



**MOHOKARE**  
LOCAL MUNICIPALITY

**The Draft Un-Audited Annual Report 2021/22 is compiled in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)**

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## CHAPTER 1

### COMPONENT A: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

#### MAYOR'S FOREWORD



**Vision:** To be a community-driven municipality that ensures sustainable quality service delivery applying principles of good governance.

**Mission:** A performance-driven municipality that utilises its resources to respond to community needs.

**Slogan:** Re aha Motse

On behalf of the Council of Mohokare Local Municipality, I hereby present this Annual Report for the financial year 2021/2022. The report will fundamentally provide our stakeholders and communities with an insight into the performance and achievements, including the challenges of the area. The mandate of Mohokare Local Municipality is given by the Constitution of South Africa, Chapter 7 as the local sphere of Government. Our Specific mandate is extracted from the stakeholders' consultations, and broader community meetings we embarked upon during the IDP sessions and regular quarterly Imbizos.

The Annual Report for the 2021/22 Financial Year provides an opportunity to report on the progress made thus far, the Council is confident that it is moving towards attainment of the strategic vision of being the best municipality, that provides quality services towards the communities. The municipality was able to develop, and adopt its Integrated Development

Plan according to the required legislative framework, the municipal budget was prepared accordingly and adopted within the specified timeframes. However, during the First quarter of the financial year; specifically, during the month of August the Municipal Manager was appointed and resumed duties and functions in October.

Almost all Senior managerial positions that report directly to the municipal manager are temporarily occupied on acting capacities except for Technical Director and the Chief Financial Officer. The biggest challenge was to ensure stability in the institution during this transition phase and to also guarantee that service delivery is not thwarted in any way possible. In an expression of commitment to public participation, service delivery and clean accountable government, the council embarked on quarterly public participation Community meetings (Imbizo) ranging from Zastron, Rouxville and Smithfield.

In accordance with the provisions of the laws that govern the affairs of the municipality we have embarked upon a process of consultation with the local stakeholders ranging from religious fraternity, business society, sports and health including professionals with a view to present the goal, vision and mission of the new Council of Mohokare. The Chapter 4 of the Municipal Systems Act 32 of 2000 makes community participation in the affairs, programmes and activities of the municipality a legal obligation.

This Annual Report is therefore the culmination of a lengthy process of consultation with the local communities and stakeholders. Accordingly, this Annual Report carries the aspirations of the masses of our communities. Therefore, this Annual Report must be seen as a beacon of hope that will continue to guide us over the next financial year in our collective endeavours of building a better life for all our communities. Reflection of free basic services and encourage deserving households to register for indigent should be imperative in the development agenda of the municipality.

We remain committed to the realization of the 5 National Key Performance Areas of municipalities, being the following: Good Governance and Public Participation, Municipal Transformation and Organizational Development, Basic Infrastructure and Service Delivery, Local Economic Development, Municipal Financial Viability and Management will have to priorities by ensuring that all Portfolio Committees and Municipal Public Account Committee are functional and have a proper capacity to perform their oversight role as prescribed.

We will have to accelerate the institutionalized performance management system in order to ensure all our efforts towards service delivery are properly tracked and traced. It is through this approach that we will ensure the accountability of the municipality to local communities; the administration to Council; and the line managers to senior management. In conclusion; we are indebted to our vigilant communities and the municipality's oversight structure which is the Council, Portfolio committees and our ever supportive Provincial and National sphere of government. Allow me to take this opportunity to thank all role players as well as municipal officials for their unwavering determination to be where we are.

Regards

**Clr Z.N. MGAWULI**

**Z.N. MGAWULI**  
**MAYOR**

## **COMPONENT B: EXECUTIVE SUMMARY**

### **1.1 MUNICIPAL MANAGER'S OVERVIEW**

On behalf of Mohokare Local Municipality, I hereby present this Annual report for the financial year 2021/22. The annual report has been compiled in accordance with section 46 of the Local Government Systems Act, No. 32 of 2000(as amended section 127 (2) of the Local Government Municipal Finance Management Act, No. 56 of 2003, as well as accompanying circulars.

This report records the performance and progress made by Mohokare Local municipality in fulfilling its strategic objectives contained in the IDP, institutional scorecard and Service Delivery and budget implementation plan (SDBIP) approved by Mohokare Local Municipality Council.

It has been a strenuous and challenging year for the municipality, the municipality is faced with serious financial challenges and non-payment of third parties of our employees. I am however, thankful for the employees and management for their commitment, passion and hard work during the year under review amidst all challenges the institution is faced with.

The year under review had its share of successes and challenges from an administrative perspective. The municipality has consulted all our communities widely, to ensure that it truly involves the citizens of Mohokare in the processes of public participation and to ensure a people lead government.

Mohokare municipality received qualified opinion with a number of paragraphs being emphasised by the Auditor General South Africa (AGSA). All recommendations by the AGSA are extremely adhered to and a detailed audit action was developed in order to keep regular monitoring of all compliance matters and the implementation of all the recommendations.

All Council committees that were established are meeting regularly and are providing the necessary oversight on administrative duties. The MPAC is also meeting as expected and there's relative cordial and collaborative relationship between Executive and MPAC. The municipality is in the process of advertising the position of all vacant Director positions as a matter of urgency, in order to deliver quality services to the people of Mohokare.

The report will provide further details on service delivery interventions.

I am thankful to the Hon Mayor, the Executive, Council of Mohokare Local municipality and the administration team for their continued support and dedication.

**Kind  
regards**

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**M.J. KANWENDO**

**MUNICIPAL MANAGER**

## **PREFACE**

The financial years contained in this report are explained as follows:

- Year -1: The previous financial year;
- Year 0: The current financial year;
- Year 1: The following financial year.

We wish to thank all relevant municipal employees for their inputs and support throughout the development of this document.

## **1.2 POPULATION AND ENVIRONMENTAL OVERVIEW**

Mohokare Local Municipality is situated in the Xhariep District (Free State Province) it measures 8 776 km and comprises of three main towns i.e. Zastron, Rouxville and Smithfield and surrounding farm areas.

### **Zastron**

It is the main administration town for the Mohokare Local Municipality. The town, located at the foot of the Aasvoelberg with the famous Eye of Zastron, a nine-meter-wide hole through a sandstone rock. Very nice examples of bushman art can be found on the various farms in the area. Zastron is very close to Lesotho and a great place to start exploring.

### **Rouxville**

It is in the middle of a number of other interesting places such as Smithfield, Aliwal North, Xhariep and Zastron and with the impressive Maluti Mountains in the back drop it is perfect for enjoying the views. Situated on the N6 Rouxville was founded by Petrus Wepenaar, in 1863 on the farm Zuurbult.

### **Smithfield**

It's a small town in the Free State Province of South Africa. It was founded in 1848 after Sir Harry Smith, the Cape Colony governor. Smithfield is the third oldest town in the Free State Province.

Mohokare's population growth rate according to Statistics South Africa, is 1.06%, this is indicative of the fact that during the Census survey conducted in 2011, the total estimated population was + 34146, which has now increased to +35 840 according to 2016 Community Survey.

Geography	Total population	G		A				% of Youth	Dependency Ratio [Per 100 (15 - 64 Years)]	Sex Ratio (Males per 100 Females)
		Male	Female	0-14 Years (Children)	15-34 Years (Youth)	35-64 Years (Adults)	65 + Years (Elderly)			
<b>Free State</b>	<b>2834714</b>	<b>1379965</b>	<b>1454749</b>	<b>797265</b>	<b>1058948</b>	<b>732863</b>	<b>245638</b>	<b>37.4</b>	<b>58.2</b>	<b>94.9</b>
Xhariep	125884	62474	63409	33355	48209	32128	12191	38.3	56.7	98.5
Letsemeng	40044	21140	18904	9955	15794	10656	3639	39.4	51.4	111.8
Kopanong	49999	24812	25188	13007	18802	13227	4964	37.6	56.1	98.5
Mohokare	35840	16523	19317	10393	13613	8245	3589	38.0	64.0	85.5

**Households Dynamics as per STATS SA 2016**

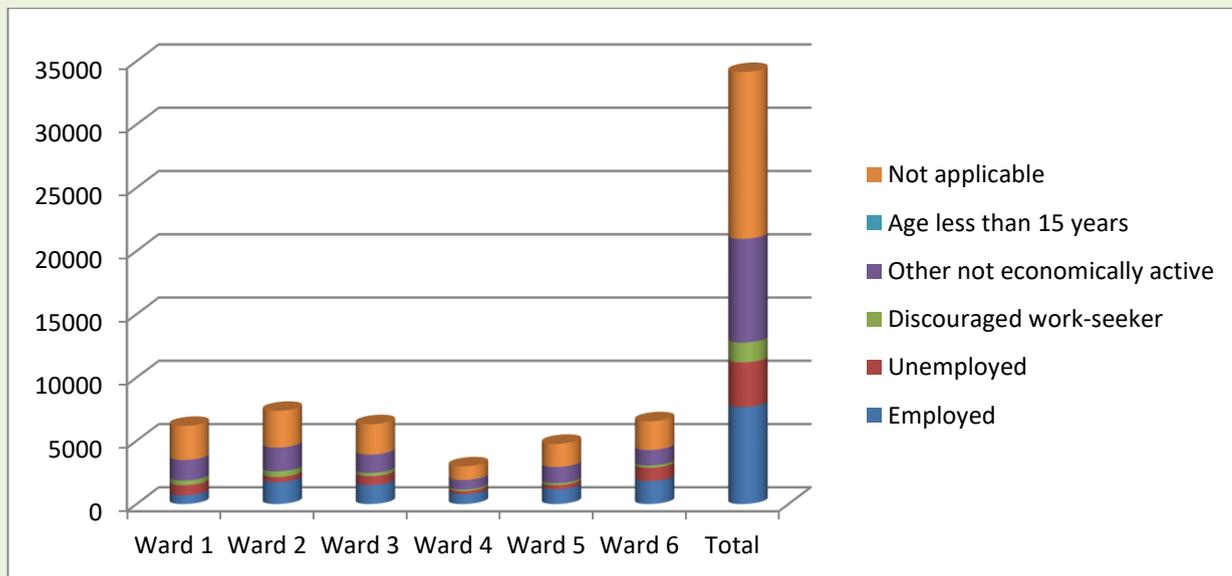
Geography	Total households	Average household size	Child-headed households (10 - 17 Years)	Female headed households %	Formal dwellings %	Housing owned/paying off %
<b>Free State</b>	<b>946638</b>	<b>3.0</b>	<b>0.6</b>	<b>41.7</b>	<b>83.6</b>	<b>70.2</b>
Xhariep	44767	2.8	0.8	37.6	89.2	62.8
Letsemeng	13969	2.9	0.5	31.5	85.1	73.0
Kopanong	18412	2.7	0.6	37.4	89.3	60.0
Mohokare	12387	2.9	1.3	44.8	93.6	55.3

**SOCIO ECONOMIC STATUS**

**Geography by official employment status**

	Employed	Unemployed	Discouraged work-seeker	Other not economically active	Age less than 15 years	Not applicable	Total
Ward 1	696	792	377	1619	-	2696	<b>6181</b>
Ward 2	1732	401	456	1878	-	2903	<b>7370</b>
Ward 3	1496	704	260	1446	-	2402	<b>6307</b>
Ward 4	775	246	130	751	-	1079	<b>2982</b>
Ward 5	1161	324	164	1276	-	1836	<b>4762</b>
Ward 6	1812	1050	184	1229	-	2268	<b>6543</b>
<b>Total</b>	<b>7672</b>	<b>3518</b>	<b>1571</b>	<b>8200</b>	-	<b>13185</b>	<b>34146</b>

**STATS SA 2011**

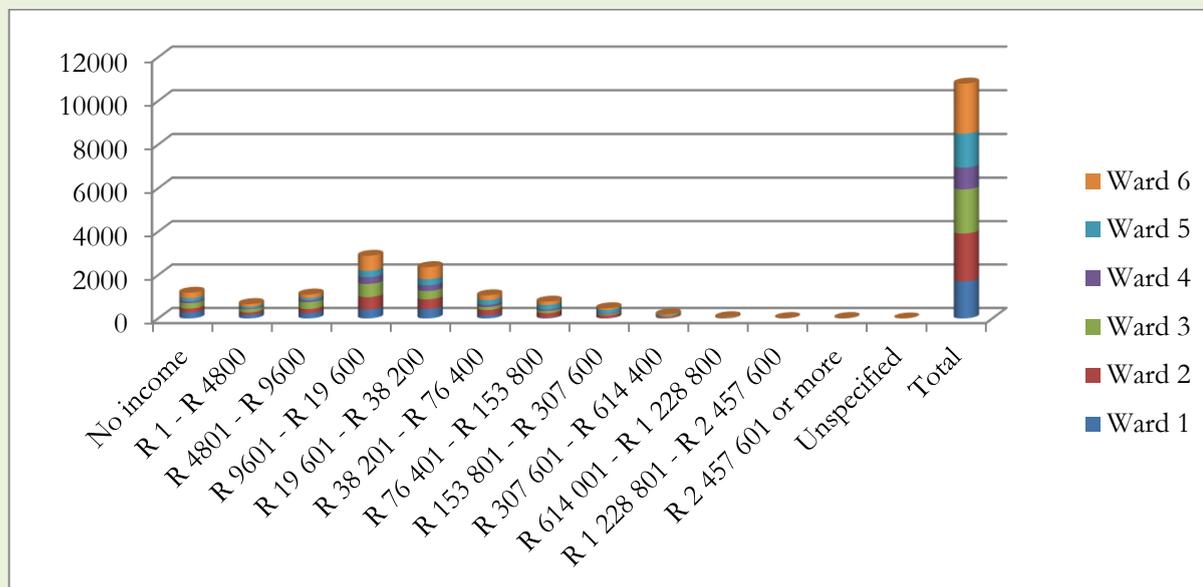


**NB: It should be noted that after the local government taking place in 2021, Mohokare expanded to have seven (7) wards. However, during the completion of this document, STATS SA had not completed with census information.**

**Annual household income**

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
No income	272	186	248	78	150	251	1186
R 1 - R 4800	167	112	150	39	74	120	662
R 4801 - R 9600	241	197	314	88	102	161	1101
R 9601 - R 19 600	408	575	608	311	292	693	2888
R 19 601 - R 38 200	434	447	385	262	280	554	2362
R 38 201 - R 76 400	140	250	136	106	213	221	1065
R 76 401 - R 153 800	30	214	103	67	207	154	776
R 153 801 - R 307 600	11	131	52	35	161	78	467
R 307 601 - R 614 400	2	60	26	9	48	43	189
R 614 001 - R 1 228 800	-	22	5	1	16	13	56
R 1 228 801 - R 2 457 600	-	5	5	1	6	2	19
R 2 457 601 or more	-	9	5	2	4	2	22
Unspecified	-	-	-	-	-	-	-
<b>Total</b>	<b>1704</b>	<b>2208</b>	<b>2036</b>	<b>1000</b>	<b>1552</b>	<b>2292</b>	<b>10793</b>

**STATS SA 2016**



**Overview of neighbourhoods within Mohokare Local Municipality as per STATSSA 2016**

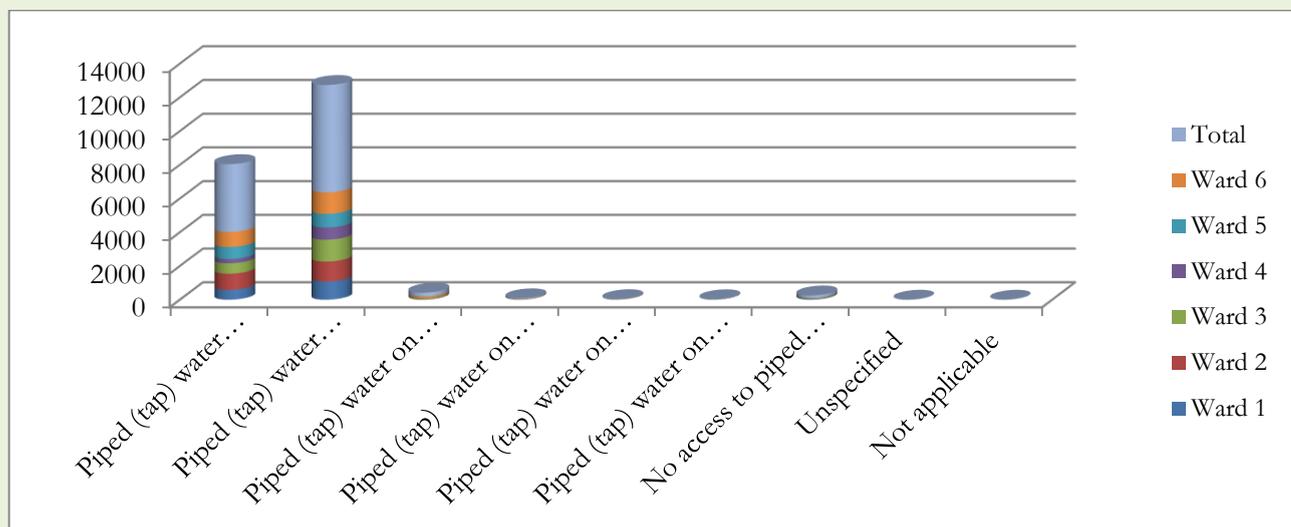
	Census/ Households-Households Households N	Census/Population – Population Population N	Census/Population – Population group Black African N	Census/Population – Population group Coloured N	Census/Population – Population group Indian or Asian N	Census/Population – Population group Other N	Census/Population – Population group White N
Ward 1 ZASTRON	1705	<b>6181</b>	6163	7	6	5	1
Ward 2 ROUXVILLE	2208	<b>7370</b>	6353	182	21	31	783
Ward 3 ZASTRON	2036	<b>6307</b>	5963	37	9	4	294
Ward 4 ROUXVILLE	1000	<b>2982</b>	2655	194	5	2	126
Ward 5 ZASTRON	1552	<b>4762</b>	4020	59	41	3	639
Ward 6 SMITHFIELD	2292	<b>6543</b>	5865	290	11	16	361
<b>Total</b>	<b>10793</b>	<b>34145</b>	<b>31019</b>	<b>769</b>	<b>93</b>	<b>61</b>	<b>2204</b>

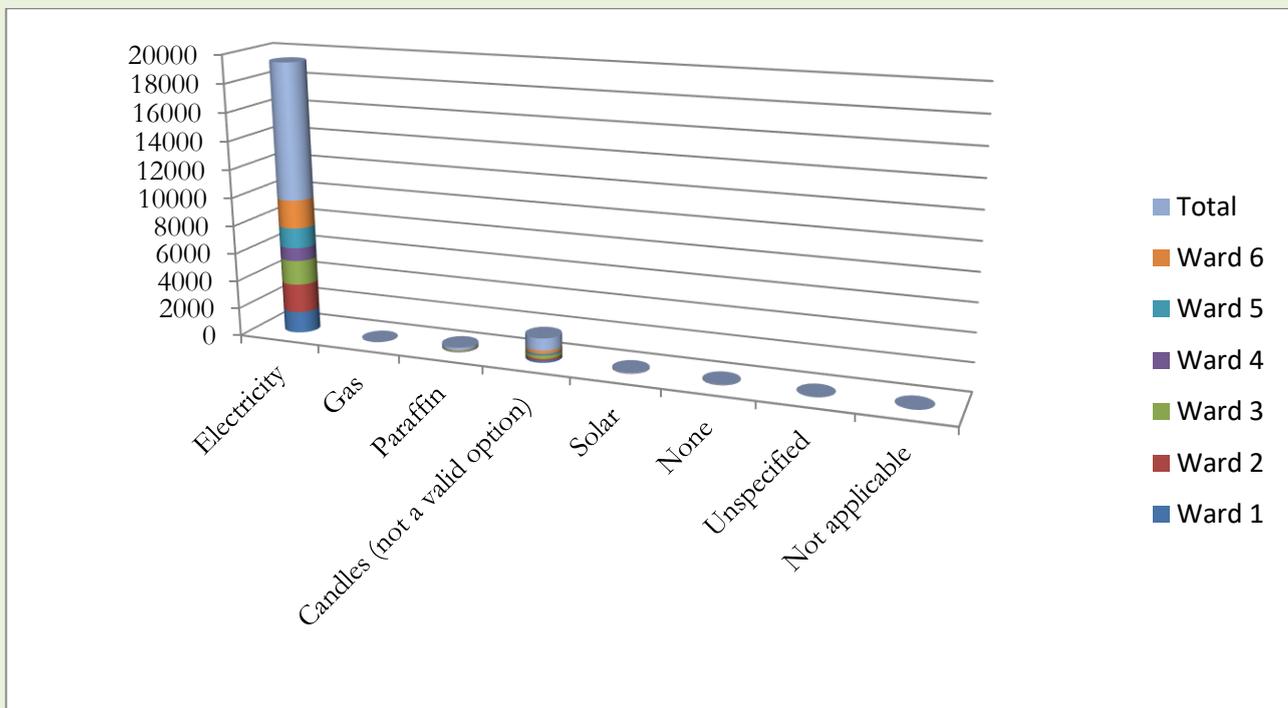
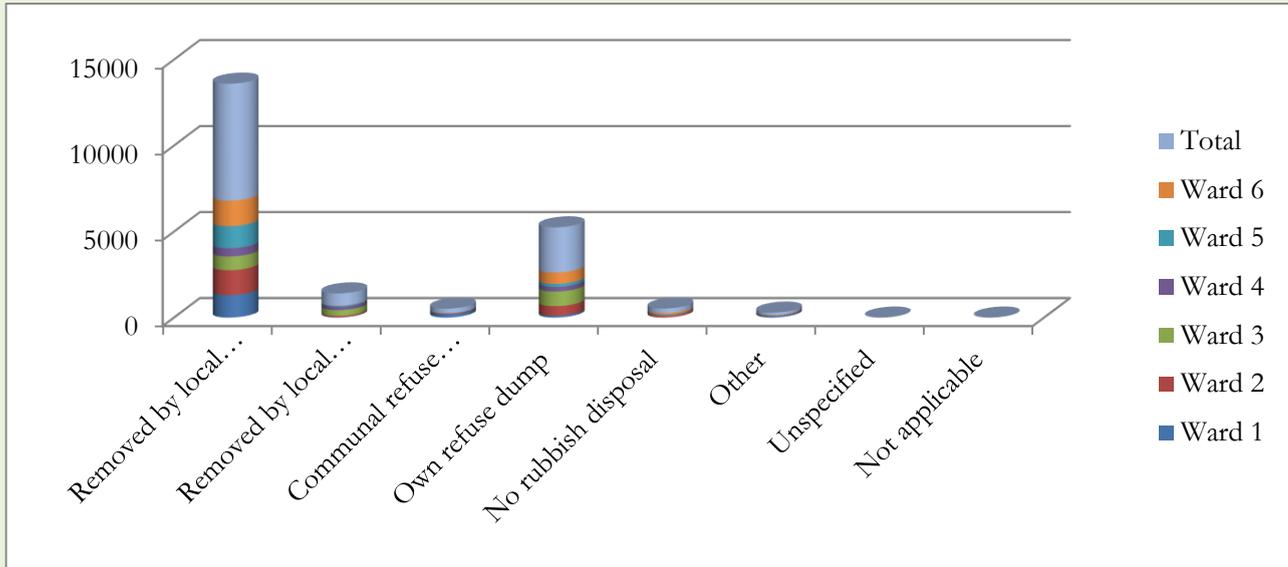
○ **SERVICE DELIVERY OVERVIEW**

Mohokare Local Municipality provides affordable and acceptable quality of basic services to different categories within its area of jurisdiction. The provision of such services is a directive from different pieces of legislation which delegates powers and function to Local Authority. The following services are rendered to different categories of consumers which include commercial businesses, schools, and hospitals, formal and informal settlements.

Type of services rendered by the Municipality:

- Portable water services
- Sanitation services
- Roads and storm water services
- Refuse removal services
- Electricity services





The municipality faced a challenge on consistency supply of water in Zastron, due to the ageing infrastructure which needs to be replaced asbestos pipes to PVC pipes. Although all the households have access to water supply and raw water catchment is sufficient.

## **1.4 FINANCIAL HEALTH OVERVIEW**

Mohokare is a highly grant dependent municipality with a high number of indigent households, as a result the municipality cannot generate sufficient income to fund its operations adequately. Endeavors are being made through the assistance of other government departments and government entities to assist the municipality in turning around its financial viability and improving its cash flow management.

In the current year the annual financial statements were prepared in accordance with the Standards of Generally Recognized Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with section 122 (3) of the Municipal Finance Management Act (Act 56 of 2003).

### **Pricing of Services**

In order to remain financially viable and sustainable, the municipality must generate sufficient resources. As limited scope exists to generate alternative revenue, it is necessary to increase rates and tariffs annually.

The determining of tariffs is the responsibility of Council, as per the provision of the Local Government Municipal Systems Act. Affordability was an important factor when considering the rates and tariff increases. Consideration was also given to the alignment between the resources of the municipality, level of service and customer expectations.

### **Rates**

The rates increased by 6% during the year under audit.

### **Service Charges**

The 6% increase in water tariffs are as a result of (amongst other factors), the water loss intervention programme, the increase in maintenance of ageing infrastructure and the roll out of infrastructure to new areas / developments.

### **Indigents**

The number of indigents is at 1 555 for the year under audit and in order to provide free services to residents who cannot afford to pay also contributed to the need to increase tariffs.

The cost of the indigents was funded from the equitable share allocated to Council by National Treasury in terms of the Division of Revenue Act.

### **General**

The following service delivery challenges also influenced the levels of tariffs and service charges for the municipality:

1. The developmental challenge to address the service delivery backlogs in all towns of the municipality.
2. The declining local economy will be insufficient to absorb the unemployed and this will have a service delivery impact and harm the ability of the municipality to sustain its revenue base to finance extended services.

The other general contributory factors for the increase in levels of rates and service charges were:

1. Salary increase of 3.5% with effect from 1 July 2021;
2. Provision for the filling of critical vacancies;
3. Rollout of infrastructure and the provision of basic services; and
4. Increased maintenance of network and structures.

### **Intervention measures planned for 2021/2022 government debt**

Over the years Mohokare Local Municipality has developed a good relationship with the Provincial and National Governments. There have been notable successes in recovering outstanding debts; however, there is still a number of unresolved issues. We expect this relationship to yield fruit in the form of increase payment for services rendered.

Secondly, categorization of debtors per:

- Department:
- Business:
- Households:

One of the most pertinent issues is the debt accumulated over a number of years. The total outstanding debt is standing at R408 million, with a collection rate of 8%. This significant increase in the debt book as well as the drastic decline in the collection rate was brought on by the Municipality converting to a new financial system and during the period of the transfer of information accounts were not issued to consumers, hence the decline in the collection rate.

The municipality employs the services of its lawyer to assist in the collection of long outstanding debts.

### **Council properties**

Council properties are not ratable as per the rates policy.

### **Arrest a debt**

The process of conducting road shows per wards to identify all qualifying indigents is being accelerated so that more customers are targeted. The main intention of the Municipality is to contain debt on customers so that it doesn't become too large to manage.

Embark on a process of putting maps of wards on the financial system of the municipality to print monthly accounts per ward; the intention is to involve Ward Councilors in the process of debt coverage by going door to door per ward.

The last resort will be recommendation to council to write-off the account of all affected households or insolvent business.

### **Unemployment and National Credit Act**

The recession had a negative impact on the collection of outstanding debts. Customers could not afford to pay outstanding amounts.

Certain consumers were granted extended terms to pay.

**Asset Register**

A GRAP compliant asset register had been compiled and all finished infrastructure assets had been unbundled. The biggest challenge now is the maintenance of these assets and the asset register.

**Institutional Transformation**

The municipality had succeeded into reviewing the IDP successful in-house. The municipality's budget is compiled per the format as prescribed by the MFMA.

**Key challenges facing the municipality**

Mohokare Local Municipality's economy is very weak with only agricultural activities as its main economic activities and experiencing a high unemployment rate. The above factors place a large task on the Municipality to revive its economy in order to create job opportunities. The key challenges for the municipality are:

1. To develop a coherent local economic development strategy to create job opportunities.
2. To ensure sustainability of the Municipality through sound administration and financial management.
3. Deepening participatory democracy and good governance.
4. To enhance effective service delivery to the community.

<b>Financial Overview: Year 2021 - 22</b>			
<b>Details</b>	<b>Original budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>
Income:			
Grants - Operational	80,762,000	80,762,000	85 475 598
Grants - Capital	78,350,000	78,350,000	45 543 200
Taxes, Levies and tariffs	139,997,274	110,947,274	125 454 689
Other	12,785,200	12,885,200	604 872
<b>Sub Total</b>	<b>311,894,274</b>	<b>282,944,474</b>	<b>257 078 359</b>
Less: Employee Costs	87,729,199	85,369,179	84 057 139
Less: Councillors Remuneration	4,893,214	5,469,988	4 932 484
Less: Debt Impairment	35,016,280	35,016,280	80 393 089
Less: Depreciation and Assets Impairment	24,888,062	24,888,062	27 262 021
Less: Finance Charges	9,123,450	9,123,450	18 508 279
Less: Bulk Purchases	28,522,122	32,022,124	35 264 338
Less: Other Expenditure	40,420,944	41,058,960	56 957 292
<b>Sub Total</b>	<b>230,593,271</b>	<b>232,948,043</b>	<b>307 374 642</b>
<b>Surplus/(Deficit)</b>	<b>81,301,003</b>	<b>49,996,431</b>	<b>-50 296 283</b>
			T 1.4.2

## Income

Form the above it can be seen that the municipality is grant reliant. R131 million of revenue are from grants received compared to the R126 059 570 million (including electricity sales by Centlec SOC) derived from own operations.

## Expenditure

The Non-Cash expenditure is not cash-backed. Depreciation, when cash backed, will enable additional expenditure on maintenance and replacement of assets at the end of their useful lives.

Operating Ratios	
Detail	%
Employee Cost	27.35%
Repairs & Maintenance	0.53%
Finance Charges & Impairment	33.18%

Total Capital Expenditure: 2019-20 to 2021-22			
Detail	2019/20	2020/21	2021/22
Original Budget	79 302 450	92 523 000	81 887 150
Adjustment Budget	83 106 727	92 303 000	78 522 150
Actual	42 801 410	82 115 733	40 063 306
			T 1.4.4

## 1.5 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The implementation of PMS is to fulfil the legislative mandate, improve service delivery and provide mechanism to report back to National Government and the public. Performance Management focuses on results than activities. It ensures that there is alignment between the internal processes to the vision and mission of the municipality and encourages the culture of performance and accountability. It assists the municipality to detect early warning signs of under-performance or non-performance, thus allowing relevant interventions for improvement. The PMS Section lies under the Municipal Manager and the reporting line is directly to Council.

**The section is tasked with implementing the PMS Framework and conducting monitoring and evaluation in respect of the 5 National Government KPA's:**

- Basic Service Delivery,
- Local Economic and Development,
- Municipal Transformation and Institutional Development,
- Financial Management and Viability, and
- Good Governance and Public Participation

Mohokare Local Municipality has adopted a scorecard as its performance measuring tool.

The PMS section addressed all issues in relation to AG's exceptions in order to ensure that there is no repetition of these queries in the new financial year. Support was offered in terms of identifying and training of Departmental PMS Champions with regards to compilation of Portfolio of Evidence Files. However, the section is still experiencing poor cooperation from reporting departments which always result in late submission of reports and noncompliance to treasury timeframes. As a corrective measure, the PMS section will roll-out PMS workshops to strengthen understanding of PMS by all staff levels. A possibility of cascading PMS to all levels will also be looked at so that all staff levels have performance plans which will be monitored by relevant Heads of sections on quarterly basis.

- Filling of Section 57 and 56 Manager Positions;
- Signed performance agreements by Section 57 and 56 Managers;
- Disciplinary processes against Section 57 and 56 Managers;

## ○ AUDITOR GENERAL REPORT

Mohokare Local Municipality maintained a **qualified audit of opinion** for the 2021/2022 financial year for the audit of **Annual Financial Statements** and a **disclaimer audit opinion** on the audit of **predetermined objectives**

**See chapter 6 for the complete report of the Auditor General.**

### 1.7 STATUTORY ANNUAL REPORT PROCESS

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

The anticipated process for the creation, submission, review and approval for the 2021/2022 Annual Report is set out in the table below:

NO	ACTIVITY	TIMEFRAME
1.	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	August 2022
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	July 2022
3.	Finalise the 4th quarter Report for previous financial year	July 2022
4.	Submit draft Annual Report to Internal Audit and Auditor-General	November 2022
5.	Municipal entities submit draft annual reports to MM	N/A
6.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	November 2022
7.	Mayor tables the unaudited Annual Report	N/A
8.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	March 2023
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	March 2023
10.	Auditor General audits, Annual Report including consolidated Annual Financial Statements and Performance data	November 2022

NO	ACTIVITY	TIMEFRAME
11.	Municipalities receive and start to address the Auditor General's comments	March 2023
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	May 2023
14.	Oversight Committee assesses Annual Report	May 2022
15.	Council adopts Oversight report	June 2023
16.	Oversight report is made public	June 2023
17.	Oversight report is submitted to relevant provincial councils	June 2023
18.	Commencement of draft Budget/ IDP finalisation for next financial year	March 2023
19.	Annual Report and Oversight Reports to be used as input	May 2023

*Note that the annual performance report and the financial statements form part of the Annual Report.*

The Final Annual Report will be submitted to National and Provincial Treasuries', COGTA and Auditor General and to the Chairperson of the Oversight Committee in line with the National Treasury's guidelines.

Measures such as creation and capacitation of the performance management unit in the office of the municipal manager have been put in place to ensure appropriate monitoring and reporting.

## **CHAPTER 2 - GOVERNANCE**

### **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

The primary role of the municipal council is that of political oversight of the municipality's functions and programs. The powers of local government as outlined in the Constitution of the Republic of South Africa chapter 7, section 160(1) are vested in the municipal council, which has legislative authority and executive authority. The Municipal Council is led by the Honourable Mayor while the administration is governed by the Municipal Manager who ensures that the decisions and policies of the Council are implemented.

#### **Corporate management support – Council and committees**

The Standing Rules and Orders of Mohokare Local Municipality govern that the speaker must determine a schedule of the dates, times and venues of ordinary council meetings, and that the council must hold at least one ordinary meeting every three months.

The functions of the Council include:

The development and implementation of by-laws, the Integrated Development Plan (IDP), the budget and it also debates local government issues and can ratify or reject proposals. The council has adopted major by-laws, policies and plans. It has subsequently appointed the committees in terms of the Structures Act dealing with vast responsibilities although not fully functional, as some committees did not sit as per the approved council schedule.

Council meetings are functional with ordinary council meetings sitting once quarterly with special council meetings called by the Mayor as and when the need arises also taking in consideration compliance matters governed by municipal legislation. Senior management implements council resolutions to achieve strategic objectives.

## 2.1 POLITICAL GOVERNANCE

Mohokare Local Municipality was established in terms of the provincial Gazette No. 14 of 28 February 2000 issued in terms of Section 21 of the Local Government Notice and Municipal Demarcation Act No.27 of 1998.

Mohokare is made up of three former Transitional Local Councils (TLC's) which are Zastron, Rouxville and Smithfield. The 2020/21 demarcation processes saw this municipality increase from having only 6 wards to 7 wards and this process brought about a gain of two more seats in the Council, meaning that Mohokare Local Municipality now has a total number of 13 public representatives constituting the Council. This affected the change of the type of a Council Mohokare was, as it is no longer a Plenary type of a Council, but an Executive Type of a Council in terms of Section 12 Notice as promulgated by the MEC for Local Government.

Subsequent to the successfully held 01 November 2021, Local Government elections, the Council changed as outlined below:

1. Mayor (ANC PR Councillor)	Z.N. Mgawuli
2. ANC PR Councillor	N.A. Adoons
3. Ward 1 Councillor	P.P. Mahapane
4. Ward 2 Councillor	T.D. Mochechepa
5. Ward 3 Councillor	T.J. November
6. Ward 4 Councillor	M.A. Letele
7. Ward 5 Councillor	D. Job
8. Ward 6 Councillor	R.J. Thuhlo
9. Ward 7 Councillor	T.E. Nai
10. Democratic Alliance PR Councillor	I.S. Riddle
11. VryheidsFront(VF)Plus PR Councillor	J. Swart
12. EFF PR Councillor	M.N. Mkendani
13. EFF PR Councillor	B.J. Lobi

Councillors are elected by the local registered voters in their respective wards and represent their respective constituencies in local council. Mohokare has thirteen (13) seats with eight (8) Councillors from the ANC, one (1) from the DA, two (2) from the EFF, one (1) from Vryheidsfront Plus and one (1) independent.

Refer to **Appendix A** where a full list of Councillors can be found (including committee allocations and attendance at Council meetings).

## Introduction to political governance oversight

### • Section 79 Portfolio Committees

Mechanisms used for oversight purposes are the following current committees to which councillors are assigned to serve on. These committees are chaired by a nominated councillor as outlined below:

Five Council Portfolio committees have been established in line with section 79 of Municipal Structures Act No. 117 of 1998 and their meeting schedule adopted by Council. They sit quarterly and the target is for each committee to sit four (4) times a year. Operations of the committees are also governed by the Council Standing Rules and Orders. All five Portfolio Committees have been established but failed to sit as per the approved Council schedule. The following Councillors serve as Chairpersons of the Committees:

Initials and surname	S79 Committee
Cllr. T.E Nai	Finance
Cllr. T.D Mochehepa	Planning and Local Economic Development
Cllr. D. Job	Corporate Services Committee
Cllr. P.P Mahapane	Community Services
Cllr. T.J November	Technical Services

### • Municipal Public Accounts Committee

The MFMA governs the establishment of an MPAC for the detailed analysis and review of the annual report and the annual performance report. Following the reports being tabled in Council, receiving and reviewing representations made by the public and inputs from other Councillors and then drafting an oversight report for Council's adoption. Council adopted the annual report of the financial year 2020/21 on the 25<sup>th</sup> of January 2023. The Oversight Committee discussed the Annual Report and adopted it without reservations on the 09<sup>th</sup> September, 10<sup>th</sup> October and 25<sup>th</sup> November 2022.

Municipal Public Accounts Committee sat during the 2021/22 financial year to investigate instances of unauthorised, irregular and fruitless and wasteful expenditure incurred in prior years.

### The current oversight committee consists of the following members:

Initials and surname	Capacity
Cllr N.A Adoons	Chairperson
Cllr P.P Mahapane	Member
Cllr T.J November	Member
Cllr M.N Mkendani	Member

<b>Initials and surname</b>	<b>Capacity</b>
Cllr I.S Riddle	Member

- **Audit Committee / Performance Audit Committee**

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The audit committee of the municipality oversees financial, performance and compliance reporting, disclosures and the accounting of policies within the municipality.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee.

According to the regulations, the performance audit committee must review the quarterly reports submitted to the committee by the internal audit unit and the municipality's performance management system and make recommendations in this regard to the council. The audit committee should as per the Audit Committee Charter and MFMA Sec 166(4)(6) meet at least four times or as often as required, during a financial year submit an audit report to the municipal council.

**The Audit Committee / Performance Audit committee comprises of the following members:**

<b>Initials and surname</b>	<b>Capacity</b>
Mr. T.V Mdakane	Chairperson
Mr. .N.S Salimani	Member
Mr. V.W Vapi	Member
Mr. T Motshoikha	Member (Contract ended 30 June 2021)

However, the Audit Committee of Mohokare Local Municipality was non-functional for the 2021/2022 financial year. Consequently, the committee did not approve the internal audit plan and did not oversee the implementation of the matters reported by the internal audit unit.

- **Risk Committee**

The Risk Committee emanates from the risk management unit which has been established in terms of the Public Sector Risk Management Framework of 1 April 2010.

The MFMA governs that a municipality must have effective, efficient and transparent systems of risk management as all activities of an organisation involve risk.

The development of this risk management is a systematic, timely and structured approach to risk management; anti-corruption and fraud prevention.

The following policies/documents guide the risk unit in its operations:

- Risk management strategy and policy; and
- Anti-fraud and corruption policy.

**The Risk Committee comprises of the following members:**

Initials and surname	Capacity
<b>Vacant</b>	
Management (Senior & Middle)	Members
Internal Auditor	Member
Information Technology	Member

The risk committee was not functional during 2020/21 financial year and did not strengthen the governance structure of the municipality.

1. **Agri Forum**

The Agri Forum consists of a group of organised farmers meeting with municipal management on a regular basis. Chaired by the Mayor the forum sits once quarterly and matters of mutual interest are shared between the municipality and the association of the farming component based in Mohokare Local Municipality. The aim of the forum is to enhance good relations between the two groups.

- **Local Labour Forum**

Section 23 of the Constitution of the Republic of South Africa, Act 108 of 1996, lays the basis for good labour relations and collective bargaining. The Labour Relations Act, 66 of 1995 prescribes how this constitutional mandate can be achieved. The primary purpose of the Act was to change the law governing labour relations with specific focus on, amongst other things, promoting and facilitating collective bargaining at the workplace and at sectorial level.

The Workplace Organisational Rights Agreement governs the establishment and operations of the Local Labour Forum. The Local Labour Forum shall have the powers and functions of negotiating and/or consulting on the following matters

- Matters of mutual concern pertaining to the municipality and which do not form the subject matter of negotiations at the South African Local Government Bargaining Council (SALGBC)
- Matters referred to it by the SALGBC
- Minimum Service Level Agreements

Mohokare Municipality's Local Labour Forum has an approved meeting schedule, but was non-functional for the 2021/22 financial period.

Mohokare Municipality's Local Labour Forum has an approved meeting schedule and it meets monthly but it did not sit in the 2021/22 financial year.

## **POLITICAL GOVERNANCE STRUCTURES**

### **MAYOR/SPEAKER**

Cllr. Z.N Mgawuli

### **SPEAKER**

Cllr R.J Thuhlo

### **CHIEF WHIP**

Cllr. P. P Mahapane

### **HONOURABLE COUNCILORS**

Cllr. T.D Mochechepa

Cllr. T.J November

Cllr. M.A Letele

Cllr. D. Job

Cllr. T.E Nai

Cllr. N.A Adoons

Cllr. I.S Riddle

Cllr. J. Swart

Cllr.B.J.Lobi

Cllr N.M Mkendani



The Council is the policy maker, decision maker and the ultimate accountability for this structure is to the communities that they represent, therefore all business that Council undertakes is of the interest of its constituency which are communities in Mohokare jurisdiction.

The Council implements its objectives by taking resolutions on how to improve people’s lives and the implementation of these resolutions is delegated to the Accounting Officer, who is the Municipal Manager.

For the 2021/22 financial year, the previous years’ resolutions were no longer applicable as at 30 June 2022:

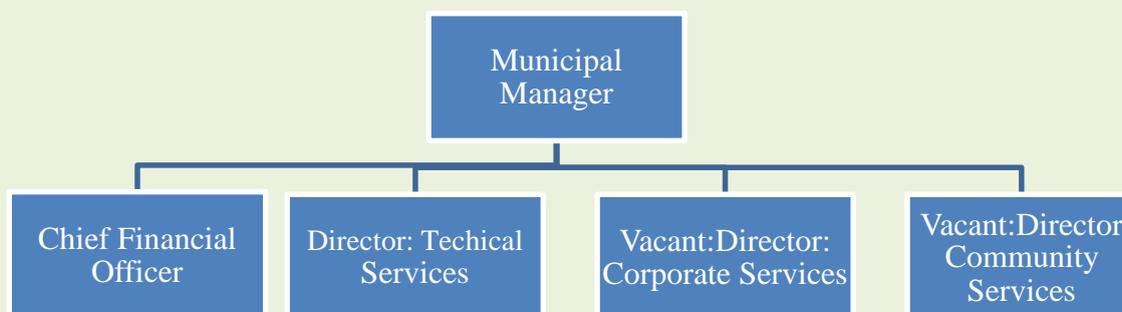
Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/ Not	Reasons for deviation	Corrective action taken
-	-	-	-	-	-

**2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE**

Mohokare Local Municipality strives for improved service delivery and efficiency in customer care relations, in order to do these tasks the Municipality has an organizational - structure that talks to the needs of Council and the Powers and Functions of an Executive type of Council Municipality.

The Municipal Manager as the Accounting Officer has ensured that the organizational structure that will enable the implementation of service delivery tasks is reviewed.

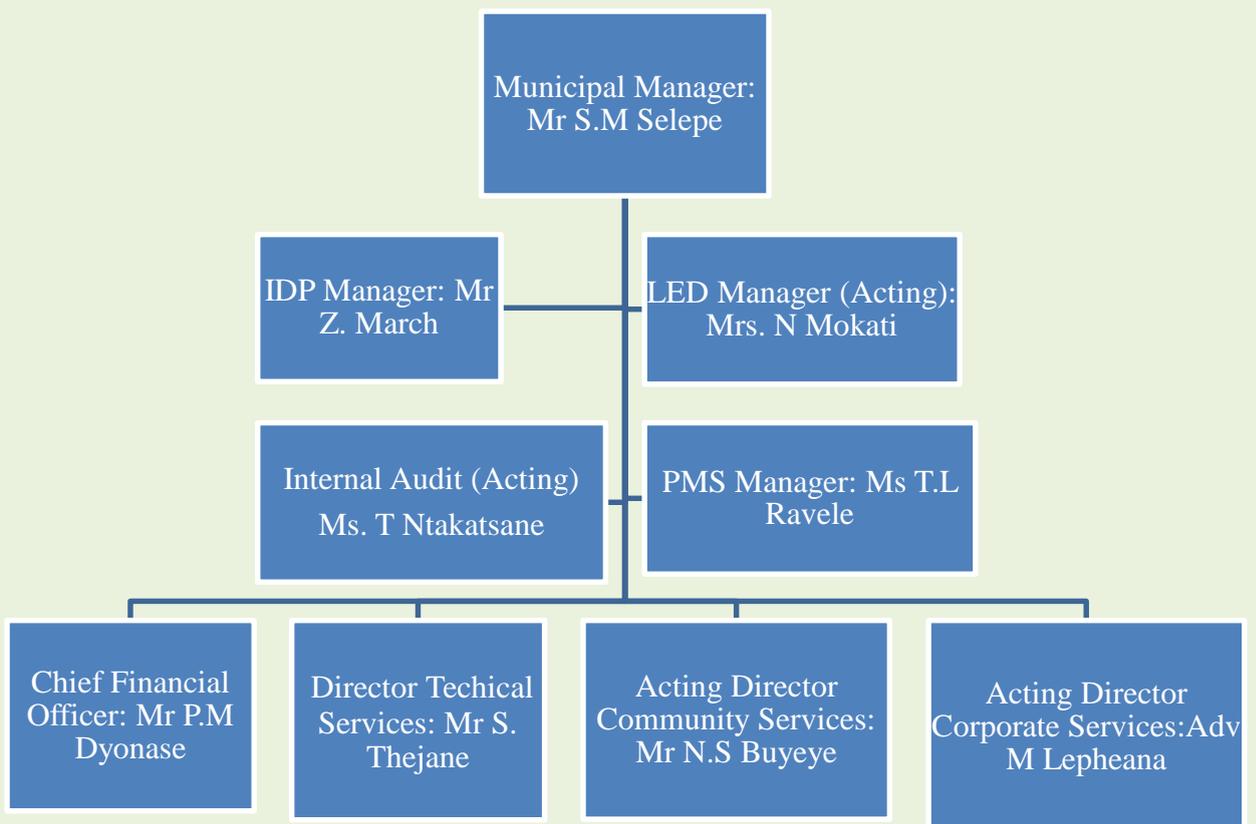
The Municipality is headed by the Municipal Manager and Managers directly accountable to the Municipal Manager, currently the top management structure Mohokare Local Municipality is as shown below;



Mr. S.M Selepe was appointed on the 19th March 2018 as the Municipal Manager and his employment contract will be ending on the 31<sup>st</sup> of August 2022. Currently, the municipality has two (2) Section 56 managers’ who were appointed during the 2019 financial year who report directly to the municipal managers, i.e. Mr. S.E Thejane – Technical Services Director and Mr P.M. Dyonase – Chief Financial Officer.

Due to financial constraints that are currently facing the municipality, Adv. M Lepheana was seconded from the Department of Cooperative Governance and Traditional Affairs (GoGTA) to act in the position of Corporate Services Department from the 10<sup>th</sup> of March 2020 and the contract ended on the 31<sup>st</sup> March 2022. Mr N.S. Buyeye was then appointed by the municipal council to act as a senior manager in the position of Community Services Director.

Municipal Manager	Mr. S.M Selepe
Chief Financial Officer	Mr. P.M Dyonase
Director: Technical Services	Mr. S. Thejane
Acting Director: Community Services	Mr N.S. Buyeye
Acting Director: Corporate Services	Adv. Lepheana (seconded 10 March 2020)





**Adv. M. Lepheane**  
**Acting Corporate**  
**Services Director**



**N.S BUYEYE**  
**Acting Community**  
**Services Director**



**M.S Selepe**  
**Municipal Manager**



**P.M DYONASE**  
**Chief Financial**  
**Officer**



**S. E Thejane**  
**Technical Services**  
**Director**

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **2.3 INTERGOVERNMENTAL RELATIONS**

The Inter-Governmental Relations Framework Act 13 of 2005 seeks to establish a framework for the National, Provincial and Local governments to promote and facilitate intergovernmental Relations to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes and to provide for matters connected herewith.

The municipality participates with various departments at national, provincial and district levels in fostering strategic partnerships and to advance its developmental objectives.

### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

#### **Municipal Managers Forum**

The Municipal Manager's Forum established as a platform for Municipal Managers to share knowledge and experiences, it sits regularly as a platform that provides an opportunity for Municipal Managers to contribute to the strengthening of the sector by informing improvements in Local Government performance collaborate in addressing common concerns and technical input to policy and legislative processes. The forum also provided opportunities to collectively engage with key stakeholders in addressing key issues affecting Local Government.

### **PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

The municipality is collaborating with various departments at provincial level.

The municipality participates in the SALGA IGR forum, Municipal Managers Forum, integrated development plan forum, Performance Management Systems Forum, Job Evaluation Forum and is also involved in attending meetings called by Provincial COGTA and the office of the Premier.

The Job Evaluation Forum did not sit in the 2021/2022 financial year.

### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

Informed by guiding legislation and policies related to IGR structures, Xhariep District Municipality established an IGR forum of which Mohokare as a Municipality is a member of this forum. The forum holds meetings quarterly to engage on issues pertaining to service delivery and to also foster strategic partnerships with government departments.

There are two structures of IGR the Political IGR and the Technical IGR i.e. the Political IGR is the structured for Mayors and Councilors and the technical structure for Municipal Managers and key managers and Officials.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

Mohokare Municipality is committed to the development of a culture of municipal governance that complements formal representative government with a system of participatory governance. The Municipality has a legal obligation to establish appropriate mechanisms, processes and procedures to enable the local community to participate in its affairs.

Mohokare Municipality utilizes the community centered participatory approach which enables the involvement of communities in municipal planning which ensures the participation of the community in the development of their area to promote the promotion of public accountability.

Public participation is the main system through which the municipality practices a culture of stakeholder engagements and participation as required by the Constitution of the Republic of South Africa, Act 108 of 1996, and the Local Government: Municipal Systems Act 32 of 2000.

#### **2.4. PUBLIC MEETINGS**

Mohokare has a public participation policy adopted by council, in terms of the Municipal Systems Act, Ward Councilors are required to hold at least one public meeting per ward per quarter. Councilors were encouraged to hold public meetings monthly to ensure continuous communication with their constituencies.

Mohokare Municipality engages with the public through the year on IDP/ Budget, by laws and various programmes and projects. The municipality has 6 Wards and 6 ward committees that are functional. The municipality publishes its public meetings utilizing the municipal website, notice boards and loud hailing to inform the community on public meetings to broaden its public participation.

There is also a stakeholder's forum chaired by the Mayor, constituted by all government departments offering services in the jurisdiction of Mohokare Local Municipality, this stakeholder forum holds monthly regular meetings and are well attended.

**Public Meetings**

<b>Nature and purpose of meeting</b>	<b>Date of events</b>	<b>Number of participating Municipal Councillors</b>	<b>Number of Participating Municipal Administrators</b>	<b>Number of Community members attending</b>	<b>Issue addressed (Yes/No)</b>	<b>Dates and manner of feedback given to community</b>
Mayoral Imbizo	09 June-14 June 2022	7	05	Zastron-228 Rouxville-148 Smithfield-90	-	-
Awareness Programme : Woman and children killings and abuse	-	No public meetings were conducted due to Covid19	No public meetings were conducted due to Covid19	No public meetings were conducted due to Covid19	-	-
IDP/ Budget consultative meetings	19 April-10 May 2022	06	08	748(3 Towns)	-	-
Ward Community Meetings	-	No public meetings were conducted due to Covid19	No public meetings were conducted due to Covid19	No public meetings were conducted due to Covid19	-	monthly-Quarterly

**2.5 IDP PARTICIPATION AND ALIGNMENT**

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

**INTEGRATED DEVELOPMENT PLANNING**

Integrated Development Planning (IDP) is a process whereby a municipality prepares its strategic development plan for a five-year cycle directly linked to its term of Council. IDP is at the centre of system of developmental local government in South Africa and represents the driving force for making municipalities more strategic, inclusive, and responsive and performance driven in character.

The IDP is the principle strategic instrument which guides and informs all planning, budgeting and development in Mohokare Local Municipality. It seeks to integrate and balance the economy, ecological and social pillars of sustainability without compromising the institutional capacity required to implement and coordinate the efforts needed across sectors and relevant spheres of government.

## **COMPONENT D: CORPORATE GOVERNANCE**

On-going local government reforms have provided broad administrative frameworks for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability.

### **2.6 RISK MANAGEMENT**

An effective risk management strategy can improve accountability by;

1. ensuring that risks are explicitly stated and understood by all parties;
2. that the management of risk is monitored and reported on, and that action is taken based on the results.
3. Focus on planning to deal with factors that may impact on the objectives of the municipality and provide an early warning signal.
4. Ensure opportunities are not missed and surprises cost don't arise.

For the 2021/22 financial year the municipality had a non-functional risk management committee.

An effective risk management strategy can improve accountability by ensuring that risks are explicitly stated and understood by all parties that the management of risk is monitored and reported on and that action is taken based on the results.

For 2021/22 financial year 69 risks were identified medium and high risks, they had mitigating strategies and target dates even though others they were not specific. 56 of them have movements while 13 with no movements.

#### **Summary on the review of the level of implementation of the mitigating strategies**

The risks identified had the mitigating strategies together with the due dates, (however others they were on going especially the ones of Service Delivery. As indicated in the attached monitoring register.

Below it's the table showing movement for each department for medium risks and high risks.

The detailed monitoring register for all departments explaining the movements as per the departments will be attached as annexure:

<b>Department</b>	<b>TOTAL NUMBER</b>	<b>RISKS WITH MOVEMENTS</b>	<b>RISKS WITH NO MOVEMENTS</b>
<b>Corporate Service</b>	23	15	8
<b>Finance Department</b>	19	17	2
<b>Community Services</b>	9	4	2
<b>Technical Department</b>	11	10	1
<b>Office of the Municipal Manager</b>	7	7	-
<b>Total</b>	69	53	16

## 2.7 ANTI-CORRUPTION AND FRAUD

Transparency is the cornerstone of public sector accountability. Fraud prevention is concerned ultimately with the effective utilization of resources and the minimization of waste, abuse, mismanagement, fraud and corruption. Effective accountability mechanisms for the use of public funds act to bolster the fraud prevention environment. Measures to prevent fraud should be continually monitored, reviewed and developed particularly as new systems, benefit programs, contracting or arrangements are introduced or modified.

The following documents were not submitted to Risk Management for approval due to non-sitting of the committee.

Fraud prevention plan in place

Risk Management Strategy

Risk Management Policy

## 2.8 SUPPLY CHAIN MANAGEMENT

The Mohokare Local Municipality SCM Policy is adopted and in line with Section 112 of the MFMA.

The Mohokare Local Municipality SCM Policy is from the Model Policy (Treasury Guideline) which is in line with the SCM Regulations. The Policy was adopted by Council and submitted to Treasury.

Goods or services must be procured by the municipality in accordance with authorized processes only. Threshold values for different procurement processes must be complied with. There are ranges of procurement processes within the SCM Policy of the Municipality which are in line with the Model Policy (Guideline). Performance management is also included in the Mohokare Supply Chain Policy.

## 2.9 BY-LAWS

Sections 12 and 13 of the Municipal Systems Act, 2000 (as amended) govern the legislative procedures and publication of by-laws by the municipality in order to give effect to the municipality's policies.

No new by-laws were newly adopted during the year under review and no by-laws in existence were revised.

Section 12 (1) of the Establishment Notice of Mohokare Local Municipality (Provincial Notice 181 of 2000) reads as follows:

“By-laws and resolutions (including standing delegations) of a disestablished municipality ... (a)

Continue in force in the area in which they were applicable subject to any amendment or repeal by the competent municipality”.

As a result, there are by-laws of the disestablished municipalities in the Mohokare area of jurisdiction that are still valid in their respective areas until they have been repealed and replaced by Mohokare Local Municipality.

No new by-laws were promulgated during the 2021/2022 financial year.

By-laws Introduced during Year 0					
Newly Developed	Revised	Public Participation Conducted Prior to	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
None	None	None	None	None	None
					T 2.9.1

## 2.10 WEBSITE

Mohokare Local Municipality website can be found at [www.mohokare.gov.za](http://www.mohokare.gov.za).

MUNICIPAL WEBSITE : CONTENT AND CURRENCY OF MATERIAL		
Documents published on the Municipality's Website	Yes/ No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	2022/03/02 Adjustment 2022/06/01 Annual budget
All current budget-related policies	Yes	2022/06/01
The previous annual report	Yes	2022/06/24
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	2021/10/11

<b>MUNICIPAL WEBSITE : CONTENT AND CURRENCY OF MATERIAL</b>		
<b>Documents published on the Municipality`s Website</b>	<b>Yes/ No</b>	<b>Publishing Date</b>
All service delivery agreements (Year 0)	No	-
All long-term borrowing contracts (Year 0)	No	-
All supply chain management contracts above a prescribed value (give value) for Year 2018/19	No	-
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	-
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	-
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	-
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	No	-
IDP Draft	Yes	2022/05/13
IDP Final	Yes	2022/06/09
SDBIP	Yes	2021/08/02

## **MUNICIPAL WEBSITE AND CONTENT**

Section 21B of the Municipal Systems Act, requires all municipalities to establish their own official website. The website enables municipalities to deliver information to the public. This is essential for improving service delivery.

The municipal website is an integral part of the communication platform of the municipality that serves as a tool for communication participation, information dissemination, allows for access to significant information, stakeholder involvement and disclosure in line with the pieces of legislation including: Local Government Municipal Systems Act No 32 of 2000, Local Government Municipal Finance Management Act No 56 of 2003 and Municipal Property Rates Act No 6 of 2004.

Municipal Local Municipalities has established its own website that is managed and hosted internally, the website contains a newly developed structure, it is accessible, easy to use and it is regularly uploaded with key documentation and information as set out in Local Government Municipal Finance Management Act section 75 or any other applicable legislation. The website at the current stage does have a function of measuring the number of the public visiting the website, and at this time the website measured **98653** visits by end of 30<sup>th</sup> June 2022.

## **2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES**

The municipality did not undertake community satisfaction surveys during the 2021/22 financial year.

The services used in the survey index were based on service delivery such as water, sanitation, electricity, municipal billing and roads.

## CHAPTER 3 - SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Mohokare Local Municipality remains committed to service delivery within its jurisdiction.

The following are the services provided by the municipality throughout the 2021/22 financial year:

1. Water Services
2. Sanitation Services
3. Roads and Storm Water Services
4. Electricity Services
5. Refuse Removal Services

### COMPONENT A: BASIC SERVICES

#### 3.1 WATER PROVISION

##### INTRODUCTION TO WATER PROVISION

The Municipality managed to implement and complete the following projects through infrastructure grants i.e. Municipal Infrastructure Grant, Water Services Infrastructure Grant & Regional Bulk Infrastructure Grant)

Town	Project Description	Project Value	Grant	Status	Financial Year
Zastron	Upgrading of the Zastron Water Treatment Works (WTW) Phase 01	R 26 000 000.00	WSIG	Completed	2021/22
Smithfield	Refurbishment of Smithfield Water Treatment Works (WTW)	R 2 100 000.00	WSIG	Completed	2021/22
	Reticulation of services for new sites	R 14 000 000.00	DHS	Completed	2021/22

Mohokare Local Municipality is currently billing 8072 household metered and excluding new sites allocated.

	Agriculture	Forestry	Industrial	Domestic	Unaccountable water
Year -1	0	0	0	1701826	161550.60
Year 0	0	0	0	2148547,84	173058,96
<b>Total Use of Water by Sector (cubic meters)</b>					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water
Year -1	0	0	0	1979300	113794
Year 0	0	0	0	1701826	161550.60

<b>Financial Performance 2021-22: Water Services</b>					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	72 122	42 492	42 492	38 041	-10%
Expenditure:					
Employees	15 809	14 757	17 549	23 432	34%
Repairs and Maintenance	6 159	450	300	250	-17%
Other	168	5 408	6 358	1 704	-73%
<b>Total Operational Expenditure</b>	22 136	20 614	24 207	25 386	5%
<b>Net Operational Expenditure</b>	(49 986)	(21 877)	(18 285)	(12 655)	-31%
					T 3.1.8

The Municipality budget is not sufficient to cover all Operations and maintenance (O&M) due to low collection of revenue. Therefore, the challenge will remain a serious obstacle for the municipality to address all the municipal needs.

The completion of all bulk water projects will assist in providing sustainable water supply in order to gain consumer confidence which will result in the community paying for municipal rates and taxes.

### 3.2 WASTE WATER (SANITATION) PROVISION

The municipality has managed to address all most spillages within its jurisdiction however this continues of vandalism in all pump stations at Zastron area.

Thus the municipality has successfully registered a project under the Municipal Infrastructure Grant (MIG) for an amount of R 17,4 Million to upgrade the outfall sewer line and pump stations. The status of the project is on construction.

Mohokare LM has successfully appointed the consultant to re-designed the collapsed current sewer reticulation at Refengkhotso. An interim project was introduced to the community of Refengkhotso which entails the installation of Easyflush units for 410 Households.

The constant blockages results experienced on the main lines prohibiting the adequate transportation of the waste water to the oxidation ponds due to unauthorized material dumped inside main-holes by the consumers. In order to counter act this challenge, the pure education through stakeholders meeting been discussed.

Financial Performance Year 2021-22: Sanitation Services					
					R'000
Details	2020-21	2021-22			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	9 707	10 501	10 501	10 422	-1%
Expenditure:					
Employees	8 648	5 597	5 382	8 306	54%
Repairs and Maintenance	–	1 583	642	3	-100%
Other	1 914	495	495	1 250	152%
<b>Total Operational Expenditure</b>	10 562	7 675	6 518	9 559	47%
<b>Net Operational Expenditure</b>	855	(2 827)	(3 983)	(863)	-78%
					T 3.2.8

Capital Expenditure 2021-22: Sanitation Services					
R' 000					
Capital Projects	2021-22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	22 726	22 726	880	-96%	
Rouxville/Roleleathunya: Upgrading of waste water treatment works	2 290	2 290	880	-62%	
Smithfield/Mofulatshepe: Upgrading of the outfall sewer	9 241	9 241		-100%	
Zastron/Matlakeng: Construction of a sewer network in Refengkgotso	11 194	11 194		-100%	522
					T 3.2.9

### 3.3 ELECTRICITY

The Municipality is the Electricity services authority but it has however appointed CENTLEC (entity of Mangaung Metro) to provide this service on its behalf. Some of the households, mostly in the townships fall within Eskom supply area. The municipality is currently being funded through INEP grants on electrification of new sites.

<b>Households - Electricity Service Delivery Levels below the minimum</b>						
<b>Description</b>	<b>Year -3</b>	<b>Year -2</b>	<b>Year -1</b>	<b>Year 0</b>		
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Original</b>	<b>Adjusted</b>	<b>Ac</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>Budget</b>	<b>Budget</b>	<b>tu</b>
				<b>No.</b>	<b>No.</b>	
<b>Formal Settlements</b>						
Total households	1926	1926	1112			0
Households below minimum service level	17,844%	17,884%	10,31%			0
Proportion of households below minimum service level	1926	1926	1112			0
<b>Financial Performance 2021-22: Electricity Services</b>						
						<b>R'000</b>
<b>Details</b>	<b>2020-21</b>	<b>2021-22</b>				
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>	
<b>Total Operational Revenue</b>	32 556	30 780	30 780	33 156	8%	
Expenditure:						
Employees	563	591	592	614	4%	
Repairs and Maintenance	-	250	300	-	-100%	
Other	41 262	28 528	32 024	37 618	17%	
<b>Total Operational Expenditure</b>	41 825	29 370	32 916	38 233	16%	
<b>Net Operational Expenditure</b>	9 270	(1 410)	2 136	5 077	138%	
						T3.3.7

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 -3	0	0	0	0	0%
4 -6	0	0	0	0	0%
7 -9	0	0	0	0	0%
10-12	1	1	1	0	0%
13-15	0	0	0	0	0%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
Total	1	1	1	0	0%

Electricity still remained a challenge for the municipality in the 2021/2022 financial year due to the following challenges:

1. The existing Service Level Agreement (SLA) with Centlec, needed to be reviewed,
2. O&M plans received for electricity infrastructure from Centlec, needed to be reviewed; and also
3. Old existing infrastructure (underground cables) that need to be changed to overhead lines

### 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING (COMMUNITY SERVICES))

The above division is mainly responsible for removal of waste classified or meant for household and business purposes.

On daily basis once per week, a programme is been implemented and followed to ensure removal of refuse within our communities. However, this is sometimes not achieved due to mechanical failure of vehicles, inclement weather and shortage of Staff.

Solid Waste Service Delivery Levels				
Description	Year-3	Year-2	Year-1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Solid Waste Removal: (Minimum level)</b>				
Removed atleast once a week	2,895	2,685	2,846	2,235
<i>Minimum Service Level and Above sub-total</i>	2,895	2,685	2,846	2,235
<i>Minimum Service Level and Above percentage</i>	50.9%	47.1%	51.5%	44.8%
<b>Solid Waste Removal: (Below minimum level)</b>				
Removed less frequently than once a week	655	547	565	523
Using communal refuse dump	865	846	487	865
Using own refuse dump	655	547	565	523
Other rubbish disposal	502	952	938	720
No rubbish disposal	112	123	124	124
<i>Below Minimum Service Level sub-total</i>	2,790	3,015	2,678	2,755
<i>Below Minimum Service Level percentage</i>	49.1%	52.9%	48.5%	55.2%
<b>Total number of households</b>	<b>5,685</b>	<b>5,699</b>	<b>5,523</b>	<b>4,991</b>
				T 3.4.2

Financial Performance 2021-22: Solid Waste Management Services				
				R'000
Details	2020-21	2021-22		
	Actual	Original Budget	Adjustment Budget	Actual
<b>Total Operational Revenue</b>	5 939	5 184	5 184	6 114
Expenditure:				
Employees	5 531	6 275	5 922	5 735
Repairs and Maintenance	-	-	100	92
Other	1 493	1 254	1 204	2 546
<b>Total Operational Expenditure</b>	<b>7 023</b>	<b>7 530</b>	<b>7 226</b>	<b>8 372</b>
<b>Net Operational Expenditure</b>	<b>1 085</b>	<b>2 345</b>	<b>2 042</b>	<b>2 258</b>

### 3.5 HOUSING

Amongst its objectives, is the registration and management of applicants in need of sites, the allocation thereof, registration and the allocation of houses and to managing receiving of title deeds for low cost housing subsidy programmes and issuing of such to Beneficiaries. All of the above are to reflect on divisions five (5) years Housing Sector Plan reviewed on annual basis. Since 2020 financial year, Municipality has been offered the allocation of houses as per the below table;

Name of Town	Financial Year	Housing units allocated	Name of Contractor	Project Sponsor	Project progress to date		
					Completions	Incomplete	Not yet built
Zastron	2020/2021	48	Unknown	Provincial CoGTA	1	0	47
Rouxville	2020/2021	12	Unknown		0	0	0
Smithfield	2020/2021	5	Bodence PTY		0	1	4
		11	Grand Minolta		5	4	2
TOTAL ALLOCATION		76			6	5	55

The above low cost housing subsidies, are under both Enhanced Housing Subsidy and Individual Subsidy Schemes through Provincial Beneficiary identification processes.

Other than the above, numerous projects are still incomplete and facilitations of completions is being done and will always be on Management and Council Agenda.

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	10276	10276	100%
Year -2	10276	10276	100%
Year -1	10276	10276	100%
Year 0	10793	10276	100%

Financial Performance 2021-22: Housing Services						R'000
Details	2020-21	2021-22				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	523	549	550	666	21%	
Expenditure:						
Employees	871	1 028	950	999	5%	
Repairs and Maintenance	-	-	-	-	0%	
Other	7	7	7	8	9%	
<b>Total Operational Expenditure</b>	878	1 035	958	1 007	5%	
<b>Net Operational Expenditure</b>	355	486	408	341	-16%	
					T 3.5.5	

Service delivery priorities	Improved performance measures	Major efficiencies achieved
Issuing of title deeds to Beneficiaries	Recorded and registered title deeds issued for and to Beneficiaries	Right to property ownership
Allocation of sites to Beneficiaries	Reduction of informal settlements	Right to property ownership & minimized unauthorized land invasion
Allocation of low cost housing projects	Reviewed Housing Sector Plan	Reduction of informal or temporary households

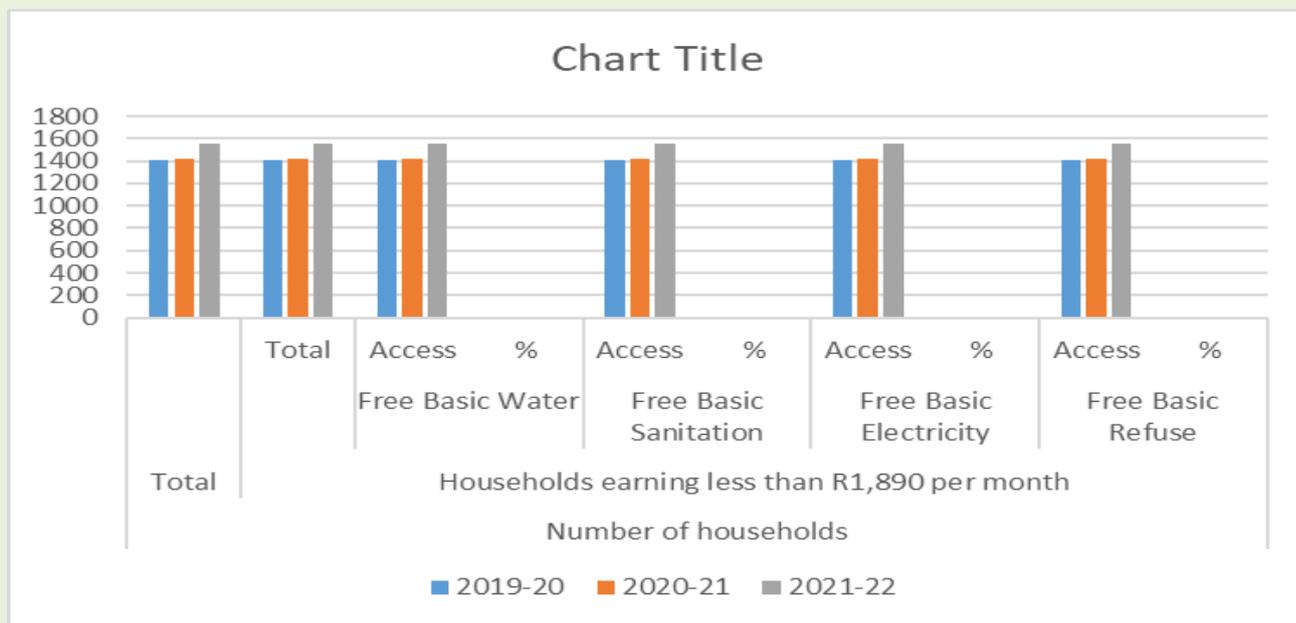
### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Basic services are generally regarded as access to electricity, clean water within a reasonable distance of one’s dwelling, basic sanitation, solid waste removal and access to and availability of roads. Free Basic Services (FBS) are allocated as part of the equitable share received annually and utilized for the benefit of the poor only.

The key purpose of the indigent policy subsidy is to ensure that households with no or lower income are not denied a reasonable service and the municipality is not financially burdened with non-payment of services. Provided that funds are available, the indigent subsidy policy should remain intact.

Registered indigents qualify for the following free basic services:

- 6kl of free water
- 50kwh of electricity
- 100% subsidy on sanitation tariff
- 100% subsidy on refuse removal tariff
- Up to R 120 000 of the market value of the property



Free Basic Services To Low Income Households											
	Number of households										
	Total	Households earning less than R1,890 per month									
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
	Total	Access	%	Access	%	Access	%	Access	%		
2019-20	1413	1413	1413	100%	1413	100%	1413	100%	1413	100%	
2020-21	1416	1416	1416	100%	1416	100%	1416	100%	1416	100%	
2021-22	1555	1555	1555	100%	1555	100%	1555	100%	1555	100%	
										<i>T 3.6.3</i>	

Financial Performance 2021-22: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2020-21	2021-22			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	1 266	1 590	1 590	1 620	2%
Waste Water (Sanitation)	1 603	1 113	1 113	1 949	75%
Electricity	–	3 710	3 710	–	-100%
Rates and Levies	548	1 325	1 325	607	-54%
Waste Management (Solid Waste)	1 201	1 113	1 113	1 461	31%
Total	4 620	8 851	8 851	5 636	-36%
					<i>T 3.6.4</i>

## **COMPONENT B: ROAD TRANSPORT**

The municipality participated in the Rural Roads Asset Management System (RRAMS) which is a forum coordinated by the Xhariep District Municipality.

The forum was able well established with other locals within the District and managed to develop a report for council adoption.

The municipality was able to develop a road maintenance plan and a Roads and Storm Water Master plan which were both adopted by council prior financial years.

The municipality remains committed by ensuring the provision of traffic-able roads.

### **3.7 ROADS & WASTE WATER (STORM WATER DRAINAGE)**

The Municipality has been implementing roads projects in line with its roads and storm-water master plan. The focus has been on access roads where the internal roads have been upgraded with block paving. Despite progress made thus far, the Municipality still faces challenges on maintenance of existing roads. The overall performance of the roads section is not satisfactory as far as routine road maintenance of existing network infrastructure is concerned, due to ageing or behind life span of the tar roads. Due to the challenges on old infrastructure and financial constraints, the road and storm water Masterplan of Mohokare Local Municipality is outdated, and the section is performing the tasks as best as possible within the limitations. Most of our roads are experiencing aggregate loss, which gives the surfaces of our roads a rough texture. Then Municipality will need to rehabilitate tar road by applying new asphalt surfaces, especially main roads with tar surface. The option of slurry will not applied on our roads current, due to more loss of aggregates on the surface. But the programme of re-graveling grading of all access gravel road, is not effective due to the continuous breakdowns of the grader.

#### **Challenges:**

- Lack of yellow fleet for maintenance of roads (e.g. graders, TLB, Compactor drum, water tanker and Tipper Trucks)
- Lack of proper storm-water channels which affects roads especially during rainy season e.g. informal settlement
- Insufficient budget for operations and maintenance purposes.

Gravel Road Infrastructure					
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
Year -2	60	-	0	20	
Year -1	60	-	0	10	
Year 0	60	-	3,7	15	
Tarred Road Infrastructure					
Kilometers					
	Total tarred roads	New tar roads	Existing tarroads re-tarred	Existing tar roads re-sheeted	Tarroads Maintained
Year -2	21	-	-	0	0
Year -1	21	-	-	0	0
Year 0	21	-	-	0	0
					<i>T 3.7.3</i>

Road and Storm Water					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 – 3	0	0	0	0	0%
4 – 6	8	21	8	13	61.9%
7 – 9	0	0	0	0	0%
10 – 12	1	3	1	2	66%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	9	24	9	15	62.5%

As indicated earlier, the municipality has been prioritizing its access roads and below are the main projects implemented thus far:

- 1 Upgrading of 2 km access paved road in Rouxville - completed in 2011;
- 2 Upgrading of the 2.9 km paved access road in Matlakeng – completed 2015; and
- 3 Upgrading of 3 km paved access road in Mofulatshepe/Smithfield – the municipality was able to over achieve by 2.6km on this project as 5.6 km was completed.
- 4 The construction of the 600m Zama road in Zastron – completed 2019 and a construction of 1.7km phase 1 & 2 km phase access road in Rouxville – 2020 completed the roads are to be constructed using block paving.

### 3.8 TRANSPORT

The Municipality does not have an approved transport plan. However, the plan will be developed once the spatial framework has been completed. Most of the transport functions which includes vehicle licensing and taxi licensing are currently being managed under the provincial government.

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

The municipality is currently creating new storm-water channels on the existing residential areas through the implementation of new access roads. In the 2013/14 financial year, the municipality constructed a 2 km access road in Rouxville/Roleleathunya and in the 2014/15 financial year, constructed a 2.9 km access road in Zastron. The municipality started with a 5 km access road project in Smithfield in April 2016.

The municipality has not yet upgraded any existing storm-water channels due to a huge backlog. Maintenance of the existing storm water channels is currently being done through the Expanded Public Works Program. The below tables indicates the length of storm-water done for the past three years including expenditure thereof:

<b>Storm water Infrastructure</b>				
				<b>Kilometres</b>
	<b>Total Storm water Measures</b>	<b>New storm water measures</b>	<b>Storm water measures</b>	<b>Storm water measures Maintained</b>
Year -2	160	0.4	0	30
Year -1	166	1.3	0	26.76
Year 0	166	1.3	0	40

<b>Cost of Construction/Maintenance</b>			
<b>R' 000</b>			
	<b>Storm water Measures</b>		
	<b>New</b>	<b>Upgraded</b>	<b>Maintained</b>
Year -2	0	0	R110 000.00
Year -1	632,800	0	R 120 000.00
Year 0	2,337,396	0	R 158 400.00

The municipality is utilizing open channel drainage system in most of its areas and these are further implemented along the access road project. Maintenance is mostly done under the Public Works program of EPWP.

Major maintenance works is done utilizing hired jet machines to unblock underground storm-water channels in certain sections of Matlakeng/Zastron.

## **COMPONENT C: PLANNING AND DEVELOPMENT**

### **3.10 PLANNING**

Town planning from a municipal perspective focuses on land use and the development thereof in such a way as to be sustainable, in other words, planning and development must be done as to enhance the environment for man and animal in a harmonious way as to be sure that future generations will be able to enjoy the legacy from their parents in a sustainable manner.

#### **MAIN ELEMENTS OF PLANNING STRATEGY**

Manages the key performance areas and result indicators associated with the creation, regeneration, enhancement and management of public spaces through the provision of a professional management consultancy service disseminating advice and guidance on international best practice trends, design, specification, procurement and implementation sequences in respect of urban design and architectural projects and monitoring and reporting on the outcomes. For this to be possible, town planning has certain policy documents as well as guidelines to assist in above goals.

#### **SPLUMA COMPLIANCE**

- Spatial Planning by law;
- Town planning policy updated in terms of SPLUMA;
- Spatial Development Framework Review: incorporation of SPLUMA principles; and
- Mohokare Land Use Scheme 2022 developed and approved.

#### **LAND USE DEVELOPMENT, PLANNING AND MANAGEMENT**

1. Town Planning Schemes and since June 2022 it is replaced by the Mohokare Land Use Scheme
2. Building control
3. By laws
4. Policies

#### **ACHIEVEMENTS**

The Mohokare Land Use Scheme has been approved by Council in June 2022.

#### **UNIVERSITY FREE STATE (UFS)**

The town planner was invited as an external examiner for papers by 25 Honours students in Town and Regional Planning, UFS

## FREE STATE PLANNING FORUM

The town planner is a member of the SPLUM Forum and attend quarterly meetings.

## SWOT ANALYSIS

<b><u>STRENGTHS</u></b>	<b><u>WEAKNESSES</u></b>
<ol style="list-style-type: none"> <li>1. Alignment of Spatial Development Framework to the Integrate Development Plan and the Budget.</li> <li>2. Professional registered planner</li> <li>3. Land Use Scheme in place.</li> <li>4. National and Provincial support SPLUMA – supportive legislation</li> <li>5. Good working relations with Senior Management Team</li> </ol>	<ol style="list-style-type: none"> <li>1. Lack of understanding of spatial planning and land use management by local communities</li> <li>2. No GIS</li> <li>3. Turn-around time for town planning processes to run its course</li> <li>4. MPT (Municipal Planning Tribunal) problematic in small municipalities</li> </ol>
<b><u>OPPORTUNITIES</u></b>	<b><u>THREATS</u></b>
<ol style="list-style-type: none"> <li>1. Effective implementation of SPLUMA in terms of land use</li> <li>2. Development and planning opportunities</li> <li>3. Future growth within the wall-to-wall boundaries of the municipality</li> <li>4. Smooth Land use management and governance</li> </ol>	<ol style="list-style-type: none"> <li>1. Illegal occupation of land</li> <li>2. Inadequate budget for processes of own planning in terms of own land development – e.g. 54 sites in Mofulatsepe</li> <li>1. Illegal construction of structures</li> <li>1. Political interference</li> </ol>

## LANDUSE DEVELOPMENT, PLANNING AND MANAGEMENT

- Identification of land for LED projects as per the project lists in the Spatial Development Framework.2021/22
- Infill planning in Smithfield of the vacant municipal owned properties.
- Investigation into state-owned residential properties for possible transfer to the municipality
- Talks with Transnet in terms of lease agreements between the municipality and Transnet for use of their vacant proprieties and structures for local economic development growth
- The process of a township at the farm Mooifontein, now to be known as Extension 11, Zastron.

**MUNICIPAL PLANNING TRIBUNAL COMMITTEE**

The Municipal Planning Tribunal did not sit in the financial year 2021-22 due to COVID 19 and the expiration of the Municipal Planning Tribunal Committee. The new MPT was approved by Council in June 2022. The following individuals form part of the next 5 years MPT:

<b>NAME</b>	<b>POSITION</b>
Mr S Moorosi	Chairperson
Mr. S. Sebinane	Member
Mr. J. Songame	Member
Me. N. Duma	Member
Me. Z. Meyiwa	Member
Me E. Meades	Authorized Official
Mr. N.S Buyeye	Member
Mr. T.A Lekwala	Member
Me. P. Marais	CoGTA Advisor

**Category 1**

Applications received and will be dealt with in the next financial year:

<b><u>Date Of Planner report</u></b>	<b><u>Property description</u></b>	<b><u>Owner</u></b>	<b><u>Land use application</u></b>	<b><u>Approval/non approval</u></b>
04/02/2022	1. TREURFONTEIN 438, 2. THE FARM GROOTFONTEIN 445 3. FARM ROODE DAM 126 4. ADMINISTRATIVE DISTRICT OF ROUXVILLE	B J ENGELBRECHT and A ENGELBRECHT	The proposed consolidation and the following subdivision of the proposed consolidated farm	Awaits MPT approval
14/03/2022	1. THE REMAINDER OF THE FARM CARMEL 208 SMITHFIELD DISTRICT	-	Consent use on telecommunication mast	Awaits MPT approval

**Category 2**

Since the town planner is registered at SACPLAN, she can deal with Category 2 applications and approval or not, three-of.

The following applications were received and approved during the 2021/22 FY :

<b><u>Date Of Decision</u></b>	<b><u>Property description</u></b>	<b><u>Owner</u></b>	<b><u>Land use application</u></b>	<b><u>Approval/non approval</u></b>
03/02/2022	<b>ERF 395 ROUXVILLE</b>	<b>C.J. WILKEN</b>	<b>Consent use and building line relaxation For a 25 m high freestanding base telecommunication station</b>	<b>APPROVED,</b> in terms of section 16(3)(n) of the Municipal Land Use Planning By- law.
23/11/2021	<b>ERF 259 ROUXVILLE AND ERF 364 ROUXVILLE</b>	<b>W.A. WILKEN</b>	<b>Consolidation and the subdivision thereof</b>	<b>APPROVED</b> The municipality must be informed of conclusion of both processes for record purposes and changes to the Valuation Roll.
23/01/2022	<b>ERF 720 ZASTRON</b>	<b>G. Marais</b>	Consent use to allow the land use: a freestanding base telecommunication station	Awaits approval as information and advertising on site was delayed

**LIQUOR LICENSE APPLICATIONS** – None received during the 2021/2022 financial year.

**Applications now only sent to the Xhariep Environmental Health Practitioner**

The Mohokare municipality experiences problems with the Free State Liquor board's decisions and lack of feedback on licenses issued as it does not take enough cognizance of the municipal recommendations and thus does not adhere to SPLUMA principles. This problem needs to be addressed through the Free State SPLUM Forum and South African Local Government Association (SALGA).

**BUILDING PLAN REGISTER 2021/22**

The register is updated by the Department of Community Services

**SERVICE DELIVERY PRIORITIES**

**2. Land use applications according to SPLUMA**

Constant information is given to the community and individuals on the new Act governing Land use.

**3. Spatial Development Framework and Land Use Scheme**

A LUS Steering Committee as well as a SDF Steering committee were established as per SPLUMA requirements to aid in the development of new documents for the municipality.

1. The new Mohokare Land Use Scheme was approved by Council in June 2022 and replaces the old Town Planning Schemes
2. The SDF steering committee has advertised its intention in June 2022 of commencement of the new SDF with an approved process plan in place.

**MEASURES TO IMPROVE SERVICE DELIVERY**

1. Make use of the Chief Surveyor General's data and diagrams for encroachment complaints
2. Verification of ownership through the Deeds Office
3. Functioning Municipal Planning Tribunal.

Financial Performance 2021-22: Planning Services (Includes Town Planning, IDP and LED)					
					R'000
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	6	-	-	-	100%
Expenditure:					
Employees	6 968	7 748	7 099	6 761	-5%
Repairs and Maintenance	-	-	-	-	0%
Other	2	164	162	118	-27%
<b>Total Operational Expenditure</b>	6 970	7 912	7 261	6 879	-5%
<b>Net Operational Expenditure</b>	6 964	7 912	7 261	6 879	-5%
					T3.10.5



### 3.11 LOCAL ECONOMIC DEVELOPMENT – LED (INCLUDING TOURISM AND MARKET PLACES)

Municipalities have a constitutional mandate to promote local economic development (LED).

Section 153 of the constitution states that:

**“A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, to promote the social and economic development of the community”.**

Local Economic Development is a process where local stakeholders such as government, business, labour, and civil society organisations work collectively to identify, utilize and harness resources to stimulate local economy and create employment.

#### LED STRATEGY

The LED Strategy was last reviewed in 2020 and the LED Unit will be reviewing it again before end June 2023. The review of the Strategy will be done concurrently with the review of the SMMEs Support Policy.

#### THE IDENTIFIED LED PROJECTS FOR 2021/2022

ZASTRON	ROUXVILLE	SMITHFIELD
Tourism signage	Tourism signage	Tourism signage
Development of a tourism brochure	Development of a tourism brochure	Development of a tourism brochure
Establishment of tourism website	Establishment of tourism website	Establishment of tourism website
		Blesbok Culling in Smithfield
	Popularization of local Museums	Popularization of local Museums
	Fuel station	Fuel station/ garage
Re-commercialisation of Makhaleng boarder post		
Upgrading of the S2 road		Revival/ resuscitation of the truck stop
Production of charcoal	Wool processing	Game farming
	Poultry farming	
Executive car wash	Car wash project	Car wash project
	Lime stone mining	Bricks making project

Meat processing	Beef farming	Beef farming
Recycling	Recycling	Recycling
		Bakery
Sand stone mining	Bricks making project	Bricks making project
Large vegetable farming	Large scale farming	Large vegetable farming
SMMEs Pothole Patching & Sidewalk grass cutting	SMMEs pothole patching	SMMEs sidewalk grass cutting

## **JOB CREATION INITIATIVE: EPWP & CWP INTAKE 2021/2022**

### **Community Works Program 113**

<b>Town</b>	<b>Number</b>
<b>Zastron</b>	<b>62</b>
<b>Smithfield</b>	<b>30</b>
<b>Rouxville</b>	<b>25</b>

### **Expanded Public Works Program: 1097**

<b><u>Town</u></b>	<b><u>Number</u></b>
<b>Zastron</b>	<b><u>446</u></b>
<b>Smithfield</b>	<b><u>323</u></b>
<b>Rouxville</b>	<b><u>328</u></b>

## **APPROVED FUNDING APPLICATIONS FOR 2021/2022 FINANCIAL YEAR**

The LED unit had ensured that all registered SMMEs are applying for funding during 2021/2022 financial year while unregistered were encouraged to register so that they could also benefit from Department of Small Business Development's Informal Micro Enterprises Development programme (IMEDP). In all 54 SMMEs benefitted on procurement of business equipment in the field of catering, beauty salon, garden service, motor painting, carwash etc. The total amount the department spent on the program was R540 000

## **EMPLOYMENT RESEARCH**

The rate of unemployment is extremely higher and serious. The LED unit explores new and innovative ways to empower, support and capacitate all SMME's to live up to the ideals of self-employment. Research conducted had revealed that only 18% indigents registered as per municipality indigent register of the entire population in the municipality. This is absolutely very low percentage, as compared to the rate of unemployment, meaning municipality must encourage

residents to register as indigents. However, LED unit will continuously support SMME's through all relevant interventions as per attached on LED identified projects as means to create jobs.

### **SANRAL SMMEs TRAINING PROGRAM**

The South African National Roads Agency Limited has introduced SMMEs training program in Mohokare. The purpose of the training is to empower registered SMMEs with necessary skills on road construction and maintenance. In all 90 SMMEs are enrolled in the program and training is already concluded for Smithfield and will conclude during the month of January for Zastron, and Rouxville will be the last.

### **AGRO-PROCESSING**

The LED unit oversee that the established Local Economic Forums in Zastron, Rouxville and Smithfield in the past financial year that are functional with a sole objective of discussing economic opportunities that Mohokare municipality can create for residents. Moreover, the municipality has been identified as an agrarian area that pride itself with cattle, sheep, pigs and goat farming but residents don't benefit from agricultural opportunities as cow and sheep skin are taken elsewhere for processing instead of being processed locally and create employment. With the completion of the Farmers Support Unit in Mohokare, municipality must expedite the appointment of Agricultural Support Officer for purpose of having a person in the municipality who will work together with the Support Unit in advancing the interest of the agricultural sector.

### **TOURISM**

Tourism is one of the world fastest growing industries and it has a major influence on the economy and developments in our areas. The municipality is situated along Maluti tourism route that covers the town of Zastron and Rouxville. The other town of Smithfield is situated along the N6 national road which also presents good opportunities for tourism. Mohokare Local Municipality shares borders with the Mountain kingdom of Lesotho's town of Mhaleshoek as well as the Eastern Cape town of Sterkspruit. The municipality's geographic position therefore presents a wide range of opportunities including trade and tourism. Development of a Tourism Support Policy as well as compilation of a tourism brochure should be one of the priorities of the LED Unit. Underneath is a table showing number of accommodation establishments in each town:

<b>TOWN</b>	<b>ACCOMODATIONS</b>	<b>ATTRACTIONS</b>
Zastron	15	13
Rouxville	4	5
Smithfield	7	7

## COMMERCIALISATION OF MAGALEEN BORDER POST

It is a known fact that the aforesaid boarder post is shared by Zastron town in the Free State Province and Mohaleshoek town of Lesotho country. The S2 road also needs to be upgraded so that travelling between two countries can be easier and accessible for tourists. The project has been presented as part of Small Town Regeneration (STR) Programmes.

## SMALL SCALE MINING

It was officially confirmed that the DRDLR is still funding the sandstone mining project which was awarded to our SMME named Zondwa Zintshaba cooperative. The manager from DRDLR Mr Fanyane Mokoena is working on this project.

## SMALL TOWNS REGENERATION PROGRAM

Small Town Regeneration (STR) is one of the flagship initiatives of SALGA aimed at targeting small towns as entry points of effective spatial transformation, stimulate economic growth, and create employment. The programme was inaugurated in Bloemfontein in 2015 and then roll-out in the Karoo region in the following year. The Karoo STR is an inter-provincial initiative which strides across provinces i.e. Northern Cape, Western Cape, Eastern Cape & the Free State. 40 Municipalities are participating in this unique interprovincial initiative: 4 of these Municipalities are in Free State these are:

1. Xhariep District Municipality
2. Mohokare Local Municipality
3. Letsemeng Local Municipality
4. Kopanong Local Municipality

The council resolution was submitted to SALGA indicating that Mohokare Municipality support this noble initiative and Zastron was a pilot town with identified LED projects. However, the steering committee must be established comprising of all local stakeholders whereby chairperson must be the mayor. The training will be organised for committee members, and terms of reference will be circulated, STR conference will host the 4<sup>th</sup> conference Municipality is expected to give inputs.

## SALE OF COMMERCIAL LAND

Mohokare Municipality has beautiful and attractive commercial land in all its three towns. In 2018, council approved a recommendation that commercial land must be advertised and interested parties be invited to come and make business proposals

TOWN	SITE NO
Zastron	654,655,662,663,664,665 and 666
Rouxville	683,684,685,686,687,688 and 689
Smithfield	530 – Next to traffic department 508 – Just next to old Railway station for development only

## CONCLUSION

It's a cogent fact that municipality has no budget for LED projects, but its primary task through its LED Unit is to create enabling environment for economic growth and employment creation. Through its LED Unit the municipality further assist, give support and lobby funding for developmental projects as identified and proposed by formalised structures in a form of cooperatives and close corporations. The EPWP as well as CWP are still accounting for more employment in the municipality even though on contractual basis. Currently, the LED Unit is run by both LED Manager and SMMEs & Tourism Officer who are respectively implementing all LED projects, coordinating LED strategies, objectives and programmes as well as assisting government agencies and statutory institutions with the implementation of SMMEs support programmes to mention but few.

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

Within Mohokare Local Municipality, this component is focused on the following; Human Settlements, Commonage Management, Traffic Law Enforcement, Sports and Facilities, Amenities, Solid Waste Management. In as much as we address issues related to Environmental Health and Disaster Management, the competence and mandatory obligations are that of the Xhariep District Municipality.

### INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

In the contexts of our Municipality, this department dedicatedly, serves to bring about changes and developments through the above strategies as mandate through its Organizational structure. It is therefore noted under each subcomponent that, amendments from previous report is reflected as an update of the current and functional administration.

### 3.12 LIBRARIES, COMMUNITY FACILITIES & OTHER

Libraries and its surrounding facilities, are the responsibility of the Provincial Sports, Arts, Culture and Recreation, and not our main core function since devolution of Libraries to the Provincial government.

### SERVICE STATISTICS FOR LIBRARIES, COMMUNITY FACILITIES & OTHER

The Municipality through Corporate Services department, is responsible for bookings of Town Hall in Zastron and management of Council Chambers whilst through satellite offices, Unit Managers take control of locally based facilities like Community Halls.

Employees: Libraries					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	0	0	0	0	0%

Financial Performance 2020-21: Libraries						R'000
Details	2019-120	2020-21				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	-	-	-	-	0%	
Expenditure:						
Employees	-	-	-	-	0%	
Repairs and Maintenance	-	-	-	-	0%	
Other	-	-	-	-	0%	
<b>Total Operational Expenditure</b>	-	-	-	-	0%	
<b>Net Operational Expenditure</b>	-	-	-	-	0%	
					T 3.12.5	

There have never been projects planned for the above facilities (Community Facilities) under year of review.

### 3.13 CEMETERIES

The Municipality has eighteen (18) cemeteries with six (6) in each Town. Having mentioned the above, its only three cemeteries operational in each town due to sites been allocated to its full capacity. The allocation of graves is being conducted through the Municipal offices and Supervisors responsible. There is no crematorium that is owned or managed by the Municipality. The below table current status as depicted above.

Name Town	Number of Cemeteries	Name of Cemetery					
		1	2	3	4	5	6
Zastron	6	Zastron Cemetery	Mooifontein Cemetery	Phomolong Cemetery	S2 Cemetery	Valrok cemetery	Matlakeng Cemetery
<b>Cemetery Status</b>		<b>Closed</b>	<b>Closed</b>	<b>Closed</b>	<b>Operating</b>	<b>Closed</b>	<b>Closed</b>
Rouxville	6	Old Roleleathunya	Roleleathunya	Rouxville	Uitkoms	Old Rouxville	New Roleleathunya
<b>Cemetery Status</b>		<b>Full to capacity</b>	<b>Full to capacity</b>	<b>Operating</b>	<b>Full to capacity</b>	<b>Closed</b>	<b>Full to capacity</b>
Smithfield	6	Smithfield	Old Mofulatshepe	Old Smithfield	Makhaleng	Rietpoort	New Smithfield
<b>Cemetery Status</b>		<b>Full to capacity</b>	<b>Full to capacity</b>	<b>Closed</b>	<b>Closed</b>	<b>Full to capacity</b>	<b>Operating</b>

To date, we note that there are monthly reports on attendance and allocation of graves per Town and that is reflected hereunder during the year under review.

Month	Name of Town	Number allocated							No of top on top	Ward Number						Total Graves allocated
		Still born	0-5	6-15	16-21	22-36	37-65	66 Up		1	2	3	4	5	6	
Quarter 1 – 4	Rouxville															
	Smithfield															
	Zastron															
Total number of graves allocated																

**NOTE BEFORE:**

It is therefore brought to book that, the numbers reflected above, are as per the official Municipal graves allocation register from each town and not from any other source. This report is not intended to contravene any other report available or made available to the public by any other means.

Financial Performance 2021-22: Cemeteries						R'000
Details	2020-21	2021-22				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	68	82	78	73	-13%	
Expenditure:						
Employees	0	-	-	-	0%	
Repairs and Maintenance	0	-	-	-	0%	
Other	0	-	-	-	0%	
<b>Total Operational Expenditure</b>	0	-	-	-	0%	
<b>Net Operational Expenditure</b>	(68)	(82)	(78)	(73)	-13%	
					T 3.13.5	

**COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIALS OVERALL:**

There is a report tabled about the cemeteries as it is what the Municipality is operating and managing.

**3.14 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES**

The Municipality does not manage or operate all of the above though there are facilities that through rental agreements, has been dedicated to accommodate this learning institutes.

**COMPONENT E: ENVIRONMENTAL PROTECTION****3.15 ENVIRONMENTAL HEALTH MANAGEMENT**

The above, is not a core function of the municipality but the District Municipality; therefore, all the tables in this component are not applicable to the municipality. The reports will respectively reflect under Xhariep District Municipality.

## COMPONENT F: HEALTH

### 3.16 HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTION

The reports will respectively reflect under Xhariep District Municipality

## COMPONENT G: SECURITY AND SAFETY

Our traffic safety and security division, under department of Community Services, plays a pivotal role in managing traffic and all related aspects, including our roads and assisting both the Province and National spheres of government, when coming to traffic services on the roads they are responsible for. It is within this division again and the Security services, that you see enforcement of the by-laws.

### 3.17 TRAFFIC SAFETY AND SECURITY

Mohokare Municipality has a dedicated division responsible for traffic control and traffic law enforcement. through this division, amongst its functions, the below mentioned are been brought to the attention of the Management and the Council on quarterly basis.

Under this division, the Municipality focused mainly on the following; visible traffic policing when coming to speed controls, road worthiness of municipal and public vehicle's, including road signs and markings. Further to the above, the below mentioned road accidents, is derived from Municipal attendant road incidents only.

Service delivery priorities	Improved performance measures	Major efficiencies achieved
Visible traffic policing	Informed drivers and repaired and maintained vehicles and the roads	Reduced traffic accidents, continuous repairs and maintenance of the roads and fully functional traffic division.
Speed control	Reduced charges on reckless, careless and drinking driving	

Municipal Traffic Service Data					
	Details	Year -1	Year - 0		Year - 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	58	0	73	0
2	Number of by-law infringements attended	0	0	0	0
3	Number of traffic officers in the field on an average day	8	8	8	0
4	Number of traffic officers on duty on an average day	8	8	8	0

Financial Performance 2021-22: Traffic & Police					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	12 214	35 000	12 500	86	-99%
Expenditure:					
Police Officers					
Other employees	3 149	3 499	3 131	3 212	3%
Repairs and Maintenance	-	-	-	-	0%
Other	24	179	522	45	-91%
<b>Total Operational Expenditure</b>	3 174	3 678	3 652	3 257	-11%
<b>Net Operational Expenditure</b>	(9 040)	(31 322)	(8 848)	3 171	-136%
					T 3.20.5

### 3.18 FIRE & DISASTER MANAGEMENT

The fire service is the competence of the District Municipality. In instance where prompt response and assistance required, the Municipality assigns its own employees to assist and frequently would source the services of Working On Fire teams in both Zastron and Rouxville. To date, there are no priorities except to mention that we only ascertain the annual review of Municipal Disaster Management Plan and officially anticipate the deployment of District Disaster Management Officer in Mohokare.

Fire Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	0	0	3	0
2	Total of other incidents attended in the year	0	0	3	0
3	Average turnout time - urban areas	0	0	0	0
4	Average turnout time - rural areas	0	0	0	0
5	Fire fighters in post at year end	0	0	0	0
6	Total fire appliances at year end	0	0	0	0
7	Average number of appliance off the road during	0	0	0	0
					T 3.21.2

There have been no disastrous events reported during the financial year.

Financial Performance 2021-22: Fire Services						R'000
Details	2020-21	2021-22				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	-	-	-	-	0%	
Expenditure:						
Fire fighters						
Other employees	-	-	-	-	0%	
Repairs and Maintenance	-	-	-	-	0%	
Other	3	33	30	7	-78%	
<b>Total Operational Expenditure</b>	3	33	30	7	-78%	
<b>Net Operational Expenditure</b>	3	33	30	7	-78%	
					T 3.21.5	

### **3.19 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES AND OTHER)**

Disaster management is a district function in terms of the allocation of powers and functions. The unit is specifically responsible for assisting the municipality on processes and administration of disaster and its related incidents. Without detracting from the above statement, the municipality, in partnership with both the District Municipality and the Province, pay attention to hazmats, road accidents, veld & household fires on commercial and commonage farming areas, including the town and townships.

In managing disaster, a plan is in place and work with stakeholders to maintain the course. Animal licensing with specific reference to the dogs, is still a matter to be emphasized through the By-laws whilst others (pigs, cattle, sheep etc.) are notably registered as per the animal livestock registration Act.

The control of public nuisance is being given attention by our Xhariep based EHP and as such, a report reflects on the progress and plans under the District.

### **COMPONENT H: SPORT AND RECREATION**

Sports in general, is of utmost importance with regard to the healthy persona, mentally and physically. Without this in life, the life expectancies with reference to our youth, would seem diminishing as most will resort to unhealthy lifestyles. As this was one of the municipality's important strategic goal in this current financial year, attention was brought or given in the below mentioned areas;

### **SERVICE STATISTICS FOR SPORT AND RECREATION**

There are no recorded service statistics except to mention that progress, employment opportunities enjoyed under the project, is reflected under department of technical services.

## COMPONENT H: SPORTS AND RECREATION

### 3.20 SPORT AND RECREATION

This division is responsible for promotion and management of sports, the management, repairs and maintenance of all sporting facilities under the jurisdiction of the Municipality. Credit is not taken away from our Sister departments in every level provided to the Municipality on annual basis.

Through our own internal competence and assistance of XDM and the Province (SACR), we managed to develop a draft Policy on

- Management and Use of Municipal Sports facilities and currently

Employees: Sport and Recreation					
Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3					
4-6	0	1	0	1	100%
7-9					
10-12	1	1	1	1	0%
13-15					
16-18					
19-20					
Total	1	2	1	2	50%

Financial Performance 2021-22: Sport and Recreation					
Details	R'000				
	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	-	-	-	-	0%
Expenditure:					
Employees	466	679	646	585	-9%
Repairs and Maintenance	-	-	-	-	0%
Other	-	21	20	5	-76%
<b>Total Operational Expenditure</b>	466	701	665	589	-11%
<b>Net Operational Expenditure</b>	466	701	665	589	-11%
					T 3.23.4

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

### CORPORATE GOVERNANCE

Corporate governance is a term that refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations.

Well-defined and enforced corporate governance provides a structure that, at least in theory, works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. To that end, organizations have been formed at the regional, national, and global levels.

**Mohokare Local Municipality applies the requirements of King III with the main focus areas:**

- Ethical leadership and citizenship
- Boards and directors
- Audit Committees
- The governance of risk
- The governance of information technology
- Compliance with laws, rules, codes and standards
- Internal Audit
- Governing stakeholder relationships
- Integrated reporting and disclosure
- 

The municipality has made strides in its role of ensuring the following is in place:

- Compliance with statutes through the development of a compliance register
- Upgrading of technology and systems
- Risk management- the governance of risk through applicable processes
- Development and review of policies
- Periodic performance assessments of Senior Managers are conducted
- There is an independent and effective audit committee
- A functional internal audit unit.

Employee: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9					
10 - 12					
13 - 15	13	15	13	2	
16 - 18					
19 - 20					
<b>Total</b>	<b>13</b>	<b>15</b>	<b>13</b>	<b>2</b>	

Financial Performance 2021-22: Municipal Manager					
Details	R'000				
	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	-	-	-	-	0%
Expenditure:					
Employees	1 432	1 616	1 749	1 968	13%
Repairs and Maintenance	-	-	-	-	0%
Other	13	82	82	29	-65%
<b>Total Operational Expenditure</b>	<b>1 446</b>	<b>1 698</b>	<b>1 831</b>	<b>1 996</b>	<b>9%</b>
<b>Net Operational Expenditure</b>	<b>1 446</b>	<b>1 698</b>	<b>1 831</b>	<b>1 996</b>	<b>9%</b>
					T 3.24.5

### 3.21 FINANCIAL SERVICES

The financial services for Mohokare are rendered by the Budget and Treasury department under the leadership and guidance of the Chief Financial Officer.

Capacity in the reporting of financial matters making use of in-house capacity relating to Budget (draft, final and adjustment) as well as the drafting of the Annual Financial statements. The completion of the asset register is outsourced only relating to fixed and infrastructure assets.

The reporting on assets is still outsourced.

The financing of services has been achieved in spite of severe financial constraints.

The major constraints being:

1. Poor cash-flow:
2. As a result of a low payment rate and
3. The inability to budget for the effective provision for the payment of creditors from the prior period.

Low payment rate.

1. The payment rate is set out in graph below, i.e. 39.1%
2. The Municipality does not have the leverage to use restriction of electricity to ensure payment of the water, refuse and sewerage services.
3. Water is at present not restricted – the fact that water is not always available at source also minimizes the effect of restricting the supply of water to a specific household.
4. The recovery of existing debts is hampered by the limited information on consumers whether they are able to service the debt and the current consumption.
5. The moratorium place by a council decision on the handing over of new debtor accounts to the attorney of the council.
6. The lack of capacitated staff to undertake credit control and debt collection.

Employees: Financial Services					
Job Level	Year-1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	0	0	0	0	0%
4-6	19	24	19	5	20.8%
7-9	1	1	1	0	0%
10-12	15	17	15	2	11%
13-15	2	3	2	1	33.3%
16-18	0	0	0	0	0%
19-20	0	0	0	0	0%
<b>Total</b>	<b>37</b>	<b>45</b>	<b>37</b>	<b>8</b>	<b>17.7%</b>

Financial Performance 2021-22: Financial Services					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	137 641	100 976	120 880	122 868	2%
Expenditure:					
Employees	14 128	15 114	14 173	19 995	41%
Repairs and Maintenance	-	-	-	-	0%
Other	127 923	84 740	83 041	117 889	42%
<b>Total Operational Expenditure</b>	<b>142 051</b>	<b>99 854</b>	<b>97 214</b>	<b>137 884</b>	<b>42%</b>
<b>Net Operational Expenditure</b>	<b>4 410</b>	<b>(1 122)</b>	<b>(23 666)</b>	<b>15 017</b>	<b>-163%</b>
					T 3.25.5

### 3.22 HUMAN RESOURCE SERVICES

The Human Resource Department contributes to managing the gap between human capacity needs and realities of Mohokare Local Municipality.

A Human Resource Strategy is in place to align our human resource policies and practices to support the accomplishment of the mission, vision, goals and strategies of MLM. The focus is to invest in our human capital to contribute effectively, efficiently and economically to the achievement of short, medium and long term objectives of the municipality.

The principal objectives of the HRM can be listed as the following but not limited to:

1. To help the organization reach its goals;
2. To employ the skills and abilities of the workforce efficiently
3. To provide the organization with well trained and well-motivated employees;
4. To increase to the fullest, the employees job satisfaction and self-actualization
5. To communicate the HR policies to all employees
6. To be ethically and socially responsible to the needs of the society.
7. To develop and maintain a quality of work force.

In the year ahead, work will be done to develop the succession and staff retention strategies and policies in order to grow internal capacity and ability. It is believed that this is a key tool to realizing many components of the HR Strategy.

<b>Employees: Human Resources Services</b>					
<b>Job Level</b>	<b>Year -1</b>	<b>Year</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime</b>	<b>Vacancies (as</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>a % of total</b>
					<b>%</b>
0 - 3					
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	4	3	1	33%
13 - 15	0	1	0	1	100%
16 - 18					
19 - 20					
<b>Total</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>66%</b>

Financial Performance 2020-22: Human Resource Services					
Details	2020-21	2021-22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	–	–	–	–	0%
Expenditure:					
Employees	1 999	2 335	2 149	2 192	2%
Repairs and Maintenance	–	–	–	–	0%
Other	239	333	268	97	-64%
<b>Total Operational Expenditure</b>	<b>2 237</b>	<b>2 668</b>	<b>2 417</b>	<b>2 288</b>	<b>-5%</b>
<b>Net Operational Expenditure</b>	<b>2 237</b>	<b>2 668</b>	<b>2 417</b>	<b>2 288</b>	<b>-5%</b>
					T 3.26.5

### 3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information Technology Services provided by the IT Unit in Mohokare Local Municipality, include the following.

**The Client Services function** is responsible for help desk and desktop support services.

**The Network Services function** is responsible for management of the municipality's local and wide area networks, copper, and wireless communications, and telecommunication services. Further responsibility is also to ensure adequate security measures are in place to protect the municipality's network from unauthorized access

**The Website and Application Services function** is responsible for support of enterprise systems; selection leadership and integration of new commercial-off-the-shelf (COTS) solutions; maintenance and upgrade of existing systems; architectures, software and database standards; and web development.

**The Server Administration Services function** is responsible to design, install, administer the data-center (server room) of the municipality, ensuring that the data-center functions well as the backbone of the network.

**IT Governance and Administration function** is “hidden” but critically active function. The responsibilities in this area include the management of the Information Technology related assets, the administration of SLA’s and contracts, management of information security, IT Strategic Planning as well as sourcing and procuring of IT related equipment. The area is also responsible for the recommendation for replacement equipment where the need arises.

As set out in the IT Strategic documents, which is an input to the drafting of the municipality’s IDP, a dedicated and all-round effort has been placed on improvement of all functions of the ICT environment in order to enable efficiently the processes that bring about the realization of the IDP objectives, which amongst others include good governance.

Primarily, in brief, measures have been put in place to:

Provide efficient helpdesk support service to enable or empower the workforce of municipality. Further, procurement of the upgrades of the server items have enabled the setup of the File Server which backups user’s information. Provide for increased protection of user’s information, by procuring efficient Anti-Virus software, Kaspersky Anti-Virus.

In the previous year, the ICT Unit initiated a scholarly project to revise its current ICT Policies and Strategies in order to provide guidance on how ICT is controlled and directed to facilitate the strategic goals of the municipality.

This included the following policies and strategies:

1. ICT Security policy
2. ICT Assets Control & Disposal Policy
3. ICT Internet Usage Policy
4. ICT Change management policy
5. ICT Password policy
6. ICT Backup Policy
7. ICT Disaster Recovery policy
8. ICT Network Policy
9. ICT Email Usage Policy
10. ICT Telephone Policy
11. ICT Operating System Security Controls Policy
12. ICT Printing Policy
13. ICT Mobile and Gadget Policy
14. ICT Disaster Recovery & Business Continuity Plan
15. ICT Strategic Plan
16. ICT Governance Policy Framework

Employees: ICT Services					
Job level	Year-1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	2	2	2	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
<b>Total</b>	3	3	3	0	0%

Financial Performance 2021-22: Information Technology					
					R'000
Details	2020-21	2021-22			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	–	–	–	–	0%
Expenditure:					
Employees	1 352	1 513	1 517	1 627	7%
Repairs and Maintenance	–	–	–	–	0%
Other	420	1 316	619	216	-65%
<b>Total Operational Expenditure</b>	1 772	2 829	2 136	1 843	-14%
<b>Net Operational Expenditure</b>	1 772	2 829	2 136	1 843	-14%
					T 3.27.5

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

### INTRODUCTION

The Annual Performance Report is hereby submitted to the Mohokare Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 on annual reporting. This report covers the performance information from 01 July 2021 to 30 June 2022 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development and Plan (IDP).

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2021/22.

This report will also endeavour to report to Council the Municipality's performance in terms of the five (5) National Government's Strategic Key Performance Areas for local government, which are

- (1) Basic Service Delivery;
- (2) Local Economic Development;
- (3) Municipal Institutional Transformation and Development;
- (4) Municipal Financial Viability and Management and
- (5) Good Governance and Public Participation.

### LEGAL REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows: (1) A municipality must prepare for each financial year a performance report reflecting—

- (a) the performance of the Municipality and each external service provider during that financial year;
- (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
- (c) measures taken to improve performance.

***This APR is drafted in terms of Section 46 of the Municipal Systems Act, 32 of 2000. The 2021/2022 APR is based on audited information.***

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 organisation 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.

#### OVERALL INTERNAL AUDIT OPINION

It was noted with concern that some of the portfolio of evidence submitted does not substantiate and inadequate to support the reported performance. This matter has previously been raised and the reoccurrence thereof indicates that the recommendations by internal audit are discarded.

Departments should compile a portfolio of evidence that contains all the relevant information that is required to substantiate the reported performance and any information that is in e-mails should be printed and filed accordingly. It is unacceptable to indicate “portfolio of evidence on email” as it can be printed and filed together with the other information. Information should be clearly titled and marked and should be understandable to third parties. Departments should ensure that all the columns of the template are completed. “Reasons for deviation” and “action to be taken” are must be completed where the target is not achieved.

It was further noted that reports included as portfolio of evidence are not signed by the Head of department. A senior official should review the reports and portfolio of evidence file to ensure the quality and relevance of the information prior to submission to PMS.

It is advised that when departments set targets, they apply the SMART principle. The application thereof will assist in setting targets that are attainable.

Management should take into account interruptions such as load shedding, shortage of chemicals and pipe bursts when providing outflow of water from households and plants.

#### EXECUTIVE SUMMARY OF MUNICIPAL PERFORMANCE 2021/2022

The 2020/21 Annual Performance Report represents the year-end performance results for the financial year under review. The Annual Performance Report is compiled by the Performance Management Unit after reviewing all Key Performance Indicators on the Top-Layer Service

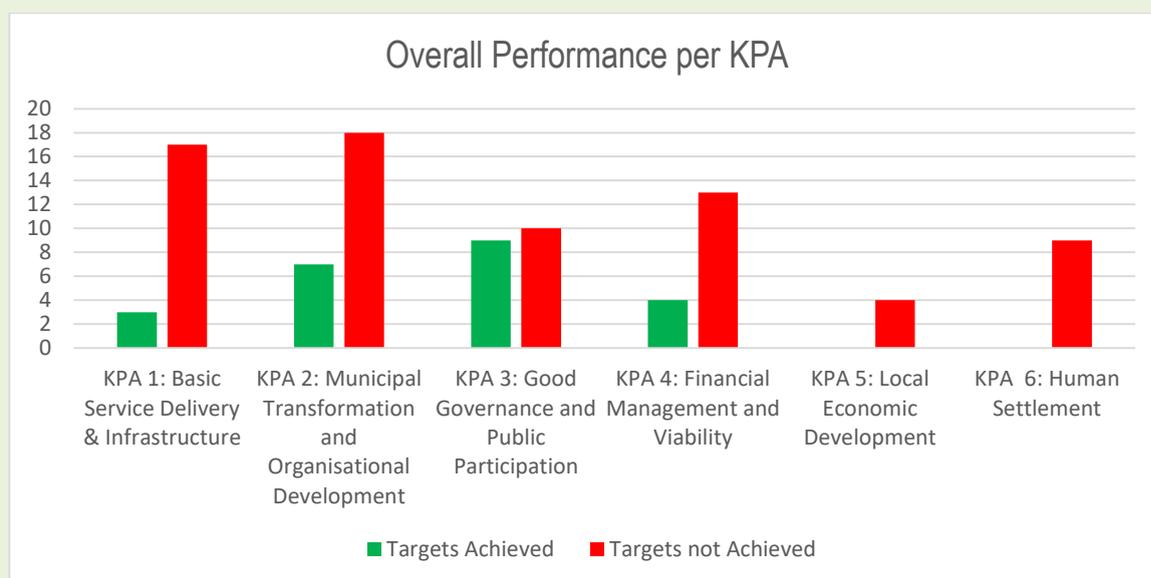
***This APR is drafted in terms of Section 46 of the Municipal Systems Act, 32 of 2000. The 2021/2022 APR is based on audited information.***

Delivery Budget Implementation Plan. The Top Layer SDBIP comprises of the six National Key Performance Area's (NKPA's), these are:

1. Basic Service Delivery and Infrastructure;
2. Local Economic Development;
3. Municipal Institutional Transformation and Development;
4. Municipal Financial Viability and Management and
5. Good Governance and Public Participation.

The Annual Performance Report is a summary of the performance achieved and not achieved for the municipality and provides a comparative of the performance information to prior years

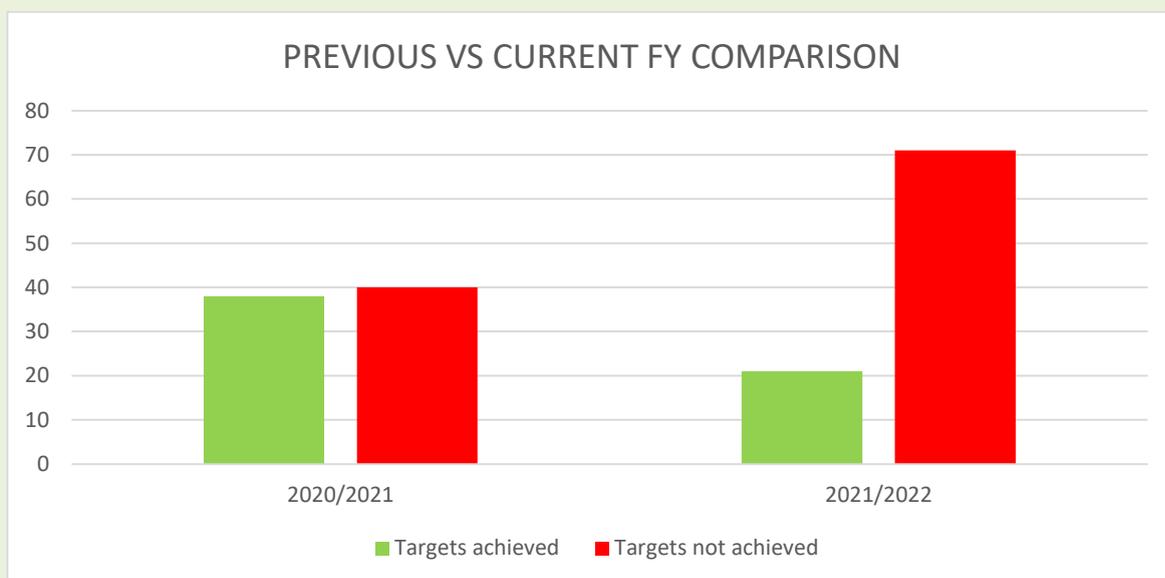
The Graph below represents a summary of the overall performance for 2021/2022 on the Top Layer Service Delivery Budget Implementation Plan:



<b>Key Performance Area</b>	<b>Targets Planned</b>	<b>Targets Achieved</b>	<b>Targets not Achieved</b>
<b>KPA 1: Basic Service Delivery &amp; Infrastructure</b>	<b>20</b>	<b><u>1</u></b>	<b><u>19</u></b>
<b>KPA 2: Municipal Transformation and Organisational Development</b>	<b>25</b>	<b><u>7</u></b>	<b><u>18</u></b>
<b>KPA 3: Good Governance and Public Participation</b>	<b>19</b>	<b><u>9</u></b>	<b><u>10</u></b>

*This APR is drafted in terms of Section 46 of the Municipal Systems Act, 32 of 2000. The 2021/2022 APR is based on audited information.*

Key Performance Area	Targets Planned	Targets Achieved	Targets not Achieved
KPA 4: Financial Management and Viability	17	4	13
KPA 5: Local Economic Development	4	0	4
KPA 6: Human Settlement	9	0	9
<b>TOTAL</b>	<b>94</b>	<b>23</b>	<b>73</b>



Financial year	Targets planned	Targets achieved	Targets not achieved	Percentage
2020/2021	78	38	40	48.7%
2021/2022	94	21	71	22%

The following table provides a description on the criteria that is used to assess performance information:

Criteria	Description
Relevance	Closely connected or appropriate to what is being measured/ assessed
Sufficiency	Enough or adequate evidence to support the actual
Reliable	Evidence that is good in quality, credible and trustworthy.

***This APR is drafted in terms of Section 46 of the Municipal Systems Act, 32 of 2000. The 2021/2022 APR is based on audited information.***

The performance dashboard is used to score departments based on the actuals reported and the portfolio of evidence submitted to the PMS unit. Departments are required to submit

If a target as specified in the Top-layer SDBIP has NOT been achieved, a reason for variance with supporting evidence must be submitted together with a recommended corrective action that must be implemented to improve performance.

One of the core functions of the municipality is to ensure and facilitate the provision of sustainable infrastructure delivery in order to eradicate backlogs.

The table below indicates the achievement of **Basic Services Delivery** as one of the key performance areas selected for auditing purposes

KPA	Targets planned	Targets achieved	Targets not achieved	Over all Percentage
<b>Basic Service Delivery</b>	20	1	19	5%



It is noted that for the 2021/22 financial year, there has been drastic decline of performance in terms Basic Service Delivery as compared to the 2020/21 financial year which was 37.5%.

*Mohokare LM had a total of twenty (20) targets planned during the financial year under review and only managed to achieved ONE (1) targets which results in a five percent (5%) of the overall performance. The above is depicted in the graph below:*

The above paints a very dire situation of the municipality as the mission of the institution is “A performance driven municipality that utilises its resources efficiently to community needs”.

Below are all the attributing key challenges that contributed to the decline of the municipal performance with regard to Basic Service Delivery and Infrastructure:

1. Lack of planning, reviewing & monitoring during the preparation of the IDP, Budget and SDBIP which resulted in three (3) key performance indicators not relevant to the current year under review;
2. Conditional grants not utilised for their intended purposes which hampers service delivery and places the municipality in a risk of losing their grant allocation for future commitments;

***This APR is drafted in terms of Section 46 of the Municipal Systems Act, 32 of 2000. The 2021/2022 APR is based on audited information.***

3. Insufficient, relevant and appropriate evidence not provided for key performance indicators – lack of accurate and proper records;
4. Monitoring of service providers not conducted on a quarterly basis and results in inefficient and ineffective service delivery to the community;
5. Refurbishment of aging infrastructure from asbestos to pvc pipes;
6. Installation of zonal meter to mitigate the loss water in the system;
7. Dumping of unauthorised material in storm water drainage system;
8. Non existing service level agreement between Municipality and Centlec;
9. Lack of working equipment (yellow fleet and white fleet); and
10. Lack of office space to ensure a conducive environment

### **Key Challenges Municipal Transformation and Organisational Development**

11. Non-sitting of Council, Local Labour Forum, Section 79 Committees and Governance Structures meeting will not result in MLM achieving its objectives as set out in Structures Act, the Constitution etc;
12. All policies and procedures not approved timeously with the IDP to ensure adherence to section 62 of MFMA;
13. Organisational Structure for the 2020/21 FY not approved by Council which might result in management appointing people in positions not created leading to irregular expenditure; and
14. High vacancy rate with regard to section 56 Senior Management and other critical positions which could lead to ineffective service delivery as the municipality does not have the necessary human resource capacity to deliver on their service mandate.

### **Key Challenges – Good Governance and Public Participation**

1. Risk Management assessment and risk Strategy not conducted during the year under review which impacts negatively on the institution, Internal Audit and Audit Committee;
2. Even though the Audit and Performance Committee members were appointed during the 2021/22 FY, it was still noted that the committee was still ineffective as their roles and responsibilities were not fully executed effectively;
3. Internal Audit – Strategic document and Audit Plan not approved

### **Key Challenges – Financial Management Viability**

1. It was noted that the Procurement Plan was not approved by Council and this results in weak planning, processes, slow spending of capital budget which will end up having a negative impact on service delivery;
2. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA;
3. Failure to implement and maintain credit control and debt collection policy of the municipality as required in terms of section 98(b) of the Local Government: Municipal Systems Act (No. 32 of 2000) and section 62 (1) (f) (iii) of the Local Government: Municipal Finance Management Act (No 56 of 2003);
4. Debt collection remains a going concern for the municipality.
  - Cash flow constraints- Monitoring of budget management processes and cash flow throughout the year to avoid over/under spending;
  - Late submission of Annual Financial Statements resulting in non-compliance.
  - Change of accounts

### **Key Challenges – Local Economic Development**

5. Enhancement of municipal local economy might be hampered due to non-approval of the Local Economic Development Strategy, SMME and Tourism Policy's;
6. Budgetary Constraints;
7. Expos not conducted regularly to promote local economy of Mohokare Local Municipality.

### **Human Settlement Challenges**

8. Incomplete low cost housing projects;
  1. Non-complying to Land fill sites - Refuse Removal;
  2. Vandalised council properties and infrastructure;

### **Other holistic Challenges facing the municipality:**

3. Political and administrative instabilities and prolonged community unrests
4. Lack of planning, monitoring and reviewing during the IDP, Budget & SDBIP which effects setting of irrelevant key performance indicators;
5. SMART principle not utilising Key Performance indicators;
6. Performance reporting is not prioritized institutionally
7. Lack of consequence management;

8. Delay of appointment of service providers to enhance service delivery and revenue collection;
1. Failure to perform oversight responsibilities by Heads of Departments during preparation and submission of quarterly performance to PMS Unit remain on of the principal challenge for the municipality during the period under review:
  1. Corroborating evidence for measures taken to improve performance
  2. Validity of actual reported performance
  3. Accuracy of actual reported performance
  4. Completeness of actual reported performance

#### **MEASURES TO IMPROVE ORGANISATIONAL PERFORMANCE**

1. Develop an assessment plan for all challenges identified and monitor on a regular basis;
2. Implement Consequence Management;
1. Adhere to all municipal legislative compliance requirements;
1. Implement and promote appropriate performance culture, communication and public participation;
2. Improve revenue enhancement strategy;
3. Fill in vacant senior managers' positions to promote accountability and implement performance assessments; and
4. Ensuring that the procurement plan is aligned with strategy documents and approved by Council prior to implementation.

Component A: Detailed Annual Performance Report for the period ending 30 June 2022:

PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021-22 Annual Actual Performance	Source of Supporting Evidence	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
1.1	Provision of trafficable roads	Phase 1: upgrading of 1.7 km access roads in Roleleathunya	Practical completion certificate	Project practically complete	Bundling of the project by 30 September 2021	<b>Not Achieved</b>	1. Completion Certificate 2. Submission of close out report	1. Delaying of procurement process due to composition of Bid Adjudication 2. Delaying of payments to pay the appointed service provider.	1. Two vacant post of senior managers (Cooperate and Community Director), council appointed Acting Director to those position, until been filled permanent. 2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3 Monitoring template for service provider has been developed by the Municipality on monthly bases.
1.2	Provision of trafficable roads	Phase 2: upgrading of 2km access roads in Roleleathunya	Practical completion certificate	Project practically complete	Bundling of the project by 30 September 2021	<b>Not Achieved</b>	1. Completion Certificate	1. Delaying of procurement process due to composition of Bid	1. Two vacant post of senior managers (Cooperate and Community Director), council appointed Acting Director to

PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021-22 Annual Actual Performance	Source of Supporting Evidence	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
							2.Submission of close out report	Adjudication composition 2. Delaying of payments to pay the appointed service provider.	those position , until been filled permanent. 2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3 3. Monitoring template for service provider has been developed by the Municipality on monthly bases.
1.3	Provision of trafficable roads	Upgrading of the 0.6km Zama access road in Matlakeng	Practical completion certificate	Project practically complete	Bundling of the project by 30 September 2021	<b>Not Achieved</b>	Completion certificate Submission of As-bu Submission of final BoQ	1. Delaying of procurement process due composition of Bid Adjudication composition 2. Delaying of payments to pay the appointed service provider. 3. Lack of reviewing SLA between Mohokare Local Municipality and	1. Two vacant post of senior managers (Cooperate and Community Director ) , council appointed Acting Director to those position , until been filled permanent. 2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3 3. Monitoring template for service provider has been developed by the Municipality on monthly bases.

PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021-22 Annual Actual Performance	Source of Supporting Evidence	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
								appointed service providers	
1.4	Provision of dignified sanitation services	Zastron/Matlakeng: upgrading of the outfall sewer line and refurbishment of sewer pump stations	Practical completion certificate	75% Physical progress on site at 30 June 2020	Practical completion of the project by 30 June 2022	<b>Not achieved</b>	Completion certificate	<ol style="list-style-type: none"> <li>Delaying of procurement process due to composition of Bid Adjudication composition</li> <li>Delaying of payments to pay the appointed service provider.</li> <li>Lack of reviewing SLA between Mohokare Local Municipality and</li> </ol>	<ol style="list-style-type: none"> <li>Two vacant post of senior managers (Cooperate and Community Director) , council appointed Acting Director to those position , until been filled permanent.</li> <li>Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3</li> <li>Monitoring template for service provider has been developed by the Municipality on monthly bases.</li> </ol>

PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021-22 Annual Actual Performance	Source of Supporting Evidence	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
								appointed service providers	
1.5	Provision of drinking water	Upgrading of the Zastron water treatment works (WTW)	Practical completion certificate	Project practically complete	Bundling of the project by 30 September 2021	<b>Not achieved</b>	Completion certificate	1. Delaying of procurement process due composition of Bid Adjudication composition 2. Delaying of payments to pay the appointed service provider. 3. Lack of reviewing SLA between Mohokare Local Municipality and appointed service providers	1. Two vacant post of senior managers (Cooperate and Community Director) , council appointed Acting Director to those position , until been filled permanent. 2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3 3. Monitoring template for service provider has been developed by the Municipality on monthly bases.
1.6	Provision of drinking water	Smithfield/Mofulatshepe: refurbishment of the water treatment works (WTW)	Practical completion certificate	Project at 50% progress on site at 30 June 2021	Practical completion of the project by 30 December 2021	<b>Achieved</b>	Practical completion certificate	-	-
1.7	Provision of drinking water	Upgrading of the Rouxville water treatment works (WTW)	Practical completion certificate	78% physical progress on site at 30 June 2021	Practical completion of the project by 30 June 2022	<b>Not achieved</b>	Practical completion certificate	1. Delaying of procurement process due composition of Bid	1.Two vacant post of senior managers (Cooperate and Community Director) , council

PERFORMANCE OBJECTIVES AND INDICATORS			ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE						
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021-22 Annual Actual Performance	Source of Supporting Evidence	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
								<ul style="list-style-type: none"> <li>1. Adjudication composition</li> <li>2. Delaying of payments to pay the appointed service provider.</li> <li>3. Lack of reviewing SLA between Mohokare Local Municipality and appointed service providers</li> </ul>	<ul style="list-style-type: none"> <li>1. appointed Acting Director to those position , until been filled permanent.</li> <li>2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3</li> <li>3. Monitoring template for service provider has been developed by the Municipality on monthly bases.</li> </ul>
1.8	Provision of bulk water supply	construction of an abstraction works on the Orange River and equipping of X2 raw water pump stations with M&E*	Practical completion certificate	51% physical progress on site at 30 June 2021	Practical completion of the project by 30 June 2022	<b>Not achieved</b>	Practical completion certificate	<ul style="list-style-type: none"> <li>1. Delaying of procurement process due composition of Bid Adjudication composition</li> <li>2. Delaying of payments to pay the appointed service provider.</li> </ul>	<ul style="list-style-type: none"> <li>1. Two vacant post of senior managers (Cooperate and Community Director) , council appointed Acting Director to those position , until been filled permanent.</li> <li>2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3</li> </ul>

PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021-22 Annual Actual Performance	Source of Supporting Evidence	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
								3. Lack of reviewing SLA between Mohokare Local Municipality and appointed service providers	3. Monitoring template for service provider has been developed by the Municipality on monthly bases.
1.9	Provision of bulk water supply	Construction of a 27km long raw bulk water pipeline from Orange River to Paisley dam in Rouxville	Practical completion certificate	91% physical progress on site by 30 June 2021	Practical Completion of the project by 30 March 2022	<b>Not achieved</b>	Practical completion certificate	<p>1. Delaying of procurement process due composition of Bid Adjudication composition</p> <p>2. Delaying of payments to pay the appointed service provider.</p> <p>3. Lack of reviewing SLA between Mohokare Local Municipality and appointed service providers</p>	<p>1. Two vacant post of senior managers ( Cooperate and Community Director ) , council appointed Acting Director to those position , until been filled permanent.</p> <p>2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3</p> <p>3. Monitoring template for service provider has been developed by the Municipality on monthly bases.</p>

PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021-22 Annual Actual Performance	Source of Supporting Evidence	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
1.10	Provision of dignified sanitation services	Smithfield/Mofulatshepe: the upgrading of the Outfall sewer	Progress report	New KPI	Contractor site hand over by 30 March 2022 20% progress on site by 30 June 2022	<b>Not achieved</b>	Minutes and attendance register of the site hand over meeting.  Progress report until end of June 2022	1. Delaying of procurement process due composition of Bid Adjudication composition 2. Delaying of payments to pay the appointed service provider. 3. Lack of reviewing SLA between Mohokare Local Municipality and appointed service providers	1. Two vacant post of senior managers (Cooperate and Community Director) , council appointed Acting Director to those position , until been filled permanent. 2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3 3. Monitoring template for service provider has been developed by the Municipality on monthly bases.
1.11	Provision of drinking water	Installation of pre-paid water meters in Zastron	Situation analysis and feasibility report	New KPI	Completion of the situation analysis and feasibility report by 30 June 2021 Installation of 50 pre-paid water meters in Zastron	<b>Not Achieved</b>	Final situation analysis and feasibility report Job cards	1. Delaying of procurement process due composition of Bid Adjudication composition 2. Delaying of payments to pay the	1. Two vacant post of senior managers (Cooperate and Community Director) , council appointed Acting Director to those position , until been filled permanent.

PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021-22 Annual Actual Performance	Source of Supporting Evidence	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
								appointed service provider. 3. Lack of reviewing SLA between Mohokare Local Municipality and appointed service providers	2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3 3. Monitoring template for service provider has been developed by the Municipality on monthly bases.
1.12	Electrification of household	Smithfield/Mofulatshepe: pre-engineering	Approved designs for construction purposes	New KPI	Completion of designs for electrification of households by 30 June 2022	<b>Not Achieved</b>	Approved designs for construction purposes	1. Delaying of procurement process due composition of Bid Adjudication composition 2. Delaying of payments to pay the appointed service provider. 3. Lack of reviewing SLA between Mohokare Local Municipality and appointed service providers	1. Two vacant post of senior managers (Cooperate and Community Director) , council appointed Acting Director 2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3 3. Monitoring template for service provider has been developed by the Municipality on monthly bases.

PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021-22 Annual Actual Performance	Source of Supporting Evidence	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
1.13	Electrification of households	Rouxville/Roleleathunya: Electrification of households 186 in Extension 6	Close up report from Centlec	New KPI	Electrification of 186 HH in extension 10 by June 2022	<b>Not achieved</b>	Close up report from Centlec	<ol style="list-style-type: none"> <li>1. Delaying of procurement process due composition of Bid Adjudication composition</li> <li>2. Delaying of payments to pay the appointed service provider.</li> <li>3. Lack of reviewing SLA between Mohokare Local Municipality and appointed service providers</li> </ol>	<ol style="list-style-type: none"> <li>1. Two vacant post of senior managers (Cooperate and Community Director) , council appointed Acting Director to those position , until been filled permanent.</li> <li>2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3</li> <li>3. Monitoring template for service provider has been developed by the Municipality on monthly bases.</li> </ol>
1.14	Electrification of households	Zastron/Matlakeng: Electrification of 300 households in Extension 10	Close up report from Centlec	New KPI	Electrification of 300 HH in Extension 10 by 30 June 2022	<b>Not achieved</b>	Close up report from Centlec	<ol style="list-style-type: none"> <li>1. Delaying of procurement process due composition of Bid Adjudication composition</li> <li>2. Delaying of payments to pay the</li> </ol>	<ol style="list-style-type: none"> <li>1. Two vacant post of senior managers ( Cooperate and Community Director ) , council appointed Acting Director to those position , until been filled permanent.</li> </ol>

PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021-22 Annual Actual Performance	Source of Supporting Evidence	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
								appointed service provider. 3. Lack of reviewing SLA between Mohokare Local Municipality and appointed service providers	2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3 3. Monitoring template for service provider has been developed by the Municipality on monthly bases.
1.15	Provision of sports and recreational facility	Rouxville/Roleleathunya: Construction of a sports facility	Minutes of the site hand over meeting	New KPI	Contractor site hand over by 30 June 2022	<b>Not achieved</b>	Minutes of the site hand over meeting	1. Delaying of procurement process due composition of Bid Adjudication composition 2. Delaying of payments to pay the appointed service provider. 3. Lack of reviewing SLA between Mohokare Local Municipality and appointed service providers	1. Two vacant post of senior managers (Cooperate and Community Director) , council appointed Acting Director to those position , until been filled permanent. 2. Ring-fencing the conditional grants and applied the Treasury Regulation 8.2.3 3. Monitoring template for service provider has been developed by the Municipality on monthly bases.

PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021-22 Annual Actual Performance	Source of Supporting Evidence	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
1.16	Deliver sustainable services that are on or above RDP level	Provide 10793 Of formal Households with water in MLM daily	Outflow readings	2349.5 ml of purified water	Provision of 2080.5 ml of purified water by 30 June 2022	<b>Not Achieved</b>	Water meter readings at the water treatment works (final distribution) per town	Review of outdated Water Service Development plan	Department of water and sanitation, appointed service provider to assist Locals in Xhariep District to update the information of the plan
1.17	Provision of clean and portable drinking water	Review of the WSDP by 30 June 2022	Approved plan	20/21 Draft WSDP	Approved reviewed WSDP by 30 June 2022	<b>Not achieved</b>	Council resolution  Reviewed WSDP	Review of outdated Water Service Development plan	1.Department of water and sanitation, appointed service provider to assist Locals in Xhariep District to update the information of the plan
1.18	Deliver sustainable services that are on or above RDP Level	Waste water quality management by 30 June 2022	Submission of 5.5 wastewater quality samples to accredited laboratory for testing	100% implementation wastewater risk abatement plans	Maintain dignified sanitation and submission of 22 wastewater quality samples to meet waste water monitoring plan by June 2022	<b>Not achieved</b>	Laboratory proof of submission	Delay of settling old invoices from service provider	Municipality should adhere to section 65 of MFMA and Treasury Regulation 8.2.3.

PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021-22 Annual Actual Performance	Source of Supporting Evidence	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
1.19	Delivery sustainable services that are on or above RDP Level	Drinking water quality Management by June 2022	Submission of 11.5 drinking water quality samples to accredited laboratory for testing	100% compliance of physical chemical and biological water quality	Submission of 46 water quality samples to the laboratory to meet drinking water monitoring plan 30 June 2022	<b>Not Achieved</b>	Laboratory proof of submission	Delay of settling old invoices from service provider	Municipality should adhere to section 65 of MFMA and Treasury Regulation 8.2.3.
1.20	Basic Services	Eight Thousands (8000) formalised households provided with weekly waste removal services in all three (3) Towns	Monthly reports	Weekly refuse collection from all households	Provision of refuse removal from all households by end June 2021uld Zastron = Rouxville = Smithfield =	<b>Not Achieved</b>	Monthly and quarterly refuse removal reports and the register	Inconsistent removal of refuse due to vehicles shortage and mechanical failure	Municipality has got approval through MIG conditional grant, will participate on Treasury Transversal process.

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
NAME OF DEPARTMENT: CORPORATE SERVICES									
2.1	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the municipality	4 Ordinary Council sitting held annually as legislated (1 per quarter)	Signed distributed acknowledgment of receipt	4 distributed notices and agenda for 4 ordinary meetings	4 Ordinary Council Meeting held by June 2022	<b>Not achieved</b>	Copy of Notice and Agenda distributed and acknowledgement of receipts	Council meetings not sittings as per the approved schedule	Strict adherence to Ordinary Council sittings as per the approved schedule
2.2	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support	12 monthly notice of Local Labour Forum distributed by June 2022	Signed distributed acknowledgment of receipt	12 LLF notices and agenda distributed	12 LLF notices and agenda distributed by June 2022	<b>Not achieved</b>	Copy of Notice and Agenda distributed and acknowledgement of receipts	Unrest which prevailed resulted in closure of our offices, therefore we could not work normal.	Now that the situation is stable, things have gone to normal

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	to the municipality								
2.3	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the municipality	Agenda and notices of Section 79 Committees distributed quarterly	Sec 79 Notices and agenda	2020/2021 Notices distributed	20 notices and agenda of Section 79 distributed quarterly by June 2022	<b>Not achieved</b>	Copy of Notice and Agenda distributed and acknowledgement of receipts	Section 79 Committees not sitting as per the approved schedule	Strict adherence to the sittings of the S79 Committees as per the approved schedule
2.4	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the municipality	Review and submit for adoption the employment equity policy by June 2022	Approved policy	18/19 EE Policy	Reviewed and adopted EE Policy by June 2022	<b>Not achieved</b>	Council resolution  Approved EE Policy	Due to political instability & non-sitting of Council, administration was unable to submit the reviewed EE policy to council for approval.	A reviewed EE Policy to be submitted to Council in the 2022/23 FY for adoption

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
2.5	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the municipality	Submit the EE Plan Report to Dept. of Labour by 15 January 2022	Proof of submission	2021 EE Plan	Submitted EE Plan to Dept. of Labour by 15 January 2022	Achieved	Proof of submission to Dept. of Labour	-	-
2.6	Municipal Transformation and Development	5 reviewed policies by June 2022  (Public Participation, Communication, HR and Training, Social Media Policies)	5 approved policies	Reviewed policies	5 reviewed policies by June 2022  (Public Participation, Communication, HR and Training, Social Media Policies)	Not achieved	Council Resolution Approved policies	Due to political instability & non-sitting of Council, administration was unable to submit the reviewed delegation system to Council for approval.	A reviewed delegation system to be submitted to Council in the 2022/23 FY for adoption
2.7	Enhance institutional - development	6 officials capacitated in terms of the workplace skills	6 Officials capacitated	20/21 WSP report	6 official capacitated by June 2022	Achieved	WSP Report	-	-

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	and good governance								
2.8	Enhance institutional development and good governance	13 councillors capacitated in terms of skills by 30 June 2022	WSP Report	2020/2021 WSP Report	13 Councillors capacitated in terms of skills by June 2022	Not achieved	WSP Report	Due to financial constraints	Utilise the mandatory grants and training budget for its intended purposes.
2.9	Enhance institutional development and good governance	Development and submission of the (21/22) workplace skills plan by 30 April 2022 to LGSETA	Proof of submission	2020/2021 WSP	Workplace Skills Plan submitted to LGSETA by 30 April 2022	Achieved	Proof of submission	-	-
2.10	Enhance institutional development and good governance	Adoption of the WSP by LLF by 30 <sup>th</sup> June 2022	WSP Report	2020/2021 WSP Report	Adopted 2022/2023 WSP by June 2022	Achieved	Adopted WSP Proof of submission	-	-
2.11	Enhance institutional development	3% of budget actually spent on implementing WSP	Proof of expenditure	2020/2021	3% of budget actually spent on	Not achieved	Proof of 3% expenditure	Lack of record management	Maintain proper record keeping institutionally

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	and good governance				implementing WSP by June 2022				
2.12	Enhance institutional development and good governance	Quarterly updated resolution register	Updated register	2020/2021 updated register	Updated resolution system adopted by Council by June 2022	<b>Achieved</b>	Updated resolution register	-	-
2.13	Enhance institutional development and good governance	Develop or Review the Delegation of Management system adopted by Council by June 2022	Review delegation system	2020/2021 adopted delegation system	Reviewed delegation system adopted by June 2022	<b>Not achieved</b>	Council Resolution Approved HRD Strategy	Due to political instability & non-sitting of Council, administration was unable to submit the reviewed delegation system to Council for approval	A reviewed delegation system to be submitted to Council in the 2022/23 FY for adoption
2.14	Annual review and implementation of the Human Resources Strategy	Reviewed HRD Strategy by June 2022	Reviewed strategy	2020/2021 adopted strategy	Adopted 2022/2027 HRD strategy (5 years) by June 2022	<b>Not achieved</b>	Council Resolution Final adopted HRD Strategy	Non sitting of LLF and Committees for the review	The review will overlap to the next financial year

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
2.15	Annual review and implementation of the Human Resources Strategy	Quarterly implementation of the HRD Strategy by June 2022	Quarterly Report	2019/2020 Quarterly Reports	Quarterly reports submitted to Management (Recruitment and selection report aligned to employment equity plan, leave management, benefits and claims, vacancy rate and overtime)	<b>Not achieved</b>	Quarterly reports	Non-sitting of quarterly management meetings	Adhere to approved management schedule
2.16	Annual review and implementation of the Human Resources Strategy	2 vacant post advertised of sec 56 Management by June 2022	Appointment letters/contracts	2 Sec 56 and 1 Sec 54A positions filled	2 vacant posts advertised of Sec 56 Managers by June 2022	<b>Not achieved</b>	Signed advert, signed appointment letter/contracts	Financial Challenges and the MM was on Special Leave from March, also the issue of community unrests as we were home for almost 2 months, Covid -19 also in some instances where offices were closed.	Report to be tabled to Council for the advertisement for the new financial year

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
2.17	Annual review and implementation of the Human Resources Strategy	Appointment of 6 employees by June 2022	Appointment letters/contracts	6 employees appointed in 2020/2021 financial year	6 employees appointed by June 2022	<b>Achieved</b>	Signed advert, signed appointment letter/contracts	-	-
2.18	Annual review and implementation of the Human Resources Strategy	Conduct medical surveillance by June 2022	Medical reports	New KPI	1 annual medical surveillance	<b>Not achieved</b>	Medical surveillance report Attendance register	Financial Challenges	Medical Surveillance will be done for the financial year 2022/2023
2.19	Annual review and implementation of the Human Resources Strategy	2 wellness programmes conducted by June 2022	Wellness reports	NEW KPI	2 wellness programmes conducted by June 2022	<b>Achieved</b>	Wellness report Attendance register	-	-
2.20	To instil good governance in all Municipal operations,	10 Human Resources Policies reviewed by Council by June 2022	Approved policies	10 adopted policies	10 Human Resources Policies reviewed and approved by	<b>Not Achieved</b>	Council resolution Final adopted policies ( <b>email</b> )	Non sitting of the committees and LLF for the review of policies.	The Policies will be reviewed and adopted in the new financial year

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	ensure public participation and provide critical strategic support to the municipality				Council by June 2022				
2.21	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the municipality	Review the organogram and submit to Council by June 2022	Reviewed Organogram	2020/2021 adopted organogram	Adopted reviewed organogram by June 2022	<b>Not Achieved</b>	Council Resolution  Final adopted organogram	Non sitting of LLF and committees for the review of the Organogram	The process of review will be for the next financial year
2.22	Ensure 100% development of ICT strategy	Develop the 5 year ICT Strategy by June 2022	Developed strategy	2020/2021 Reviewed Strategy	Develop the 2022/2027 (5 years) by June 2022	<b>Not Achieved</b>	Council resolution  Final ICT Strategy (	Document was not tabled in Council but was tabled in section 79.	Strategic Document to be submitted in the 3 <sup>rd</sup> Quarter so that there is sufficient time.

Key Performance Area 2: Municipal Transformation and Organisational Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
2.23	Ensure 100% development of ICT strategy	Review the 14 ICT Policies and submit to Council by June 2022	Reviewed Policies	2020/2021 reviewed policies	14 ICT Policies reviewed and adopted by Council by June 2022	<b>Not Achieved</b>	Council resolution  Final ICT policies	IT policies were not tabled in Council but tabled in Section 79.	The policies will be submitted in the third quarter and they will be reviewed in 3 years time or when a need arises.
2.24	Ensure 100% development of ICT strategy	Review the Disaster Recovery and Business Continuity Plan by June 2022	Reviewed plan	2020/2021 adopted plan	Reviewed and adopted Disaster Recovery and Business Continuity Plan by June 2022	<b>Not Achieved</b>	Council resolution  Final plan	Document was not tabled in Council but was tabled in section 79.	The Document to be submitted in the 3 <sup>rd</sup> Quarter so that there is sufficient time.
2.25	Ensure 100% development of ICT strategy	Review the corporate governance of ICT Policy Framework by June 2022	Reviewed framework	2020/2021 adopted plan	Reviewed and adopted Corporate Governance of ICT Policy Framework by June 2022	<b>Not Achieved</b>	Council resolution  Final Policy framework (email)	Document was not tabled in Council but was tabled in section 79.	The Document to be submitted in the 3 <sup>rd</sup> Quarter so that there is sufficient time.

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
NAME OF DEPARTMENT: MUNICIPAL MANAGER (INTERNAL AUDIT)									
3.1	Maintaining and improving the Municipal Audit Opinion	Review Internal Audit Charter and Manual for approval by July 2022	Approved Internal Audit Charter and Manual	Reviewed and adopted 2020/2021 Internal Audit Charter and manual	Reviewed and adopted 2022/2023 Internal Audit Charter and manual by June 2022	<b>Not achieved</b>	Approved Signed Draft Internal Audit Charter and Manual	Due to organizational instability, the audit committee could not convene as a result the internal audit charter and manual were not approved.	The 2 members were appointed in June 2022. The schedule of meeting has been drafted for the approval of the audit committee and anticipated that the committee to sit in July 2022
3.2.	Maintaining and improving the Municipal Audit Opinion	Review the Audit Committee Charter by June 2022	Approved Audit Committee Charter	Reviewed and adopted 2020/2021 Audit Charter	Reviewed and adopted draft 2022/2023 Audit Committee Charter by June 2022	<b>Not achieved</b>	Approved Signed Draft Audit Committee Charter	Due to non-sitting of audit committee the audit committee charter could not be approved	The draft audit committee charter to be presented to the committee in July 2022
3.3	Maintaining and improving the Municipal Audit Opinion	Review the Internal Audit Coverage Plan by June 2022	Approved Internal Audit Coverage Plan	Reviewed and adopted 2020/2021 Internal Audit Coverage Plan	Reviewed and adopted draft 2022/2023 Internal Audit Coverage Plan by June 2022	<b>Not achieved</b>	Approved Signed Draft Internal Audit Coverage Plan	Due to non-sitting of audit committee the three year rolling plan and annual plan could not be approved	The draft three year rolling plan and annual plan to be presented to the audit committee in the next meeting.

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
3.4	Maintaining and improving the Municipal Audit Opinion	5 Municipal audit assignments conducted for the 2021/22	Quarterly signed Internal Audit reports	New KPI	5 Municipal Audit assignments conducted in the 2021/22 FY	Not achieved	IA reports and approved audit and performance committee minutes	Due to non-sitting of audit committee the IA reports could not be table to committee.	The IA reports to be taken to the audit committee in the next meeting.
3.5	Maintaining and improving the Municipal Audit Opinion	Advertise for the appointment of Audit Committee members	Advert	New KPI	Advertise for the appointment of Audit Committee Members by June 2022	Achieved	Advert	-	-
<b>NAME OF DEPARTMENT: MUNICIPAL MANAGER (TOWN PLANNING)</b>									
3.6	100% compliance to SPLUMA	Review the 8 Town Planning Policies by June 2022	Approved policies	2020/21 approved policies	8 policies reviewed and approved by June 2022	Not achieved	Approved policies (electronic copies) Council resolution	Inability of the Council to adopt and approve the document due to none seating of Ordinary Council during March to June 2022	Reviewed Planning policies for adoption and approval will be submitted on the next Ordinary Council meeting.
3.7	100% compliance to SPLUMA	Develop and submit the 3 new policies (wayleave, servitude/	Approved policies	New KPI	3 new polices developed and adopted by	Not achieved	Approved Policies	Inability of the Council to adopt and approve the document due to none seating of Ordinary	Reviewed Planning policies for adoption and approval will be

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
		right of way, telecommunications Policy)			Council by June 2022		(electronic copies) Council Resolution	Council during March to June 2022	submitted on the next Ordinary Council meeting.
3.8	100% compliance to SPLUMA	Reviewed Spatial Development Framework by June 2022	Adopted SDF	Approved 2021/2022 SDF	Reviewed SDF by June 2022	Achieved	Council resolution Copy of the updated project list	-	-
3.9	100% compliance to SPLUMA	Conduct 1 Municipal Planning Tribunal meeting bi-annually by June 2022	Minutes and attendance registers	A tribunal held in 2019/2020	1 municipal planning tribunal conducted bi-annually by June 2022	Achieved	Attendance registers	-	-
3.10	100% compliance to SPLUMA	Attend 4 quarterly SPLUMA Meetings by June 2022	Invite, minutes and attendance register	3 Meetings held in 2020/2021	Attend 4 quarterly SPLUMA meetings by June 2022	Achieved	Minutes/report	-	-
<b>NA-ME OF DEPARTMENT: MUNICIPAL MANAGER (RISK MANAGEMENT)</b>									
3.11	To evaluate the effectiveness of Risk	Reviewed Enterprise Risk Management Policies (Risk Management	Reviewed and adopted policies	Reviewed Enterprise Risk	Reviewed Enterprise Risk Management adopted by	Not achieved	Signed policies	Non-functioning of the RMC due to the fact that committee was non-functioning	Appointment of the RMC Chairperson and members adherence to the schedule of meeting

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	management, control and governance processes and develop actions to address key risks identified	Strategy and Framework, Fraud and Anticorruption Strategy, Risk Management Committee Charter)		Management Policies	Management by June 2022				
3.12	To evaluate the effectiveness of Risk management, control and governance processes and develop actions to address key risks identified	Develop the 2022/2023 Risk register by June 2022	Risk Register	2018/19 Risk Register	Developed 2022/2023 Risk Register by June 2022	<b>Not achieved</b>	Signed register	Non-functioning of the RMC due to that the committee was not functioning	Appointment of the RMC Chairperson and members adherence to the schedule of meetings
<b>NAME OF DEPARTMENT: MUNICIPAL MANAGER (INTERGRATED DEVELOPMENT PLAN)</b>									

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
3.13	To implement a ranking and rating system for all new capital projects to support the strategic objectives and priorities of Council and Community	Reviewed and approved IDP by May 2022	Approved IDP Plan	Approved 2020/2021 IDP	Reviewed and approved IDP by June 2022	<b>Achieved</b>	Adopted process plan	-	-
<b>NAME OF DEPARTMENT: MUNICIPAL MAMANGER (PERFORMANCE MANAGEMENT SYSTEM)</b>									
3.14	100% monitoring and evaluation of the municipality's Performance	Organisational Performance Management System Policy reviewed by May 2022	Reviewed PMS Policy	2020/2021 Approved PMS policy Framework	Review PMS policy framework by March 2022	<b>Achieved</b>	Council Resolution PMS Policy (Electronic copy)	-	-
3.15	100% monitoring and evaluation of the	Submit the draft 2021/2022 annual report and annual	Developed Draft AR and APR	2019/2020 AR and APR	Submitted draft AR and APR by the 31st of August 2022	<b>Not achieved</b>	Draft AR and APR ( <b>electronic copies</b> )	Submission of draft APR and AR was delayed by the compilation of draft AFS.	Adherence to the section 126 & 127 MFMA and ensure that AFS and AR are timeously submitted.

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS			ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE						
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	municipality's Performance	performance report to AG,PT&NT					Proof of submission		
3.16	100% monitoring and evaluation of the municipality's Performance	Developed 2022/2023 SDBIP by June 2020	2020/2021 SDBIP	Developed and approved SDBIP	Developed 2022/2023 SDBIP by June 2022	Achieved	Approved SDBIP	-	--
-	100% monitoring and evaluation of the municipality's Performance	Developed Mid-year report submitted to Council by 25 January 2022	2020/2021 mod-year report	Developed and submitted mid-year report	Mid-year report submitted to Council by 25 January 2022	Achieved	Adopted mid-year report  Council resolution	-	-
3.18	Ensuring 100% compliance to MFMA, MSA and Circular 63 and 32	Developed and adopted adjustment SDBIP and submitted to Council by 28 Feb 2022	2020/2021 Adjusted SDBIP	Developed and approved adjusted SDBIP	Adopted adjusted SDBIP by Council by February 2022	Achieved	Approved Adjusted SDBIP  Council Resolution	-	-
3.19	Ensuring 100% compliance to MFMA, MSA	Tabled AR and APR to Council by 25 January 2022	AR and APR	Adopted annual report	Annual Report and Annual Performance report tabled to	Not achieved	Council resolution	Submission of draft APR and AR was delayed by the compilation of draft AFS.	Adherence to the section 126 & 127 MFMA and ensure that

Key Performance Area 3: Good Governance and Public Participation									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/21	Annual Target 2021/22	2021/22 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	and Circular 63 and 32				Council by January 2022		AR and APR (electronic copies)		AFS and AR are timeously submitted.

Key Performance Area 4: Financial Management and Viability									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/2022 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
<b>NAME OF DEPARTMENT: FINANCE</b>									
4.1	Review, and implement all relevant departmental policies	6 budget related policies reviewed by June 2022 (Assets, SCM, Revenue, bank and investment, Credit Control and Expenditure)	Approved Policies	2020/21 Reviewed and adopted budget related policies	6 budget related policies reviewed and adopted by June 2022 (Assets, SCM, Revenue, bank and investment, Credit Control and Expenditure)	<b>Achieved</b>	Electronic copies of Policies and Council Resolution	-	-
4.2	Implementation of Mohokare Financial Management Plan	Develop and submit for adoption a Compliant MSCOA budget by June 2022	Adopted Compliant mSCOA Budget by June 2022	2020/21 adopted budget	Developed and adopted Compliant MSCOA budget by June 2022.	<b>Achieved</b>	Electronic copy, Council Resolution and attendance register of steering committee	-	-
4.3	Implementation of Mohokare Financial Management Plan	Develop and submit for adoption the adjustment budget by Feb 2022	Adopted 2020/21 adjustment budget	2020/21 Adopted adjustment budget	Developed and adopted adjustment budget by Feb 2022	<b>Achieved</b>	Electronic copy, Council Resolution and attendance register of steering committee	-	-

Key Performance Area 4: Financial Management and Viability									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/2022 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
4.4	Development of operational SCM Plans	Implementation and monitoring of the procurement plan by June 2022	Progress report	2020/21 Quarterly plans	Developed and adopted procurement management plan by August 2021	<b>Not Achieved</b>	Council Resolution and adopted copy	The SCM was lacking capacity to develop the procurement plan	Capacitate the SCM unit by way of training in order to develop the procurement plan
4.5	Development of operational SCM Plans	Implementation and monitoring of the procurement plan by June 2022	Progress report	2002/21 quarterly plans	Procurement plan implemented by June 2022	<b>Not Achieved</b>	Adverts, Bid Committee Meetings Minutes and registers	Bid Committees not in order and not forming a quorum	Appointment of Bid Committees and ensure scheduled meetings and registers are kept
4.6	Promotion and maintenance SCM	Irregular, fruitless and wasteful expenditure reduced by June 2022	Progress report	2020/21 Quarterly plans	Irregular, fruitless and wasteful expenditure reduced by June 2022	<b>Not achieved</b>	Monthly financial progress reports	No plan implemented to reduce the irregular expenditure	Implement a reduction plan and keep a register for recognition of irregular expenditure
4.7	Promotion and maintenance SCM	Quarterly SCM reports submitted to the Mayor and Accounting Officer	Progress report	2020/21 SCM Reports	4 Quarterly SCM reports submitted to the Mayor and Accounting Officer by June 2022.	<b>Not Achieved</b>	Quarterly SCM report submitted to the Mayor	Lack of monitoring of SCM regulations and compliance	Implementation of the SCM regulations and preparation of report quarterly

Key Performance Area 4: Financial Management and Viability									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/2022 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
4.8	Grow Mohokare	12 Local businesses awarded by June 2022	Report	12 business reports awarded	12 local businesses awarded by June 2022	Achieved	Purchase orders	-	-
4.9	Grow Mohokare	50% creditors paid within 30 days	Invoices and expenditure forms	% Creditors paid	50% creditors paid within 30 days June 2022	Not achieved	Quarterly financial reports, invoices and expenditure forms	Lack financial ability to settle the invoices within 30 days	Improve the cash flow to ensure that invoices are paid within 30% days
4.10	To ensure compliance with MFMA and Treasury regulations and implement internal control	Payment vouchers of Third Parties done by the 7th of each month	Payment reconciliations	Proof of payment	Third Party paid by the 7th of each month by June 2022	Not achieved	Proof of payment, Quarterly 3 <sup>rd</sup> party reconciliations register	Cash flow shortage to fulfil the short term liabilities	Prepare a schedule for payment of third parties and improve on cash flow
4.11	To ensure compliance with MFMA and Treasury regulations and implement internal control	Compliance with SARS directive on VAT issues.	VAT Returns	2020/2021 VAT Returns	Submission of 12 VAT 201 returns by June 2022	Not achieved	VAT Returns	Lack of staff compliment to submit	Ensure compliance with legislative requirements

Key Performance Area 4: Financial Management and Viability									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/2022 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
4.12	Grow Mohokare	30% of debt collected by June 2022	Quarterly report	% debt collection	30% of debt collected by June 2022	<b>Not achieved</b>	Quarterly revenue report	Credit control and debt management not fully implemented	Implementation of Credit control and debt management and appointing a debt collector
4.13	Provide free basic water to indigent households	Registration of indigent households	Indigents register	1440 indigent registered in 2019/2020	1200 indigent households registered by June 2022	<b>Not Achieved</b>	Report on status on indigence (email)	Lack of road shows not conducted	Implementation road shows and campaigns to register indigence
4.14	Fully effective asset management unit	Quarterly updating of movable assets against assets register and preparation of fixed and infrastructure assets register by June 2022	Quarterly reports	2020/21 quarterly reports	Quarterly updating of movable assets against assets register and preparation of fixed and infrastructure assets register by June 2022	<b>Not achieved</b>	GRAP compliant assets register, detailed quarterly report on updating of asset register	Shortage of staff complement	Filling of vacant post and perform reconciliations to preparation of GRAP compliant register
4.15	Implementing effective internal controls and monitoring compliance	Timely submission of compliance reports to council, NT and PT (Section 71,52 and 72)	Quarterly reports	Compliance reports as per MFMA	Quarterly reports	<b>Not achieved</b>	Quarterly reports	Lack of implementation of compliance reports	Implementation of standard operating procedures and compliance register

Key Performance Area 4: Financial Management and Viability									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/2022 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
4.16	Compilation of complaint AFS	Submission of draft compliant financial statements to AG, National and Provincial Treasury by 31 <sup>st</sup> August 2021	Compliant final AFS	2020/21 final AFS	Submitted AFS by 31 <sup>st</sup> August 2021	<b>Not achieved</b>	Proof of submission to AG, NT and PT	No AFS readiness and preparation plan in place	Develop and implement an AFS preparation plan and ensure reconciliations are conducted
4.17	Compilation of complaint AFS	Submission of draft compliant financial statements to AG, National and Provincial Treasury by 25 <sup>th</sup> January 2022	Compliant final AFS	2020/21 final AFS	Submitted final AFS to Council by 25 January 2022	<b>Not Achieved</b>	Proof of submission to AG, PT and NT	Lack of AFS compliance and preparation plan	Develop and implement a compliance register

Key Performance Area 5: Local Economic Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/2022 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance PMS Comments	Corrective Measure(s) Taken/ To be Taken to Improve Performance
<b>NAME OF DEPARTMENT: LOCAL ECONOMIC DEVELOPMENT</b>									
5.1	Enhancement of the municipality's local economy	5 year LED Strategy developed by June 2022	adopted Strategy	2020/2021 LED Strategy	5 year LED Strategy (2022/2027) Developed by June 2022	<b>Not achieved</b>	Council resolution Copy of the strategy <b>(electronic)</b>	LED Strategy is existing but could not be reviewed due to non-siting of council meetings as a result of community unrests.	LED Strategy will be reviewed in the third quarter
5.2	Enhancement of the municipality's local economy	12 Business expos conducted to assist cooperatives and SMMEs per town	Invites and attendance registers	4 Business expos conducted in 2020/2021	12 Business expos conducted to assist cooperatives and SMMEs per town by June 2022	<b>Not achieved</b>	Invites and attendance registers	Business Expos were not held due to Community unrests	Expos are going to be held because there is stability in the communities and in council
5.3	Enhancement of the municipality's local economy	Reviewed SMME support Policy by June 2022	Reviewed and adopted Policy	2020/2021 SMME Policy	Reviewed SMMEs support Policy by June 2022	<b>Not achieved</b>	Council resolution Adopted policy	SMMEs Support Policy could not be reviewed due to Community unrests	SMMEs Support Policy will be reviewed during the third quarter
5.4	Enhancement of the	Developed and approved Tourism Policy by June 2022	Approved Policy	New KPI	Developed and approved Tourism Policy by June 2022	<b>Not achieved</b>	Council resolution Approved policy	Policy could not be developed due to delay in obtaining guidelines from DESTEA	Policy will be developed during the third quarter

Key Performance Area 5: Local Economic Development									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/2022 Annual Actual Performance	Source of Supporting Evidence	Internal Audit Findings /Comments for Annual Performance PMS Comments	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	municipality's local economy								

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Key Performance Area 6: Human Settlement									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/2022 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
<b>NAME OF DEPARTMENT: COMMUNITY SERVICES</b>									
6.1	Provision of sustainable Human Settlements in all the three towns	Reviewed Human Settlement Sector Plan by June 2022	Council adopted plan	2020/2021 adopted Human Settlement Sector Plan	Review and adopted Human Settlement Sector Plan by June 2022	<b>Not achieved</b>	Council Resolution Approved copy	Inability of the Council to adopt and approve the document due to none seating of Ordinary Council during March to June 2022	Draft Sector Plan for adoption and approval will be submitted on the next Ordinary Council meeting.
6.2	Provision of sustainable Human Settlements in all the three towns	Reviewed Land Disposal Policy by June 2022	Council adopted policy	20/21 adopted policy	Reviewed and adopted land disposal policy by June 2022	<b>Not achieved</b>	Council Resolution Approved copy	Inability of the Council to adopt and approve the document due to none seating of Ordinary Council during March to June 2022	Draft Land Disposal Policy for adoption and approval will be submitted on the next Ordinary Council meeting.
6.3	Provision of sustainable Human Settlements in all the three towns	Review the Municipal Housing Rental Plan by June 2022	Council adopted policy	20/21 adopted policy	Reviewed and adopted Municipal Housing Rental Policy by June 2022	<b>Not achieved</b>	Council Resolution Approved copy	Inability of the Council to adopt and approve the document due to none seating of Ordinary Council during March to June 2022	Draft Municipal Rental Policy for adoption and approval will be submitted on the next Ordinary Council meeting.

Key Performance Area 6: Human Settlement									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/2022 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
6.4	Provision of sustainable Human Settlements in all the three towns	Review the local disaster management plan by June 2022	Council adopted plan	20/21 adopted plan	Reviewed and adopted local disaster management plan by June 2022	<b>Not achieved</b>	Council Resolution Approved copy	Inability of the Council to adopt and approve the document due to none seating of Ordinary Council during March to June 2022	Draft Disaster Management Plan for adoption and approval will be submitted on the next Ordinary Council meeting.
6.5	Provision of sustainable Human Settlements in all the three towns	Review the commonage management plan by June 2022	Council adopted policy	20/21 adopted policy	Reviewed and adopted commonage management plan by June 2022	<b>Not achieved</b>	Council Resolution Approved copy	Inability of the Council to adopt and approve the document due to none seating of Ordinary Council during March to June 2022	Draft Commonage Plan for adoption and approval will be submitted on the next Ordinary Council meeting.
6.6	Provision of sustainable Human Settlements in all the three towns	Review the Sports and Facilities Management Policy by June 2022	Council adopted policy	20/21 adopted Policy	Reviewed and adopted Sports Facilities Management Policy by June 2022	<b>Not achieved</b>	Council Resolution Approved copy	Inability of the Council to adopt and approve the document due to none seating of Ordinary Council during March to June 2022	Draft Policy for adoption and approval will be submitted on the next Ordinary Council meeting.
6.7	Provision of sustainable Human Settlements in	Review the cemetery management policy by June 2022	Council adopted policy	20/21 adopted policy	Reviewed and adopted cemetery management	<b>Not achieved</b>	Council Resolution Approved copy	Inability of the Council to adopt and approve the document due to none seating of Ordinary	Draft Cemetery Management Policy for adoption and approval will be submitted on

Key Performance Area 6: Human Settlement									
PERFORMANCE OBJECTIVES AND INDICATORS				ANNUAL PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2021 – 30 JUNE 2022									
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2020/2021	Annual Target 2021/2022	2021/2022 Annual Actual Performance	Source of Supporting Evidence	Reason for deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
	all the three towns				policy by June 2022			Council during March to June 2022	the next Ordinary Council meeting.
6.8	Environmental Health Management	Reviewed IWMP Integrated Waste Management Plan by August 2022	Approved Plan	19/20 adopted plan	Reviewed IWMP Integrated Waste Management Plan by June 2022	<b>Not achieved</b>	Council Resolution Approved copy	Inability of the Council to adopt and approve the document due to none seating of Ordinary Council during March to June 2022	Draft Plan for adoption and approval will be submitted on the next Ordinary Council meeting.
6.9	Traffic Management	Develop Traffic Management	Adopted Policy	New KPI	Developed and Adopted Traffic	<b>Not achieved</b>	Council Resolution Approved copy	Inability of the Council to adopt and approve the document due to none seating of Ordinary Council during March to June 2022	Draft Policy for adoption and approval will be submitted on the next Ordinary Council meeting.

## CHAPTER 4

### ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

#### COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

##### 4.1 EMPLOYEE TOTALS

Mohokare Local Municipality employs 257 (including non-permanent positions) officials, who individually and collectively contribute to the Municipality's strategic objectives. The primary objective of Human Resource Management is to render innovative HR services that address both skills development and administrative function.

<b>TOTAL EMPLOYEES</b>				
<b>Description</b>	<b>Ending 30<sup>th</sup> June 2022</b>			
	<b>Number of Posts</b>	<b>Number of Employees</b>	<b>Vacancies</b>	<b>% Variance</b>
Water	61	50	11	18.03%
Sanitation	83	44	20	24.09%
Electricity	1	1	0	0%
Roads & Storm-water	23	10	13	56,5%
Technical Services (exc the above)	8	6	2	25 %
Waste Management	57	61	14	24%
Human Settlement	5	4	1	20%
Traffic Safety & Management	7	7	0	0%
Community Services (exc Waste, Human Settlement & Traffic)	34	14	20	58,82%
Planning	2	2	0	0%
Local Economic Development	2	2	0	0%
Office of the MM (exc Planning & LED)	20	13	9	45%
Finance	31	24	7	23%
Corporate Services	34	28	5	14.7%
<b>TOTALS</b>	<b>368</b>	<b>266</b>	<b>102</b>	<b>27.7%</b>

## VACANCIES

Vacancy Rate: 2021/22			
Designations	Total Approved Posts	Vacancies	Vacancies %
Municipal Manager	1	0	
CFO	1	0	
Other S56 Managers (excluding Finance Posts)	3	2	
Other S57 Managers (Finance posts)	0	0	
Police officers	0	0	
Fire fighters	0	0	
Senior management: Levels 13-15 (excluding Finance Posts)	13	3	
Senior management: Levels 13-15 (Finance posts)	2	0	0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	46	5	10%
Highly skilled supervision: levels 9-12 (Finance posts)	17	2	11%
<b>Total</b>	<b>94</b>	<b>14</b>	<b>15%</b>

## TURNOVER

Turn-over Rate 2021/22			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
Year -2	20	13	
Year -1	0	0	
Year 0			
<b>Total</b>	<b>31</b>	<b>13</b>	

### Appointment of Senior Managers

No appointment for the financial 2021/22 on Senior Managers

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.2 POLICIES

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

All policies relevant to Human Resources have been reviewed and implemented in the years under review.

Human Resource policies road shows have been embarked upon to train and share information of the policies to all staff members.

The table below shows the HR Policies and Plans that are approved:

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council
1	Human Resource Development Strategy	100	100	24 July 2018
2	Organogram	100	100	24 July 2018
3	Organizational Design Policy	100	100	24 July 2018
4	Employment Policy	100	100	24 July 2018
5	Leave Policy	100	100	24 July 2018
6	Occupational Health and Safety Policy	100	100	24 July 2018
7	Overtime Policy	100	100	24 July 2018
8	Relocation Policy	100	100	24 July 2018
9	Councilor Remuneration Policy	100	100	24 July 2018
10	Staff Retention Policy	100	100	24 July 2018
11	Employment Equity policy	100	100	24 July 2018

### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee Days	Total Estimated Cost
Required basic medical attention	0	0	1	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Injuries, sickness and suspensions excl. injuries on duty:

Salary band	Total sick leave	Proportion of sick leave without medical certification %	Employees using sick leave	Total employees in post*	Average sick leave per employees
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	1200	0	120	102	12
Highly skilled production (levels 6-8)	600	0	21	35	17
Highly skilled supervision (levels 9-12)	300	0	36	48	6
Senior management (Levels 13-15)	76	0	20	13	17
MM and S57	0	0	0	2	
<b>Total</b>	<b>2176</b>	<b>0</b>	<b>197</b>	<b>200</b>	<b>10.8</b>

## SUSPENSIONS

<b>Number and period of suspension</b>				
<b>Position</b>	<b>Nature of Alleged Misconduct</b>	<b>Date of Suspension</b>	<b>Details of Disciplinary Action taken or Status of case and reasons why not finalized</b>	<b>Date Finalized</b>
NONE				

## CASES OF FINANCIAL MISCONDUCT

<b>Disciplinary Action Taken On Cases of Financial Misconduct</b>			
<b>Position</b>	<b>Nature of Alleged Misconduct and Rand value of any loss to the municipality</b>	<b>Disciplinary action taken</b>	<b>Date Finalized</b>
NO CASES REPORTED			

### 4.4 PERFORMANCE REWARDS

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

All Senior Managers appointed in terms of Section 56 of the MSA are on fixed-term performance contracts. The Individual Performance Management System has not been fully cascaded down to all institutional levels within the municipality. Currently there is no performance bonus system for non-section 56 employees, only a notch progression methodology is currently utilized.

This will be put in place once the organization achieves the necessary performance management maturity level. The table below sets out the total number and cost of annual bonuses paid out to senior managers and fixed term contract employees for the 2018/19 financial year:

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within
Lower skilled (Levels 1-2)	Female	0	0	0	0
	Male	0	0	0	0
Skilled (Levels 3-5)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled production (levels 6-8)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled supervision (levels 9-12)	Female	0	0	0	0
	Male	0	0	0	0
Senior management (Levels 13-15)	Female	0	0	0	0
	Male	0	0	0	0
MM and S56	Female	0	0	0	0
	Male	4	4	0	0
<b>Total</b>		<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>

No performance bonuses were paid during the financial year under review.

### COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68 of the Municipal Systems Act states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, and efficient and accountable way and for this purpose must comply with the Skills Development Act and Skills Development Levies Act.

Mohokare Local Municipality had an approved and adopted workplace skills plan detailing the trainings planned by the municipality for 2021/2022.

The training plan was developed with time frames and approved by management for implementation. Further to that the municipality applied for the Discretionary grant from LGSETA, but unfortunately we were not approved.

Challenges: The municipality depends mostly on the LGSETA grants in order to implement most of the programmes due to financial constraints. The municipality experienced challenges on the implementation of the programmes in the financial year 2021/2022, hence in an attempt to rescue the situation submitted applications for Discretionary grants.

#### 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2022	Number of skilled employees required and actual as											
			Learner ships			Skills programmes & other short courses			Other forms of training			Total		
		No.	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	3	0	0	1	0	0	0	0	0	0	0	0	1
Councillors, senior officials and managers	Female	6	2	0	1	0	0	0	0	0	0	2	0	1
	Male	21	0	2	3	0	0	0	0	0	0	0	2	3
Technicians and associate professionals*	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	1	0	0	0	0	0	0	0	0	0	0	0	0
Professionals	Female	1	0	0	0	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0	0	0	0	0
Clerical support Workers	Female	34	2	3	0	0	0	0	0	0	0	2	3	0
	Male	20	4	1	0	0	0	0	0	0	0	4	1	0
Elementary Occupations	Female	81	9	0	4	0	0	0	0	0	0	9	0	4
	Male	120	40	13	13	0	0	0	0	0	0	40	13	13
<b>Sub total</b>	<b>Female</b>	<b>156</b>	<b>13</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>3</b>	<b>5</b>
	<b>Male</b>	<b>131</b>		<b>16</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>16</b>	<b>17</b>
<b>Total</b>		<b>287</b>	<b>55</b>	<b>19</b>	<b>162</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57</b>	<b>19</b>	<b>22</b>

**Financial Competency Development: Progress Report**

<b>Description</b>	<b>A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))</b>	<b>B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))</b>	<b>Consolidate d: Total of A and B</b>	<b>Consolidate d: Competenc y assessments completed for A and B (Regulation 14(4)(b) and (d))</b>	<b>Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))</b>	<b>Consolidate d: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))</b>
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	1	0	1	1	1	1
Any other financial officials	13	0	13	11	0	11
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	1	0	1	1	1	1
Supply chain management senior	1	0	1	1	0	1
<b>TOTAL</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>13</b>	<b>3</b>	<b>14</b>

*This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)*

Regulation R493 of the National Treasury requires that all identified officials in the municipality should have achieved minimum competencies by June 2021.

**Skills Development Expenditure**

Management level	Gender	Employees 2021/22 No.	Original Budget and Actual Expenditure on skills development 2015/2016							
			Learner ships		Skills programs & other short courses		Other forms of training		Total	
			Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
MM and S57	Female	0	0	0	0	0	0	0	0	0
	Male	1	R46000	R46000	0	0	0	0	R46000	R46000
Legislators, senior officials and managers	Female	2	R92000	R92000	0	0	0	0	R92000	R92000
	Male	2	R92000	R92000	0	0	0	0	R92000	R92000
Professionals	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Technicians	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Clerks	Female	1	R8700	R8700	0	0	0	0	R8700	R8700
	Male	1	R8700	R8700	0	0	0	0	R8700	R8700
Service and sales workers	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Elementary occupations	Female	4	0	0	0	0	0	0	0	0
	Male	13	0	0	0	0	0	0	0	0
Sub total	Female	7	0	0	0	0	0	0	0	0
	Male	17	0	0	0	0	0	0	0	0
<b>Total</b>		<b>24</b>	<b>R247400</b>	<b>R247400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>R247400</b>	<b>R247400</b>

## SKILLS DEVELOPMENT

The Skills Development Act aims to develop the skills of the South African workforce and to improve the quality of life of workers and their prospects of work; to improve productivity in the workplace and the competitiveness of employers and to promote self-employment.

The workplace skills plan is the key strategic planning document relating to workplace training, career pathing and employment equity. The plan details the training planned for the financial year and it is informed by the IDP, Skills audit results and the MFMA in terms of Section 83(1). The municipality endeavours to provide training as planned in the WSP but due to financial constraints not all trainings are implemented. However, there is significant progress to ensure that in a financial year employees receive quality training to acquire new skills and improve performance.

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### 4.6 EMPLOYEE EXPENDITURE

Section 66 of the Municipal Systems Act states that the Accounting Officer of the municipality must report to the Council on all expenditure incurred by the municipality on staff salaries wages, allowances and benefits. This is line with the requirements of the Public Services Regulations, 2002 as well as National Treasury Budget and Reporting Regulations.

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	None
	Male	None
Skilled (Levels 3-5)	Female	None
	Male	None
Highly skilled production (Levels 6-8)	Female	None
	Male	None
Highly skilled supervision (Levels9-12)	Female	None
	Male	None
Senior management (Levels13-16)	Female	None
	Male	None
MM and S 57	Female	None
	Male	None
<b>Total</b>		<b>0</b>

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

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**Employees appointed to posts not approved**

<b>Department</b>	<b>Level</b>	<b>Date of appointment</b>	<b>No. appointed</b>	<b>Reason for appointment when no established post exist</b>
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None				
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## **CHAPTER 5**

### **FINANCIAL PERFORMANCE**

The overall operating results achieved for the past financial year closed off with a deficit of R 50.3 million compared to a budgeted surplus of R 48.8 million. Operating revenue for the year is R 257.1 million (2021: R 298.9 million) which reflects a decrease of 13.98%. The operating expenditure for the year is R 307.4 million (2021: R 280.9 million) which reflects an increase of 9.4%.

The total capital expenditure capitalized for the year in respect of property, plant and equipment amounted to R 40.1 million. Cash and short term investments decreased by 2290.4% to R 148 thousand (2021: R 3.5 million).

### **COMPONENT B: STATEMENTS OF FINANCIAL PERFORMANCE**

Operating revenue excluding government grants and subsidies but including equitable share for the year is R 202.8 million (2021: R 200.2 million) which reflects an increase of 1.28%. Included in the above figure is equitable share to the amount of R 76.8 million, 29.9% of the total revenue.

Electricity and water are the largest source of income and contributes 12.8% and 14.62% respectively to operating revenue. Property rates constitute 4.57% of revenue.

Fines, Penalties and Forfeits has decreased from R 12.2 million to R 86 thousand.

The operating expenditure for the year is R 307.4 million (2021: R 280.9 million) which reflects an increase of 9.4% from the previous financial year. The main expenditures are employee related costs at R 84.1 million, debt impairment at R 80.4 million, bulk purchases at R 35.3 million and depreciation and amortisation at R 23 million. Repair and maintenance decreased from R 2.2 million to R 1.6 million.

### **COMPONENT A: STATEMENTS OF FINANCIAL POSITION**

The current assets decreased from R 45.6 million to R 34.1 million. This is a decrease of 25.2%. This is a decrease of R 11.5 million.

The current liabilities increased from R 147.2 million to R 170.6 million. This is an increase of R 23.4 Million.

The non-current assets increased from R 708.3 million to R 721.3 million. This is an increase of R 13 million or 3.3%. This was largely due to capital grants from RBIG and WSIG.

The non-current liabilities increased by R 28.4 million.

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Performance of Operational Services							R '000
Description	2020-21	2021-22			2021-22 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
<b>Operating Cost</b>							
Water	22 211	20 703	24 407	27 131	31.05%	11.16%	
Waste Water (Sanitation)	10 770	10 487	10 536	9 423	-10.15%	-10.56%	
Electricity	41 825	29 370	32 920	38 233	30.18%	16.14%	
Waste Management	7 023	-	-	8 372	100.00%	100.00%	
Housing	878	1 035	958	1 007	-2.71%	5.13%	
<b>Component A: sub-total</b>	82 708	61 596	68 821	84 166	36.64%	22.30%	
Roads	6 533	5 761	8 094	8 902	54.52%	9.97%	
<b>Component B: sub-total</b>	6 533	5 761	8 094	8 902	54.52%	9.97%	
Planning	6 999	7 912	7 261	7 214	-8.82%	-0.64%	
<b>Component C: sub-total</b>	6 999	7 912	7 261	7 214	-8.82%	-0.64%	
Community & Social Services	13 267	20 543	19 123	39 843	93.95%	108.35%	
Security and Safety	3 177	3 553	3 632	3 263	-8.15%	-10.16%	
Sport and Recreation	589	701	665	589	-15.90%	-11.42%	
Corporate Policy Offices and Other	165 628	130 529	126 559	163 353	25.15%	29.07%	
<b>Component D: sub-total</b>	182 661	155 325	149 979	207 049	33.30%	38.05%	
<b>Total Expenditure</b>	<b>278 901</b>	<b>230 593</b>	<b>234 156</b>	<b>307 331</b>	<b>33.28%</b>	<b>31.25%</b>	
						T 5.1.2	

### COMMENTS

Significant variances can be noted in several departments. This relates mainly to Waste Water, Waste Management, Community & Social Services and Sports and Recreation.

## 5.2 GRANTS

Grant Performance						
R' 000						
Description	2020-21	2021-2022			2021-22 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustment s Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>98 456</b>	<b>80 762</b>	<b>80 762</b>	<b>85 476</b>		
Equitable share	85 652	76 781	76 781	76 781	-	0%
Finance Management Grant	2 800	2 850	2 850	2 850	0%	0%
Expanded Public Works Programme	1 000	1 131	1 131	1 131	0%	0%
Provincial FSPT	2 549	-	-	-	100%	100%
Treasury: Payment of audit fees	2 596	-	-	4 714	100%	100%
Co-Operative Governance and Traditional	3 859	-	-	-	100%	100%
Municipal Disaster Relief Grant	-	-	-	-	0%	0%
<b>Total Operating Transfers and Grants</b>	<b>98 456</b>	<b>80 762</b>	<b>80 762</b>	<b>85 476</b>		
						T 5.2.1

### COMMENT ON OPERATING TRANSFERS AND GRANTS:

The equitable share grant decreased this financial year. This is due to the fact that in 2020/21 financial year the municipality received an additional R 11.867 on equitable share for COVID-19. All transfers and grants received for the year have been spent for the purposes they were received for where conditions were attached.

All conditional grants were received except for R 18.609 million withheld from the Equitable Share Grant in respect of unspent conditional grant funding.

## 5.3. ASSET MANAGEMENT

Asset management remains a concerning area in Mohokare Local Municipality due to reliance on consultants on infrastructure assets and lack of capacity that would ensure the transfer of skills by consultants. Only one person is working in the division and is fully responsible for movable assets. No capital project (work in progress) were completed and unbundled in the current financial year. All asset additions for the year relates to work in progress on ongoing projects as well as movable asset additions.

Repair and Maintenance Expenditure: 2021-22				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	2 160	2 640	1 630	38%
T 5.3.4				

The figure above does not include labour, transport and overheads.

There was an under expenditure of 38% of the budgeted amount for the purchase of materials.

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.4 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year -1 to Year 0						
R' 000						
Details	2020-21	2021-22				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>						
External loans	-	-	-	-	0.00%	0.00%
Public contributions and donations	-	-	-	-	0.00%	0.00%
Grants and subsidies	81 665	77 395	77 395	39 713	0.00%	-48.69%
Internally generated funds	451	4 493	1 128	351	-74.90%	-92.19%
<b>Total</b>	<b>82 116</b>	<b>81 887</b>	<b>78 522</b>	<b>40 063</b>	<b>-74.90%</b>	<b>-140.88%</b>
<i>Percentage of finance</i>						
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	99.5%	94.5%	98.6%	99.1%	0.0%	34.6%
Other	0.5%	5.5%	1.4%	0.9%	100.0%	65.4%
<b>Capital expenditure</b>						
Water and sanitation	81 665	79 000	78 780	39 713	-0.28%	-49.73%
Electricity	-	5 850	5 850	-	0.00%	-100.00%
Housing	-	-	-	-	0.00%	0.00%
Roads and storm water	-	6 116	6 116	-	0.00%	-100.00%
Other	451	1 557	1 557	351	0.00%	-77.48%
<b>Total</b>	<b>82 116</b>	<b>92 523</b>	<b>92 303</b>	<b>40 063</b>	<b>-0.28%</b>	<b>-327.21%</b>
<i>Percentage of expenditure</i>						
Water and sanitation	99.5%	85.4%	85.3%	99.1%	100.0%	15.2%
Electricity	0.0%	6.3%	6.3%	0.0%	0.0%	30.6%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roads and storm water	0.0%	6.6%	6.6%	0.0%	0.0%	30.6%
Other	0.5%	1.7%	1.7%	0.9%	0.0%	23.7%
T 5.6.1						

## 5.5 CAPITAL SPENDING ON THE FIVE LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	2021/22			Variance: 2021-22	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
	R' 000				
Construction of the abstraction works in Rouxville	16 055	16 055	7 755	-107%	-107%
Upgrading of the Rouxville/Roleleathunya water treatment works (WTW) (civil works) to a capacity of 3.2ml/day, construction of new 4.8 km long main rise from the WTW to the 3 existing reservoirs and upgrading of infrastructure for 5 existing boreholes.	20 000	20 000	608	-3192%	-3192%
Smithfield / Mofulatshepe: Upgrading of the outfall sewer	9 662	9 662	2 881	-235%	-235%
Zastron/Matlakeng: Upgrading of Waste Water Pump Stations and construction of new outfall sewer line (MIS:295628)	9 376	9 376	4 575	-105%	-105%
Rouxville/Roleleathunya: Construction of paved 2km access road and related storm water - phase 2 (MIS:378096)	7 597	7 597	1 365	-457%	-457%
* Projects with the highest capital expenditure in Year 0					
<b>Name of Project - A</b>	<b>Construction of the abstraction works in Rouxville</b>				
Objective of Project	Increase of raw bulk water supply to Rouxville				
Delays	None identified				
Future Challenges	Differences between contractor and the Municipality regarding the contract				
Anticipated citizen benefits	Sustainable water supply to residents of Rouxville, Roleleathunya and Uitkoms				
<b>Name of Project - B</b>	<b>Upgrading of the Rouxville / Roleleathunya Water Treatment Works</b>				
Objective of Project	Increase of bulk water supply to Rouxville				
Delays	None identified				
Future Challenges	Maintenance of the treatment works				
Anticipated citizen benefits	Sustainable water supply for future demands				
<b>Name of Project - C</b>	<b>Smithfield / Mofulatshepe: Upgrading of the outfall sewer</b>				
Objective of Project	Upgrading of outfall sewer in Smithfield/Mofulatshepe				
Delays	None identified				
Future Challenges	Differences between contractor and the Municipality regarding the contract				
Anticipated citizen benefits	Sustainable sewer maintenance for residents of Smithfield and Mofulatshepe				
<b>Name of Project - D</b>	<b>Zastron/Matlakeng: Upgrading of Waste Water Pump Stations and construction of new outfall sewer line (MIS:295628)</b>				
Objective of Project	Upgrading of waste water pump stations in Zastron/Matlakeng				
Delays	None identified				
Future Challenges	Maintenance of the waste water pump stations				
Anticipated citizen benefits	Sustainable waste water maintenance for future demands				
<b>Name of Project - E</b>	<b>Rouxville/Roleleathunya: Construction of paved 2km access road and related storm water - phase 2 (MIS:273182)</b>				
Objective of Project	Upgrading of Rouxville/Roleleathunya roads				
Delays	None identified				
Future Challenges	Maintenance of the road				
Anticipated citizen benefits	Better roads and related storm water				
					T 5.7.1

## 5.6 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2020-21	Current: 2021-22		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	37 204	89 722	78 286	56 948
Government - operating	79 258	80 762	80 762	63 950
Government - capital	85 187	78 350	78 350	78 350
Interest	240	–	–	230
Dividends	12	–	–	14
<b>Payments</b>				
Suppliers and employees	(111 906)	(161 016)	(163 689)	(161 516)
Finance charges	(13 248)	–	–	(18 508)
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>76 746</b>	<b>87 818</b>	<b>73 709</b>	<b>19 467</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments		400		
<b>Payments</b>				
Capital assets	(82 116)	(79 361)	(77 021)	(40 063)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(82 116)</b>	<b>(78 961)</b>	<b>(77 021)</b>	<b>(40 063)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long term/refinancing	5 956			17 123
Increase (decrease) in consumer deposits				
<b>Payments</b>				
Repayment of borrowing	(73)	–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>5 884</b>	<b>–</b>	<b>–</b>	<b>17 123</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>514</b>	<b>8 857</b>	<b>(3 312)</b>	<b>(3 473)</b>
Cash/cash equivalents at the year begin:	<b>4 553</b>	<b>33 295</b>	<b>33 295</b>	<b>5 067</b>
Cash/cash equivalents at the year end:	<b>5 067</b>	<b>42 152</b>	<b>29 983</b>	<b>1 594</b>
Source: MBRR A7				T 5.9.1

The municipality closed the 2021/22 financial year with a positive balance of R 1,6 million.

## 5.7 BORROWINGS AND INVESTMENT

The big portion of borrowing facilities relates to Centlec. The Centlec Payable relates to the amounts owed to Centlec in terms of services provided on behalf of the Municipality. This accounts for electricity bulk purchases, electricity sales on behalf of Mohokare Local Municipality, general expenditure incurred in the process of performing these duties as well as distribution losses. No contractual agreement regarding repayment terms interest rate applicable, maturity date has been agreed upon and based on past history there is no indication that Centlec will demand payment within the next 12 months.

<b>Actual Borrowings: 2019-20 to 2021-22</b>			
			<b>R' 000</b>
<b>Instrument</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	39 162	47 420	64 754
Financial Leases	–	–	–
<b>Municipality Total</b>	39 162	47 420	64 754
			<i>T 5.10.2</i>

Investments are made with different financial institutions.

<b>Municipal and Entity Investments</b>			
			<b>R' 000</b>
<b>Investment* type</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>Municipality</b>			
Deposits - Bank	4 211	3 546	148
<b>Municipality sub-total</b>	4 211	3 546	148
<b>Consolidated total:</b>	4 211	3 546	148
			<i>T 5.10.4</i>

## 5.8 PUBLIC PRIVATE PARTNERS

Mohokare Local municipality is not involved in any Public Private Partnership agreements at present.

## 5.9 SUPPLY CHAIN MANAGEMENT

Progress made by MLM in developing and implementing policies and procedures. The current SCM Policy has been approved by Council and by the Provincial Treasury.

All SCM officials are competent and they all meet the minimum requirements and this enables them to carry out their duties effectively

<u>No</u>	<u>Name</u>	<u>Qualification</u>
1	Pule Lesenyeho	B.Com (General) + MFMP
2	Thabiso Lebetse	National Diploma (Internal Auditing) + MFMP
3	Thandiwe Aphane	B.Com (Marketing and Tourism)
4	Kgotso Masuinyane	National Diploma (Internal Auditing)

AGSA recommended that an SCM Manager be appointed. The Municipality did not have this vacancy previously in the organogram, it is now included and anticipated that it will be filled in the next financial year.

### **5.10 GRAP COMPLIANCE**

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

## CHAPTER 6 - AUDITOR GENERAL REPORT

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

### Qualified opinion

I have audited the financial statements of the Mohokare Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Mohokare Local Municipality as at

30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognized Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

### Basis for qualified opinion

#### Receivables from exchange transactions

I was unable to obtain sufficient appropriate audit evidence for receivables from exchange transactions due to material differences between the debtor's sub-ledger and financial statements. I was unable to confirm the receivables from exchange transactions by alternative means. Consequently, I *was* unable to *determine* whether *any adjustments* were necessary to receivables from exchange transactions stated at RB 233 123 (2021: RB 872 082) in note 4 to the financial statements.

#### Property, plant and equipment

I was unable to obtain sufficient appropriate audit evidence for the infrastructure, infrastructure, work in progress and change in estimate included in the reconciliation of property, plant and equipment in note 11 to the financial statements due to the status of the accounting records. I was unable to confirm the infrastructure and infrastructure - work in progress assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the infrastructure assets stated at R619 010 942 (2021: R602 059 417) in note 11 to the financial statements.

In addition, the municipality did not account for infrastructure - work in progress in accordance with GRAP 17, *Property, Plant and Equipment* as differences were identified between the fixed asset register and the financial statements. This resulted in an overstatement of infrastructure - work in progress by RB 047 613 and impairment of assets was understated by the same amount. The municipality also as they incorrectly capitalised project costs for work not performed on these projects, resulting in an overstatement of infrastructure.

Furthermore, we could not physically verify some *of* the assets included in the fixed asset register, resulting in an overstatement of movable assets disclosed in note 11 to the financial statements by R3 448 044 and an understatement of the loss on disposal of assets and liabilities by the same amount. There was also an impact on accumulated depreciation and accumulated impairment, depreciation and amortisation, the deficit for the year and the accumulated surplus.

### **Employee benefit obligations**

The municipality did not calculate the post-retirement health care benefit liability included in note 15 to the financial statements in accordance with GRAP 25, *Employee benefits* as they did not calculate the liability for all eligible employees. Consequently, I was unable to determine the full extent of the impact of the misstatements to employee benefit obligations, actuarial losses and finance costs as it was impracticable to do so. In addition, there was an impact on the deficit for the year and the accumulated surplus.

### **Provisions**

I was unable to obtain sufficient appropriate audit evidence for the inputs used by the actuaries in their provision calculation as the municipality did not have adequate systems in place to ensure that the relevant supporting records were available to support the actuary's calculations. I was unable to confirm provisions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the R22 631 434 disclosed note 18 to the financial statements.

In addition, the municipality did not account for the provision for environmental rehabilitation in accordance with GRAP 19, *Provisions* as they did not record the current portion of the environmental rehabilitation liability due in the next 12 months as a result of illegal landfill activities taking place. Consequently, I was unable to determine the full extent of the impact of the misstatement on the provision for environmental rehabilitation liability as it was impracticable to do so.

### **Payables from exchange transactions**

I was unable to obtain sufficient appropriate audit evidence for the non-current and current portion of the payables from exchange transactions due to material differences identified between the general ledger and financial statements. The municipality also could not provide adequate supporting evidence to confirm the staff salaries and third parties sub-line item included in note 13 to the financial statements. I could not confirm the payables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to payables from exchange transactions stated at R215 032 350 in note 13 to the financial statements.

In addition, the municipality did not account for payables from exchange transactions in accordance with GRAP 1, *Presentation of Financial Statements* as the municipality did not record all suppliers included in the trade payables listing. Consequently, this resulted in trade payables and general expenditure being understated by R89 472 834. There was also an impact on the deficit for the year and accumulated surplus.

## **VAT receivables**

I was unable to obtain sufficient appropriate audit evidence for VAT receivables due to material differences between the debtor's sub-ledger and financial statements. I was unable to confirm the VAT receivables by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to VAT receivables stated at R21 626 486 in note 6 to the financial statements.

## **Service charges**

I was unable to obtain sufficient appropriate audit evidence for service charges as the municipality did not have adequate systems in place to account for the billing of services. I was unable to confirm the service charges by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to service charges stated at R86 913 170 (2021: R89 994 930) in note 19 to the financial statements.

In addition, the municipality did not recognise service charges in accordance with GRAP 9, *Revenue from exchange transactions*. Service charges were not billed and recorded for all properties, while incorrect water readings were captured in some instances, resulting in incorrect billing of consumer accounts. Consequently, I was unable to determine the full extent of the misstatements to service charges, and receivables from exchange transactions, as it was impracticable to do so. There was an impact on the deficit for the year and the accumulated surplus.

## **Property rates**

The municipality did not record property rates in accordance with GRAP 23, *Revenue from non-exchange transactions*, as differences were identified between the valuation roll and financial statements. Consequently, property rates stated in note 25 to the financial statements were overstated by R16 263 860 and receivables from non-exchange were also overstated by the same amount. In addition, there was an impact on the deficit for the year and the accumulated surplus.

## **Government grants and subsidies**

I was unable to obtain sufficient appropriate audit evidence for government grants and subsidies as the municipality could not provide adequate supporting evidence such as the payment vouchers, statements and/or invoices for transactions recorded in the general ledger.

I was unable to confirm government grants and subsidies by alternative means.

Consequently, I was unable to determine whether any adjustments were necessary to the government grants and subsidies stated at an amount of R131 018 798 in note 27 to the financial statements.

In addition, the municipality did not record government grants and subsidies in accordance with GRAP 23, *Revenue from non-exchange transactions* as they did not record government grant and subsidies revenue in accordance with the conditions of the grants. Consequently, government grants and subsidies and unspent conditional grants were overstated by R9 915 535. There was also an impact on the deficit for the year and the accumulated surplus.

## **Debt impairment**

I was unable to obtain sufficient appropriate audit evidence for debt impairment due to material differences between the supporting schedules and financial statements. I was unable to confirm the debt impairment by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the debt impairment stated at R80 393 089 in note 34 to the financial statements.

### **General expenses**

I was unable to obtain sufficient appropriate audit evidence to confirm that general expenses were only recognised where the goods and services were actually received and utilised. I was unable to confirm the general expenses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the general expenses stated at R42 267 411 (2021: R37 208 114) in note 37 to the financial statements.

In addition, the municipality did not account for general expenses in accordance with GRAP 1, *Presentation of financial statements*, as some general expenses were incorrectly classified, while some expenditure items were recorded in the incorrect financial year. Consequently, general expenditure was overstated by R4 641 449 and payables from exchange transactions were understated by the same amount. There was also an impact on the deficit for the year and the accumulated surplus.

### **Interest received on outstanding debtors**

I was unable to obtain sufficient appropriate audit evidence for interest received on outstanding debtors due to material differences between the debtor's sub-ledger and financial statements. I was unable to confirm the interest received on outstanding debtors by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to interest received on outstanding debtors stated at R22 203 177 in note 21 to the financial statements.

### **Irregular expenditure**

The municipality did not disclose all instances of irregular expenditure incurred in the notes to the financial statements as required by section 125(2)(d) of the MFMA. The municipality made payments in contravention of the supply chain management (SCM) requirements, which were identified during the year. I was unable to determine the full extent of the understatement of the irregular expenditure stated at R250 516 347 (2021: R231 158 524) in note 47 of the financial statements, as it was impracticable to do so.

### **Fruitless and wasteful expenditure**

The municipality did not disclose all instances of fruitless and wasteful expenditure incurred in the notes to the financial statements as required by section 125(2)(d) of the MFMA. Consequently, I was unable to determine the full extent of the understatement of the fruitless and wasteful expenditure stated at R27 970 989 (2021: R55 662 151) in note 46 of the financial statements, as it was impracticable to do so.

The municipality did not disclose all contractual commitments for the acquisition of property, plant and equipment in accordance with GRAP 17, *Property, Plant and Equipment*. Consequently, commitments disclosed in note 40 to the financial statements were understated by R39 419 440.

### **Net cash flows from operating activities**

The municipality did not correctly prepare and disclose the net cash flows from operating activities as required by GRAP 2, *Cash flow statements*. This was due to multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities as stated at R19 467 194 in the financial statements were necessary.

### **Risk management**

The municipality did not make adequate disclosures on risk management as they did not disclose all financial assets and liabilities in note 42 to the financial statements as required by GRAP 104: *Financial Instruments*. This resulted in the financial statements being materially misstated. I was unable to determine the full extent of the misstatements as it was impracticable to do so.

### **Total expenditure**

Total expenditure was materially misstated by R3 699 787 due to the cumulative effect of individually immaterial uncorrected misstatements in the following Items:

1. Contracted services stated at R9 298 904 were overstated by R1 658 799.
2. Impairment of assets stated at R4 264 686 was overstated by R1 062 938.
3. Finance cost stated at R18 508 279 was overstated by R379 768.
4. Employee-related costs stated at R84 057 139 were understated by R269 434.

In addition, I was unable to obtain sufficient appropriate audit evidence for expenditure by alternative means:

5. Contracted services for which evidence could not be obtained of R867 717 as included in the disclosed balance of R9 298 904.

### ***Context for the opinion***

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

### **Material uncertainty relating to going concern**

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

Note 54 to the financial statements indicates that the municipality incurred a deficit of R50 296 282 during the year ended 30 June 2022 and, as of that date the municipality's current liabilities exceeded its current assets by R136 469 833. As disclosed in note 13, the municipality had been deducting pension and provident fund contributions from the employee's salaries but was unable to pay over R109 006 165 (2021: R104 662 964) of these amounts deducted to the relevant third parties. These events or conditions, along with other matters as set forth in note 54, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

### **Emphasis of matters**

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

### **Unauthorised expenditure**

As disclosed in note 45 to the financial statements, the municipality incurred unauthorised expenditure of R138 725 706 (2021: R65 835 067), due to overspending of the budget.

### **Restatement of corresponding figures**

As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

### **Material losses**

As disclosed in note 48 to the financial statements, material electricity distribution losses of R9 244 929 (2021: R7 258 297) were incurred by the municipality mainly due to faulty meters, tampering and illegal electricity connection

### **Material uncertainty relating to claims against the municipality**

With reference to note 41 to the financial statements, the municipality is the defendant in various claims *against* the municipality. The municipality is opposing the claims. The ultimate outcome of the matters could not be determined and no provision for any liabilities that may result was made in the financial statements.

### **Other matter**

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

### **Unaudited disclosure notes**

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

### **Responsibilities of the accounting officer for the financial statements**

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and DORA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern

basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I was engaged to perform procedures to identify findings but not to gather evidence to express assurance.

I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the

general notice, for the following selected development priorities presented in the municipality's annual performance report for the year ended 30 June 2022:

<b>KPA</b>	<b>Pages In the annual performance report</b>
KPA 1 - basic service delivery and infrastructure development	<b>x-x</b>

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

**KPA 1 - basic service delivery and infrastructure development**

**Various indicators**

I was unable to obtain sufficient appropriate audit evidence to support the measures taken to improve performance against the targets listed below as reported in the annual performance report. This was due to limitations placed on the scope of my work as the municipality was unable to provide adequate supporting evidence for the reported corrective measures taken/to be taken to improve performance. I was unable to

confirm the reported measures taken by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported measures taken to improve performance.

<b>Indicator descriptions</b>	<b>Planned targets</b>	<b>Reported achievements</b>
Zastron/Matlakeng: Upgrading of the outfall sewer line and refurbishment of sewer pumstations	Practical completion of the project by 30 December 2021	Not achieved
Upgrading of the Zastron water treatment works(WTW)	Practical completion of the project by 30 September 2021	Not achieved
Upgrading of the Rouxville water treatment works	Practical completion of the project by 30 December 2021	Not achieved
Smithfield/Mofulatshepe: The upgrading of the outfall sewer	Contractor site hand over by 30 December 2021	Not achieved
Provide 10 793 of formal household with water MLM daily	Provision of 2 080.5 ml purified water by 30 June 2022	Not achieved

<b>Indicator descriptions</b>	<b>Planned targets</b>	<b>Reported achievements</b>
Indicator. Wastewater quality management by 30 June 2022	Maintain dignified sanitation and submission of 22 waste water quality samples to meet waste water monitoring plan by June 2022	Not achieved
Drinking water quality management by June 2022	Submission of 11,5 drinking water quality samples to accredited laboratory for testing by 30 June 2022	Not achieved
Rouxville/Roleleathunya: Electrification of households 186 in Extension 6	Electrification of 186 HH in extension 10 by 30 June 2022	Not achieved
Zastron/Matlakeng: Electrification of 300 households in extension 10	Electrification of 300 HH in extension 10 by 30 June 2022	Not achieved

#### Other matters

I draw attention to the matters below.

#### **Achievement of planned targets**

Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 46 of this report.

#### **Adjustment of material misstatements**

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of basic services and infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

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

The material findings on compliance with specific matters in key legislation are as follows:

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

The annual financial statements were not submitted to the Auditor-General, for auditing, within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.

The annual financial statements were not submitted to the Auditor-General within two months after the end of the financial year and a written explanation setting out the reasons for the failure was not tabled in council, as required by section 133(1)(a) of the MFMA.

The local community was not invited to submit representations in connection with the 2020-21 annual report, as required by section 127(5)(a)(ii) of the MFMA.

The oversight report adopted by the council on the 2020-21 annual report was not made public, as required by section 129(3) of the MFMA.

### **Asset management**

An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

An adequate management and accounting system which accounts for assets were not in place, as required by section 63(2)(a) of the MFMA.

### **Revenue management**

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

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

I was unable to obtain sufficient appropriate audit evidence that revenue due to the municipality was calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

I was unable to obtain sufficient appropriate audit evidence that accounts for municipal tax and charges for municipal services/service charges were prepared on a monthly basis, as required by section 64(2)(c) of the MFMA.

I was unable to obtain sufficient appropriate audit evidence that interest had been charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

### **Expenditure management**

Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

I was unable to obtain sufficient appropriate audit evidence that payments from the municipality's bank accounts were approved by the accounting officer, as required by section 11(1) of the MFMA.

Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the approval of funds, as required by section 65(2)(a) of the MFMA.

An adequate management, accounting and information system was not in place which recognised expenditure when it was incurred/accounted for creditors, as required by section 65(2)(b) of the MFMA.

Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by SCM processes not being followed.

Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the fruitless and wasteful expenditure as indicated in the basis for qualification paragraph. The majority of the disclosed fruitless and wasteful expenditure was caused by the interest charged on late payments.

Reasonable steps were not taken to prevent unauthorised expenditure amounting to R138 725 706, as disclosed in note 45 to the annual financial statements, in *contravention* of section 62(1)(d) of the MFMA. The majority of the unauthorized expenditure was caused by overspending of the budget vote.

### **Human resource management**

An approved staff establishment was not in place, as required by section 66(1)(a) of the Municipal Systems Act 32 of 2000 (MSA).

I was unable to obtain sufficient appropriate audit evidence that senior managers signed performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.

### **Procurement and contract management**

Sufficient appropriate audit evidence could not be obtained that all contracts and/or quotations were awarded in accordance with the legislative requirements as the information was not provided as per the request for information was not submitted.

Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(1)(a) and (c).

Written quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM regulations 16(b) and 17(1)(b).

Contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a)(i) and the 2017 preferential procurement regulations.

Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.

The preference point system was not applied to some of the procurement of goods and services above R30 000 as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2000.

Contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5.

Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the **MFMA**.

Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the **MFMA**.

Awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of MFMA 112(1)(b) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

### **Consequence management**

Some of the unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the **MFMA**.

Some of the unauthorised expenditure were certified by council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(a)(ii) of the **MFMA**.

Authorisation of unauthorised expenditure amounting to R321 421 314 was not done through an adjustment budget, as required by section 32(2)(a)(i) of the **MFMA**.

Some of the irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the **MFMA**.

Some of the fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the **MFMA**.

Some of the fruitless and wasteful expenditure were certified by council certified as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(b) of the MFMA.

## **Conditional grants**

The Municipal Infrastructure Grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of the Division of Revenue Act (Act 9 of 2021).

Performance in respect of programmes funded by the Municipal Infrastructure Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).

The Regional Bulk Infrastructure Grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of the Division of Revenue Act (Act 9 of 2021).

Performance in respect of programmes funded by the Regional Bulk Infrastructure Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).

The Water Services Infrastructure Grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of the Division of Revenue Act (Act 9 of 2021).

Performance in respect of programmes funded by the Water Services Infrastructure Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).

Performance in respect of programmes funded by the Integrated National Electrification Programme was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).

## **Other information**

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the KPA presented in the annual performance report that has been specifically reported in this auditor's report.

My opinion on the financial statements and findings on the reported performance information and compliance with legislation does not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## **Internal control deficiencies**

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Inadequate monitoring by key officials of support staff in the implementation of daily and monthly controls over financial and performance reporting, and compliance with laws and regulations resulted in the audit findings included in this report.

The municipality continued to rely on consultants to resolve the prior year's audit findings; however, information prepared by consultants was not thoroughly reviewed by management to **assess** the accuracy and completeness thereof for financial reporting purposes. In addition, there was no skills transfer and training provided by consultants, consequently, consultants assumed the role of management in terms of financial statements preparation, reconciliation of records and supporting documentation.

Management was slow to respond to the previous year's recommendations of the external auditors, resulting in repeat material misstatements in the financial statements, annual performance report and non-compliance with legislation that could have been prevented.

## **Material Irregularities**

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

## **Annual financial statements not submitted for auditing (2021-22)**

The annual financial statements for the year ending 30 June 2022 were not submitted to the auditor-general for auditing *within* two months after the end of the financial year (31 August 2022), as required by section 126(1)(a) of the MFMA. The non-submission of the annual financial statements for auditing, and the subsequent non-tabling of the annual report, is likely to result in substantial harm to the municipality, as there is a lack of accountability and transparency for the fiscal and financial affairs of the municipality. This is due to the legislative processes that follow after the submission of the annual financial statements relating to the financial year ending 30 June 2022 being delayed or not implemented.

The accounting officer was notified of this material irregularity on 23 September 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer submitted the annual financial statements for auditing on 30 November 2022.

Therefore, the material irregularity has been resolved.

### **Other report**

In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

The member of the executive authority responsible for Cooperative Governance and Traditional Affairs (CoGTA) has initiated an investigation in terms of section 106 of the MSA into possible maladministration at the municipality. At the time of this report, the outcome was not communicated to the municipality and therefore, the impact on this report was not determined.

Bloemfontein 01 March 2023



**AUDITOR-GENERAL**  
**501JTH AFRICA**

*Auditing to build public confidence*

**6.1.2 AUDIT ACTION PLAN RESOLVING ISSUES ON THE PREVIOUS FINANCIAL YEAR:**

<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Irregular Expenditure	<p>CoAF 67 - 2019/20 SCM Findings not adequately dealt with</p> <p>This finding relates to all matters reported by the AGSA during 2019/20 which may have an impact on the Municipality's Irregular expenditure Register.</p> <p>Based on the findings, all bids awarded for the 2019/20 financial year are to be inspected again against the finding as raised for this financial year and any bids where similar errors are identified should be considered for inclusion in the Irregular expenditure Register of the Municipality.</p>	Management oversight in ensuring that the issues raised by the Auditor General are addressed.	<ol style="list-style-type: none"> <li>1. SCM to inspect all bids of the 2019/2020 financial year</li> <li>2. Review all bids against the issues as raised per the AGSA findings for the 2019/20 financial year.</li> <li>3. Update the Irregular Expenditure Register with any additional irregular expenditure identified through the above processes.</li> </ol>	31-Dec-22	SCM Accountant SCM Officer CFO
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT</b>

			<b>BE USED FOR EACH ACTION]</b>		<b>AS WELL AS OFFICIALS:</b>
Irregular Expenditure	<b>CoAF 174</b> - Incorrect BBBEE points awarded to winning bidders	The matter occurred due to management not reviewing the validity of the points awarded to the bidders for price prior to making the final award.	SCM unit to ensure that awards are being made in accordance to regulation 6 of the Preferential Procurement Regulations of 2017	31-Dec-22	SCM Accountant SCM Officer CFO
Irregular Expenditure	<b>CoAF 183</b> - Minimum threshold for local content not stated in the RFQ's	This was due to management not ensuring that when drafting and issuing requests for quotations for the procurement of goods and services under designated sectors, the minimum threshold for local content and production is indicated.	1. SCM to ensure that it adheres to regulation 8 of the preferential procurement regulations 2017 as per Government Gazzet 2. SCM unit to develop advert checklist that clearly states the local content minimum threshold as per DTI guidelines	31-Dec-22	SCM Accountant SCM Officer CFO
UIFW Expenditure disclosures	<b>CoAF 53</b> - The finding indicates that no investigations were performed on UIFW expenditure during the 2020/21 financial year.	MPAC was not functional during the 2020/21 financial year.	1. The municipality has established MPAC to investigate UIFW expenditure during the 2020/2021 financial year 2. Furthermore, the municipality appointed an external service provider (Umnotho) to assist MPAC with investigations.	30-Dec-22	SCM Accountant SCM Officer CFO
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>

			<b>BE USED FOR EACH ACTION]</b>		
Irregular Expenditure	<b>CoAF 184</b> - Declaration for local content not submitted by supplier	This was due to management not applying the municipal supply chain management regulations appropriately.	1. SCM to ensure that all the suppliers submits all relevant MBD forms as per the advert requirements. 2. SCM unit to ensure that suppliers submits declarations for local content in accordance to regulation 8 of the Preferential Procurement Regulations of 2017 sub-section (a) and (b)	30-Oct-22	SCM Accountant SCM Officer CFO
UIFW Expenditure disclosures	<b>CoAF 52</b> - The finding indicates that no investigations were performed on UIFW expenditure during the 2020/21 financial year.	This is due to the MPAC not being functional during the 2020/21 financial year.	1. The municipality has established MPAC to investigate UIFW expenditure during the 2020/2021 financial year 2. Furthermore, the municipality appointed an external service provider (Umnotho) to assist MPAC with investigations. 3. management should ensure that it reports unauthorised, irregular, fruitless and wasteful expenditure timeously as and when the expenditure occurs in terms of section 32(4) of MFMA	30-Dec-22	SCM Accountant SCM Officer CFO
UIFW Expenditure disclosures	<b>CoAF 71</b> - No proof could be obtained that monthly registers for UIFW were reported to the	Processes and procedures to ensure that monthly registers for unauthorised, irregular, fruitless	1. All UIFW Registers are to be updated on a quarterly basis 2. These registers are to be	30-Oct-22	SCM Accountant Expenditure Accountant Budget & Reporting Accountant

	relevant oversight structures in a timely manner	and wasteful expenditure were implemented were not in place.	submitted to S.79 & Council for their consideration as per the legislated timeframes		SCM Officer CFO
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
UIFW Expenditure disclosures	<b>CoAF 178</b> - The finding indicates that reasonable steps were not taken to prevent UIFW as per the requirements of the MFMA.	This is due to lack of management oversight to ensure that the municipality comply with the applicable laws and regulations.	1. Management to ensure that reasonable steps are undertaken to prevent UIFW as per the requirements of the MFMA section 32 (2)	30-Dec-22	SCM Accountant SCM Officer CFO
Supply Chain Management	<b>CoAF 70</b> - This finding indicates that SCM did not update their policies to be in line with the MFMA Circulars issued in relation to Procurement Management	Management oversight in ensuring that they have a compliance officer or a person who keeps the SCM policy up to date with the latest regulations.	1. SCM to update SCM Policies in accordance with sec 62 (1)© of the MFMA	30-Dec-22	SCM Accountant SCM Officer CFO
Supply Chain Management	<b>CoAF 75</b> - SCM quotation particulars not published on website	Policies and procedures were not developed to ensure that particulars of quotations is published on the municipal website	1. SCM quotation particulars are being published on the website, e-tender portal and official notice boards of the municipality as per regulation 18(b) of the SCM policy.	30-Oct-22	SCM Accountant SCM Officer CFO
Supply Chain Management	<b>CoAF 120</b> - Payment made to supplier with same bank account as a Councillor (Nick's Place)	Nick's place did not declare to the municipality that it has a director who is in the service of the state. The municipality did not verify that the supplier did not have a councillor.	1. SCM to ensure that all councillors signs annual declaration of financial interest 2. Furthermore, SCM to adhere with regulation 44 of the SCM regulation as well with SCM policy.	30-Oct-22	SCM Accountant SCM Officer

<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Supply Chain Management	CoAF 25 - Requisition register not complete	Management did not have adequate control measures in place to ensure municipality official perform their official duties and responsibilities to ensure the requisition register is complete and all requisition numbers are recorded in the requisition register.	1. SCM to monitor requisition register on a daily basis and ensure that all relevant officials sings the requisition register timeously	30-Oct-22	SCM Accountant SCM Officer CFO
Commitments	CoAF 142 - Contract Register not complete	Management oversight in ensuring that the contract management register is up to date and includes all the contracts that are not yet complete.	1. SCM and other relevant departments to update and monitor the contract management register on a monthly basis	30-Dec-22	SCM Accountant SCM Officer PMU Manager Snr Manager Finance
Additional MFMA Disclosures	CoAF 176 - No proof of deviation registers reported to Council	Management submitted information that was not relating to the 2020/21 financial year deviations when responding to RFI 125. Management oversight in ensuring that all deviations are recorded on the deviations register and	1. Management will ensure that all deviations are registered reported to council timiously as regulation 36 of the SCM Policy	30-Oct-22	SCM Accountant SCM Officer CFO

		disclosed on the AFS.			
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Fruitless and Wasteful expenditure	CoAF 112 - Key projects - interest charged by the contractor on the Rouxville Water Treatment Works.	This was due to management in all instances did not ensure that when transactions are posted, they are posted within the correct accounts.	As per the response on the finding, management agreed with the issue as raised by the AGSA. Based on this, the following approach should be followed: 1. Review all Payment Certificates for this project to ensure that the amount as stated in the finding is the total amount of interest charges that was charged on the project 2. Include this amount in the Fruitless and Wasteful Expenditure Register of the Municipality 3. Take the matter to MPAC for investigation	31-Aug-22	PMU Manager Expenditure Accountant Senior Manager Finance
Payables from exchange transactions	CoAF 86 - Differences between the trade payables reconciliation and the account statements from suppliers were identified.	There is as a result lack of oversight during the review of the Financial statements to ensure that the amounts disclosed agree to the supporting schedule.	1. Full Population review during the 2021/22 trade payables reconciliation to ensure that all closing balances for 2020/21 are correct and agrees to the statements as received from the suppliers.	31-Aug-22	Senior Finance Manger Expenditure Accountant

			2. Prepare PY Error note with all relevant supporting documentation where the differences are identified and submit along with all other TP information for the 2021/22 audit.		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Payables from exchange transactions	CoAF 24 - Monthly reconciliations of trade payables were not performed, only a year-end reconciliation	According to management the municipality experienced community protests that caused instability in the organisation and therefore their efforts to address previous year issues were constraint that ultimately resulted in the late submission of the financial statements of 2020/2021.	1. This finding are due to the fact that the Municipality submitted the AFS late for two consecutive years due to time constraints taking the finance department out of the office. 2. In order to address this finding, the finance department will start to reconcile per month to the best of our ability taking into account that the current financial year is already nearing its end. 3. Payable reconciliations for the period July 2021 - April 2022 are to be performed as well as monthly recons for May 2022 and June 2022 to start	Ongoing	Senior Finance Manger Expenditure Accountant

			implementing monthly recons.		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
General expenses	<p><b>CoAF 54 -</b> Inventory procured was issued to staff without being taken up in the municipality's inventory registers. Job cards were not issued so that the specific area where the items are being utilised can be easily identified in order to ensure that the inventory was utilised for municipal operations.</p>	<p>The above occurred as a result of inadequate controls to ensure that goods were delivered before recognition of expenditure.</p>	<ol style="list-style-type: none"> <li>1. Ensure that all items that constitutes inventory that are procured by the Municipality are received by the stock controller of the Municipality/ the Asset Officer.</li> <li>2. All items received are to be recorded in the inventory register for the specific month (master inventory control sheet/list)</li> <li>3. All stock items are to be issued out from this point to the three respective stores as per the requirements of the initial order.</li> <li>4. The assistant stock controller at each of the three stores are to take the amount of items as received by him/her up in their month stock</li> </ol>	Ongoing	<p>SCM Accountant/ Officers Asset Accountant/Officer Stock Controller Assistant Stock Controllers</p>

			<p>sheet movements.</p> <p>5. Any item issued from one of the three towns' stores are to be accompanied by a stock issuance form/job card.</p> <p>6. Stock issuance forms and stock receipts (from the master control sheet) has to be reconciled to the closing stock levels at the end of each month and any discrepancies are to be investigated and resolved.</p>		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
General expenses	<p><b>CoAF 55</b> - During the audit performed for the 2020/21 financial year, the occurrence assertion in relation to water treatment chemicals could not be confirmed adequately by the AGSA.</p>	<p>The above occurred as a result of inadequate controls to ensure that goods were delivered and used for official purposes.</p>	<p>1. Draft a detailed process plan to explain each step of the water treatment process in detail to the AGSA (including photo's etc.) where required.</p> <p>2. Obtain information from the Water Services Manager regarding the chemicals utilised in the process as well as the quantities required and reasons for changes in the quantities utilised for purification (e.g. impact of rain on water quality, etc.)</p> <p>3. Compile a</p>	Ongoing	<p>SCM Accountant/ Officers Asset Accountant/Officer Stock Controller</p>

			<p>register for water treatment chemicals to be managed by the Stock controller where he will record the amounts of chemicals received in accordance with the delivery notes (signed off by the stock controller, asset accountant/ officer/, water treatment plant supervisor and water treatment manager</p> <p>4. Use this register as support to confirm that treatment chemicals has been delivered to the Municipality in the quantities as stated per the invoice/ delivery note.</p>		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
General expenses	<b>CoAF 147 -</b> During the audit the AGSA identified items of repairs and maintenance that was incorrectly classified as rental of machinery / equipment	This was due to management did not ensure that when transactions are posted, they are posted within the correct accounts.	<ol style="list-style-type: none"> <li>1. Obtain the support for the amounts referred to by the AGSA &amp; determine whether we are in agreement with the finding.</li> <li>2. If this assessment is correct, review the full population of rental of machinery and equipment (not</li> </ol>	31-May-22	Expenditure Accountant Senior Manager Finance

			included in sample that was audited by AG) and determine whether there are any other misclassifications. 3. Determine the value of the misclassification and if material make the necessary PY Adjustment to the AFS		
Government Grants and Subsidies	<b>CoAF 98 - EPWP</b> Attendance registers not submitted for audit purposes (limitation finding). HR Manager however indicated that all requested information has been submitted to the AGSA for audit.	This was due to the required information (RFI 80 & 127) not being submitted with the required full information and the misstatements occurred as a result of inadequate controls to ensure that government grant is spent for the purpose it was meant to be used for.	1. Obtain all information that was submitted during the 2020/21 audit and see if the information noted as a limitation of scope was included in the submission. 2. Put all information that is deemed as outstanding together and have it ready for submission to the AGSA for the 2021/22 audit so the finding can be resolved.	31-May-22	HR Manager Payroll Accountant
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Government Grants and Subsidies	<b>CoAF 141 -</b> During the 2020/21 audit an amount of R6,7 million which was awarded to Mohokare LM as an allocation in kind per the DoRA via the Department of Water and Sanitation could	The above mentioned resulted due to management not timeously liaising with transferring officers to ensure that information on the receiving and spending of the grants in-kind is obtained in	1. PMU/MM/CFO to set up a meeting with the DWS to discuss the information around this grant 2. In the case where expenditure has been incurred on behalf of the municipality, all supporting	31-May-22	Technical Director PMU Manager Municipal Manager Chief Financial Officer Senior Finance Manger

	<p>not be confirmed.</p> <p>Several interactions with DWS still yielded no results and caused that the AGSA could not confirm the completeness of the grant revenue and unspent conditional grant funding amounts as reported by the Municipality.</p>	<p>order to make necessary disclosures in the annual financial statements.</p>	<p>documentation (Procurement processes followed, etc.) to be obtained to support the amount of expenditure recorded in the records of the Municipality</p> <p>3. In the case where adequate support for actual expenditure incurred can be obtained, the Municipality should make the necessary PY adjustments.</p> <p>4. Where no support other than what was discussed with the AGSA during the 2020/21 audit could be obtained, the amounts as currently disclosed are to</p>		
			<p>remain as is.</p> <p>5. Inspect the DoRA for the 2021/22 financial year and take all above noted steps to ensure that this does not repeat in the current financial year.</p>		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Cash and Cash equivalents	<b>CoAF 30 -</b> Monthly bank reconciliations not performed	Management did not ensure that bank reconciliations and cash books	1. Perform monthly bank reconciliations of all bank accounts of Mohokare LM	15-Jul-22	Senior Finance Manager Expenditure Accountant

		were prepared and reviewed properly in a timeous manner. For the final quarter of 2020/2021 it could be attributed to community protests but prior to that, it is because it was not prioritised	2. Recons to be signed off by preparer, reviewer and CFO 3. Support/ evidence to be placed on audit file for AGSA to review		
Councillor Remuneration	<b>CoAF 66 -</b> Payment of one of the councillors were identified as not being within the upper limits as per the Government Gazette	The cause of the finding is due to management's lack of proper record keeping in order to ensure consistent compliance with laws and regulations.	1. Obtain the payroll information for the councillor in question for the 2020/21 financial year 2. Review against the upper limits for Councillors as per the government gaze 3. Identify where the error was made 4. Identify and take corrective steps/measures if applicable	31-May-22	Payroll Accountant
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Employee related costs	<b>CoAF 124 &amp; CoAF 125 -</b> Medical aid employer contribution in excess of allowed limit was deducted	Management did not consider the South African Local Government Bargaining Council 2021	1. Review the total allowed maximum employer contribution for medical aid against the full payroll for the	31-May-22	Payroll Accountant Senior Finance Manager

	from identified employees	contributions structure when the contributions were increased.	<p>2020/21 financial year.</p> <p>2. For all instances where an excess contribution are identified, investigate these findings and determine whether this was valid (timing differences etc.) or whether it was an error.</p> <p>3. Determine the total impact of this for the full population review</p> <p>4. If amount is material, make PY AFS adjustment and determine how these amounts will be recouped from the respective employees</p> <p>5. Review the 2021/22 payroll in advance to ensure that no such errors are repeated</p>		
Travel - Local	<p><b>CoAF 145 -</b> Travelling claims not recorded in the correct financial year. During the audit travel claims submitted late by employees (relating to the 2019/20 financial year and only paid during 2020/21) was identified</p>	<p>Management did not review the transactions captured to ensure that expenditure for travel and subsistence was recorded in the correct financial period. The accrual basis of accounting was not applied as per GRAP 1 requirements.</p>	<p>1. Review all travel claims submitted during July - September 2021 and ensure that all claims relating to the previous financial year has adequately been provided for in the AFS.</p> <p>2. Review all travel claims submitted from July 2022 up to date of AFS submission to ensure that any claims for trips undertaken prior to 30 June 2022 has been</p>	31-May-22	Payroll Accountant Senior Finance Manager

FUNCTIONAL AREA	AUDIT FINDING	ROOT CAUSE	REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]	COMPLETION DATE	RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:
Property, Plant and Equipment	<p><b>CoAF 89</b> - Pre-paid water meters project (Funded via FSPT grant funding)</p> <p>Limitation on project/ several findings raised in this regard. Please see MR for detail.</p>	Management did not ensure that when recognising expenditure for contracted services the accrual basis are always applied	<p>adequately accrued for in the AFS.</p> <ol style="list-style-type: none"> <li>1. Obtain all invoices pertaining to the project since inception and review for correctness of invoices as well as processing in the records of MLM.</li> <li>2. Obtain listing of all installed pre-paid water meters and compare each meter on the listing to the reports as received from the Naked Scientist</li> <li>3. For each pre-paid water meter installed, ensure that a serial number/ any other identifiable number for each of the meters are included in the register.</li> <li>4. Update the meter numbers as per the Billing system to include the respective serial numbers so the meters are traceable and the AGSA will be able to verify the installations.</li> </ol>	31-Aug-22	PMU Revenue Manger Revenue Accountant Debtors Clerk Meter Readers Senior Finance Manger
Buildings Assets	<b>CoAF 122</b> - Conditions of the assets as verified by the AGSA differed from the conditions as	This was due to management not reviewing the asset register and ensuring that assets conditions	FAR Consultant to assist as this will require PY Error adjustments as well as changes in	31-Aug-22	FAR Consultant Asset Accountant Senior Finance Manager

	stated in the FAR of the Municipality. This disagreement lead to the finding that the PPE value as well as Impairment calculations were not correct.	on the field match the conditions in the fixed assets register.	the EUL of the assets etc.		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Buildings Assets	<b>CoAF 126 -</b> Conditions of the assets as verified by the AGSA differed from the conditions as stated in the FAR of the Municipality. This disagreement lead to the finding that the PPE value as well as Impairment calculations were not correct.	Management did not ensure by way of physical verifications that all assets included in the fixed register do exist. The work of independent service providers responsible for the assets register were not reviewed.	FAR Consultant to assist as this will require PY Error adjustments as well as changes in the EUL of the assets etc.	31-Aug-22	FAR Consultant Asset Accountant Senior Finance Manager
Infrastructure Assets	<b>CoAF 129 -</b> Infrastructure assets could not be traced to the Fixed Asset Register per the AGSA.	This is due to management not performing regular physical verifications on infrastructure assets and updating the fixed asset register accordingly.	FAR Consultants to assist with resolving of the finding as the GPS Coordinates seems to be the issue in this finding - AG and MLM could not agree on who has the correct coordinates, however, the coordinates supplied by AGSA are somewhere up in the mountains where there are no infra of the Munic??	31-Aug-22	FAR Consultant Asset Accountant Senior Finance Manager
Infrastructure Assets	<b>CoAF 135 -</b> Condition of assets per the FAR and	This was due to management not reviewing the	1. Municipality to request a electrical / mechanical	Ongoing	FAR Consultant Asset Accountant

	condition of asset during AGSA physical verification (almost 6 months later) differs	asset register and ensuring that assets conditions on the field match the conditions in the fixed assets register.	<p>engineer to investigate these assets and determine the extent of the repairs required to get these assets into working order.</p> <p>2. If the Municipality are in the financial position and the required repairs are not too expensive, these assets are to be repaired.</p> <p>3. If the assets can be repaired easily, this finding should be resolved as the condition on the FAR are corrected.</p> <p>4. Should more extensive reparations be required on this assets, the Municipality should consider the relevant impairment indicators and consider the impact thereof on the carrying value of said assets.</p>		Senior Finance Manager
Infrastructure Assets	<b>CoAF 127</b> - Asset could not be physically verified by AGSA as it was under water during the time of the physical verification process.	This matter occurred due to the fact that management did not give out the process/criteria that they use in identifying asset under water.	<p>1. Take the AGSA out to the asset to verify in the 2021/22 financial year and hope that it is now visible. This asset was visible during the period in which the FAR was compiled. Due to heavy rains experienced in our area, the asset was subsequently covered with</p>	Ongoing	FAR Consultant Asset Accountant Senior Finance Manager

			water and the AGSA was unable to access it. Anticipating that the rainfall during the winter is low and that the AFS are submitted in the correct legislative timeframe, we are of the opinion that this asset will be verified during the AGSA's audit processes for the 2021/22 Financial year when the PY Follow up audit work is being performed.		
Infrastructure Assets	<b>CoAF 128 -</b> Disagreement as to the condition of the fixed assets as per the FAR at the time of the compilation of the register vs. the findings of the AGSA at the time of their physical inspection 6 months later.	This was due to management not reviewing the asset register and ensuring that assets conditions on the field match the conditions in the fixed assets register	FAR Consultant to assist as this will require PY Error adjustments as well as changes in the EUL of the assets etc.	Ongoing	FAR Consultant Asset Accountant Senior Finance Manager
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Movable Assets	<b>CoAF 121 -</b> Movable assets not verified	This occurred due to management not reviewing the fixed asset register in order to ensure that all the movable assets which belong to municipality are included in the fixed asset register and actually do exist.	1. Asset accountant to investigate whether these items are still in use and if it cannot be located, the person responsible for the asset are to indicate what had happened to the relevant asset. 2. In the case where the asset are	Ongoing	Asset Accountant FAR Consultant

			not found, the asset should be included in the disposals listing of the municipality for the 2021/22 financial year.		
Movable Assets	<b>CoAF 165 -</b> Movable assets with zero value that are still in use.	a) Improper valuation of assets performed and inadequate review of the asset register. b) No assessment of the useful lives of assets performed for the 2020/21 reporting period	1. Review all assets impaired to zero during the previous financial year to determine whether they are still in use in the Municipality 2. If any fully depreciated/ impaired assets are identified that is still in use, the useful life of said assets are to be revised and the impairment on said assets are to be reversed accordingly.	Ongoing	Asset Accountant FAR Consultant
Movable Assets	<b>CoAF 64 - PPE</b> written off without Council approval.	This is due to lack of management oversight in ensuring that all assets that are proposed to be written off are approved by council before they are classified as written off in the AFS of the municipality	1. Ensure that the listing taken to Council for write-off of assets as per the requirements of the fixed asset policy also includes any write-offs done on the comparative year (restatements) and not only for the current year under review.	Ongoing	Asset Accountant FAR Consultant Senior Finance Manager
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Landfill Site Provision	<b>CoAF 139 -</b> During the testing of the landfill site	The error was caused by the expert using an	1. Review the landfill site rehabilitation	Ongoing	Landfill Site expert Senior Finance Manager

	provision, a difference between the calculation of the AGSA and the Landfill site expert was identified.	incorrect remaining useful life for the Rouxville landfill site in their calculations- instead of using 15 years, 12 years was used in the NPV calculation	provision against the calculations as performed by the AGSA. 2. Determine whether we are in agreement with the AGSA. 3. In the case where the calculation of the AGSA is correct, make the necessary adjustments to the PY amount and restate the amount as reported in the AFS along with the corresponding PY Error figures.		
Investment Property	<b>CoAF 132</b> - The square meters of a property per the FAR and the Valuation Roll are not in agreement per the AGSA. Sufficient support was submitted to clear the finding, however, we will re-submit this information again during 2021/22.	The cause of the above is that management did not thoroughly review the work performed by consultants to ensure that it is accurate and complete before being used to prepare the annual financial statements.	1. Obtain the FAR (PY Audited) as well as the Valuation Roll of the Municipality and specifically identify the property in these two documents for the AGSA to prove that the sqm's of the property are in agreement.	Ongoing	FAR Consultant Senior Manager Finance
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Investment Property	<b>CoAF 170</b> - Property not traced to Investment Property Register - Possible classification error	This is due to management not performing regular physical verifications on investment	1. Identify the erf/land in question and visit the area to determine the intent of the	Ongoing	FAR Consultant Senior Manager Finance

	as the specific property referred to are included in the land register of the Municipality's FAR. MLM thus need to investigate this area and determine what will be the correct classification for this piece of land (future intention, etc.)	property and updating the fixed asset register accordingly.	Municipality with this portion of land. 2. Based on discussions with management and the intended use of the erf by the municipality, determine the correct classification of this erf. 3. Based on the outcomes on nr. 1 & 2, determine whether a correction to the AFS and FAR is required and if so, bring the relevant PY Adjustment into the AFS along with the corresponding PY Error note.		
Revenue & Receivables	<b>CoAF 130</b> - Based upon computer assisted audit techniques performed on the indigent register provided to audit was it noted that 5 accounts appearing on the indigent register were the accounts of persons whose spouses were in the employment of one or another government	The internal control processes ensuring the accuracy of information contained in the indigent register have not prevented or detected that there are persons with spouses who are in the employment of one or another government department or	1. Investigate the 5 accounts as identified by the CAAT's performed by the AGSA. (Full population was audited, hence no need to revisit the full population for this procedure) 2. Where the matter as raised is the case, determine the amounts that have been written off for this consumer	Ongoing	Revenue Manager Revenue Accountant Credit Control Officer Indigent Clerks

	department or organisation.		<p>as an indigent and determine the total value of said write offs for the period for which the registration was valid</p> <p>3. Determine the way these amounts will be treated (Will it be written back to the account as it is deemed recoverable? Will we inform the consumer that they no longer qualify as indigent and give them a period to respond to the Municipality if they are not in agreement with our assessment? If none of the above approaches will be followed, this amount has to be taken to Council to take note of the financial loss incurred by the Municipality.</p> <p>4. Determine how the Municipality (perhaps with the assistance of the DHA) will be able to ensure that similar tests can be run annually on future indigent registers to ensure that the consumers registered on the list are truly meeting the requirements to qualify for the indigent rebate/write-off.</p>		
Revenue & Receivables	<b>CoAF 133 - Indigent</b>	Due care was not exercised when	1. Obtain the indigent register	Ongoing	Revenue Manager Revenue

	<p>consumers not meeting the requirements to qualify as an indigent as per the approved policy of Mohokare Local Municipality</p>	<p>the indigent form was processed and review processes did not identify or prevented the discrepancies noted.</p>	<p>as was submitted for audit for the 2020/21 financial year.  2. Review the application forms for each of the consumers to the list and also to the details of the property as per the Munsoft Financial System  3. Further, review the information in step 2 to the requirements to qualify for the indegency rebates/write-offs as per the Council Approved Indigent Policy of the Municipality.  4. Where discrepancies are identified, the Indigent officers/clerks along with the Credit Control Officer are to make an appointment to visit the relevant households and obtain the correct information/ updated information in order to ensure that all information are in agreement/ where the owner per the Munsoft Financial System is already deceased, the required documentation are attached to the application form and the person who has applied for the indegency rebate are listed on</p>		<p>Accountant  Credit Control Officer  Indigent Clerks</p>
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			the indigent register and NOT the deceased parent/ guardian/ spouse etc. 5. Obtain the 2021/22 indigent register and perform all the above steps on the individuals as per this register to ensure that these findings does not reccur and that the register is accurate and complete.		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Revenue & Receivables	<b>CoAF 151</b> - Based upon CAAT's performed on the indigent register provided to audit was it noted that several accounts appearing on the indigent register were having identity numbers that could not independently verify and therefore, would not be qualifying for any rebates because in terms of the indigent policy, to qualify as an indigent, the applicant must be in possession of a valid South African identity document.	The internal control processes ensuring that the information contained in the indigent register have not prevented or detected that there are invalid ID numbers included in the indigent register.	1. Obtain the indigent register as was submitted for audit for the 2020/21 financial year. 2. Review the application forms for each of the consumers to the list and also to the details of the property as per the Munsoft Financial System 3. Further, review the information in step 2 to the requirements to qualify for the indagency rebates/write-offs as per the Council Approved Indigent Policy of the Municipality. 4. Where	Ongoing	Revenue Manager Revenue Accountant Credit Control Officer Indigent Clerks?(Mashapa etc)

		<p>discrepancies are identified, the Indigent officers/clerks along with the Credit Control Officer are to make an appointment to visit the relevant households and obtain the correct information/ updated information in order to ensure that all information are in agreement/ where the owner per the Munsoft Financial System is already deceased, the required documentation are attached to the application form and the person who has applied for the indigency rebate are listed on the indigent register and NOT the deceased parent/ guardian/ spouse etc.</p> <p>5. Obtain the 2021/22 indigent register and perform all the above steps on the individuals as per this register to ensure that these findings does not recur and that the register is accurate and complete.</p>		
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Revenue & Receivables	<p><b>CoAF 152</b> - Based upon CAAT's performed on the indigent register provided to the AGSA, it was noted that the exact identity number were used in two different applications for which rebates were granted in terms of the council's indigent policy.</p>	<p>rThe internal control processes ensuring the accuracy information contained in the indigent register have not prevented or detected that there are duplications of identity numbers by different consumers with municipal accounts, in the indigent register.</p>	<ol style="list-style-type: none"> <li>1. Obtain the indigent register as was submitted for audit for the 2020/21 financial year.</li> <li>2. Review the application forms for each of the consumers to the list and also to the details of the property as per the Munsoft Financial System</li> <li>3. Further, review the information in step 2 to the requirements to qualify for the indigency rebates/write-offs as per the Council Approved Indigent Policy of the Municipality.</li> <li>4. Where discrepancies are identified, the Indigent officers/clerks along with the Credit Control Officer are to make an appointment to visit the relevant households and</li> </ol>	Ongoing	<p>Revenue Manager Revenue Accountant Credit Control Officer Indigent Clerks?</p>

			<p>obtain the correct information/ updated information in order to ensure that all information are in agreement/ where the owner per the Munsoft Financial System is already deceased, the required documentation are attached to the application form and the person who has applied for the indgency rebate are listed on the indigent register and NOT the deceased parent/ guardian/ spouse etc.</p> <p>5. Obtain the 2021/22 indigent register and perform all the above steps on the individuals as per this register to ensure that these findings does not reccur and that the register is accurate and complete.</p>		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Revenue & Receivables	<b>CoAF 154</b> - Based upon CAAT's performed on the indigent register provided to the	The internal control processes ensuring the accuracy of information	1. Obtain the indigent register as was submitted for audit for the 2020/21	Ongoing	Revenue Manager Revenue Accountant Credit Control

	<p>AGSA, it was noted that an account appearing on the indigent register was of an individual who had an interest in suppliers of government and/ or municipalities.</p>	<p>contained in the indigent register have not prevented or detected that there is an individual with an interest in suppliers of government and/or municipalities.</p>	<p>financial year.  2. Review the application forms for each of the consumers to the list and also to the details of the property as per the Munsoft Financial System  3. Further, review the information in step 2 to the requirements to qualify for the indigency rebates/write-offs as per the Council Approved Indigent Policy of the Municipality.  4. Where discrepancies are identified, the Indigent officers/clerks along with the Credit Control Officer are to make an appointment to visit the relevant households and obtain the correct information/ updated information in order to ensure that all information are in agreement/ where the owner per the Munsoft Financial System is already deceased, the required documentation are attached to the application form and the person who has</p>		<p>Officer Indigent Clerks?(Mashapa etc)</p>
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			<p>applied for the indigency rebate are listed on the indigent register and NOT the deceased parent/ guardian/ spouse etc.</p> <p>5. Obtain the 2021/22 indigent register and perform all the above steps on the individuals as per this register to ensure that these findings does not reccur and that the register is accurate and complete.</p>		
Revenue from interest (trading)	<p><b>CoAF 21</b> - Revenue from interest (trading) - Interest not charged on overdue accounts, revenue could be misstated</p> <p>it noted from the business process that interest was not charged on municipal consumer accounts that are in arrears for 2020/21 financial year. According to the financial statement's Statement of Financial Performance, Interest Received (Trading) decreased from R2 293 869 to R125 786 which amounted to R2 168 083. A similar situation was also reported in the previous year that the municipality did</p>	<p>Management did not adhere to the above MFMA requirement and no Council resolution were noted between 01 July 2020 to 30 June 2021 that exempt the charging of interest on arrear municipal accounts.</p>	<p>1. In the case where the Municipality is again in the situation where interest on arrear accounts cannot be charged due to the sending out of accounts too late and the amounts are to be written off, Interest should first be charged to consumer accounts for the full 12 months in order to adequately be able to quantify the amount of interest to be written off for the year and not only exempt the interest.</p> <p>2. If possible, the amount relating to revenue exempted (interest written</p>	Ongoing	<p>Revenue Manager Chief Financial Officer</p>

	not raise interest on overdue accounts.		off in 2020/21) should be quantified and taken to council with a proper explanation of the matter for them to condone the exemption / write-off.		
Refuse removal	<b>CoAF 102 -</b> Incorrect tariffs used and incorrect service debtor classification	Management did not put procedures in place to ensure that Refuse Removal is charged at the correct Account Type for all debtors.	1. Review the Tariff Policy of MLM and ensure that a section specifically for government properties which are of a residential nature are included to ensure that the treatment of the tariffs levied on these properties are addressed.	30-Jun-22	Revenue Manager Revenue Accountant
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Sewerage and Sanitation	<b>CoAF 105 -</b> Incorrect tariffs used and incorrect service debtor classification	Management did not put procedures in place to ensure that Refuse Removal is charged at the correct Account Type for all debtors.	1. Review the Tariff Policy of MLM and ensure that a section specifically for government properties which are of a residential nature are included to ensure that the treatment of the tariffs levied on these properties are addressed.	30-Jun-22	Revenue Manager Revenue Accountant
Sewerage and Sanitation	<b>CoAF 123 -</b> Incorrect tariffs	Management did not put procedures in	1. Review the Tariff Policy of MLM and ensure	30-Jun-22	Revenue Manager

	used resulting in misstatement	place to ensure that sewerage and sanitation is charged at the correct account type for municipal accounts.	that a section specifically for government properties which are of a residential nature are included to ensure that the treatment of the tariffs levied on these properties are addressed.		Revenue Accountant
Water	<b>CoAF 173</b> - Cut-off of revenue not correct	Lack of carrying through prior year adjustments made to individual account and allocating them in accordance with the year to which they pertain.	<ol style="list-style-type: none"> <li>1. Identify all estimate reversals processed during the 2020/21 financial year.</li> <li>2. Where estimates that were reversed pertains to periods prior to July 2020, the amount are to be determined and a correction to the Opening balance (Receivables and OB Retained earnings) are to be processed.</li> <li>3. For the 2021/22 financial year perform the same procedures as stated above and ensure that the reversal of the estimates pertaining to periods prior to 1 July 2021 are recorded in the correct financial periods.</li> <li>4. Make these adjustments only if the impact of these reversals are material.</li> </ol>	30-Jun-22	Revenue Manager Revenue Accountant
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT</b>

			<b>ROW SHOULD BE USED FOR EACH ACTION]</b>		<b>AS WELL AS OFFICIALS:</b>
Water	<b>CoAF 177</b> - Use of estimates on water meter readings for extended periods of time.	The municipal billing system is calculating estimates based on average using information from outside the financial year programmatically. Management is not making manual adjustments because no physical reading were taken.	1. Design a process where it is ensure that all water meters within Mohokare Local Municipality is read at least once for an actual reading between April 2022 and June 2022 in order to ensure that the impact of estimates are not significant.	30-Jun-22	Revenue Manager Revenue Accountant Debtors Clerk Meter readers
Water	<b>CoAF 185</b> - Difference in meter reading per meter reading book and consumer account statement.	Human error through erroneous transfer of readings from the water meter reading books to the system. The use of estimates when there are actual water readings available. The programming of the system when calculating consumption after a period where estimates were used.	Management should ensure that after the water meter readings are uploaded on the system, there is a review process to ensure that these have been captured accurately. Management should ensure that where there are actual water meter readings, these are used to calculate consumption and therefore to bill the consumers. Management should look into how the system is programmed with regards to calculating consumption post the calculation of estimates	30-Jun-22	Revenue Manager Revenue Accountant Debtors Clerk Meter readers

FUNCTIONAL AREA	AUDIT FINDING	ROOT CAUSE	REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]	COMPLETION DATE	RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:
Water	<b>CoAF 186</b> - Water meter reading books not reviewed	The water reading books are not designed in its layout to prompt a reviewer to perform such a task and sign off once reviewed. Processes may also not be in place to ensure that water reading books are reviewed on a monthly basis.	Management should put processes and controls in place to ensure the timely review of water reading books to prevent incorrect and incomplete readings on the billing system. By doing so will the billing of water service accounts be more accurate and timely and ensure less corrections and estimates to be made.	30-Jun-22	Revenue Manager Revenue Accountant Debtors Clerk Meter readers
Rates / Valuation roll recon	<b>CoAF 69</b> - Reconciliation between valuation roll and financial system not performed adequately.	Processes and procedures to ensure that the valuation roll are reconciled to the billing system were not in place.	1. Ensure that the reconciliation of the valuation roll and the Munsoft Financial system is performed and any discrepancies are identified, investigated and resolved.	30-Jun-22	Revenue Manager Revenue Accountant
Water	<b>CoAF 134</b> - Limitation of scope (Water Services) RFI56 A limitation of scope was raised based on the request of the AGSA for the connection forms as completed by the municipal account holders upon the	Management did not adequately respond to the request for information.	1. Take the listing as per the CoAF and design a standard template for these residents to complete and sign off in order to confirm that they are indeed staying in the relevant	31-May-22	Revenue Manager Revenue Accountant Credit Control Officer

	<p>opening of their account.</p> <p>As several of the account holders have been staying in their homes for numerous years, these forms were not available to supply to the AGSA.</p>		<p>property, making use of the service and are also responsible for the settling of the outstanding account.</p> <p>2. Credit Control to take the forms to the relevant addresses for completion and signature.</p> <p>3. Obtain a copy of the ID of each of these residents.</p> <p>3. These forms to be submitted to AGSA as part of the follow up processes in 2021/22 audit.</p>		
Sewerage and Sanitation	<p><b>CoAF 140 -</b> Sanitation / Sewerage - Indigent applicant details not in agreement with municipal account holder</p>	<p>Due care was not exercised when the indigent form was processed and review processes did not identify or prevented the discrepancies noted.</p>	<p>1. Review the information of the finding as well as the information that was submitted supporting the non-agreement of the Municipality to the AGSA's finding.</p> <p>2. Determine why their details per the Indigent Register and the details of the Municipal account are not in agreement and make the necessary corrections in line with the Indigent Policy.</p>	31-May-22	<p>Revenue Manager Revenue Accountant Credit Control Officer</p>
Refuse removal	<p><b>CoAF 156 -</b> Refuse removal charges: Limitation of scope: RFI 144 outstanding information</p>	<p>Management did not adequately respond to the request for information.</p>	<p>1. Take the listing as per the CoAF and design a standard template for these residents to</p>	31-May-22	<p>Revenue Manager Revenue Accountant Credit Control Officer</p>

			<p>complete and sign off in order to confirm that they are indeed staying in the relevant property, making use of the service and are also responsible for the settling of the outstanding account.</p> <p>2. Credit Control to take the forms to the relevant addresses for completion and signature.</p> <p>3. Obtain a copy of the ID of each of these residents.</p> <p>3. These forms to be submitted to AGSA as part of the follow up processes in 2021/22 audit.</p>		
Sewerage and Sanitation	<p><b>CoAF 157 -</b> Sanitation removal charges: Limitation of scope: RFI 145 outstanding information</p>	<p>Management did not adequately respond to the request for information.</p>	<p>1. Take the listing as per the CoAF and design a standard template for these residents to complete and sign off in order to confirm that they are indeed staying in the relevant property, making</p>	31-May-22	<p>Revenue Manager Revenue Accountant</p>
			<p>use of the service and are also responsible for the settling of the outstanding account.</p> <p>2. Credit Control to take the forms to the relevant addresses for completion and signature.</p>		<p>Credit Control Officer</p>

			<p>3. Obtain a copy of the ID of each of these residents.</p> <p>3. These forms to be submitted to AGSA as part of the follow up processes in 2021/22 audit.</p>		
Property Rates	<p><b>CoAF 160 -</b> Revenue from non exchange - Property rates - Misstatement of property rates charged</p>	<p>Management did not review the details of account holders to title deeds before capturing the details on the billing system in all instances</p>	<p>1. Management to investigate the finding</p> <p>2. Management to perform a deeds search of all properties for which the consumer account is in the name of Mohokare LM and for which a 100% rebate is allowed in order to ensure that there are no other similar instances.</p>	31-May-22	<p>Revenue Manager Revenue Accountant Credit Control Officer</p>
Water	<p><b>CoAF 162 -</b> water services: Discrepancies noted between physical inspection of properties and information noted on the billing system</p>	<p>Controls ensuring that the information as per the billing system and municipal account statements (consumers) agree to the physical properties are not functioning in all instances.</p>	<p>1. A process to review all billing information (categories) as per the system against the actual state of the property (usage) are to be undertaken. This should be done in conjunction with the meter readers during their meter readings done monthly.</p> <p>2. The meter numbers as per the system are to be compared to the actual water meter serial numbers and</p>	30-Jun-22	<p>Revenue Manager Revenue Accountant Debtors Clerk Meter readers</p>

			ensure the details are in agreement.		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Water	<b>CoAF 182</b> - water - the prior year figure for service charges - water has not been restated to reflect prior year reversal of estimates	Lack of carrying through prior year adjustments made to individual account to the annual financial statements.	1. Design a process where it is ensure that all water meters within Mohokare Local Municipality is read at least once for an actual reading between April 2022 and June 2022 in order to ensure that the impact of estimates are not significant.	30-Jun-22	Revenue Manager Revenue Accountant Debtors Clerk Meter readers
Receivables from exchange transactions	<b>CoAF 94</b> - Receivables from exchange: Differences between the age analysis and the recalculated amount resulting in misstatements	Lack of review by management to ensure that amounts reflected on the financial statements are fairly presented.	To discuss the outcome of the response with the AGSA as Management disagreed with the finding, however, no auditors response was received on the finding.	30-Jun-22	Revenue Manager Revenue Accountant Debtors Clerk
Receivables from exchange transactions	<b>CoAF 95</b> - Receivables from exchange: Consumer identity not confirmed, existence could not be confirmed resulting in misstatements	Lack of review by management to ensure that amounts reflected on the financial statements are fairly presented.	1. For all consumers as per the list in the CoAF, prepare a declaration document where the consumer are to sign/ agree that they are staying in the property and	30-Jun-22	Revenue Manager Revenue Accountant Credit Control Officer Debtors Clerk

			<p>making use of the municipal services.</p> <p>2. Credit Control Officer to visit all these sites and fill out these forms with the relevant consumers and also obtain a copy of their ID's.</p> <p>3. Extract a listing of all consumer accounts as at 30 June 2022.</p> <p>4. For all accounts where there was no payment for the year, visit the respective sites and perform the same process as in 1 &amp; 2 with said consumers.</p>		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Receivables from exchange transactions	<p><b>CoAF 180 -</b>  Receivables / debt impairment:  Difference between debtor's sub-ledger and annual financial statement and general ledger as prior year adjusting journals not yet processed in sub-ledger</p>	<p>Management did not ensure that the information system (debtors sub ledger) was updated by way of adjusting journals to correct these differences. In addition, management did not address this same issue fully that was raise in previous year and therefore it would seem that there is no effort to bring</p>	<p>1. Obtain the breakdown of the adjusting journal to be processed against the consumer accounts.</p> <p>2. Make a report to s.79 &amp; subsequently council for the write off of these amounts as it has already been reversed on the accounts of consumers in</p>	31-May-22	<p>Revenue Manager  Revenue Accountant  Debtors Clerk</p>

		the sub-ledger and the financial statements in alignment. Account statements to these consumers impacted by this difference is therefore still incorrect.	2018/19 and we cannot now take it back to their consumer accounts.		
Receivables from non-exchange transactions	<b>CoAF 92 -</b> Receivables from non exchange: Differences between the age analysis and auditor recalculation	Lack of review by management to ensure that amounts reflected on the financial statements are fairly presented.	1. Investigate finding and determine whether we are in agreement.	31-May-22	Revenue Manager Revenue Accountant Debtors Clerk
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Receivables from non-exchange transactions	<b>CoAF 93 -</b> Receivables from non exchange - Property rates charged not same persons registered in the valuation roll	Lack of review by management to ensure that amounts reflected on the financial statements are fairly presented.	1. For all consumers as per the list in the CoAF, prepare a declaration document where the consumer are to sign/ agree that they are staying in the property and making use of the municipal services. 2. Credit Control Officer to visit all these sites and fill out these forms with the relevant consumers and also obtain a copy of their ID's. 3. Extract a listing of all consumer	30-Jun-22	Revenue Manager Revenue Accountant Credit Control Officer Debtors Clerk

			accounts as at 30 June 2022. 4. For all accounts where there was no payment for the year, visit the respective sites and perform the same process as in 1 & 2 with said consumers.		
Property, Plant and Equipment	<b>CoAF 85 - INEP</b> Project included in WIP Opening balance - initially not verified, but later, the AGSA was able to verify the project. It however remains in WIP even though it is finished as the project is still not energised by ESKOM and unable to operate in full.	Based on above payment schedule confirmed that Mohokare paid Centlec R 3 000 000. Therefore, no monitoring was performed on these projects (Centlec projects) to ensure that the work has been done before making the payments if the supporting documentation (progress report, payment certificate, completion report, project plans, bill of quantities and actual report on deliverables) were not attached. Furthermore, management did not follow-up on this project for past three years since additions were captured on the WIP to ensure that work performed by Centlec can be physical confirmed.	New application to ne sent to ESKOM to enegyzing in order to obatin a most recent status of the bulk energy infrastructure	31 December 2022	Electrical Technician
Property, Plant and Equipment	<b>CoAF 88 - WIP additions-</b> Upgrading of the	Failed to ensure that first consultant has	Provision of the Cession agreement	31 December 2022	PMU Division

	outfall sewerline for Tladi Village (Cession of works 100%)	capacity to complete the project, that had led the project being cessioned to second consultant.	clearly indicating the percentage that has been cessioned		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Property, Plant and Equipment	<b>CoAF 110</b> - Key projects-Works performed by the second contractor (items paid to the previous contractor where included in the second contractor's bills of quantities and paid for by the municipality) (27 KM long project)	Failure by the municipality to ensure that payment to the contractor is certified and/or made only after assessment is conducted to ensure that the works on site is satisfactory. The total amount of R 8 566 629.47 paid to the first contractor for Access Road and Stormwater Drainage constituted fruitless and wasteful expenditure as the new contractor had to redo work done by the first contractor.	1. Provision of Ruwacons payments certificates 2. Provision of Group YWO payment certificates	31 December 2022	PMU Division
Property, Plant and Equipment	<b>CoAF 116</b> - Key projects- Payment	The Municipality and Employer's	Assessment template has	31 December 2022	PMU Division

	to the contractor without evidence of work being performed (x2 raw water pump stations)	Agent (Consulting Engineer) did not adequately monitor and review contractor's payment certificate and/ payment valuation to ensure that the amounts paid were for work executed and materials delivered.	been developed in Nov 22 and will be continuously be used to curb payments to contractor without verify their work ( Assessment to be conducted)		
Property, Plant and Equipment	<b>CoAF 117</b> - Key projects- No supporting documentation for the variations orders paid to the contractor (x2 raw water pump stations)	The Municipality and Employer's Agent (Consulting Engineer) did not adequately manage the project to ensure that extension of times and variation orders follow the proper process of request, assessment of validity then approval and payment. The municipality did not receive value for money for the total amount of R 3 727 256.21 Incl. (VAT) paid to the contractor as the expenditure could not be confirmed. Therefore, the total amount paid to the contractor constitute fruitless and wasteful expenditure to the amounting of R3 727 256.21 as the municipality did not derive value	Provision of signed variation orders	31 December 2022	PMU Division

		from the payment made.			
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Property, Plant and Equipment	<b>CoAF 45 -</b> Limitation of scope RFI 101 of 2021	Management did not put measures in place to ensure effective and efficient maintenance and management of project documentations.	Project file to be developed and submitted as POE	31 December 2022	PMU Division
Property, Plant and Equipment	<b>CoAF 58 -</b> Limitation of scope RFI 23 & 92 of 2021	Management did not put measures in place to ensure effective and efficient maintenance and management of project documentations.	Submission of all outstanding documents	31 December 2022	PMU Division
Property, Plant and Equipment	<b>CoAF 106 - Key projects-Delay in completion of the projects (All 3 key projects)</b>	Prolonged delays in completion of these projects within the agreed times, in the main resulted in cost overrun due to extension of time related costc, cost escalation due to cost price adjustment etc. In some instances projects cost increased by over 100% from the planned and/or initial contract amount. As an example, the upgrading of Rouxville / Reloleathunya water treatment works project experienced	Monthly assessment of work done and adhere to payment schedule	31 December 2022	PMU Division

		114% in project cost overran (or R26 487 146 in cost overran from the an initial planned project cost of R23 279 992 to R49 767 138 actual expenditure.			
Property, Plant and Equipment	<b>CoAF 107</b> - Key project-Penalties where not always applied against defaulting contractors (All 3 key projects)	Failure by management to ensure that contractual agreements are enforced and that disciplinary measures in the form of penalty charges are applied against contractors, for failure to perform their contractual obligations within the timeframe detailed in the contract.	Management to enforce SLA	31 December 2022	PMU Division
Property, Plant and Equipment	<b>CoAF 109</b> - Key projects-Extension of times claimed by the contract emanating from reason beyond contractor's control (27 KM long project)	1. Poor planning by the municipality which should have ensured that: <ul style="list-style-type: none"> <li>• Adequate investigation is conducted during planning state of the project to ensure that all third party services are identified and engagement with the relevant custodians are timeously conducted. Thus, all necessary Way-leave approval are timeously obtained prior to commencement of the project or before the site is handed over to</li> </ul>	Contract management must be applied	31 December 2022	PMU Division

		<p>the contractor</p> <ul style="list-style-type: none"> <li>• All construction drawings are made available timeously to the contractor.</li> <li>• All payment to the contractors payments certificate are made within 30 days of receipts</li> </ul>			
Property, Plant and Equipment	CoAF 114 - Key projects-Variation order in excess of the maximum 20% threshold required (Rouxville WTW)	The Municipality did not adhere to MFMA circular 62, implemented to ensure that the project is implemented effectively, efficiently and economically and also guard against gross abuse of the current SCM system due to the absence of a prescribed threshold for the expansion or variation of orders against the original contract.	1. Provision of council resolution approving the Variation Order.	31 December 2022	PMU Division
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Property, Plant and Equipment	CoAF 115 - Key projects-Quality control- Poor workmanship (Rouxville WTW)	Failure the project management team, to ensure that project are closely managed and monitored and any instances of poor quality of work is timeously identified and rectified.	Monthly assessment of projects	31 December 2022	PMU Division

IDP Process	Proof that the district municipality was consulted when the IDP was amended not obtained	Inefficient co-ordination that result in the proceedings of the consultations with the district municipality not maintained.	Processes and procedures should be implemented by the Accounting Officer that the district municipality is consulted when the local municipality is amending its IDP.	May-23	IDP Manager
FUNCTIONAL AREA	AUDIT FINDING	ROOT CAUSE	REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]	COMPLETION DATE	RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:
Differences between the IDP and SDBIP proof that it is not aligned	Contrary to Section 1 of the MFMA and Section 36 of the Municipal Systems Act, 2000 (Act no. 32 of 2000) Differences were identified between the final Intergrated Development Plan (IDP) 2020/2021 and adjusted Service Delivery Budget Implementation Plan (SDBIP) 2020/2021. The following inconsistencies were identified	Management did not put steps in place to ensure that there is consistencies between the IDP and the SDBIP including score card.	Management agrees with audit finding and shall ensure that consistency reviews are conducted during the adjustment phase.	31 December 2022	IDP Manager

	<p>which could result in misstatements</p> <p>1) Key performance areas were not aligned.</p> <p>2) Strategic objectives were not aligned</p> <p>3) Key performance areas and strategic objectives in the score card are aligned to key performance area and strategic objectives in the IDP and SDBIP.</p>				
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Risk Assessment	There was no support of the risk assessment done during the 2020/2021 financial period by management and/ or the risk officer, from which Strategic, Operational & IT risk register was developed	Management did not have adequate control measures in place to ensure information requested for audit purposes are submitted by the due date.	Development of Registers Strategic, Operational and IT risk register for the municipality, there after table to the RMC & APC for approval	31-Dec-22	All officials & Risk Officer
Risk Management Committee	Non functioning of Risk Unit and Risk Management Committee	Management did not have adequate control measures in place to ensure information requested for audit purposes are submitted by the due date.	Appointment of RMC Members and chairperson for the committee, schedule of meetings that must be distributed to members for quarterly meetings and	31-Dec-22	Accounting Officer & Risk Officer

			adherence of the schedule		
Limitation of Scope	<p>Contrary to the Section 62(1)(c)(ii) of the MFMA (Act number 56 of 2003) requirement the following information requested through RFI 12 issued on 31 August 2021 and due on 02 September 2021 has not been provided within 3 days:</p> <p>Information requested</p> <p>Please provide the auditors with the following information:</p> <p>4. Performance information internal audit report</p>	<p>Management did not ensure that the request for information is prioritised and therefore did not adequately respond to the request for information in the agreed time line.</p>	<p>Maintain quarterly internal audit performance reports and ensure that the reports are readily available when requested.</p>	30 July 2022	Internal Audit Municipal Manager
Internal audit Operational issues	<p>Contrary to the The MFMA 56 of 2003 and Municipal Systems Act, Act no. 32 of 2000 requirements, the following instances of non-compliance were identified during the period under review:.</p> <p>1. The Internal audit function did not advise the accounting officer and report to the audit committee on matters relating to internal audit issues.</p> <p>2. The Internal audit function did not prepare a risk-based audit plan and</p>	<p>This was caused by management not providing an innovative, responsive, effective and high valued internal audit function by providing assurance over the strategic and significant wide risk management system. To raise awareness of risk and assist both the council and management in order to assist them to enhance the performance of financial and operational systems.</p>	<p>Management shall ensure that going forward the internal audit functions effectively and efficiently to avoid non-compliance issues.</p> <p>It will also be ensured that the internal audit plan is developed and submitted to the Audit Committee for approval to the prior to the executions take place.</p>	Ongoing	Internal Audit Municipal Manager

	<p>internal audit program for the 2020/2021 financial year:  Internal audit did not advise the accounting officer nor report to the audit committee on matters relating to items in their internal audit plan including:</p> <ul style="list-style-type: none"> <li>• Verify the existence of assets and recommend proper safeguards for their protection;</li> <li>• Evaluate the adequacy of the system of internal controls;</li> <li>• Recommend improvements in controls;</li> <li>• Assess compliance with policies and procedures and sound business practices;</li> <li>• Assess compliance with state and federal laws and contractual obligations.</li> <li>• Review operations/programs to ascertain whether results are consistent with established objectives and whether the operations/programs are being carried out as planned;</li> <li>• Investigate reported occurrences of fraud, embezzlement, theft, waste, etc.</li> </ul> <p>3. The Internal audit function did not prepare an annual internal audit plan,</p>			
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	<p>therefore planned internal audit work that would be relevant to the auditing of performance measurement could not be identified.</p> <p>4. There was no internal audit plan submitted to the auditors, therefore the Internal audit function did not prepare an annual internal audit plan therefore the scope and objectives of the audit of performance measurement could not be verified.</p> <p>5. Auditors only received (Q1) and (Q2) quarterly report on performance measurement which were compiled by the internal audit function during the 2020/2021 financial year, however this information is insufficient.</p> <p>6. There were no meetings between the internal and external auditors which were held at any appropriate intervals throughout the period.</p> <p>7. Based on the 2021 Financial year the Internal Audit was dysfunctional.</p>
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FUNCTIONAL AREA	AUDIT FINDING	ROOT CAUSE	REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]	COMPLETION DATE	RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:
Deficiencies in internal controls across the Municipality	<p>1. The municipality did not conduct performance evaluations for all municipal employees for the 2020/21 financial year. (Also note: ISS.32: performance evaluations were not done during the 2020/21 financial year for municipal employees other than that for the municipal manager, CFO and managers who are directly accountable to the municipal manager)</p> <p>2. There is inadequate oversight by management in addressing the findings raised by internal and external audit. The audit action plan (2020 - 2021) included several prior year findings which were not adequately responded to. No action has been taken by the set target dates as per the audit action plan. Items 1,3 4, 5,</p>	Management did not ensure that controls are appropriately implemented and that they are operating effectively.	<p>Audit finding 1: Quarterly performance evaluations for the Municipal Manager will be conducted regularly as required by Legislation i.e. October 2022, January 2022, April 2023 and July 2023.</p> <p>Audit Finding 2: The municipality has commenced with the implementation &amp; monitoring of an audit action plan to ensure that audit findings are addressed accordingly.</p>	30-Jun-23	Municipal Manager PMS Manager Senior Directors

	6, 11, 12, 16 and 17 in the audit action plan serves as an example.				
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Functionality of the audit committee	<p>1. The municipality did not have a functional audit committee for the major part of the 2020/21 financial year as two meetings were held during the year under review. The meetings were held on the 20 November 2020 and 27 November 2020. This is contrary to the requirements of the MFMA, which requires that the audit committees should have a minimum of 4 meetings during the financial year.</p> <p>2. Two members of the audit committee did not sign the declaration of interest in the current year in review .i.e namely:</p> <ul style="list-style-type: none"> <li>• TA. Motshoikha</li> <li>• VW Vapi</li> </ul> <p>3. The audit and performance committee did not prepare any reports to the accounting officer or other relevant authority charged with oversight of the audit committees</p>	<p>This was due to audit committee members not playing an active role in exercising oversight responsibilities over the financial position of the municipality during the financial year.</p>	<p>Municipal Council will ensure that during the 2022/23 FY, the audit committee is functional. To date, two additional members have been appointed i.e. Mr Sikhakhane and Mr Vapi.</p> <p>It should be noted that this finding will reoccur for the year to be audited</p>	31 December 2022	Internal Audit Municipal Manager Council

	<p>performance, findings and related issues.</p> <p>4. No evidence could be obtained that the audit committee did assist in reviewing the functioning and effectiveness of information technology security and control.</p>				
<p>Roles and Responsibility of the Audit Committee</p>	<p>No evidence could be obtained to confirm that the following compliance matters were adhered to by the audit committee:</p> <p>1. The audit committee reviewed coverage and scope between external and internal audit to avoid duplication and promote possible cost savings from the alignment of the two functions.</p> <p>2. The audit committee responded to the council on the issues raised by the Auditor-General in the audit report.</p> <p>3. The audit committee was involved in the preparation, review, approval and implementation of a combined assurance plan</p> <p>4. The audit committee considered and satisfied itself of the appropriateness of the expertise and adequacy of resources of the auditee's finance function.</p>	<p>This was due to audit committee members not playing an active role in exercising oversight responsibilities over the financial position of the municipality during the financial year.</p>	<p>Municipal Council will ensure that during the 2022/23 FY, the audit committee is functional. To date, two additional members have been appointed i.e. Mr Sikhakhane and Mr Vapi.</p> <p>It should be noted that this finding will reoccur for the year to be audited</p>	<p>31 December 2022</p>	<p>Internal Audit Municipal Manager Council</p>

	<p>5. The audit committee reviewed and commented on the annual reports within the stipulated time frames.</p> <p>6. The audit committee advised the accounting officer with regards to the setting of key performance indicators (KPIs) and targets.</p> <p>7. The audit committee reviewed the municipality's performance management system and made recommendations in this regard to the council.</p> <p>8. The audit committee submitted, at least twice during a financial year, an audit report on the review of the performance management system to the council.</p>				
MPAC	<p>Contrary to the requirements of the MFMA, prior years' incurred unauthorised, irregular and fruitless and wasteful expenditure were not investigated by the municipality to determine:</p> <p>(i) if any person is liable for the expenditure,</p> <p>(ii) if the investigation was properly conducted,</p> <p>(iii) the steps that needs to be taken to recover the expenditure, or</p> <p>(iv) if the</p>	MPAC was not functional during the 2020/21 financial year.	Municipal Council to ensure that MPAC is fully functional and effective by offering members of the Committee with trainings and adhering to the approved schedule of meetings.	01 May 2022	Internal Audit Municipal Manager MPAC Members

	<p>expenditure is irrecoverable, and (v) if it should be written off, (vi) if the expenditure constituted a criminal offence and should be reported to the South African Police Services (SAPS).          Unauthorised, irregular and fruitless and wasteful expenditure incurred in the prior year is as follows which were not investigated and dealt with in line with the MFMA.</p> <p>Description          Amount(R)          Current Year          Expenditure          Unauthorised expenditure          439 170 356          53 672 874          Fruitless and wasteful expenditure 46 775 972          11 203 586          Irregular expenditure          218 517 211          24 803 506</p>				
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>

			<b>EACH ACTION]</b>		
Public Accounts Committee	<p>Contrary to Section 79 of the Municipal Structures Act, 1998 (Act no. 117 of 1998) (MSA). The Municipal Public Accounts Committee (MPAC) did not have any meetings during the 2020 - 2021 financial year and were therefore not functional during the financial year under review. Through discussions with management, it was said that the committee members were appointed and then provided with training but except for these, no evidence exist that the committee discharged its responsibility. We therefore conclude that the MPAC committee did not perform their duties during the period under review. Based on the 2019/2020 audited financial statements, unauthorised expenditure, irregular expenditure, fruitless and wasteful expenditure amounted to R489 319 588 (2019: RR372 047 344), R218 517 211 (2019: R177 887 146) and R40 988 283 (2019: R27 806 413) respectively which were not</p>	<p>Delays in the provision of training for the committee members which resulted in the council having to re-establish the committee. The terms of reference were also not clear in terms of what would be expected of the members of the MPAC.</p>	<p>Municipal Council to ensure that MPAC is fully functional and effective by offering members of the Committee with trainings and adhering to the approved schedule of meetings.</p>	01 May 2022	<p>Internal Audit Municipal Manager MPAC Members</p>

	<p>dealt with, amongst others.</p> <p>Delays in the provision of training for the committee members which resulted in the council having to re-establish the committee.</p> <p>The terms of reference were also not clear in terms of what would be expected of the members of the MPAC.</p> <p>The MPAC did not contribute to the strengthening of the governance structure and internal control environment of the municipality.</p>				
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Public Accounts Committee	<p>Contrary to Section 79 of the Municipal Structures Act, 1998 (Act no. 117 of 1998) (MSA). The Municipal Public Accounts Committee (MPAC) did not have any meetings during the</p>	<p>Delays in the provision of training for the committee members which resulted in the council having to re-establish the committee. The terms of reference</p>	<p>Municipal Council to ensure that MPAC is fully functional and effective by offering members of the Committee with trainings and</p>	01 May 2022	<p>Internal Audit Municipal Manager MPAC Members</p>

	<p>2020 - 2021 financial year and were therefore not functional during the financial year under review.</p> <p>Through discussions with management, it was said that the committee members were appointed and then provided with training but except for these, no evidence exist that the committee discharged its responsibility. We therefore conclude that the MPAC committee did not perform their duties during the period under review.</p> <p>Based on the 2019/2020 audited financial statements, unauthorised expenditure, irregular expenditure, fruitless and wasteful expenditure amounted to R489 319 588 (2019: RR372 047 344), R218 517 211 (2019: R177 887 146) and R40 988 283 (2019: R27 806 413) respectively which were not dealt with, amongst others.</p> <p>Delays in the provision of training for the committee members which resulted in the council having to re-establish the committee.</p> <p>The terms of reference were also</p>	<p>were also not clear in terms of what would be expected of the members of the MPAC.</p>	<p>adhering to the approved schedule of meetings.</p>		
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	not clear in terms of what would be expected of the members of the MPAC. The MPAC did not contribute to the strengthening of the governance structure and internal control environment of the municipality.				
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Policies	Policies were not approved timeously	Lack of proper planning and prioritising of the development / review of policies, therefore causing delays in the tabling of the policies for approval in council meetings.	The Accounting Officer should ensure that policies are tabled to council at the start of the financial year to enable timeous approval thereof. Where a policy cannot be submitted on time, this must be reported	30/05/2022	HR Manager
Human Resource Development	No Performance Monitoring system for officials, minimum competencies and vacancies in finance	1. The process of evaluation of job descriptions to be incorporated into performance contracts have not been fully	Management should ensure that a performance management system is implemented for	28/10/2022	HR Manager

		completed for officials other than senior management. 2.Management did not fill a post of SCM manger which is a crucial post to fill in order for the SCM department to function well	all employees of the municipality and that performance is evaluated. Furthermore, the Accounting Officer should provide a summary of employees who met the minimum competencies and if not, what plans are in place to bring employees to the minimum requirements of the positions.		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Organogram	Evidence that the organogram 2020/2021 was approved by Council	It was noted from our review and inspection of the 2020/2021 organogram of the municipality and the inspection of the council minutes, it could be identified that the council did not approve the organisational structure of the municipality.	Organogram will be reviewed for the new financial year 2022/2023 since LLF Council and section79 did not sit due to covid-19 regulations and community unrests	31/01/2023	HR Manager
EPWP	Unavailability of officials resulting in a limitation of scope on planning of information for employees(COVID 19	The process of confirming the business process for compensation payroll could not be completed owing to the non availability of the responsible person on account	Covid 19 file available and the Covid 19 person was appointed to deal with all the matters	28/02/2023	HR Manager

		of Covid19 and no other officials in the organisation was available to assist. Management did not prioritise giving information to the auditors			
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Training and Development	Payments for Councillors study aid	Furthermore, paragraph 13.4 states that there should be a signed agreement with the Municipality when an application was approved and no amount should be paid if there is no signed agreement. Through inspection of the supporting documentation with regards to the above mentioned transactions, there was no agreement attached signed by councillors or documents indicate general conditions on study aid (bursary or loan) provided. Management did not implement proper controls to ensure compliance with the Human Resources training and	The policy should have been followed accordingly	28/02/2023	Skills Officer

		development policy.			
S AND T Claims	Payments for Councillors S Aand T Cliams for business purposes	Management did not implement proper controls to ensure compliance with the Human Resources training and development policy.	The policy should have been followed accordingly	28/02/2023	Skills Officer
Code of conduct for employees	No code of conduct for all staff members	Management did not ensure that controls are appropriately implemented and that they are operating effectively.	All the newly appointed employees should sign the code of conducts with employment contracts.	31/01/2023	Labour Relations Officer
code of conduct	No processes and controls in place to ensure deviations of the code of code conduct of employees are addressed	Management did not ensure that controls are appropriately implemented and that they are operating effectively.	Discipline is taken in terms of the Collective agreement on disciplinary code	31/01/2023	Labour Relations Officer
Training and Development	Evidence that training was provided by the Municipality to improve core skills and competecies for 2020/2021 (Attendance registers and course invitations could not be obtained to ocnfirm training was provided for employees	Management did not ensure that controls are appropriately implemented and that they are operating effectively.	Negligent from employees attending the courses, Memo will be sent out to again let the employees knowand be aware of the procedure	31/12/2022	Skills Officer
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>

			<b>EACH ACTION]</b>		
Strategic Planning & Budgeting	<p>Inconsistencies identified between APR and SDBIP</p> <p>Through inspection of the SDBIP and APR, the following concerns were identified regarding consistency, measurability, relevance, presentation and disclosure of indicators:</p> <p>(1) For the following performance indicators, corrective measures taken to improve performance not corroborated and the corrective measures do not include timelines</p> <p>(2) The reported achievement on the following performance indicator is not consistent with the planned indicator as he reported achievement refers to the litres of water provided; however, the indicator refers to the formal households provided with water:</p> <p>(3) Breakdown of the actual performance achieved was not provided in the APR in terms of the following performance indicators:</p> <p>(4) The following performance indicator has two targets, which include the maintenance of dignified sanitation and the submission of 22 waste water quality samples to meet Waste water monitoring plan by June 2021, the</p>	<p>Inadequate review by management to ensure reported indicators and targets are clearly defined and consistent with planned indicators and targets. This has resulted in the following:</p> <p>(1) Incorrect presentation and disclosure of the predetermined objectives.</p> <p>(2) Inconsistency between the actual achievement per the APR and the planned indicator per the SDBIP</p> <p>(3) Limitation of scope regarding the consistency testing.</p> <p>(4) Performance indicator not being measurable.</p> <p>(5) Limitation of scope regarding the consistency testing.</p> <p>(6) Inconsistency between the actual achievement per the APR and the planned indicator per the SDBIP</p> <p>(7) Limitation of scope regarding the consistency testing.</p>	<p>Conduct consultative sessions with Head of Department to ensure understanding of PMS templates with regard to consistency, relevancy, presentation and disclosure.</p> <p>Conduct follow up of the previous targets that were not achieved to ensure that targets are corroborated by sufficient POEs</p> <p>To review the corrective measures provided by the HODs to confirm that they are time-bound</p>	Aug-22	<p>Accounting Officer HOD PMS Manager Internal Auditor Audit Committee</p>

	<p>maintenance of dignified sanitation target is not clear and specific:</p> <p>(5) The following performance indicator were planned for as per the SDBIP, however were not reported on the APR:</p> <p>(6) For the following performance indicator, the reported achievement in the APR refers to 0% electrical meter boxes and low voltage network and also High voltage and medium voltage network being at 100%, however the performance indicator and target refers to the electrification of households:</p> <p>(7) The following indicator was not planned for as per the SDBIP, however was reported on as per the APR:</p>				
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Drinking Water Quality Management and waste water quality management	As per Paragraph 5.2 of chapter 5 of Framework for Managing Programme Performance Information, <ul style="list-style-type: none"> <li>Through the inspection of the AoPO documentation file submitted by</li> </ul>	This was due to management's lack of ensuring that the portfolio of evidence file submitted for the audit of performance information is complete to support the	Establish appropriate internal systems to collect, collate, verify and store information quarterly, bi-annually and annually  Processes to	Apr-22	PMS Manager Director Technical

	<p>management and the business process of performance management working paper, it was confirmed that there was no reports from the Department of Water and Sanitation were included in the documentation (Proof of evidence) submitted to support the drinking water quality and waste water quality of the samples that were submitted and tested by UOFS. Thus it could not be confirmed how the municipality achieved the blue drop compliance as reported in the APR</p> <ul style="list-style-type: none"> <li>• There was no certificate of compliance from the Department of Water and Sanitation at year end that confirms the municipality met all the requirements from the department as it pertains to determinants tested.</li> <li>• Furthermore the auditor was unable to inspect the drinking water quality plan and waste water quality monitoring plan that was adopted by the councillors.</li> </ul>	<p>reported achievement.</p>	<p>ensure the information is appropriately relevant for planning, budgeting and management within institution.</p> <p>Internal Audit and Audit Committee to review prior to submission to AG</p>		
	<p>Paragraph 3.2 of chapter 3 of the Framework for Managing Programme Performance</p>	<p>This was caused by management's lack of oversight in ensuring that the reported achievement is</p>	<p>Establish appropriate internal systems to collect, collate, verify and store</p>		

	<p>Information (Key Performance Information) Based on the audit work performed, the following issues were noted for the following indicators.</p> <p>Number Indicator</p> <p>1) The following indicators accuracy cannot be confirmed due to the differences noted:</p> <p>2) Further more inspected the file documentation of the following performance indicators and noted that the contracts were not included in the documentation.</p> <p>3) Inspected the file documentation of the Construction of an abstraction works on the Orange River and equipping of x2 raw water pump stations with M&amp;E and Refurbishment of the Water Treatment Works (WTW), and confirmed that the progress report for 30 June 2021 was not included in the performance file submitted by management.</p>	<p>accurate and complete and is in line with underlying support.</p>	<p>information quarterly, bi-annually and annually</p> <p>Processes to ensure the information is appropriately relevant for planning, budgeting and management within institution.</p> <p>Internal Audit and Audit Committee to review prior to submission to AG</p>		
Strategic Planning & Budgeting	Provide 10793 Household with water - Not accurate and complete	This was caused by management's lack of oversight in ensuring that the reported achievement is accurate and	Establish appropriate internal systems to collect, collate, verify and store information	April 2022	PMS Manager Director Technical

		complete and is in line with underlying support.	quarterly, bi-annually and annually  Processes to ensure the information is appropriately relevant for planning, budgeting and management within institution.  Internal Audit and Audit Committee to review prior to submission to AG		
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Differences between the IDP and SDBIP proof that it is not aligned	Contrary to Section 1 of the MFMA and Section 36 of the Municipal Systems Act, 2000 (Act no. 32 of 2000) Differences were identified between the final Intergrated Development Plan (IDP) 2020/2021 and adjusted Service Delivery Budget Implementation Plan (SDBIP) 2020/2021. The following inconsistencies	Management did not put steps in place to ensure that there is consistencies between the IDP and the SDBIP including score card	Management will enure reviews are conducted between the IDP,SDBIP and APR. Internal Audit to conduct reviews to ensure consistency between the above documents	April 2022	Accounting Officer Heads of Departments PMS Manager

	<p>were identified which could result in misstatements</p> <ol style="list-style-type: none"> <li>1) Key performance areas were not aligned.</li> <li>2) Strategic objectives were not aligned</li> <li>3) Key performance areas and strategic objectives in the score card are aligned to key performance area and strategic objectives in the IDP and SDBIP.</li> </ol>				
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Service Delivery and Budget Implementation Plan	<p>Contrary to the MFMA section 53 (1) (c) (ii) The 2020/21 service delivery and budget implementation Plan was not approved within 28 days after the approval of the 2020/21 Budget. The budget was approved on 29 May 2020 and the service delivery and Budget Implementation Plan was approved on 31 August 2020, therefore not within the 28 days required by the MFMA. The service delivery and budget implementation</p>	<p>Management did not in all instances review and monitor compliance with applicable laws and regulations.</p>	<p>Service Delivery and Budget Implementation Plan to be approved within 28 days after the approval of the IDP and Budget</p>	<p>June 2022</p>	<p>Accounting Officer PMS Manager</p>

	<p>plan was submitted on 30 August 2020 which means that it was only finalised on this date.</p> <p>Service delivery objectives and targets are not aligned to budget requirements.</p>				
<b>FUNCTIONAL AREA</b>	<b>AUDIT FINDING</b>	<b>ROOT CAUSE</b>	<b>REMEDIAL ACTIONS [SEPARATE ROW SHOULD BE USED FOR EACH ACTION]</b>	<b>COMPLETION DATE</b>	<b>RESPONSIBLE UNIT / DEPARTMENT AS WELL AS OFFICIALS:</b>
Performance monitoring	<p>Contrary to Section 72(1)(a)(ii) of the MFMA, The 2020/21 mid year performance report was inspected and it was determined that the accounting officer signed off on the mid year performance report on 29 January 2021, which is after 25 January 2021</p>	<p>The accounting officer did not ensure that the mid year performance report is completed by 25 January 2021.</p>	<p>Adhere to compliance requirements by creating a monthly compliance checklist</p> <p>The mid year and performance report to be approved by the 25th of January 2022</p>	Jan-22	PMS Manager
Performance monitoring	<p>Contrary to the Section 38(a) of the Municipal Systems Act The council minutes were inspected and it was confirmed that the following documents were adopted at the date specified below:</p> <p>Documents Date of adoption Draft Integrated Development Plan</p>	<p>Council did not ensure that meetings are held regularly in order to ensure that the municipality complies with regulation.</p>	<p>Management will ensure that the Performance Management policy is adopted together with the IDP</p>	May-22	PMS Manager

	<p>(IDP) (2020/21) 26 March 2020 Performance management system (PMS) (2020/21) 14 October 2020</p> <p>Therefore, this indicates that the performance management system was adopted after the municipality had commenced with the process of setting key performance indicators and targets in accordance with its integrated development plan. Therefore, the municipality did not comply regulation 8 of the Municipal Planning and Performance Management regulation.</p>				
Limitation of Scope	<p>Contrary to Section 62 (1) (a) of the MFMA, The following information was requested through request for information (RFI) 14 which was issued on 31 August 2021 and due on 3 September 2021, but was not responded to and therefore not submitted.</p> <p>1. Quarter 3 performance report. 2. Performance files.</p>	<p>Management did not ensure that the request for information is prioritised and therefore, did not respond to the request for information.</p>	<p>Establish appropriate internal systems to collect, collate, verify and store information quarterly, bi-annually and annually</p> <p>Processes to ensure the information is appropriately relevant for planning, budgeting and management within institution.</p> <p>Management will ensure that there controls in place and provide requested information within the agreed timeframes</p>		<p>PMS Manager Director Technical</p>



## 6.2.2

<b>Council Members</b>	<b>Full-Time / Part-Time FT / PT</b>	<b>Committees Allocated</b>	<b>Ward /Party Representative</b>	<b>Percentage council meetings attendance</b>	<b>Percentage Apologies for non-attendance</b>
Cllr P.P Mahapane	PT	Planning & LED Community Services & MPAC	Ward 1 ANC	100	0
Cllr T.D Mochechepa	PT	Planning & LED / Corporate / Finance & Technical	Ward 2 ANC	92	8
Cllr T.J November	PT	Planning & LED / Technical & MPAC	Ward 3 ANC	92	8
Cllr M.A Letele	PT	Planning & LED	Ward 4 Independent	82	18
Cllr D. Job	PT	Corporate / Finance & Community Services	Ward 5 ANC	92	8
Cllr R.J Thuhlo	FT		Ward 6 ANC	100	0
Cllr T.E Nai	PT	Finance / Community Services & EXCO	Ward 7 ANC	100	0
Cllr N.Z Mgawuli (Mayor)	FT	EXCO	PR ANC	100	0
Cllr N.A Adoons	PT	Corporate / Technical & MPAC	PR ANC	64	36
Councillor I.S Riddle	PT	Technical Services & MPAC	PR DA	92	8
Cllr J.Swart	PT	Corporate / Finance / Planning & LED	PR DA	92	8
Cllr M.A Mkendani	PT	Community Services & MPAC	PR EFF	92	8
Cllr B.J Lobi	PT	Corporate / Finance / Technical / Community Services & EXCO	PR EFF	100	0

**APPENDIX A – COUNCILORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE**

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Municipal Committees</b>	<b>Purpose of Committee</b>
Section 79 Finance Committee	Revenue, Expenditure, Budget Office, Supply Chain Management, Insurance, Payroll
Section 79 Planning Committee	IDP, IT, Town Planning, LED, PMS
Section 79 Corporate Committee	Institutional, Corporate, Legal, Human Resources, Records, Administration, Council Committee and Council support, Public Participation, Customer Care
Section 79 Community Services Committee	Fire and Rescue, Disaster Management, Traffic Management, Park, Recreation, Libraries, Social Services, Sport Development, Refuse collection
Section 79 Technical Services Committee	Water Services, Sewer, Project Management, Storm Water, Roads, Electricity
Section 32 Committee on Unauthorised, Irregular, Fruitless and Wasteful expenditure	To conduct investigations on and recover Unauthorised, Irregular, Fruitless and Wasteful expenditure incurred
Municipal Public Accounts Committee	To conduct investigations on and recover Unauthorised, Irregular, Fruitless and Wasteful expenditure incurred
Audit Performance Committee	To conduct oversight on the performance of the municipality

## APPENDIX C: THIRD TIER ADMINISTRATION

<b>Third Tier Structure</b>	
<b>Directorate</b>	<b>Director/Manager (State title and name)</b>
<b>Office Of the Municipal Manager</b>	
Municipal Manager	S.M Selepe
Integrated Development Planning	Z.F March
Local Economic Development	N.S Buyeye
Performance Management Services	T.L. Ravele
Human Resource Management	D. Matsoso
Internal Audit	T. Ntakatsane (Acting)
Risk Management	N Ntoyi
Information Technology	F.J Mhlafu (Acting)
Security Services	S.P Kaibe
Town Planning	E Meades
<b>Finance Department</b>	
Chief Financial Officer	P.M. Dyonase
Senior Finance Manager	W.A Wilken
Revenue Manager	T.V Mdluli
<b>Corporate Department</b>	
Director Corporate	Vacant ( Mr N.S. Buyeye)
Senior Administration Manager	S.Moorosi
<b>Technical Department</b>	
Director Technical	S. Thejane
Water Quality Manager	T.E Fobane
Project Manager	S. Shamase
<b>Community Department</b>	
Acting Community Services Director	Vacant (Mr T.A. Lekwala)
Community Services Manager	T.A. Lekwala

## APPENDIX D – FUNCTIONS OF THE MUNICIPALITY/ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	NO	NO
Building regulations	YES	NO
Child care facilities	NO	NO
Electricity and gas reticulation	YES (outsourced to CENTLEC)	NO
Firefighting services	NO	NO
Local tourism	YES	NO
Municipal airports	NO	NO
Municipal planning	YES	NO
Municipal health services	YES (District EHP)	NO
Municipal public transport	NO	NO
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	NO	NO
Storm water management systems in built-up areas	YES	NO
Trading regulations	YES	NO
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	YES	NO
Beaches and amusement facilities	NO	NO
Billboards and the display of advertisements in public places	YES	NO
Cemeteries, funeral parlours and crematoria	YES	NO
Cleansing	YES	NO
Control of public nuisances	YES	NO
Control of undertakings that sell liquor to the public	YES	NO
Facilities for the accommodation, care and burial of animals	YES	NO
Fencing and fences	YES	NO
Licensing of dogs	NO	NO
Licensing and control of undertakings that sell food to the public	YES	NO
Local amenities	YES	NO
Local sport facilities	YES	NO
Markets	?	NO
Municipal abattoirs	NO	NO
Municipal parks and recreation	YES	NO
Municipal roads	YES	NO
Noise pollution	NO	NO
Pounds	YES	NO

### Municipal / Entity Functions

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Public places	YES	NO
Refuse removal, refuse dumps and solid waste disposal	YES	NO
Street trading	NO	NO
Street lighting	YES	NO
Traffic and parking	YES	NO

### APPENDIX E: WARD REPORTING

Ward Name( Number)	Name of Ward Councillor and elected ward committee member	Committee Established( Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to the Speakers office on time	Number of quarterly public ward meetings held during the year
Ward 1	Cllr P. P Mahapane	Yes	0	0	4
Ward 2	Cllr T.D Mochechepa	Yes	0	0	5
Ward 3	Cllr T.J November	Yes	0	0	0
Ward 4	Cllr. M.A Letele	Yes	0	0	4
Ward 5	Cllr D. Job	Yes	0	0	0
Ward 6	Cllr R.J Thuhlo	Yes	0	5	4
Ward 7	Cllr T.E Nai	Yes	0	1	3

**APPENDIX F**

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	10793	10793	10793	10793	
Households without minimum service delivery	1734	1734	1734	1734	
Total Households*					
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					T F.2

## APPENDIX G – AUDIT COMMITTEE’S REPORT

The Audit and Performance Committee was not functional during the 2021/22 Financial year.

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

Long Term Contracts (3 Largest Contracts Entered into during 2021/22)					
Name of Service Provider	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
NRG Solutions	Provision of 3 Multifunctional Printers for 3 years	12/05/2022	14/05/2025	Mr. J Mhlahfu	R 370 629.36
Max Profit Recovery	Appointment of service provider to do VAT review/recovery/preparations and submission for a period of three years	18/02/2022	19/02/2025	Mr. TV Mdluli	7,83%
MM Industries	Smithfield/mofulatshepe: The upgrading of the outfall sewer	23/02/2022	30/11/2022	Mr. S Shamase	R 26 807 758.89

The municipality does not have any Public Private Partnership agreements at present.

## APPENDIX I - MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule							
Name of Entity & Purpose	(a) Service Indicators & Target	Amount	2021/22		2020/21		Satisfaction on Rating 1 - Very Good Rating 2 - Good Rating 3 - Average Rating 4 - Bad
			Target (Amount)	Actual (Amount)	Target (Amount)	Actual (Amount)	
			*Previous Year		*Previous Year		
NRG Solutions	Provision of 3 Multifunctional Printers for 3 years	R 370 629.36	-	R 370 629.36	-	--	2
Max Profit Recovery	Appointment of service provider to do VAT review/recovery/preparations and submission for a period of three years	7.83%	-	7.83%	-	-	2
Njunga Construction and projects	Supply and Delivery of Protective clothing	R 884 931.46	--	R 884 931.46	-	-	2
MM Industries	Smithfield/mofulatshepe: The upgrading of the outfall sewer	R 26 870 758.89		R 26 870 758.89	-	-	2

**APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS**

<b>Disclosures of Financial Interests</b>		
<b>Period 1 July to 30 June of Year 2021/22</b>		
<b>Position</b>	<b>Name</b>	<b>Description of Financial Interests Nil / Or details</b>
<b>Mayor</b>	Cllr. N.Z Mgawuli	Distell - ordinary shares Telkom - ordinary shares
<b>Speaker</b>	Cllr R.J Thuhlo	Nil
<b>Councillors</b>		
	Cllr. N.A Adoons	Nil
	Cllr. P.P Mahapane	Nil
	Cllr. T.J November	Nil
	Cllr. T.E Nai	Nil
	Cllr. T.D Mochechepa	Nil
	Cllr. D. Job	Nil
	Cllr. I.S Riddle	Dummer Trust - Trustee Nick's Place Guest House - Partner - 50% Smithfield House - Owner
	Cllr. B.J Lobi	Rekaofela Ditshepe Mohomeng - 100% shares
	Cllr. N.M Mkendani	Nil
	Cllr. M.A Letele	Nil
	Cllr J. Swart	Nil
<b>Disclosures of Financial Interests</b>		
<b>Period 1 July to 30 June of Year 2021/22</b>		
<b>Municipal Manager</b>	M.J Kanwendo	Nil
<b>Chief Financial Officer</b>	P.M. Dyonase	Dyonase Projects  Ordinary Shares 75%
<b>Director Corporate Services (Acting)</b>	N.S Buyeye	Nil
<b>Director Technical Services</b>	S Thejane	Remmoho Ditshepe Mohomeng – 100% shares  18 Bella Donna , Bloemfontein Bond R1.4 mil  391 Shoshanguve Bond R500K
<b>Director Community Services (Acting)</b>	T.A Lekwala	Nil

**APPENDIX K- REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE**

**APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE SOURCE**

Revenue Collection Performance by Vote							R' 000
Vote Description	2020/21	Current: 2021/22			2021/22 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Executive and Council	–	2 622	2 622	–	0%	0%	
Finance and Admin	137 771	100 976	120 880	133 845	25%	10%	
Planning and Development	7	–	–	5	0%	0%	
Health	–	–	–	–	0%	0%	
Community and Social Service	78	5 440	(860)	134	-3961%	742%	
Housing	523	549	550	666	18%	17%	
Public Safety	12 214	35 000	12 500	86	-40527%	-14410%	
Sport and Recreation	–	–	–	–	0%	0%	
Environmental Protection	–	–	–	–	0%	0%	
Solid Waste Removal	5 939	–	–	6 114	100%	100%	
Waste Water Management	9 850	15 686	15 631	10 422	-51%	-50%	
Road Transport	27 425	19 991	18 788	–	0%	0%	
Water Distribution	72 232	95 351	73 492	64 088	-49%	-15%	
Electricity Districution	32 859	36 280	39 342	41 718	13%	6%	
Other	–	–	–	–	0%	0%	
<b>Total Revenue by Vote</b>	<b>298 897</b>	<b>311 894</b>	<b>282 944</b>	<b>257 078</b>	<b>-21%</b>	<b>-10%</b>	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> <i>This table is aligned to MBRR table A3</i>							TK.1

## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						R '000
	2020/21	2021/22		Actual	2021/22 Variance	
	Actual	Original Budget	Adjustments Budget		Original Budget	Adjustments Budget
Property rates	10 469	9 680	9 680	11 752	18%	18%
Property rates - penalties & collection charges	–	–	–	–	0%	0%
Service Charges - electricity revenue	32 556	30 780	30 780	32 951	7%	7%
Service Charges - water revenue	41 785	42 492	42 492	37 573	-13%	-13%
Service Charges - sanitation revenue	9 760	9 332	9 332	10 324	10%	10%
Service Charges - refuse revenue	5 879	5 184	5 184	6 051	14%	14%
Service Charges - other	15	–	–	15	100%	100%
Rentals of facilities and equipment	533	570	570	533	-7%	-7%
Interest earned - external investments	240	450	250	230	-96%	-9%
Interest earned - outstanding debtors	126	6 500	150	25 121	0%	0%
Dividends received	12	10	10	14	29%	29%
Fines	12 214	35 000	12 500	86	-40527%	-14410%
Licences and permits	0	–	–	0	100%	100%
Agency services	–	–	–	–	0%	0%
Transfers recognised - operational	98 456	80 762	80 762	85 476	6%	6%
Other revenue	938	12 785	12 885	1 220	-948%	-957%
Gains on disposal of PPE	55	–	–	43	0%	0%
Environmental Protection	–	–	–	–	0%	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>213 037</b>	<b>233 544</b>	<b>204 594</b>	<b>211 387</b>	<b>-10.48%</b>	<b>3.21%</b>
0						TK.2

## APPENDIX L – CONDITIONAL GRANTS RECEIVED EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budaet	Actual	Variance		Major conditions applied by donor (continue below if necessarv)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant	0	0	0	0%	0%	
Public Transport Infrastructure and Systems Grant	0	0	0	0%	0%	
<b>Other Specify:</b>						
Regional Bulk Infrastructure	20 000	20 000	20 000	0%	0%	To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries
Water Services Infrastructure Grant	31 000	31 000	31 000	0%	0%	To facilitate the planning, acceleration and implementation of various project tha will ensure water supply to communities identified as not receiving a water supply service.
Finance Management	2 850	2 850	2 850	0%	0%	To promote and support reforms in financial management by building the capacity in muniipality to implement the MFMA Act
EPWP	1 131	1 131	1 131	0%	0%	To incentivise municipalities to increase labour intesive employment through programmes that maximese job creation and skill development in line with the guidelines
<b>Total</b>	<b>54 981</b>	<b>54 981</b>	<b>54 981</b>	<b>0%</b>	<b>0%</b>	
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and anv other						TL

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINIC

SERVICE BACKLOGS: SCHOOLS AND CLINICS				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools	None	None	None	None
Clinics	None	None	None	None

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

The municipality is an Electricity Service provider; however, the services have been outsourced to Centlec.

The table below will show the backlogs the municipality has with regard to services provided by another government entity:

Town	No. of HH	No. of HH connected to the grid	No. of HH without electricity
Zastron	4649	4637	848
Rouxville	2088	2086	474
Smithfield	1635	1635	412
Total	8372	8358	1734

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	10793	10793	10793	10793	
Households without minimum service delivery	1734	1734	1734	1734	
Total Households*					
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					TF.2

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

The municipality did not make any loans in the current financial year.

Appendix L refers to all conditional grants made by the municipality.

**VOLUME II – ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31  
JUNE 2021**