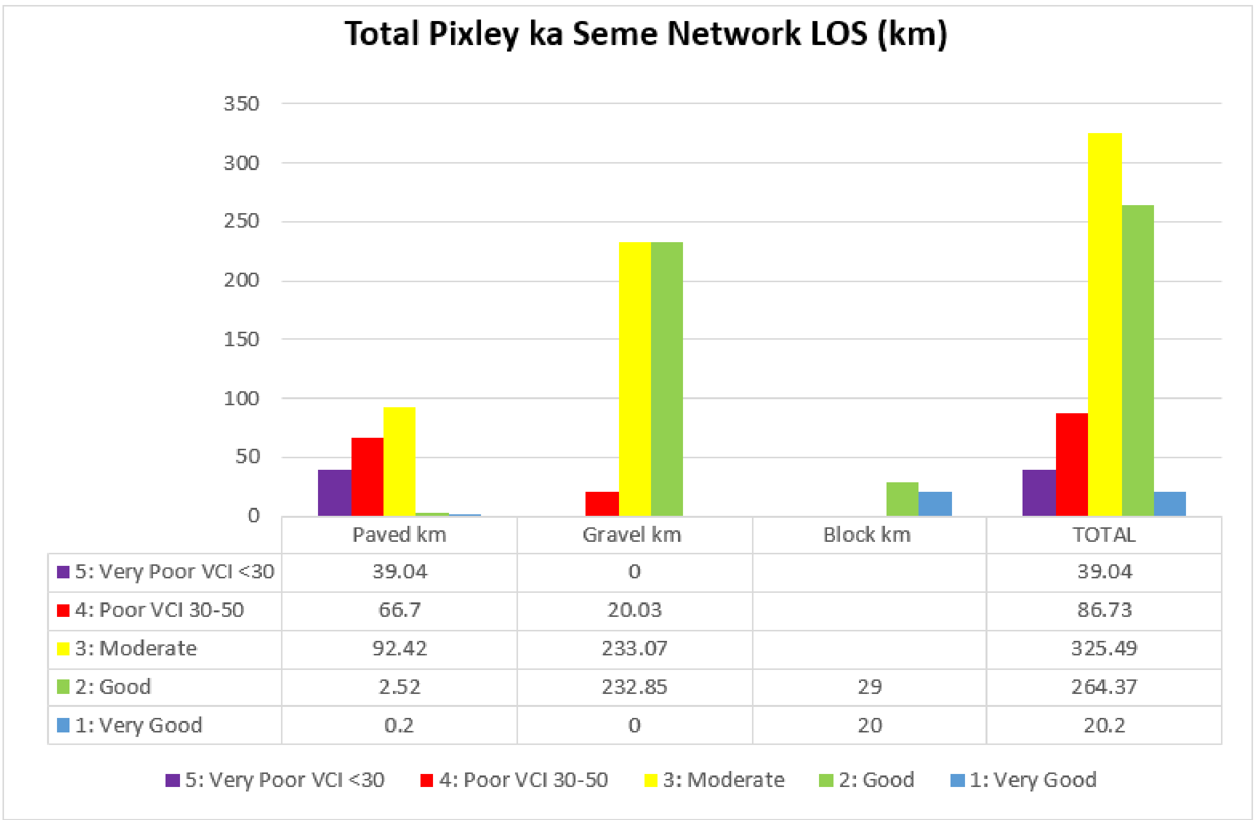
Graph 2: Extent: Total Municipal Road Network



	Emthanjeni	Kareeberg	Renosterberg	Siyancuma	Siyathemba	Thembelihle	Ubuntu	Umsobomvu
Flexible	76.01	10.03	14.37	23.93	28.4	7.32	19.5	22.48
Unpaved	118.4	30.88	36.15	116.3	62.01	38.42	67.76	89.28
Block Paved	2.58	10.49	12.27	9.48	3.56	4.92	0.44	8.29
Concrete				4.18				

Graph 3: Extent: Road Type per Municipality (km)

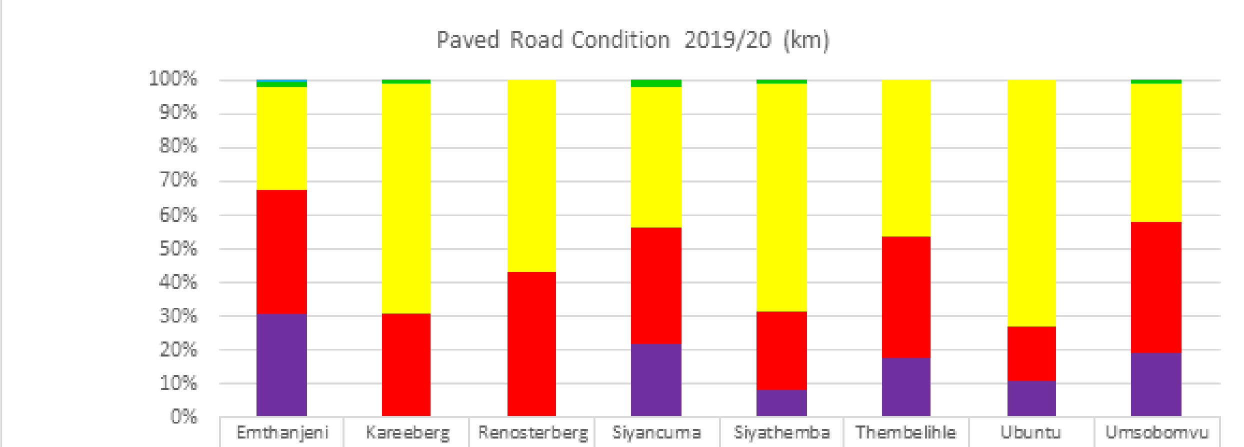
The visual condition index (VCI) for the different road types in the district can be summarised as follows:



	Paved km	Gravel km	Block km	TOTAL
5: Very Poor VCI <30	39.04	0		39.04
4: Poor VCI 30-50	66.7	20.03		86.73
3: Moderate	92.42	233.07		325.49
2: Good	2.52	232.85	29	264.37
1: Very Good	0.2	0	20	20.2

Graph 4: Total Pixley ka Seme Road Network LOS (km)

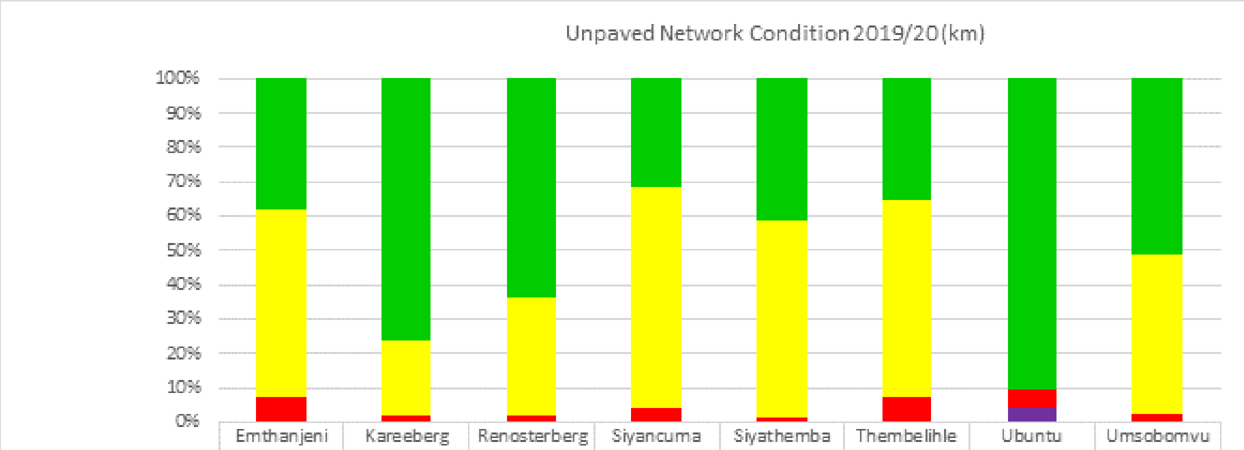
The VCI for the paved roads in the municipalities can be summarised as follows:



	Emthanjeni	Kareeberg	Renosterberg	Siyancuma	Siyathemba	Thembelihle	Ubuntu	Umsobomvu
Very Good 85-100	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Good 70-<85	1.2	0.1	0.0	0.7	0.2	0.0	0.0	0.3
Moderate 50-<70	21.7	6.0	7.6	12.4	19.4	3.4	11.8	10.1
Poor VCI 36-<50	26.3	2.7	5.8	10.3	6.7	2.6	2.6	9.5
Very Poor VCI <36	22.2	0.0	0.0	6.7	2.3	1.3	1.8	4.8

Graph 5: Paved Road Condition 2019/20 (km)

The VCI for the unpaved roads in the municipalities can be summarised as follows:

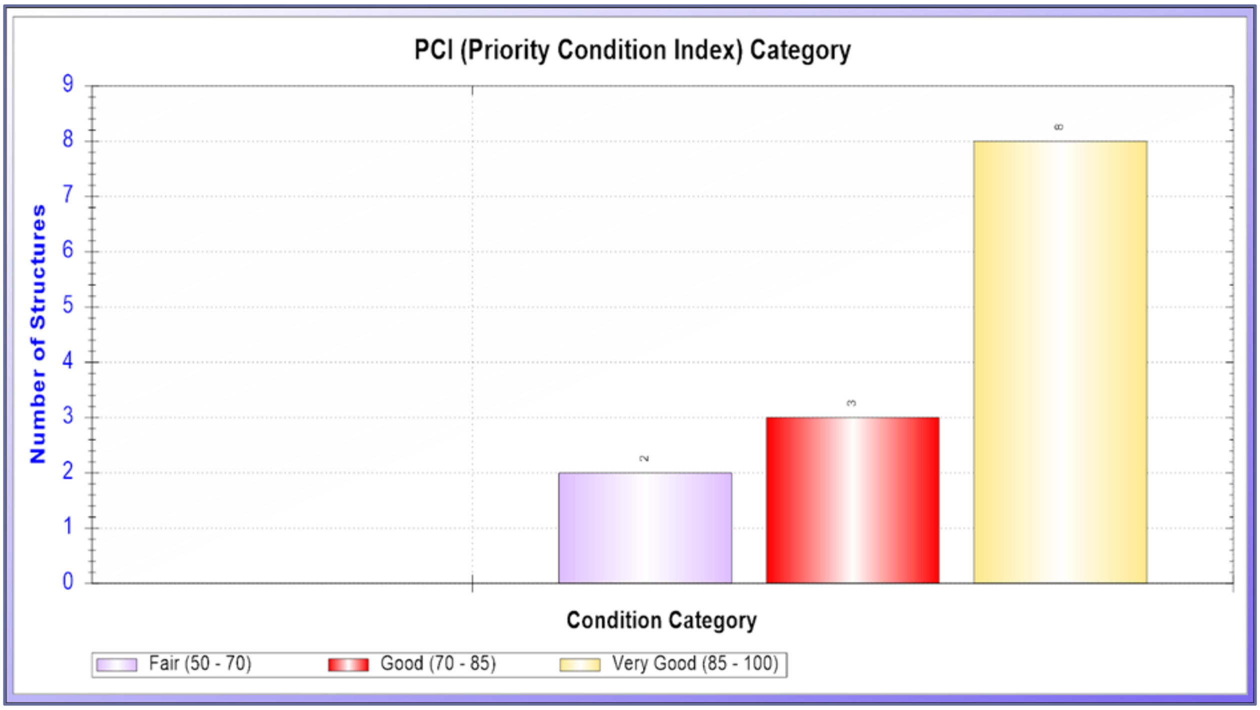


	Emthanjeni	Kareeberg	Renosterberg	Siyancuma	Siyathemba	Thembelihle	Ubuntu	Umsobomvu
Very Good 85-100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Good 70-<85	43.6	21.2	19.2	32.3	24.2	11.2	41.4	39.5
Moderate 50-<70	62.8	6.1	10.5	66.7	33.2	18.2	0.0	35.6
Poor VCI 36-<50	7.9	0.5	0.5	3.6	0.7	2.4	2.6	1.9
Very Poor VCI <36	0.5	0.0	0.0	0.3	0.2	0.0	1.8	0.0

Graph 6: Unpaved Roads Condition 2019/20 (km)

Pixley Ka Seme District has adopted the Struman Bridge Management System developed by the CSIR for the investigation of their local bridges. All structurers were assessed according to TMH19 by an accredited structural engineer.

The average condition index (ACI) of bridges / culverts is determined based on the severity and extent of defects in elements. In general, ACI is evaluated the STRUMAN software based on routine bridge inspection defects ratings considering the severity of dominant defects.



Graph 7: Priority Condition Index Category Bridges/Culverts

Highlights: Roads

Highlight	Description
Visual Assessment	The unit managed to assess 817km during the year and include additional (16% more) roads to the network than the previous round.
Traffic Data	Traffic counts were done on 41% or 337 km of the 817 km of the road network.
RRAMS Condition Assessment Report - Roads Asset Management Plan RAMP document	The RAMP document compiled during 2018/19 was revised and updated with the latest data set and distributed to each local municipality within the Pixley ka Seme District. With the RAMP document/report, municipalities can budget and prioritize which roads should be upgraded and be maintained. The report also provides an overview of the municipal roads in relation with other municipalities. Traffic information was also provided as part of the RAMP document, identifying the highest trafficked roads in each town.

Table 61: Roads Highlights

Challenges: Roads

Description	Actions to address
High staff turnover - traffic numerators	The district municipality has appointed traffic numerators for a year on the programme. During the past financial year, 30% of the workers has resigned as they tend to find alternative work easily.

Table 62: Roads Challenges

Employees: Roads

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
10 - 12	2	2	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	2	2	0	0
As at 30 June 2020				

Table 63: Employees - Roads

Capital Expenditure: Roads

There was no capital expenditure for the 2019/20 financial year.

COMPONENT C: PLANNING AND DEVELOPMENT

3.7 Planning

Sustainable economic development in a region is firstly only possible if there is a balance between the urban-rural and larger-smaller town developments (thus, if there is spatial development balance). Secondly, it requires sufficient protection of all dimensions of the natural environment and, thirdly, the different elements of the physical infrastructure have to develop at a sufficient pace.

These three areas are easily taken for granted in the daily efforts of private enterprises to make a profit, break even or fulfil their short-term goals vs the objectives of public policy to protect and allocate resources to ensure long term sustainability.

The functions of the planning unit consist of:

- The processing of building plan applications on behalf of local municipalities in the district
- Assisting local municipalities with zoning and residential layout plans
- Assist local municipalities with land rezoning and removal of restrictions
- Establishment of all structures to give effect for the implementation of the Spatial Planning Land Use Management Act (SPLUMA).

Highlights: Planning

Highlight	Description
Processing of building plan applications	The district is considering building plan applications for some municipalities (Kareeberg, Renosterberg, Thembelihle, Siyancuma, Siyathemba and Ubuntu) in the district. During the financial year the planning unit assessed 70 building plan applications. The table below provides more information of the number of applications from the relevant municipalities.

Municipality	Kareeberg	Siyathemba	Ubuntu	Siyancuma	Thembelihle	Renosterberg	Total
Approved	5	16	3	2	1	1	28
Not Approved / Referred Back	6	12	8	9	2	1	38
Pending	1	0	3	0	0	0	4
Grand Total	12	28	14	11	3	2	70

<table>
<tr><th>Highlight</th><th>Description</th></tr>
<tr><td></td><td>Building plan applications are assessed according to the National Building Regulations and Building Standards Act No. 103 of 1977, the scheme regulations of the relevant municipality and Title deed conditions. More than 50% of the applications did not conform to some of these conditions therefore the high percentage of applications that are not approved. 87% of the applications were addressed within the 30-day period as prescribed by the Act.</td></tr>
<tr><td>District Municipal Planning Tribunal (DMPT) was established in terms of Spatial Planning and Land Use Management Act (SPLUMA) to decide on Land Development Applications.</td><td>The DMPT met Five (5) times during the financial year, consid
<table>
<tr><th>Quarter</th><th>Date of meeting</th><th>Number of applications</th></tr>
<tr><td>1</td><td>09 July 2019</td><td>Emthanjeni – 1 Approved
Ubuntu – 2 Approved 1 referred back
Siyathemba – 6 approved 1 Correction of minutes
Kareeberg -1 Approved 1 Referred back
Siyancuma – 2 approved</td></tr>
<tr><td>2</td><td>16 October 2019</td><td>Emthanjeni – 1 approved 1 referred back
Ubuntu – 1 approved, 1 referred back
Kareeberg – 1 approved
Siyathemba – 1 approved</td></tr>
<tr><td>2</td><td>5 December 2019</td><td>Siyancuma – 1 Approved
Kareeberg – 1 Referred back
Siyathemba – 2 approved and 1 Withdrawn
Thembelihle – 1 Approved
Renosterber – 1 Referred back due to court order</td></tr>
<tr><td>3</td><td>03 March 2020</td><td>Emthanjeni – 2 Referred back
Siyancuma – 2 approved, 7 referred back 1 Withdrawn
Umsobomvu – 1 referred back
Siyathemba – 2 approved 1 rejected
Ubuntu – 1 Application not considered due to non-representation.</td></tr>
<tr><td>4</td><td>18 June 2020</td><td>Emthanjeni – 5 approved 1 referred back 1 withdrawn
Siyancuma – 2 approved
Kareeberg – 1 approved
Siyathemba – 2 approved
Ubuntu – 1 withdrawn
Umsobomvu- 1 Approved</td></tr>
</table></td></tr>
<tr><td>Improved IDP Stakeholder and community engagements</td><td>Four meetings were conducted during the financial year in reviewing the IDP. These includes IDP Steering committee meetings 09 October 2019, 04 February 2020 and 17 March 2020; IDP Representative Forums – 25 February 2020, and community meeting on 04 March at Campbell and 06 March at Richmond.</td></tr>
<tr><td>IDP Review support to Municipalities through IDP working group sessions</td><td>Support was rendered to Kareeberg, during their IDP review process, by attending IDP Representative Forum Meetings</td></tr>
<tr><td>Adoption of the process plans and IDP framework, draft and final IDP's</td><td>The IDP framework and IDP process plan was compiled and adopted by council the 28 August 2019</td></tr>
</table>

Table 64: Planning Highlights

Challenges: Planning

Description	Actions to address
Inadequate capacity at local municipal level to enforce and assess land development	Spatial Planning and Land Use Management related training and skills development is necessary at local municipal level in order to improve on the quality of applications submitted to DMPT and district municipality.

Description	Actions to address
applications - training and skills development	
Human Capital at Planning Unit	The planning unit requires service of two admin interns. One should focus on IDP and the other on Land Development. TVET colleges regularly receive funding for Work Integrated learning and internship from the Department of Higher Education. They often fail to utilise this funding due to lack of workplace placements for these learners. There would not be any challenge with regards to their stipends once they are approved as TVET College will pay them.
Implementation of the 2017 – 2022 IDP	Appropriate skills to formulate projects that will respond to poverty eradication and better life for all, and budget accordingly.
Inadequate capacity at local municipal level to enforce building control in order to combat Illegal erection of buildings	Support to local municipalities
Lack of Spatial Development Frameworks at Local Municipal level	Most of our local municipalities including the district, do not have SDF's to guide land development applications which should be approved in alignment with the SDF of the municipality. A request for assistance to review the SDF of the district municipality has been forwarded to the Development Bank of South Africa, Department of Rural Development and Land Reform and the Municipal Infrastructure Support Agency.

Table 65: Planning Challenges

Employees: Planning

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**1**	**1**	**0**	**0**
As at 30 June 2020				

Table 66: Employees - Planning

Capital Expenditure: Planning

There was no capital expenditure for the 2019/20 financial year.

3.8 Local Economic Development

The purpose of Local Economic Development is to build up the sustainable development capacity of a local area to improve its economic future and the quality of life for all. It is a process by which government, the private sector, labour and civil society work collectively to create better conditions for economic growth, investment and employment generation.

The National LED policy framework 2018-2028 therefore focuses on the following LED Policy Pillars/Thrusts:

- Building a Diverse and innovation driven local economies.
- Developing Learning and Skillful Local Economies.

- Developing Inclusive Economies.
- Enterprise development and Support.
- Economic governance and infrastructure.
- Strengthening local innovation system.

As the Pixley ka Seme district, our economy is predominantly primary sector focused with manufacturing and tourism also contributing to the district economy. In the coming years, the sector contributions will fluctuate with the contributions by the social and personal services sector (including tourism) and the agriculture sector expected to increase and decrease respectively. This is owing to a very low growth rate in certain sectors but a sharp increase in the others, mainly as a result of, as mentioned, the investment in renewable energy generation and the SKA project. We are furthermore excited about the mining prospects coming to the district with the copper mine set to open in Copperton.

The economy in the Pixley ka Seme municipal area is characterised by the following:

- High levels of poverty and low levels of education.
- It is a small-town sub-region with a low level of development despite the strategic location in terms of the national transport corridors
- Sparsely populated towns with a number of larger towns serving as “agricultural service centres”; spread evenly throughout the district as central places
- High rate of unemployment, poverty and social grant dependence
- Prone to significant environmental changes owing to long-term structural changes (such as climate change, energy crises and other shifts)
- Geographic similarity in economic sectors, growth factors and settlement patterns
- Economies of scale not easily achieved owing to the relatively small size of towns
- A diverse road network with national, trunk, main and divisional roads of varying quality, and
- Potential and impact of in renewable energy resource generation.
- Various mining opportunities that are currently being explored in the district i.e. Copper & Tiger’s eye.

Highlights: LED

Highlight	Description
Establishment of a Pixley ka Seme District Municipality Development Fund	Council has approved a PKSDM Development Fund proposal from the LED Unit to start in the new financial year 2020/2021. This will be a grant fund looking at developing small businesses in the district.
Delivery of LED Strategy	The LED Strategy done in conjunction with DEDAT has been finalized and adopted by council. Mass printing is currently underway and implementation will see the municipality contribute great gains to the economic growth of the district.
Quarterly District LED Forum	There is a functional LED Forum which meets quarterly. We invite the stakeholders and our target is always 70 attendances, thus far we have reached our target.
Establishment of community ICT and Tourism Chamber	We believe the establishment of sector specific chambers will assist to address injustices of the past and ensure information on sector specific opportunities reach the correct role players.
Population of a SMME/ Entrepreneur database	For a district LED Unit, a database of SMMEs including details and what they do is important so that if any opportunities arrive in the district, we can be able to maximize our development opportunities by knowing exactly who can benefit from specific development opportunities.
Submitted funding request to review District Growth and Development Strategy	An application to assist the district in reviewing the DGDS was submitted to the Development Bank of South Africa, the Department of Economic Development and Tourism and Buyandiswa Development and Training.

Table 67: LED Highlights

Challenges: LED

Description	Actions to address
Challenges of Local municipality LED Units in the district	Majority of the local municipalities within the district do not have dedicated LED officials and others that have officials are not completely capacitated. We are currently addressing this through capacitation sessions.
Vacancy of the LED supporter from DEDAT	The position of District Support Manager: LED from DEDAT is currently vacant but DEDAT has committed to filling the position as soon as possible.
Departmental budget	With a limited budget we are limited to advisory services and only the forum for now but we continue to advocate for an increase in budget to deliver more development projects in the district.

Table 68: LED Challenges

LED Objectives

LED includes all activities associated with economic development initiatives. The municipality has a mandate to provide strategic guidance to the municipality's integrated development planning and economic development matters and working in partnership with the relevant stakeholders on strategic economic issues. The LED strategy identifies various issues and strategic areas for intervention such as:

Objectives	Strategies
Enabling Infrastructure	Support local municipal, national & provincial government initiatives
Impacts on regional planning	Make inputs in regional forums and conferences
Land use management practices	Participates in IDP and SDF review processes
Attracts investors	Highlights the competitive and comparative advantages

Table 69: LED Objectives and Strategies

Dept of Labour addressing participants to the District LED Forum Meeting held in Colesberg at Umsobomvu Municipality

SARS Business Support Unit, assisting entrepreneurs with business registration during District LED forum meeting in Victoria West at Ubuntu Municipality

Former Mayor Clr. JZ Lolwana of Ubuntu Municipality delivering Key Note address at District LED forum meeting in Victoria West

Extended Public Works Programme (EPWP)

The table below indicates the number of projects and jobs created with the EPWP:

Job creation through Extended Public Works Programme (EPWP) projects		
Year	Number of Projects	Number of Job Opportunities Created
2017/18	3	112
2018/19	3	62
2019/20	3	86

Table 70: Job creation through EPWP projects

EPWP Projects

The Council approved the implementation of the following projects in the 2019/20 financial year.

Implementation of Rural Road Asset Management System Grant

The strategic goal of the RRAMS Grant is to ensure efficient and effective investment in rural roads through the development of Road Asset Management Systems (RAMS) and the collection of associated road and bridge inventory data, condition assessments and traffic information. Traffic numerators were appointed for the programme were trained in conduction traffic counts at strategic intersections of roads in towns. ***(36 Beneficiaries)***

Renovation of offices and security fencing at Pixley ka Seme DM

The district municipality has embarked on a programme to renovate the offices in phases since 2014/15. This phase entails the paving of sidewalk and entrance, minor repair works within the building and replacement of carpets with laminating flooring in the finance department. Four EPWP support officers were also appointed in the district municipality under the EPWP programme and are they rendering services in the Infrastructure EPWP data capture officer, Registry officer, Communications field officer and LED field officer. ***(16 beneficiaries)***.

Upgrading of gravel streets in Schmidtsdrift to paved streets

The allocation for 2018/19 was a continuation of the first phase which commence in March 2018 which entails the construction of storm water control measures in order to prevent and to drain flooding in the low laying areas. The project entails the excavation and installation of storm water pipes that were purchased during 2018/19 financial year with the necessary storm water catch pits and excavation of V-drains. Construction work commences in March 2019 and will continue into the new financial year as delays were experienced due to the Covid-19 pandemic. ***(17 Beneficiaries)***

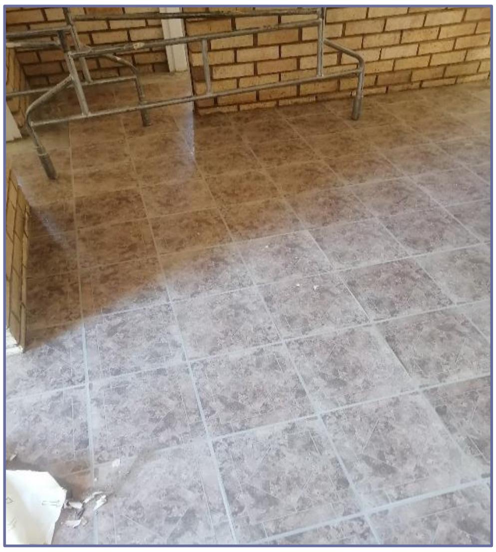
Excavation work for the stormwater pipes

Refurbishment of Municipal facilities in Emthanjeni Municipality

This project was initiated by council and entails the refurbishment of municipal facilities within the district. The community hall in Hanover was identified as a priority by the local municipality and activities consists of the replacing broken doors, painting of walls, tiling of bathrooms and entrance and roof repair (ceiling and closing of the holes on the roof). The district will embark on an assessment of community facilities during the 2020/21 financial year and will look at refurbishment of municipal facilities within the entire district ***(22 beneficiaries)***.

Ceilings before and after pictures - damage ceiling replaced and painted

Doors drying after varnish was applied in the foreground and painted walls in the background



Installed floor tiles

Job Creation Projects

De Aar East Cleaning Project

During a TIGR meeting held in November 2018 a concerned was raised about the dirtiness of certain townships. An investigation and consultation meetings were held with Emthanjeni Municipality to seek possible solutions. A business plan was compiled and approved by the Department of Economic Development to do waste handling awareness and to clean the townships in De Aar East. The project commenced in July 2019 and finished in April 2020 creating 184 temporary jobs during implementation.

Refurbishment of Ethembeni Community Hall in Prieska

The district council initiated a job creation project for the refurbishment of the Ethembeni Community Hall. The main objectives of the project were to assist Siyathemba Municipality in refurbishing the community hall and to create job opportunities for a significant number of the currently unemployed persons in the municipal area especially women and youth. The project entails the painting and tiling of the bathroom areas, replacement of dilapidated water and sewer pipes. Work commenced in December 2019 and finished in June 2020. Completion of the four-month project was delayed due to the Covid-19 pandemic. 21 temporary job opportunities were created during implementation.

Repaired sewer and water pipes

Painted walls and installed vinyl tiles

Painted walls and installed vinyl tiles

Painted walls, ceiling and installed vinyl tiles

Employees: LED

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	1	1	0	0
As at 30 June 2020				

Table 71: ***Employees - LED***

Capital Expenditure: LED

There was no capital expenditure for the 2019/20 financial year.

COMPONENT D: MUNICIPAL HEALTH

3.9 Environmental Health

According to the Constitution of the Republic of South Africa 1996, the Local Government, Municipal Structures Act No.117 of 1998 and the National Health Act, No 61 of 2003, it is the statutory responsibility of a District Municipality and Metropolitan Municipality to render Municipal Health Services.

Section 24 of the Constitution entrenches the right of all citizens to live in an environment that is not harmful to their health or well-being. Section 1 of the National Health Act, 2003 (Act 61 of 2003), defines municipal health services and clearly stipulates the responsibilities of municipalities in the performance of such services.

Environmental Health

Environmental health transects several areas of human interaction and existence and is defined by the World Health Organization (WHO) as addressing the physical, chemical and biological factors external to a person and all the related factors impacting behaviours. It encompasses the assessment and control of those environmental factors that can potentially affect public health.

Environmental Health Services

In Pixley Ka Seme DM it is still an unfortunate reality that a large proportion of diseases can be attributed to preventable environmental health conditions and it is often the marginalized communities who tend to be worse affected. Protecting the public's health through the protection of the environment is one of Pixley Ka Seme DM's core legislative mandates by the rendering of municipal health services.

The Role and Function of the Municipal Health Services & Environmental Management Unit

Municipal health services are rendered to ensure protection of public health in the district, it is essential that effective municipal health services are implemented. Pixley Ka Seme DM have nine (10) Environmental Health Practitioners (EHP's) to ensure effective rendering of municipal health services, such officials ensure that the services are rendered in accordance with the National Health Act (Act 61 of 2003).

Key Performance Areas of Municipal Health are:

- Water quality monitoring
- Waste management
- Food control
- Health surveillance of premises
- Disposal of the dead
- Chemical safety
- Environmental pollution control
- Vector control
- Surveillance and prevention of communicable diseases excluding immunization
- Air Quality Monitoring

EHP's work together to provide situation analysis and need based risks affecting public health. Routine inspections reveal that new and evolving risks and exposures continuously place demands on our Municipal Health Services and to respond to these risks, Gazetting of Municipal Health Services was done and implementation generating an income for the running of the service, continuous appointment of EHP's are done to respond/address such risks through awareness campaigns, clean-up programs and indoor air quality.

The District identified five Key Areas which poses serious threat to Public Health:

- Water Quality Monitoring
- Food Safety Control
- Surveillance of premises Early Childhood Development (ECD) Centre's, clinics, hospitals and schools etc.
- Disposal of the dead
- Air Quality Monitoring

Highlights: Municipal Health

Highlight	Description
MHS By-Law Implementation	Municipal Health Services Unit was able to implement MHS By-law & was able to generate 1.3 Million in revenue. An increase in business compliance with Municipal Health Services requirements through high number of certificates issued to various businesses such as Food Premises, Schools, ECD Centers & Funeral Undertakers.
MHS Revenue Generated	The 1.3 Million revenue generated through rendering of MHS Unit, improved the financial position of the municipality.
Appointment of additional EHPs	Two additional Environmental Health Practitioners deployed at Siyancuma & Umsobomvu ensured the two Local Municipality EHP ration comply with national Norm & Standard of 1 EHP per 10 000 population. The municipality is currently having 6 Local Municipality complying with the national norm.
Approval MHS By-Law Fine Structure	All magistrate District approved the MHS -By Law structure which will enable the DM to fine premises or individual who contravene the PKSDM MHS By-law April of 2019.
Response to COVID-19 Preventative response	Environmental Health Practitioners embarked on preventative drive to curb the spread of Corona Virus within the DM. Health & Hygiene education was conducted through various methodology: Door to Door health campaign, Funeral Service Monitoring, Food Premises certification and School Monitoring.

Table 72: Municipal Health Highlights

EHPs conducting Health Education

Funeral Services monitoring to curb the spread of Covid-19

Challenges: Municipal Health

Description	Actions to address
Appointment of EHPs as Law Enforcement Officers	Appointment of EHPs as Law Enforcement will assist the DM to fully enforce the Municipal Health Services By-law April of 2019.
Appointment of EHPs as Environmental Inspectors	The appointment of EHPs by Department of Environment, Nature & Conservation will enable the DM to implement & enforce NEMA Act.
Shortage of Admin Officers	Due to the manual system utilized by the MHS unit & no admin personnel it affects the turnaround time of the unit to deliver service. The appointment of 8 Admin assistance who will be able to assist our EHPs based at Local Offices will improve service delivery.
Backlog of EHPs appointment	MHS Unit is still having a backlog of additional 10 EHP to be able to comply with 1:10 000 ration. This will ensure we improve in servicing the entire PKSDM area.

Table 73: Municipal Health Challenges

Service Statistics: Municipal Health

Type of service	2018/19	2019/20
Water quality monitoring by conducting monthly sampling to determine compliance to SANS 241-2011	1 241	1 687
Inspections of food premises	1 430	1 418
Inspection to landfill sites	20	39
Inspection of funeral undertakers (disposal of the dead)	71	467
Inspection of non-food premises e.g. schools, crèches, hospitals and clinics (i.e. Surveillance premises)	448	477
Health and Hygiene Promotion Campaigns	233	1 283
Training on funeral Undertaker	21	370
Illegal Dumping Campaign	191	526

Type of service	2018/19	2019/20
Chemical safety Campaigns	205	584
Training on food safety for food handlers	228	578

Table 74: Service Statistics: Municipal Health

Disinfection of public spaces

Employees: Municipal Health

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	19	8	11	57.9
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	21	10	11	52.4
As at 30 June 2020				

Table 75: Employees - Municipal Health

Capital Expenditure: Municipal Health

There was no capital expenditure for the 2019/20 financial year.

COMPONENT E: PUBLIC SAFETY

3.10 Disaster Management

The Disaster Management Act provides for:

- An integrated and coordinated Disaster Management Policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters, and post-disaster recovery.
- The establishment of a District Municipal Disaster Management Centre.
- Disaster management volunteers.
- Awareness programs.
- Matters relating to these issues.

Highlights: Disaster Management

Highlights	Description
Training	Fire Fighting training to the volunteers
Awareness Campaigns	Covid-19
Disaster Management Forums	Meeting took place

Table 76: Disaster Management Highlights

Challenges: Disaster Management

Description	Actions to address
Poor attendance of Meetings	Engagements with Municipal Managers
Staff shortage	To appoint
Poor office equipment	Upgrade office equipment

Table 77: Disaster Management Challenges

Activities - Disaster Management

The table below reflects some of the matters addressed by Disaster Management within the Pixley Ka Seme District Municipal Area:

Items	2018/19	2019/20
Campaigns	1	2
Firefighting training sessions	2	2
Number of volunteers trained	40	50

Table 78: Activities: Disaster Management

3.11 Covid-19

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

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

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

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

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

Covid-19 Committee

On 30 April 2020, the Pixley Ka Seme District Municipality established the Covid-19 Response Committee. The committee comprises of members from all spheres of government.

The Covid-19 committee has the following functions:

- Mitigate implementation of Disaster
- Educate and awareness campaigns
- Prevention

The table below indicates the members that serve on the Covid-19 Response Committee which held weekly meetings:

Name	Representing
Brigadier N Adonis	District JOC Coordinator
Mr R.E Pieterse	Municipal Manger Pixley ka Seme District Municipality
Mr C Menziwa	Disaster Management
Mr T Msengana	Emthanjeni Local Municipality
Major HT Jaggers	South African National Defence Force
Mr JRM Allexander	Department of Education
Mr I Joggee	Department of Health
Mrs N. Mokgalagadi	DALR&RD
Dr J Fakee	Department of Health
Mr IF Young.	Department of Labour
Mr LFB Festus	Department of Environmental Nature & Conservation
Mr VK Oliphant	SAPU
Mr R Booysen	POPCRU
Mr E. Hawker	Department of Social Development
Ms P Dyantyi	Department of Sports, Arts and Culture

Table 79: Covid-19 Response Committee

Covid-19 Statistical Information

The table below indicates the documented statistical information for covid-19 within the Pixley KA Seme District area from 26 March 2020 to 30 June 2020.

Description	March 2020	April 2020	May 2020	June 2020
Infections	3	5	67	180
Deaths	0	0	0	24
Recoveries	0	1	1	64

Table 80: Covid-19 Statistical Information

Challenges Covid-19

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

Challenge	Actions
Insufficient funds	Apply for additional funds
Inaccurate reports	Accurate data capturing
Transport	Expansion of fleet
Internet connectivity	Improve connectivity

Table 81: Challenges Covid-19

Covid-19 Activities and Actions

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

Activity	Risk	Action implementation
Business operational hours	Emthanjeni local Municiaplity 07:00- 19:00	Issued operational Notices
Curfew	20:00-05:00	Awareness campaign to community
Movement of community members without permit	Transmission & contracting COVID-19	Enforcement of the regulations
Funerals	Funeral with more than 50 people	• Community notice • Screening. • Enforcement of the regulation. • Infectious control. • Health & Hygiene promotion. • Funeral Services SOP educated to families five days before the funeral by all stakeholders led by the relevant Local municipality
Shops	Social distancing	• Marking of 1.5 M spaces outside the shops • Queue marshals • Enforcement of the regulations • District Cluster JOC
	Number of people & number of workers in the shops	Control of access in the shops
	Hand sanitizers	Hand sanitizer marshal at doors
	Transportation of food	Enforcement of the regulations
	Informal traders	Screening of shoppers
	Adhering to complying with PPE requirement by shop officials (Wearing of mask, disinfecting of counters)	Enforcement of the regulations
	Tuckshops	Certification of vehicles transporting food

Activity	Risk	Action implementation
District Borders	People from high risks areas	District border control

Table 82: Covid-19 Activities and Actions

Covid-19 Communication/ Awareness

The table below indicates the different communication/awareness activities the municipality has implemented:

Communication/ Awareness campaign	Platform/ channel utilised	Date
General Awareness	Pamphlets distributed door to door	16/03/2020
Covid-19 training	Employee training	19/03/2020
Food parcels	Distribution	20/03/2020
Awareness campaigns before funerals	Funeral Services SOP educated to families five days before the funeral by all stakeholders led by the relevant Local municipality	11/05/2020
Training to beauty salons	Training	20/03/2020

Table 83: Covid-19 Communication/ Awareness

Employees: Disaster Management

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	0	0	0	0
4 - 6	14	11	3	21.4
7 - 9	0	0	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**15**	**12**	**3**	**20.0**
As at 30 June 2020				

Table 84: Employees - Disaster Management

Capital Expenditure: Disaster Management

There was no capital expenditure for the 2019/20 financial year.

COMPONENT F: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.11 Office of the Mayor

This division include Communication, Community Liaison and Special Programmes

Highlights: Office of the Mayor

Highlights	Description
Training of ward committees to seven of our eight local municipalities	Capacitated ward committee members on their roles and responsibilities

Table 85: Office of the Mayor Highlights

Challenges: Office of the Mayor

Challenge	Actions to address
Lack of vehicles available for our officials to execute their duties	Request will be submitted for the unit for allocation of dedicated vehicle.

Table 86: Office of the Mayor Challenges

Employees: Office of the Mayor

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	0	0	0	0
4 - 6	2	2	0	0
7 - 9	3	2	1	33.3
10 - 12	0	0	0	0
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	7	6	1	14.3
As at 30 June 2020				

Table 87: Employees - Office of the Mayor

Capital Expenditure: Office of the Mayor

There was no capital expenditure for the 2019/20 financial year.

3.12 Office of the Municipal Manager

Highlights: Office of Municipal Manager

Highlights	Description
Risk Management	Appoint of the Risk Officer to manage the institution risk and develop Risk Framework.

Table 88: Office of the Municipal Manager Highlights

Challenges: Office of the Municipal Manager

Challenge	Actions to address
Municipal Fincial Sustanability	The grant dependancy of the Municipality

Table 89: Office of the Municipal Manager Challenges

Employees: Office of the Municipal Manager

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	0	0	0	0
4 - 6	1	1	0	0
7 - 9	0	0	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**2**	**2**	**0**	**0**
As at 30 June 2020				

Table 90: Employees - Office of the Municipal Manager

Capital Expenditure: Office of the Municipal Manager

There was no capital expenditure for the 2019/20 financial year.

3.13 Financial Services

Financial Services is responsible for budgeting, revenue, expenditure and supply chain management.

Service Statistics: Supply Chain Management (SCM)

The table below indicates the service statics for the division:

Description	2018/19		2019/20	
	Total No	Total No	Total No	Monthly Average
Orders processed	855	71	635	53
Extensions	0	0	0	0
Bids received (number of documents)	59	5	18	1.5
Bids awarded	15	1	03	0.3
Bids awarded ≤ R200 000	20	10	13	1.0
Appeals registered	0	0	0	0
Successful Appeals	0	0	0	0

Table 91: Statistics SCM

Total Employees - Financial Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	0	0	0	0
4 - 6	5	5	0	0
7 - 9	1	1	0	0
10 - 12	3	3	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**10**	**10**	**0**	**0**
As at 30 June 2020				

Table 92: ***Total employees - Financial Services***

Capital Expenditure: Financial Services

The total budgeted capital expenditure was R1 350 000 for the 2019/20 financial year and the total capital expenditure was R4 676 761.

3.14 Support Services

Highlights: Support Services

Highlights	Description
The IT Steering Committee has been established.	The IT Steering Committee is working in line with the approved IT policy of Council.
The Administrator of the IMIS system is based at the Registry Offices.	To ensure that all correspondence is captured electronically and to ensure fast tracking of all documentation of the Municipality.
Pixley Ka Seme District Municipality is the first municipality to implement an Electronic Registry System through IMIS.	Our municipality is the only one using an electronic registry system currently.

Table 93: ***Support Services Highlights***

Challenges: Support Services

Challenge	Description
Obsolete ICT Infrastructure.	The ICT Infrastructure needs to be updated and upgraded to fit the needs of technology to assist municipal employees in their work setup.
Back up server	We are awaiting the process of purchasing a backup server for all the Municipal Systems .
Outfacing of usage of Gmail accounts and fully integrating to the official Pixley Ka Seme email accounts.	Service Provider to be appoited to implement the outfacing of the gmail accounts.

Table 94: ***Support Services Challenges***

Employees: Support Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	6	6	0	0
4 - 6	4	3	1	25.0
7 - 9	0	0	0	0
10 - 12	3	3	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	14	13	1	7.1
As at 30 June 2020				

Table 95: Employees - Support Services

Capital Expenditure: Support Services

There was no capital expenditure for the 2019/20 financial year.

3.15 Human Resources

Highlights: Human Resources

Highlights	Description
Municipal Finance Management Programme	Through the Discretionary Grant the municipality was able to train 30 officials in the MFMP programme. The officials were not only from the District but also from other local municipalities.
Study Assistance Programme	The municipality has noted an increase in employees who are having an interest to further their studies. The municipality using its own funds was able to offer bursaries to 15 employees.
Conducting of Job Evaluation Process	The municipality through its Job Evaluation Unit managed to conduct job evaluations for all jobs and the Final Audit Outcomes from the Provincial Audit Committee is awaited.
Training of Ward Committees from local Municipalities	Through the Local Government SETA Discretionary Grant, the municipality was able to train (186), 181 (unemployed) ward committee members and young people from all local municipalities in the Pixley ka Seme District except for Siyancuma.

Table 96: Human Resources Highlights

Challenges: Human Resources

Challenge	Actions to address
Limited budget for study assistance	Municipality applied for a LGSETA discretionary Grant to assist employees who wish to further their studies
Not enough budget for employee wellness	The municipality will form partnerships with sector departments like the Department of Social Development and the South African Police Service

Table 97: Human Resources Challenges

Employees: Human Resources

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	0	0	0	0
4 - 6	1	1	0	0
7 - 9	0	0	0	0
10 - 12	1	1	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**3**	**3**	**0**	**0**
As at 30 June 2020				

Table 98: ***Employees - Human Resources***

Capital Expenditure: Human Resources

There was no capital expenditure for the 2019/20 financial year.

3.16 Legal Services & Labour Division

Highlights: Legal Services & Labour Division

Highlights	Description
Represented various municipalities	Unit represented various municipalities sucsesfully at Conciliation and Arbitration Hearings.
Disciplinary hearings on behalf of municipalities	Unit conducted various disciplinary hearings on behalf of municipalities within our area.
Service Level Agreements	Unit compiled various Service Level Agreements on behalf of the Municipality.

Table 99: ***Legal Services & Labour Division Highlights***

Challenges: Legal Services & Labour Division

Challenge	Actions to address
Unite stillexperiance challenges with securing presiding officers to attend to disciplinary hearings	Presiding Officers will be recruited and trained

Table 100: ***Legal Services & Labour Division Challenges***

Employees: Legal Services & Labour Division

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	1	1	0	0

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	2	2	0	0
As at 30 June 2020				

Table 101: ***Employees - Legal Services & Labour Division***

Capital Expenditure: Legal Services & Labour Division

There was no capital expenditure for the 2019/20 financial year.

3.17 Internal Audit

Highlights: Internal Audit

Highlights	Description
GAP Analysis in February 2020	Internal Audit went through a GAP Analysis exercise in February 2020 that added a lot of value to the operations of the department
Teammate upgrade	The audit software used by the department was upgraded to the latest version of Teammate

Table 102: ***Internal Audit Highlights***

Challenges: Internal Audit

Challenge	Actions to address
Amending plans with current realities	Covid-19 pandemic has changed the operations of municipalities tremendously and Internal audit will have to amend plans accordingly
External Quality Assurance Review	Internal Audit challenged by demonstrating full conformance to IIA Standards
Audit Action plan to address internal audit findings	Assist municipalities to develop action plans to address internal audit findings

Table 103: ***Internal Audit Challenges***

Employees: Internal Audit

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number			%
0 - 3	0	0	0	0
4 - 6	4	4	0	0
7 - 9	0	0	0	0
10 - 12	8	4	4	50.0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	13	9	4	30.8
As at 30 June 2020				

Table 104: ***Employees - Internal Audit***

Capital Expenditure: Internal Audit

There was no capital expenditure for the 2019/20 financial year.

COMPONENT G: ORGANISATIONAL PERFOMANCE SCORECARD AND INDIVIDUAL PERFORMANCE

This component includes the Annual Performance Scorecard Report for the current year.

3.18 Development and Service Delivery Priorities for 2020/21

The main development and service delivery priorities for 2020/21 are included in the Municipality's Top Layer SDBIP for 2020/21 and the Key Performance Indicators to achieve the service delivery priorities:

Administer Finances in a Sustainable Manner and Strive to Comply with Legislative Requirements to Achieve a Favourable Audit Outcome

System Ref	Internal Ref	KPI	Unit of Measurement	Target
TL70	TL22	Compile and submit an Audit Action Plan to Council by 31 January 2021 to address the issues raised by the AG	Audit Action Plan compiled and approved by 31 January 2021	1
TL71	TL23	Report quarterly to council on meetings with and correspondence to defaulting municipalities on debt relating to services rendered	Number of reports submitted	4
TL72	TL24	Prepare and submit the draft budget to Council by 31 March 2021	Draft budget submitted by 31 March 2021	1
TL73	TL25	Prepare and submit the final budget to Council by 31 May 2021	Final budget submitted by 31 May 2021	1
TL74	TL26	Prepare and submit the adjustments budget to Council by the 28 February 2021	Adjustments budget submitted by 28 February 2021	1
TL75	TL27	Submit the annual financial statements to the Auditor-General by 31 August 2020	Statements submitted to the AG by 31 August 2020	1
TL76	TL28	Co-ordinate the District MM/CFO forums on a bi-annual basis	Number of meetings coordinated	2
TL77	TL29	Financial viability measured in terms of the Municipality's ability to meet it's service debt obligations by 30 June 2021 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Reven	% debt coverage as at 30 June 2021	45.00%
TL78	TL30	Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2021 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excludi	Number of months it takes to cover fix operating expenditure with available cash as at 30 June 2021	0.01

Table 105: Service Delivery Priorities for 2019/20- Administer Finances in a Sustainable Manner and Strive to Comply with Legislative Requirements to Achieve a Favourable Audit Outcome

Compliance with the Tenets of Good Governance as Prescribed by Legislation and Best Practice

System Ref	Internal Ref	KPI	Unit of Measurement	Target
TL49	TL1	Submit a report to council by 31 May 2021 on the monitoring and evaluation of community participation	Report submitted to council by 31 May 2021	1
TL50	TL2	Facilitate the meeting of the District Communication Forum	Number of meetings held	4
TL51	TL3	Host commemorative days as per the approved list by the Municipal Manager and Mayor	Number of commemorative days hosted	5
TL52	TL4	Facilitate the meeting of the District HIV/AIDS council	Number of meetings held	4
TL53	TL5	Facilitate the meeting of the Youth Council	Number of meetings held	2
TL55	TL7	Facilitate the meeting with relevant stakeholders on the Street Children and Fetal Alcohol Syndrome Special Programme by 30 June 2021	Meeting facilitated by 30 June 2021	1
TL56	TL8	Compile and distribute the District Municipality's external newsletter on a quarterly basis	Number of newsletters compiled and distributed	4
TL57	TL9	Review the Social Media Policy and submit to Council by 31 May 2021	Social Media Policy submitted to council by 31 May 2021	1
TL58	TL10	Facilitate the quarterly meetings of the Technical District Intergovernmental Forum	Number of meetings facilitated	4
TL59	TL11	Sign 57 performance agreements with all directors by 31 July 2020	Number of performance agreements signed by 31 July 2020	4
TL61	TL13	Facilitate the quarterly meetings of the Political District Intergovernmental Forum	Number of meetings facilitated	4
TL62	TL14	Complete the Risk Assessment and submit the updated risk register to the Risk Management Committee by 31 March 2021	Risk Analysis completed and updated risk register submitted to the Risk Management Committee by 31 March 2021	1
TL79	TL31	Submit the Top layer SDBIP for approval by the Mayor within 21 days after the budget has been approved	Top Layer SDBIP submitted annually to Mayor within 21 days after the budget has been approved	1
TL80	TL32	Submit the draft Annual Report to Council annually by 31 January 2021	Draft annual report submitted annually to council by 31 January 2021	1
TL91	TL43	Purchase two vehicles by 30 June 2021	Number of vehicles purchased by 30 June 2021	2

Table 106: Services Delivery Priorities for 2019/20- Compliance with the Tenets of Good Governance as Prescribed by Legislation and Best Practice

Guide Local Municipalities in the Development of their IDP's and in Spatial Development

System Ref	Internal Ref	KPI	Unit of Measurement	Target
TL96	TL48	Review the IDP and submit draft to Council by 31 March 2021	Draft reviewed IDP submitted to Council by 31 March 2021	1
TL97	TL49	Compile an IDP framework by 31 August 2020 to guide local municipalities	IDP framework completed by 31 August 2020	1

Table 107: Services Delivery Priorities for 2019/20- Guide Local Municipalities in the Development of their IDP's and in Spatial Development

Monitor and Support Local Municipalities to Enhance Service Delivery

System Ref	Internal Ref	KPI	Unit of Measurement	Target
TL60	TL12	Report quarterly to council on Shared Services	Number of reports submitted	4
TL92	TL44	Arrange and convene quarterly Infrastructure Forum meetings	Number of meetings arranged	4
TL93	TL45	Submit quarterly progress reports to the Portfolio Committee on the activities in the department including expenditure on all MIG projects of local municipalities in the district and infrastructure grants/allocations implemented by the district municipal	Number of reports submitted	4
TL94	TL46	Review the Human Settlements Sector Plan and submit to Council for approval by 31 May 2021	Reviewed Human Settlements Sector Plan submitted to council by 31 May 2021	1
TL95	TL47	Conduct housing consumer education in towns of non-accredited municipalities in the district	Number households educated	720

Table 108: Services Delivery Priorities for 2019/20- Monitor and Support Local Municipalities to Enhance Service Delivery

Promote Economic Growth in the District

System Ref	Internal Ref	KPI	Unit of Measurement	Target
TL54	TL6	Facilitate 2 career exhibitions in the Pixley Ka Seme District area by 30 June 2021	Number of career exhibitions facilitated	2
TL98	TL50	Create full time equivalents (FTE's) through the Expanded Public Works Programme (EPWP) by 30 June 2021 [Person days / FTE (230 days)]	Number full time equivalents (FTE's) created by 30 June 2021	14
TL99	TL51	Facilitate quarterly LED forum meetings	Number of meetings Facilitated	4

Table 109: Service Delivery Priorities for 2019/20- Promote Economic Growth in the District

To Provide a Professional, People-Centred Human Resources and Administrative Service to Citizens, Staff and Council

System Ref	Internal Ref	KPI	Unit of Measurement	Target
TL81	TL33	Spent 1% of personnel budget on training by 30 June 2021 (Actual total training expenditure divided by total personnel budget)	% of the personnel budget spent	1.00%
TL82	TL34	Submit a business proposal to LGSETA for discretionary grant to avail funds to train employees and unemployed by 31 March 2021	Proposal submitted by 31 March 2021	1
TL83	TL35	Implement the WPSP measured by the % of identified employees that completed training as identified in WPSP by 30 June 2021 (Total number of officials that received training as was identified in the WPSP for 2020/21/total number of officials that were iden	% of identified employees that completed training as identified in WPSP by 30 June 2021	90.00%
TL84	TL36	Limit the vacancy rate to less that 10% of budgeted posts by 30 June 2021 ((Number of posts filled/Total number of budgeted posts)x100)	% vacancy rate of budgeted posts (Number of posts filled/Total number of budgeted posts)x100	10.00%

System Ref	Internal Ref	KPI	Unit of Measurement	Target
TL85	TL37	Review the Workplace Skills Plan and submit to the LGSETA by 30 April 2021	Plan submitted to the LGSETA by 30 April 2021	1
TL86	TL38	The number of people from employment equity target groups employed (newly appointed) in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan by 30 June 2021	Number of people employed (newly appointed)	1

Table 110: Service Delivery Priorities for 2019/20- To Provide a Professional, People-Centred Human Resources and Administrative Service to Citizens, Staff and Council

To Provide an Independent and Objective Internal Audit Assurance and Consulting Service to Add Value and to Improve the Administrative Operations of all the Municipalities in the District through an Approach that is Systematic and Disciplined

System Ref	Internal Ref	KPI	Unit of Measurement	Target
TL63	TL15	Submit a Quality Assurance Plan for Pixley Ka Seme District Municipality to the Audit Committee by 30 June 2021	Quality Assurance Plan submitted annually by 30 June 2021	1
TL64	TL16	Submit quarterly internal audit reports to the local municipalities in terms of the Service Level Agreements	Number of reports submitted	32
TL65	TL17	Compile the Risk Based Audit Plan (RBAP) for Pixley Ka Seme District Municipality and submit to the Audit Committee for consideration by 30 November 2020	RBAP submitted by 30 November 2020	1
TL66	TL18	Compile the Risk based audit plans (RBAP) for the local municipalities in terms of the Service Level Agreements and submit to the local municipalities by 30 June 2021	Number of plans submitted by 30 June 2021	8
TL67	TL19	Review the 3 year Strategic Audit Plan for Pixley Ka Seme District Municipality and submit to the Audit Committee by 30 November 2021	Revised 3 year Strategic Audit plan submitted to the AC by 30 November 2021	1
TL68	TL20	Review the 3 year Strategic Audit Plan for the Local Municipalities in terms of the Service Level Agreements and submit to the to the Audit Committee by 30 June 2021	Revised 3 year Strategic Audit plan submitted to the AC by 30 June 2021	8
TL69	TL21	Facilitate the quarterly Audit Committee meetings during the 2020/21 financial year for Pixley Ka Seme District Municipality	Number of Audit Committee meetings facilitated	4

Table 111: Service Delivery Priorities for 2019/20- To Provide an Independent and Objective Internal Audit Assurance and Consulting Service to Add Value and to Improve the Administrative Operations of all the Municipalities in the District through an Approach that is Systematic and Disciplined

To Provide Disaster Management Services to the Citizens

System Ref	Internal Ref	KPI	Unit of Measurement	Target
TL87	TL39	Host training session by 31 May 2021 to train volunteers ito Disaster Management	Training sessions hosted by 31 May 2021	1
TL88	TL40	Review the Disaster Management Plan annually and submit to Council by 31 May 2021	Reviewed plan annually submitted to council by 31 May 2021	1

Table 112: Service Delivery Priorities for 2019/20- To Provide Disaster Management Services to the Citizens

To Provide Municipal Health Services to Improve the Quality of Life of the Citizens

System Ref	Internal Ref	KPI	Unit of Measurement	Target
TL89	TL41	Compile monthly water quality analysis reports to local municipalities in terms of the Water Quality Monitoring Programme	Number of reports compiled	96
TL90	TL42	Submit quarterly reports to Council on municipal health services rendered	Number of reports submitted	4

Table 113: Service Delivery Priorities for 2019/20- To Provide Municipal Health Services to Improve the Quality of Life of the Citizens

3.19 Municipal Manager and Managers directly accountable to the Municipal Manager

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance-based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements of the senior managers for the 2019/20 financial year were signed as prescribed. The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2018/19 financial year (1 January 2019 to 30 June 2019) took place on ***6 November 2019*** and the mid-year performance of 2019/20 (1 July 2019 to 31 December 2019) took place on ***10 March 2020***.

Chapter 4: Organisational Development Performance

Performance Report Part II

4.1 National Key Performance Indicators – Municipal Transformation and Organisational Development

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA& Indicators	2018/19	2019/20
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	1	4
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	1%	1.09%

Table 114: National KPIs- Municipal Transformation and Organisational Development

4.2 Introduction to the Municipal Workforce

The Pixley Ka Seme District Municipality currently employs ***79*** permanent officials as at 30 June 2020, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.3 Employment Equity

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

Employment Equity Targets/Actual within the 3 highest levels

African		Coloured		Indian		White	
Target June	Actual June	Target June	Actual June	Target June	Actual June	Target June	Actual June
1	1	1	1	0	0	0	0

Table 115: 2019/20 EE targets/Actual by racial classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
1	1	Yes	1	1	Yes	0	0	n/a

Table 116: 2019/20 EE targets/actual by gender classification

Occupational Levels - Race

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
MM & MSA section 57 & 56	2	1	0	1	0	1	0	0	5
Managers (Unit heads)	3	0	0	2	1	0	0	0	6
Professionals and Middle management	4	3	0	0	8	3	0	0	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	3	0	0	5	1	0	0	14
Semi - skilled	7	6	0	1	9	6	0	0	29
Unskilled and defined decision making	2	1	0	0	2	2	0	0	7
Total permanent	**23**	**14**	**0**	**4**	**25**	**13**	**0**	**0**	**79**
Non- permanent employees	6	2		1	4	5	0	0	18
Grand total	29	16	0	5	29	18	0	0	97

Table 117: Occupational Levels - Race

Departments - Race

The following table categories the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	0	0	0	0	2	0	0	0	2
Office of the Executive Mayor	3	0	0	0	2	1	0	0	6
Finance	1	2	0	1	3	3	0	0	10
Corporate Services	10	8	0	1	15	7	0	0	41
Infrastructure, Housing, Planning & Development	7	1	0	0	3	0	0	0	11
Internal Audit	1	3	0	1	2	2	0	0	9
Total permanent	**22**	**14**	**0**	**3**	**27**	**13**	**0**	**0**	**79**
Non- permanent employees	6	2	0	1	4	5	0	0	18
Grand total	28	16	0	4	31	18	0	0	97

Table 118: Departments - Race

4.4 Vacancy Rate

The approved organogram for the municipality has ***99*** post. The actual positions filled are indicated in the tables below by post level and by functional level. ***20*** posts were vacant at the end of 2019/20, resulting in a vacancy rate of ***20.2%***.

Below is a table that indicates the vacancies within the municipality:

Department	Filled	Vacant
Office of the Municipal Manager	2	0
Office of the Executive Mayor	6	1
Finance	10	0
Corporate Services	41	14
Infrastructure, Housing, Planning & Development	11	1

Department	Filled	Vacant
Internal Audit	9	4
Total	79	20

Table 119: Vacancy rate per post and functional level

4.5 Turnover rate

A high turnover 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 turnover rate for 2018/19 was ***7.5%*** and increased to ***10.1%*** in 2019/20.

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

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2018/19	80	17	6	7.5%
2019/20	79	13	8	10.1

Table 120: Turnover rate

4.6 Managing the Municipal Workforce

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

Injuries

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

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

Department	2018/19	2019/20
Office of the Municipal Manager	0	0
Office of the Executive Mayor	0	0
Finance	0	0
Corporate Services	0	0
Infrastructure, Housing, Planning & Development	0	0
Internal Audit	0	0
Total	0	0

Table 121: Injuries

Sick Leave

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

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

The table below indicates the total number sick leave days taken within the year:

Year	Total number of sick leave days taken within the year
2018/19	835
2019/20	590

Table 122: Sick Leave

HR Policies and Plans

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

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

Approved policies	
Name of policy	**Date approved/revised**
Recruitment and Selection Policy	30 May 2019
Skills Development Policy	30 May 2019
Career Pathing Policy	30 May 2019
Study Assistance Policy	30 May 2019
Staff Induction Policy	30 May 2019
Bereavement Policy	30 May 2019
Code of Conduct for Municipal Officials	Local Government: Municipal Systems Act
Dress Code Policy	30 May 2019
Employee Health and Wellness Policy	30 May 2019
Employment Equity Plan	27 May 2019
HIV/Aids Policy	30 May 2019
Human Resources Strategy	30 May 2019
Placement Policy	31 March 2019
Performance Management Framework	30 May 2019
Promotion and Succession Planning Policy	30 May 2019
Remuneration Policy	30 May 2019
Rental Allowance Scheme Policy	30 May 2019
Substance Abuse Policy	30 May 2019
Organisational Structure	28 May 2019

Table 123: HR policies and plans

4.7 Capacitating the Municipal Workforce

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Skills Matrix

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

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	1	1
	Male	1	1
Legislators, senior officials and managers	Female	3	3
	Male	3	3
Associate professionals and Technicians	Female	1	1
	Male	2	2
Professionals	Female	5	3
	Male	2	2
Clerks	Female	7	9
	Male	3	3
Elementary occupations	Female	0	0
	Male	2	0
Sub total	**Female**	**17**	**17**
	Male	**13**	**11**
Total		**30**	**28**

Table 124: Skills Development: Training provided

MFMA Competencies

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

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

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

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	Yes	1	1
Chief financial officer	1	Yes	1	1
Senior managers	3	Yes	3	3
Any other financial officials	7	No	n/a	7

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Supply Chain Management Officials				
Heads of supply chain management units	1	No	n/a	1
Supply chain management senior managers	0	No	n/a	0
TOTAL	12	n/a	4	13

Table 125: Financial competency development: Progress report

Skills Development - Budget allocation

The table below indicates that a total amount of ***R450 000*** was allocated to the workplace skills plan and that ***102.6%*** of the total amount was spent in the 2019/20 financial year:

Year	Total Expenditure Salary and Allowances	Total Allocated	Total Spend	% Spent
	R			
2018/19	35 690 063	500 000	366 531	73.3
2019/20	39 810 880	450 000	461 613	102.58

Table 126: Budget allocated and spent for skills development

4.8 Managing the Municipal Workforce Expenditure

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

Personnel Expenditure

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

Financial year	Total Expenditure Salary and Allowances	Total Operating Expenditure	Percentage
	R		%
2018/19	35 690 063	64 595 049	55.3
2019/20	39 810 880	61 472 728	64.8

Table 127: Personnel Expenditure

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

Financial year	2018/19	2019/20		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R			
Councillors (Political Office Bearers plus Other)				
Executive Mayor	751 711	893 014	894 000	853 462
Deputy Executive Mayor	0	0	0	0
Mayoral Committee Members	1 891 239	2 013 786	2 015 000	2 660 610
Speaker	637 721	716 332	717 000	699 488
Councillors	1 042 969	1 106 082	1 110 000	314 961
Sub Total - Councillors	**4 323 640**	**4 729 214**	**4 736 000**	**4 528 521**
% increase/ (decrease)	-	9.4	0.1	(4.4)
Senior Managers of the Municipality				
Annual Remuneration	4 285 757	4 362 720	4 362 720	4 291 898
Acting Allowance	0	0	0	0
Car Allowance	420 000	420 639	420 639	420 000
Settlement Payment	0	0	0	0
Bonus & Long Service Bonus	274 850	370 600	370 600	271 813
Performance Bonus	779 464	782 113	782 113	737 841
Contribution to UIF, Medical & Pension	209 907	8925	8925	59 140
Housing Subsidy	0	0	0	0
Telephone Allowance	0	0	0	0
Leave Pay-Out	0	0	0	0
Other	441 741	507 866	507 866	546 024
Sub Total - Senior Managers of Municipality	**6 411 719**	**6 452 863**	**6 452 863**	**6 326 716**
% increase/ (decrease)	-	0.6	0	(2.0)
Other Municipal Staff				
Basic Salaries and Wages	20 622 380	21 440 289	22 328 686	23 811 424
Pension Contributions	3 332 183	3 255 496	3 691 000	3 588 637
Medical Aid Contributions	868 784	830 950	1 087 000	1 020 373
Motor vehicle allowance	1 960 991	1 055 724	1 008 000	1 036 737
Cell phone allowance	162 500	196 200	197 600	200 668
Housing allowance	234 569	264 900	227 100	217 542
Overtime	685 051	600 000	800 000	1 554 374
Other benefits or allowances	1 466 125	2 753 413	2 476 800	2 054 409
Sub Total - Other Municipal Staff	**29 332 583**	**30 396 972**	**31 816 186**	**33 484 164**
% increase/ (decrease)	-	3.6	4.7	5.2

Table 128: Personnel Expenditure

Chapter 5: Financial Performance

Component A: Statements of Financial Performance

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 Financial Summary

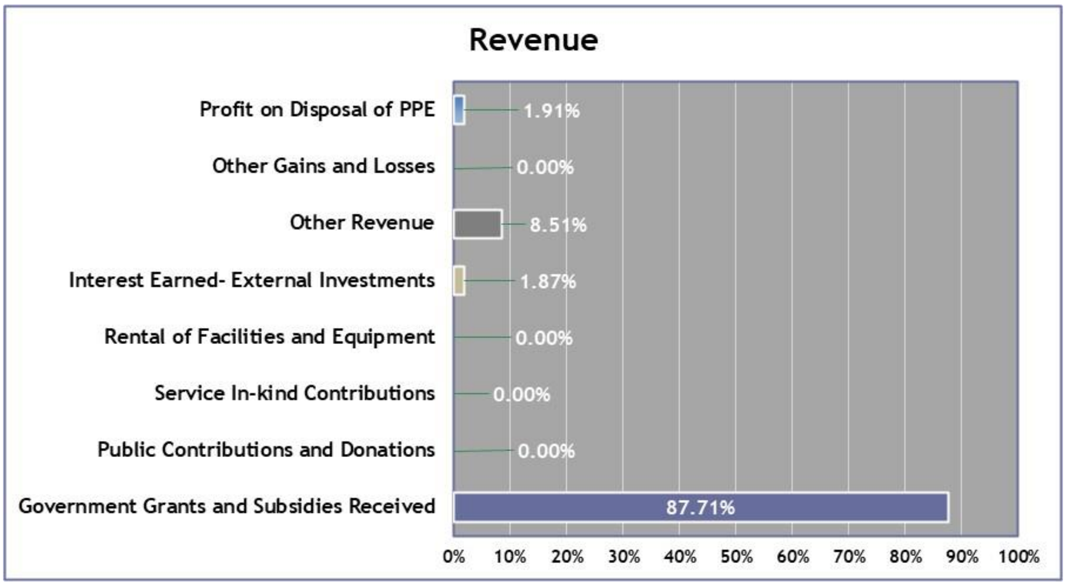
The table below indicates the summary of the financial performance for the 2019/20 financial year:

Description	2018/19	2019/20			2019/20 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Financial Performance						
Government Grants and Subsidies Received	62,564	58,309	65,249	63,453	8.11	-2.83
Public Contributions and Donations	0	0	0	0	0.00	0.00
Service In-kind Contributions	0	0	0	0	0.00	0.00
Rental of Facilities and Equipment	101	85	0	0	0.00	0.00
Interest Earned- External Investments	1,066	500	900	1,350	62.95	33.31
Other Revenue	4,507	4,192	4,660	6,159	31.94	24.34
Other Gains and Losses	0	0	0	0	0.00	0.00
Profit on Disposal of PPE	0	0	0	1,379	100.00	100.00
Total Revenue (excluding capital transfers and contributions)	68,238	63,086	70,809	72,341	12.79	2.12
Employee costs	35,744	37,200	38,619	39,811	6.56	2.99
Remuneration of councillors	4,324	4,729	4,736	4,529	-4.43	-4.58
Depreciation & asset impairment	2,079	2,000	2,000	2,141	6.61	6.61
Impairment losses	(28)	0	0	(15)	100.00	100.00
Repairs and Maintenance	2,294	1,780	2,285	567	-213.86	-302.91
Finance charges	1,371	0	0	1,515	100.00	100.00
Contracted Services	0	1,971	8,176	0	0.00	0.00
Transfers and grants	4,000	368	450	0	0.00	0.00
Other expenditure	13,107	13,199	14,166	12,924	-2.13	-9.61
Loss on Disposal of Investment Property	188	0	0	0	-2.13	-9.61
Total Expenditure	63,079	61,247	70,432	61,473	0.37	-14.57
Surplus/(Deficit)	5,159	1,839	377	10,868	83.08	96.53
Transfers recognised - capital	0	0	0	0	0.00	0.00
Contributed assets	0	0	0	0	0.00	0.00
Loss on foreign exchange	0	0	0	0	0.00	0.00
Fair value adjustment	0	0	0	0	0.00	0.00
Actuarial gains / (losses)	0	0	0	0	0.00	0.00
Surplus/(Deficit)	5,159	1,839	377	10,868	83.08	96.53
Capital expenditure & funds sources						
Capital expenditure						

Description	2018/19	2019/20			2019/20 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Transfers recognised - capital (incl Housing Development Fund)	5,813	3,434	4,654	7,474	54.06	37.73
Public contributions & donations	0	0	0	0	0.00	0.00
Borrowing	0	0	0	0	0.00	0.00
Internally generated funds	0	0	0	0	0.00	0.00
Total sources of capital funds	5,813	3,434	4,654	7,474	54.06	37.73
Financial position						
Total current assets	14,529	219	9,355	16,285	98.66	42.56
Total non-current assets	16,429	11,386	19,586	16,695	31.80	-17.31
Total current liabilities	18,818	13,443	4,004	15,017	10.48	73.34
Total non-current liabilities	16,214	0	0	11,079	100.00	100.00
Community wealth/Equity	(3,984)	1,838	6,227	6,884	73.30	9.55
Cash flows						
Cash/cash equivalents at the year begin	3,254	12,084	12,084	12,048	-0.30	-0.30
Net cash from (used) operating	12,622	2,934	2,934	6,172	52.46	52.46
Net cash from (used) investing	(1,971)	273	273	(1,465)	118.64	118.64
Net cash from (used) financing	(1,856)	221	221	(4,697)	104.71	104.71
Cash/cash equivalents at the year end	**12,048**	**15,512**	**15,512**	**12,058**	**-28.64**	**-28.64**
Cash backing/surplus reconciliation						
Cash and investments available	10,052	12,084	12,084	10,805	-11.84	-11.84
Application of cash and investments	0	0	0	0	0.00	0.00
Balance - surplus (shortfall)	**10,052**	**12,084**	**12,084**	**10,805**	**-11.84**	**-11.84**
Asset management						
Asset register summary (WDV)	12,107	12,107	12,107	15,216	20.43	20.43
Depreciation & asset impairment	2,072	2,000	2,000	2,140	6.54	6.54
Renewal of Existing Assets	5,445	900	1,350	4,677	80.76	71.13
Repairs and Maintenance	2,294	1,380	2,285	567	-143.33	-302.91

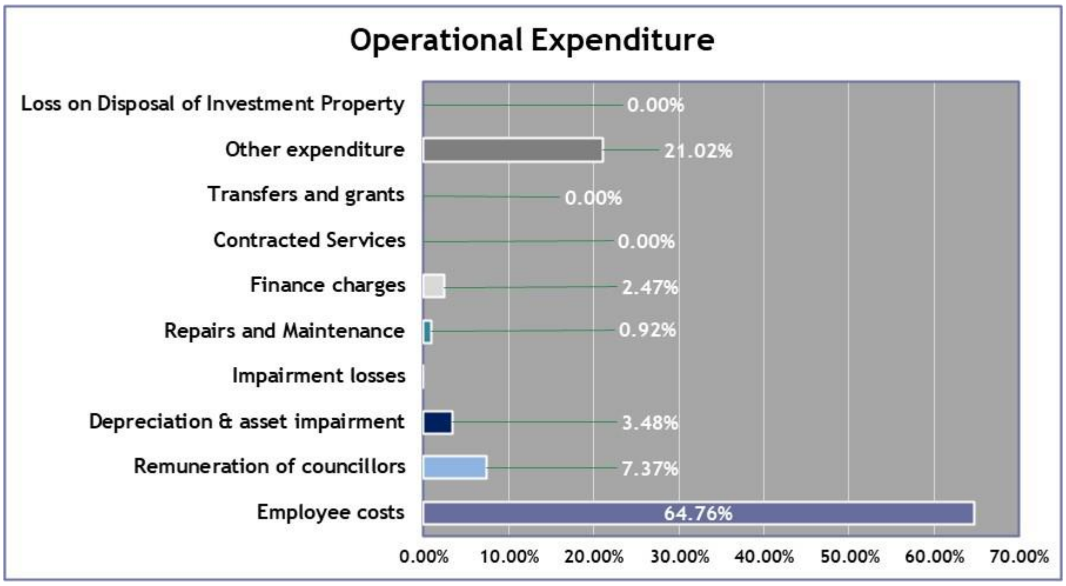
Table 129: Financial Performance

The following graph indicates the various types of revenue received in 2019/20:



Graph 8: Revenue

The following graph indicates the various types of expenditure items in 2019/20:



Graph 9: Operating Expenditure

The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	(R'000)				(R'000)			
2018/19	70,156	68,238	(1,918)	-0.03	67,755	63,079	(4,676)	-0.07
2019/20	70,809	72,341	1,532	0.02	70,432	61,473	(8,959)	-0.13

Table 130: Performance against budgets

5.1.1 Revenue Collection by Vote

The table below indicates the Revenue collection performance by vote

Vote Description	2018/19	2019/20			2019/20 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Mayor & Council	3,350	3,484	3,484	3,484	0.00	0.00
Municipal Manager	0	0	0	0	0.00	0.00
Budget and Treasury Office	53,681	54,640	55,193	57,863	5.57	4.61
Corporate Service	101	85	0	0	0.00	0.00
Internal Audit	0	0	0	0	0.00	0.00
Development & Infrastructure	0	0	0	0	0.00	0.00
IDP	10,061	4,281	10,416	9,088	52.89	-14.62
Health	0	350	750	1,318	73.45	43.11
Housing	1,046	0	720	297	100.00	-142.11
Public Safety	0	246	246	291	15.49	15.49
Total Revenue by Vote (Including capital transfers and contributions)	68,238	63,086	70,809	72,341	12.79	2.12

Table 131: Revenue collection by vote

5.1.2 Revenue Collection by Source

The table below indicates the Revenue collection performance by source for the financial year:

Description	2018/19	2019/20			2019/20 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Government Grants and Subsidies received	62,564	58,309	65,249	63,453	8.11	-2.83
Public Contributions and donations	0	0	0	0	0.00	0.00
Service In-kind Contributions	0	0	0	0	0.00	0.00
Rentals of facilities and equipment	0	0	0	0	0.00	0.00
Interest earned - external investments	1,066	500	900	1,350	62.95	33.31
Other revenue	4,507	4,192	4,660	6,159	31.94	24.34
Other Gains and Losses	0	0	0	0	0.00	0.00
Profit on disposal of Property Plant and Equipment	0	0	0	1,379	100.00	100.00
Total Revenue (excluding capital transfers and contributions)	68,238	63,086	70,809	72,341	12.79	2.12

Table 132: Revenue collection by source

5.2 Financial Performance per Municipal Function

5.2.1 Housing

Description	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	1,046	0	720	720	100.00
Expenditure:					
Employees	1,407	2,079	2,126	2,389	12.95
Repairs and Maintenance	0	0	0	0	0.00
Other	712	262	189	160	-63.42
Total Operational Expenditure	2,119	2,341	2,315	2,549	8.15
Net Operational (Service)	**(1,074)**	**(2,341)**	**(1,595)**	**(1,829)**	**-28.01**

Table 133: Financial Performance: Housing

5.2.2 Infrastructure

Description	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	0	0	0	0.00
Expenditure:					
Employees	3,217	3,593	3,585	3,583	-0.29
Repairs and Maintenance	0	0	0	0	0.00
Other	360	396	396	387	-2.24
Total Operational Expenditure	3,577	3,989	3,981	3,970	-0.48
Net Operational (Service)	**(3,577)**	**(3,989)**	**(3,981)**	**(3,970)**	**-0.48**

Table 134: Financial Performance: Infrastructure

5.2.3 Planning

Description	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	11,432	4,281	10,416	4,881	12.29
Expenditure:					
Employees	357	97	235	398	75.70
Repairs and Maintenance	0	350	850	841	58.38
Other	354	3,813	9,389	6,489	41.25
Total Operational Expenditure	711	4,259	10,473	7,729	44.89
Net Operational (Service)	**10,721**	**22**	**(58)**	**(2,848)**	**100.76**

Table 135: Financial Performance: Planning

5.2.4 Disaster Management

Description	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	246	246	291	15.49
Expenditure:					
Employees	2,780	3,024	3,083	305	-891.92
Repairs and Maintenance	0	0	0	0	0.00
Other	334	311	290	24	-1186.19
Total Operational Expenditure	3,114	3,335	3,373	329	-913.54
Net Operational (Service)	**(3,114)**	**(3,089)**	**(3,127)**	**(38)**	**-8039.76**

Table 136: Financial Performance: Disaster Management

5.2.5 Environmental Health

Description	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	350	750	1,321	73.51
Expenditure:					
Employees	4,821	4,693	5,154	5,175	9.32
Repairs and Maintenance	0	0	0	0	0.00
Other	589	1,105	1,100	1,116	0.97
Total Operational Expenditure	5,410	5,798	6,254	6,291	7.84
Net Operational (Service)	**(5,410)**	**(5,448)**	**(5,504)**	**(4,970)**	**-9.62**

Table 137: Environmental Health

5.2.6 Council

Description	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	3,349	3,484	3,484	3,484	0.00
Expenditure:					
Employees	2,632	2,726	2,764	2,787	2.19
Remunerations of Councillors	4,324	4,729	4,736	4,529	-4.43
Repairs and Maintenance	0	0	0	0	0.00
Other	2,077	1,968	3,398	961	-104.87
Total Operational Expenditure	9,034	9,423	10,898	8,276	-13.86
Net Operational (Service)	**(5,685)**	**(5,939)**	**(7,414)**	**(4,792)**	**-23.94**

Table 138: Financial Performance: Council

5.2.7 Office of the Municipal Manager

Description	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	0	0	0	0.00
Expenditure:					
Employees	1,692	1,941	1,949	1,991	2.50
Repairs and Maintenance	0	0	0	0	0.00
Other	171	212	216	142	-49.02
Total Operational Expenditure	1,863	2,153	2,164	2,133	-0.94
Net Operational (Service)	**(1,863)**	**(2,153)**	**(2,164)**	**(2,133)**	**-0.94**

Table 139: Financial Performance: Office of the Municipal Manager

5.2.8 Financial Services

Description	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	52,086	54,640	55,193	55,175	0.97
Expenditure:					
Employees	6,706	5,888	6,046	5,972	1.40
Repairs and Maintenance	2,294	1,780	2,285	567	-213.86
Grants and subsidies paid	4,000	0	0	0	0.00
Depreciation/Amortisation	2,079	2,000	2,000	2,141	6.61
Impairment Losses	28	0	0	15	100.00
Finance Cost	1,371	0	0	1,515	100.00
Contracted Services	200	820	1,030	704	-16.53
Other	139	4,395	4,443	2,114	-107.91
Loss on disposal of PPE	188	0	0	0	0.00
Total Operational Expenditure	17,005	14,883	15,804	13,028	-14.24
Net Operational (Service)	**35,081**	**39,757**	**39,389**	**42,148**	**5.67**

Table 140: Financial Performance: Financial Services

5.2.9 Corporate Services

Description	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	100	85	0	0	0.00
Expenditure:					
Employees	7,532	7,778	8,016	8,360	6.96
Repairs and Maintenance	0	0	0	0	0.00
Other	1,894	1,517	1,547	842	-80.29
Total Operational Expenditure	9,426	9,295	9,562	9,202	-1.02
Net Operational (Service)	**(9,326)**	**(9,210)**	**(9,562)**	**(9,202)**	**-0.09**

Table 141: Financial Performance: Corporate Services

5.2.10 Internal Audit

Description	2018/19	2019/20			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	0	0	0	0.00
Expenditure:					
Employees	4,140	5,381	5,661	5,972	9.90
Repairs and Maintenance	0	0	0	0	0.00
Other	932	775	807	573	-35.29
Total Operational Expenditure	5,072	6,156	6,468	6,544	5.94
Net Operational (Service)	**(5,072)**	**(6,156)**	**(6,468)**	**(6,544)**	**5.94**

Table 142: Financial Performance: Internal Audit

5.3 Grants

5.3.1 Grant Performance

The Municipality had a total amount of ***R63,453*** million for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2019/20 financial year. The performance in the spending of these grants is indicated in the table below:

Description	**2018/19**	**2019/20**			**2019/20 Variance**	
	Actual	**Budget**	**Adjust-ments Budget**	**Actual**	**Original Budget**	**Adjust-ments Budget**
	R'000				**%**	
Operating Transfers and Grants						
National Government:	**52,223**	**53,905**	**58,905**	**57,573**	**6.37**	**-2.31**
Equitable share	47,820	51,027	51,027	51,027	0.00	0.00
Expanded Public Works Programme	1,294	1,093	1,093	1,067	-2.42	-2.42
MIG - Project Management Unit	1,790	0	5,000	3,694	100.00	-35.36
Finance Management Grant	1,320	1,785	1,785	1,785	0.00	0.00

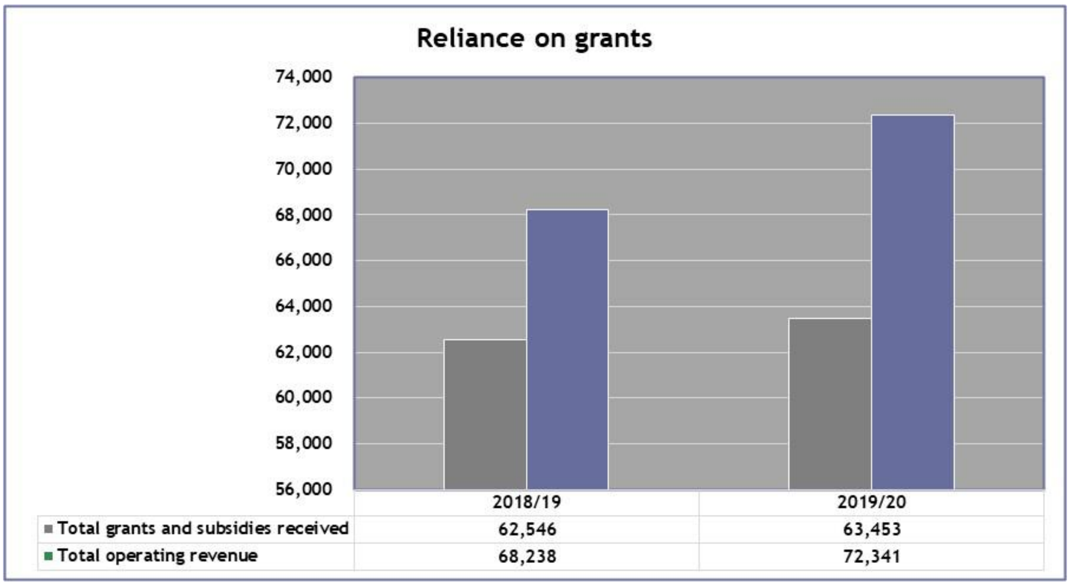
Description	2018/19	2019/20			2019/20 Variance	
	Actual	Budget	Adjust-ments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Provincial Government:	**5,992**	**720**	**2,455**	**1,894**	**62.00**	**-29.57**
Cleaning Project	0	0	800	800	100.00	-0.04
COGHTA Grant	1,046	720	720	297	-142.11	-142.11
Provincial Roads	946	0	935	797	100.00	-17.22
Pula Nula	4,000	0	0	0	0.00	0.00
Other grant providers:	**4,348**	**3,434**	**3,769**	**3,986**	**13.85**	**5.45**
Health Subsidy	500	0	0	168	100.00	100.00
NEAR	0	246	246	291	15.49	15.49
RAMS	2,978	3,188	3,188	3,192	0.13	0.13
DPSA	871	0	335	335	100.00	0.00
Total Operating Transfers and Grants	**62,564**	**58,059**	**65,129**	**63,453**	**8.50**	**-2.64**
Actual amounts represent the total revenue recognised excluding VAT on grants and subsidies						

Table 143: ***Grant Performance***

5.3.2 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2018/19	62,546	68,238	91.66
2019/20	63,453	72,341	87.71

Table 144: ***Level of reliance on grants***



Graph 10: ***Reliance on grants as %***

5.4 Financial Ratios

5.4.1 Current Ratio

Description	Basis of calculation	2018/19	2019/20
Current Ratio	Current assets/current liabilities	0.77	1.08

Table 145: Liquidity Ratio

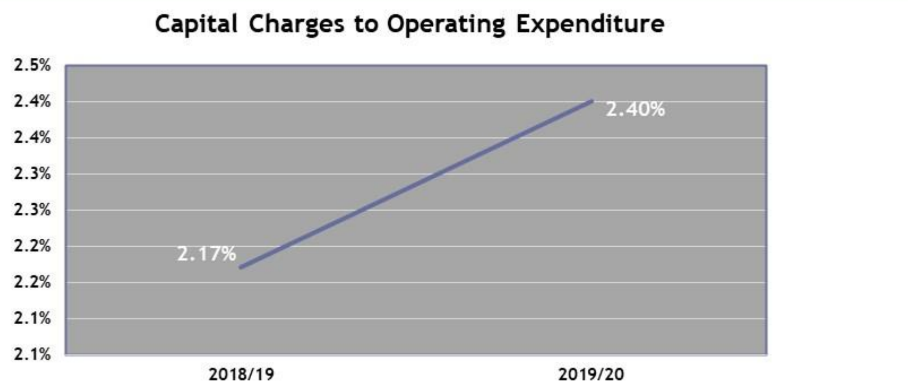
5.4.2 Performance Management Regulation Financial Viability Indicators

Description	Basis of calculation	Unit of Measurement	2018/19	2019/20
Cost Coverage	Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2017 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	1	1.11
Debt coverage	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations by 30 June 2017 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of debt coverage	45%	11%

5.4.3 Borrowing Management

Description	Basis of calculation	2018/19	2019/20
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.17%	2.40%

Table 146: Borrowing Management



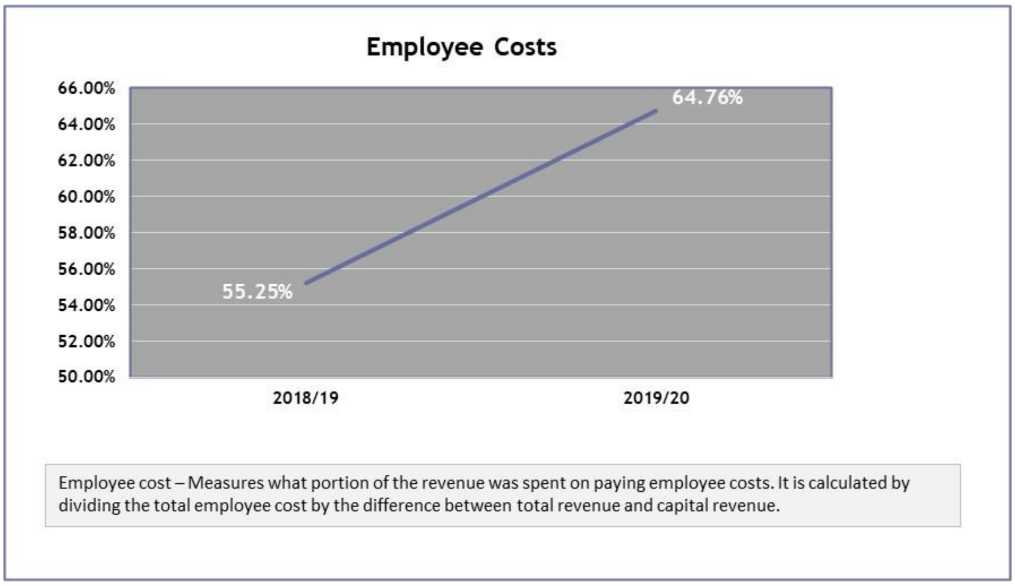
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure

Graph 11: Capital Charges to Operating Expenditure Ratio

5.4.4 Employee costs

Description	Basis of calculation	2018/19	2019/20
Employee costs	Employee costs/(Total Revenue - capital revenue)	55.25%	64.76%

Table 147: Employee Costs

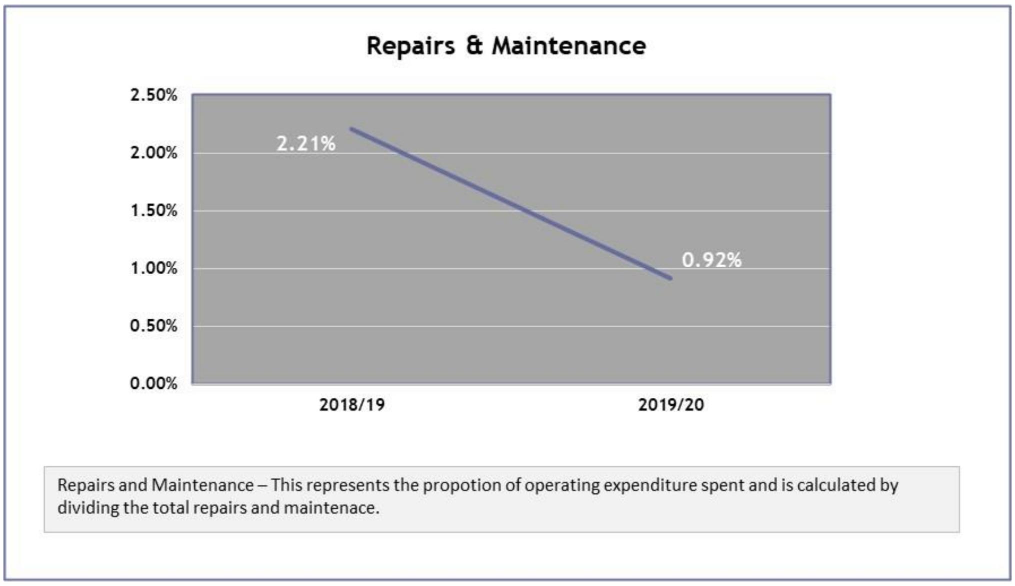


Graph 12: **Employee Costs Ratio**

5.4.5 Repairs & Maintenance

Description	Basis of calculation	2018/19	2019/20
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.21%	0.92%

Table 148: Repairs and Maintenance



Graph 13: Repairs and Maintenance Ratio

COMPONENT B: BORROWING & INVESTMENTS

5.5 Borrowing

5.5.1 Actual Borrowings

Instrument	2018/19	2019/20
	(R'000)	
Bank Overdrafts	8	0
Financial Leases	1,252	0
Current Borrowings	112	0
Total	1,371	0

Table 149: Actual Borrowings

5.6 Investments

5.6.1 Actual Investments

Investment type	2018/19	2019/20
	R'000	
Deposits - Bank	10,052	10,805

Table 150: Municipal Investments

5.7 Municipal Cost Containment Measures

The Municipal Cost Containment Regulations (MCCR) were promulgated on 7 June 2019, with the effective date of 1 July 2019. The objective of these Regulations, in line with sections 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Municipal Finance Management Act, is to ensure that the resources of a municipality are used effectively, efficiently and economically by implementing cost containment measures.

Regulation 4(1) of the MCCR require that a municipality must develop or revise and implement a cost containment policy which must -

- be adopted by the municipal council as part of its budget related policies;
- define a municipality's objectives for the use of consultants; and
- be consistent with the MFMA and these Regulations

In terms of section 15. (1) of the MCCR, cost containment measures applied by the municipality must be disclosed and included in the municipal in -year budget reports and annual costs savings in the annual report. The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings and on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution.

The following cost savings for the financial year are disclosed for the 2019/20 financial year:

Cost Containment Measure	Budget	Total Expenditure	Savings
		R	
Use of consultants	1 030 000	761 410	268 590
Vehicles used for political office -bearers	160 000	139 570	20 430
Travel and subsistence	446 480	305 438.	141 042

Cost Containment Measure	Budget	Total Expenditure	Savings
	R		
Domestic accommodation	1 648 000	1 065 221	582 779
Sponsorships, events and catering	2 000 000	970 998	1 029 002
Communication	180 000	75 922	104 078
Other related expenditure items	0	0	0
Total	**5 464 480**	**3 318 559**	**2 145 921**

Table 151: Municipal Cost Containment Measures

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

Component A: Auditor-General Report 2018/19

6.1 Auditor-General Report 2018/19

Main issues raised	Corrective steps implemented/ to be implemented
Material Uncertainty Relating to Going Concern	
As disclosed in note 50 to the financial statements, which indicates as at year ended 30 June 2019 the Municipality's total liabilities exceeded its total assets by R 5 139 719. As stated in note 50 these events or conditions, along with other matters as set forth in note 49, indicate that a material uncertainty exists that may cast significant doubt on the municipality's abilities to continue as a going concern	• More functions to be vested in the DM in order for the DM to generate more funds and thus increase it's assets and lower it's liabilities and to become less grant dependent. • The reintroduction of MSIG grant to the DM to enable DM to render Shared Services to its 8 local municipalities free of charge.
Emphasis of Matter	
As disclosed in note 32 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2019.	• All the restatements occurred due to a difference of opinion with the AG and also as a result that issues are treated for the first time in a certain way by the AG whilst it was treated differently in previously e.g UIF vs VAT disclosure, disclosure of expenditure, different interpretation of contracts between AG and PIXLEY. • It is proposed that future AFS's be subjected to pre-quality assurances to an external service provider before submittance to the AG.
As disclosed in the statement of comparison of budget and actual amounts for the year ended 30 June 2019, the municipality materially underspent the budget by R 9 571 295.	• The MIG allocation for Ubuntu Local Municipality was only transferred to Pixley towards the end of the municipal financial year-hence the underspending of the budget. • In future-if the DM is requested to administer projects on behalf of Cat B's should the transfer of funding be done in line with all involved sphere's respective financial years.
Other Matters	
The supplementary information set out on pages X to X does not form part of the financial statements and is presented as additional information. We have not audited these schedules and accordingly, we do not express an opinion thereon.	Management subsequently corrected the misstatements hence no material findings on usefulness and reliability of the reported performance information.
Material misstatements of general expenditure, payables and commitments identified by the auditors in the submitted documents were subsequently corrected and supporting documents were provided subsequently resulting in the AFS receiving an unqualified audit opinion.	Different approaches by different auditors in treating issues at different municipalities needs to be addressed as a solution in solving this issue. A workshop by external stakeholders-in conjunction with treasury is planned for Feb/March 2020 in an effort to resolve this matter.
Reasonable steps not taken to prevent irregular expenditure R2 781 291(2.2M incurred on printing and water sampling).Reasonable steps not taken to prevent F & W expenditure R71 149.Reasonable steps not taken to prevent unauthorised expenditure R251 246 (PUBLIC SAFETY).	• The irregular expenditure was already investigated and condoned by Council. Additional irregular expenditure identified by the AG to be investigated and written-off during 2019/2020. • The Fruitless and wasteful expenditure relates to interest on the AG account. We have a ring-fenced agreement in place with the AG which covers the issue of the interest. • The unauthorised expenditure relates to overtime payments over which the DM has very little control over--better budgetary provisions have to be made in future.
Persons in service of Municipality failed to disclose business interest. Some goods and services with a transaction value below R200 000.00 were procured without obtaining three quotations.	The SCM unit needs to get access to the CATS system that is being used by the AG to enable us to do verification-we currently have to rely on disclosures done by officials. The R200 000.00 issue is still under investigation in as far as the AG do not currently "belief" our reasons giving for deviating I t o Section 36 of the SCM regulations e.g. sole providers etc.
All of the fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure.	As indicated to the AG the expenditure was as incurred related to the interest raised by the AG on our arrear account. We concluded an agreement with the AG which covered the interest aspect-hence was no official liable for the

Main issues raised	Corrective steps implemented/ to be implemented
	expenditure in question. The Ring-fenced agreement with the AG to be used as guideline in this regard.

Table 152: AG Report 2018/19

Component B: Auditor-General Report 2019/20

6.2 Auditor-General Report 2019/20

Main issues raised	Corrective steps implemented/ to be implemented
Emphasis of Matter	
Underspending on Budget	COVID 19 Issues
Restatement of corresponding figures	Finance leases to be disclosed as per AG's recommendation
Other Matters	
AFS Preparation	Misstatements to be corrected
Procurement and contact Management	Irregular Expenditure to be investigated
Expenditure Management	Non-Compliance issues to be addressed
Consequence Management	UIF to be investigated

Table 153: AG Report 2019/20

LIST OF ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CFO	Chief Financial Officer
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MAYCO	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MSA	Municipal Systems Act No. 32 of 2000
NGO	Non-governmental organisation
NT	National Treasury
OPEX	Operating expenditure
PMS	Performance Management System
PT	Provincial Treasury
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework

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Annexure A: Financial Statements

Annexure B: Report of the Auditor-General