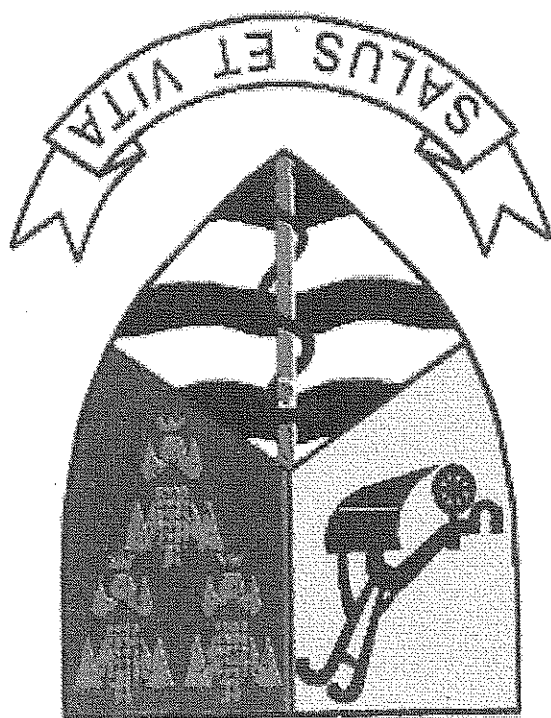


BELA – BELA LOCAL MUNICIPALITY



ANNUAL REPORT FOR 2020 - 2021

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PROPOSED REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by several municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. It replaces a template dating back to August 2003.

This template gives effect to the legal framework requirement, concepts and principles espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence are achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross-cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others.

Notes are included throughout the format to assist the compiler to understand the various information requirements. Once the draft has been finalised, training will be provided to facilitate the implementation of this initiative, and separate additional guidance may be issued if necessary.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury

COMPONENT A: MAYOR'S FOREWORD

I present the 2020/2021 Annual Report at the time the world is recovering from the COVID-19 Pandemic, the effect thereof will undoubtedly have an impact on our country's economy for the foreseeable future.

Whilst the Municipality has begun the recovery process, it is important to note that the Municipality has recorded the lowest revenue collection due to the inability of ratepayers to service their debts.

Performance indicators had to be reviewed and programs and projects had to be reprioritized to suit the current material conditions brought about by Covid-19.

The Municipality has been able to continue rendering services even during this difficult and uncertain time. Of great concern to the Municipality is the deteriorating and ageing infrastructure which frequently results in service delivery interruptions. We remain committed to taking proactive and reactive maintenance to the bulk infrastructure including road networks to prolong their lifespan.

I table this Annual Report for public scrutiny guided by the Principles of Batho Pele, Openness, Transparency and Accountability. These principles have been established to hold both the Political Leadership and Administration accountable on the Municipal performance in as far as service delivery is concerned.

I wish to record that the Municipality has been subjected to the annual audit process by the Auditor-General South Africa as required by law, and regret to record that the Municipality regressed and received a Disclaimer as an audit opinion. Although we are disappointed by the outcome of the audit process. The opinion requires us as the Municipality with the assistance of AGSA to improve on accounting systems and ensure that we strive for an Improved Audit Opinion in the next financial year.

While striving to improve the audit opinion, we also acknowledge that service delivery is very dynamic and mostly influenced by the needs of the community for sustainable livelihood. It requires collective efforts by all stakeholders inclusive of the Municipal institution, ratepayers and structures of Civil Society to all execute their responsibilities.

Of utmost importance is for all parties to work together for the enhancement of service delivery mechanisms and accountability

Yours faithfully

C.M. Seleka
Cllr GM Seleka
MAYOR

COMPONENT B: EXECUTIVE SUMMARY

It is with great honor and privilege that we present the 2020/2021 Annual Report to the community, rate payers of Bela-Bela in particular and South Africans in general.

Bela-Bela Local Municipality is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Demarcation Act. It is also established in terms of Chapter 2 of the Local Government: Municipal Structures Act, No. 117 of 1998.

It is located in the Southern part of Limpopo Province and falls within the Waterberg District Municipality. It derives its mandate and objectives directly from the Constitution of the Republic of South Africa.

Section 152 (1) of the Constitution of the Republic of South Africa sets out the objectives of Local Government as follows:

- (a) To provide democratic and accountable local government for local communities;
- (b) To ensure the provision of services to communities in a sustainable manner;
- (c) To promote social and economic development;
- (d) To promote a safe and healthy environment; and
- (e) To encourage the involvement of communities and community organizations in the matters of local government.

Section 152 (2) states that a municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

The Constitution requires us to prioritize the delivery of basic services. It is widely accepted that basic needs and basic services refer to the same set of functions/services being water, electricity, sanitation and refuse removal.

Section 121(3) of the Municipal Finance Management Act 2003, (MFMMA) read together with Section 46 of the Municipal Systems Act 2000, prescribes the minimum contents of an annual report of a municipality. In preparation of this 2020/2021 Annual Report, we have considered these legislative requirement

Hereunder is the 2020/2021 Annual Report of Bela-Bela Local Municipality that captures at large our performance and achievements against the set strategic objectives, amidst the unprecedented and unexpected pandemic called Covid-19 that ravaged the world at the beginning March 2020 and disrupted the lives of all of our people in South Africa.

Between 1 July 2020 to 30 June 2021, the country was moved between Alert Level 2 and 4. Social and economic activities were literally disrupted and that had a serious negative impact on the operations of the municipality. The delivery of services to the community was affected and equally revenue collection declined significantly. As the financial year ended, on the 28 of June 2021, the country was still at lockdown level 4.

We regret to state that the Municipality regressed and have received a *"Disclaimer" as an audit opinion* from Auditor General South Africa (AGSA). We are committed to improve and we will leave nothing to stand in our way of transcending to an unqualified opinion.

Despite this, the municipality made a steady progress in fulfilling its constitutional obligations of delivering basic services in a sustainable manner to its communities and affirming its vision *"To be the prime agricultural hub and eco-tourism destination of choice"* under very difficult economic circumstances.

The report presents us with an opportunity to reflect on our achievements since the last reporting period, and to provide a detailed account of our performance as a Municipality against our strategic plans and resources that were at our disposal for the period under review. The Integrated Development Plan (IDP), Budgets, Service Delivery and Budget Implementation Plans (SDBIP), Performance Plans and Agreements of Section 57 Managers, remains the key service delivery planning tools which we have to utilize in an effort to deliver sustainable services to our communities.

The Municipality was able to prepare and submit the four (4) quarterly performance report to council as required in terms of Section 52 (d) of the Local Government: MFMA, 2003 (Act 56 of 2003) and the mid-year budget and performance assessment report to the Mayor, National Treasury and Provincial Treasury as required in terms of Section 72 of the Local Government MFMA, 2003 (Act 56 of 2003).

The total number of applicable Key Performance Indicators (KPIs) for reporting were 109 after withdrawing 10 and adding 7 new KPIs, and these were KPIs considered for performance rating for targets achievements. A total of 91 KPIs were achieved out of 109 applicable indicators which were due for reporting by end of the financial year. The overall performance of the institution is at 81%.

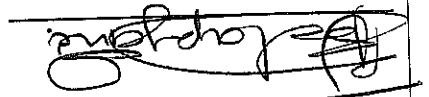
The Municipality had a full complement of the Municipal Manager and Senior Managers making the administration and management to be stable and thus capacitating it administratively and financially. Unfortunately, the Municipal Manager resigned and left the position vacant since 1 March 2021. However, the Top Management was representative of equity targets with 50% males and 50% women.

The Municipality had a total of R 85 067 000, 00 conditional grants allocated to implement basic service delivery projects. A total of R 74 586 469, 00 has been spent by end of June 2021 which translate to 88% expenditure. An improvement of 7% from the previous financial year. The projects that could not be completed was largely due to the Covid-19 hard lockdown restrictions where materials could not be procured and delivered.

The majority of our people still live in abject poverty which is evident as you move around our township settlements and this lends credence to the indictment of our old spatial planning. Our residential areas, in particular townships do not resemble functional neighbourhoods. There is a "moving backlog" of services as there are always new areas that needs development.

There is still so much to be done to improve the lives of our people for the better. We have a firm believe that we are still on course to go back to basics, and build an accountable, responsive and caring government.

Sincerely Yours



JB SELAPANE

ACTING MUNICIPAL MANAGER

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1. INTRODUCTION TO BACKGROUND DATA

Bela-Bela Local Municipality is performing the Powers and Functions on Table 1 below, as assigned through the 1996 Constitution of the Republic of South Africa and the Local Government Municipal Structures Act No 117 of 1998 and Regulations. Refer to the table below: Table 1:

Function	Y/N	Is this a Shared Service (Y/N)	Responsible Department at the Municipality
Air Pollution	Y	N	Social and Community Services
Building Regulation	Y	N	Economic Development and Planning
Electricity Retulation	Y	N	Technical Services
Fire Fighting	Y	Y	Social and Community Services
Local Tourism	Y	Y	Economic Development and Planning
Municipal Airports	Y	N	Social and Community Services
Municipal Planning	Y	Y	Economic Development and Planning
Stormwater Management Systems in Built-Up Areas	Y	N	Technical Services
Trading Regulation	Y	N	Economic Development and Planning
Potable Water	Y	N	Technical Services
Billboards and Display of Advertisement in Public Places	Y	N	Social and Community Services
Cemeteries and Crematoria	Y	N	Social and Community Services
Cleansing	Y	N	Social and Community Services
Control of Public Nuisance	Y	N	Social and Community Services
Facilities for the accommodation, Care and Burial of Animals	Y	N	Social and Community Services
Fencing and Fences	Y	N	Technical Services
Local Sports Facilities	Y	N	Social and Community Services
Municipal Parks and Recreation	Y	N	Social and Community Services
Municipal Roads	Y	N	Technical Services
Noise Pollution	Y	N	Social and Community Services
Public Places	Y	N	Social and Community Services
Refuse Removal, Refuse Dumps and Solid Waste Disposal	Y	N	Social and Community Services
Street Trading	Y	N	Economic Development and Planning
Street Lighting	Y	N	Social and Community Services
Traffic and Parking	Y	N	Social and Community Services

DEMOGRAPHIC INDICATORS	2007 COMMUNITY SURVEY	CENSUS 2011	2016 COMMUNITY SURVEY
Person indicator	55 841	66 500	76 296
Households indicator	14 290	18 068	21 354

Table: 2 below illustrate the estimated population trend's pattern population dynamics and growth trends

The total size of Bela-Bela's population is currently estimated at 76 296 individuals which have increased by 14.73 % by 2016 compared to Census 2011. The total population intercensal growth rate (2011-2016) of 0.031 has been recorded within Bela Bela Municipal area. This is based on Census 2016 Community Survey which also estimates that there are approximately 21 354 households within Bela-Bela municipal area which is an 18.9% increase from 2011. Statistics South Africa indicated that this figure also takes into account Rapotokwane Village which was incorporated into the Municipality from Dr J.S. Moroka Local Municipality (Mpumalanga Province) in 2000. The graph below illustrates the estimated population projection when the information from BMR is taken into account.

1.1 POPULATION DYNAMICS AND FUTURE GROWTH TRENDS

Municipality.

Whilst the Administration of the Municipality is tasked with the responsibility of ensuring optimal performance of all the Powers and Functions assigned to the Municipality as per the determination of the prescripts of the Law, Council through its Structures regularly performs an Oversight to all the respective Departments to ensure Legislative compliance to that effect and impacts aimed at improving the livelihoods of the communities therein. Accordingly, the Municipality has developed and approved an Organizational Structure. However, the structure below depicted Top Management composition that seeks to ensure optimal performance of these Functions. The picture correctly painted by the Organizational Structure is that the Departments of Technical Services, Social & Community Services and Planning & Economic Development respectively as the primary Service Delivery oriented Departments in line with the depiction under Table 1 above jointly constitutes more than 60% of the personnel of the entire Municipality.

Source: StatsSA: Community Survey, 2016

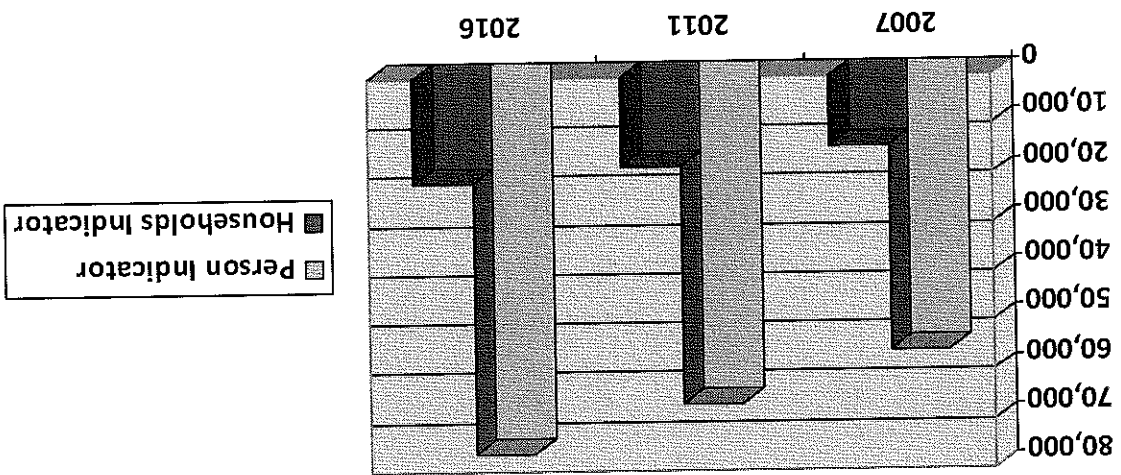
Census 2001					
Households	12 335	3.7	18 068	3.7	21 354
Ave HH size					
Households					
Ave HH size					
Community Survey 2016					
Households					
Ave HH size					

Table 2: Households Dynamics

The high growth ratio takes into account other main factors such as in-migration, which can result in a further increase in the population within Bela-Bela. It would be recalled from the 2007/08 IDP that there are several people who have relocated from Gauteng to Bela-Bela Town (specifically in the Warmbaths Extensions) to get away from the busy life of Gauteng.

Low and/or zero population growth rate – affecting revenue base of the Municipality and sustainability of projects.

Source: StatsSA: Community Survey, 2016

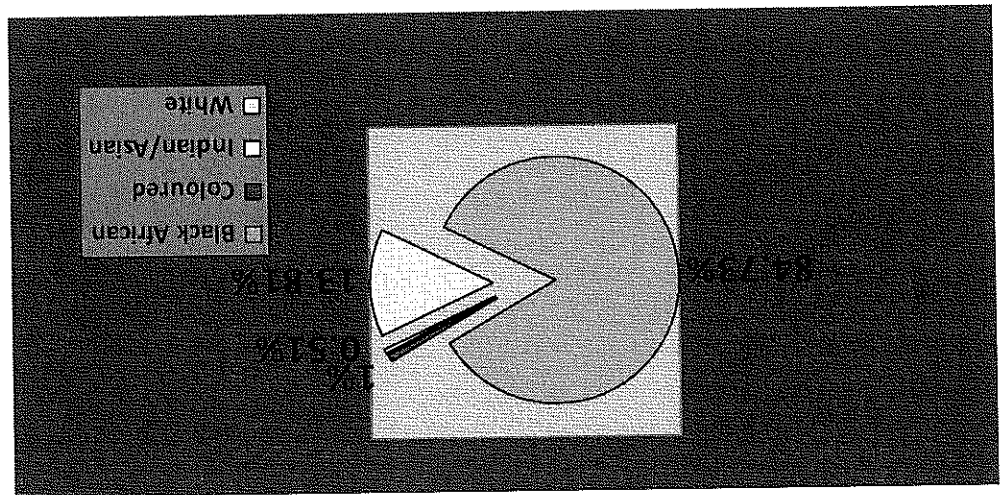


Graph: 1 below illustrate the estimated population trend's pattern population dynamics and growth trends Population Growth 2001-2020

1.2 POPULATION GROUP, AGE GROUP AND GENDER IN BELA-BELA MUNICIPAL AREA

The population of Bela-Bela Local Municipality in terms of groupings is categorized as per **Graph 2** below. Black Africans are in the Majority followed by Whites. It is therefore imperative to take caution that whilst the development priorities within the Municipality seeks to address the plight of Black Africans who majority of which is still characteristics of the previous dispensation in the Country, such should not be at the detriment of the other minority groupings therein.

Graph: 2 Population Groups



Source: StatsSA: Community Survey, 2016

All the residents of Bela-Bela Local Municipality irrespective of their Colour or ethnicity should be encouraged to partake in the developmental agenda of the Municipality from within their respective localities and interest groupings. The age composition or structure determines the kinds of economic activities which are currently existing and may need to be explored in the future within the locality. Different age groups have different economic needs and different spending patterns. According to Community Survey, 2016, the composition of the population of the Municipality is Young (0–14) 33%, Working age (15–64) 62% and Elderly 65+ 5.3%

POPULATION BY AGE GROUP AND NATIONALITY

Table 3: Population by Age Group and Nationality

Age	Black African	Coloured	Indian or Asian	White	Grand Total
0 - 4	9 003	72	-	396	9 471
5 - 9	7 638	63	-	566	8 267
10 - 14	6 670	93	29	612	7 403
15 - 19	5 551	50	22	281	5 904
20 - 24	5 863	77	24	638	6 602
25 - 29	6 086	30	90	800	7 007
30 - 34	5 233	28	58	604	5 922
35 - 39	4 178	139	19	444	4 780
40 - 44	3 490	18	16	573	4 097
45 - 49	3 324	71	34	539	3 967
50 - 54	2 639	45	25	910	3 619
55 - 59	2 076	35	23	886	3 020
60 - 64	1 276	-	12	915	2 203
65 - 69	760	-	-	711	1 471
70 - 74	471	11	12	649	1 143
75 - 79	193	-	-	565	757
80 - 84	84	-	22	336	442
85 +	109	-	-	111	220
Grand Total	64 642	733	386	10 535	76 296

Source: StatsSA: Community Survey, 2016

This trend in age composition obliges the government departments and the Municipality to ensure that a large percentage of the budget is allocated to Social Development Facilities and services delivery to meet the needs of a

young population and ensuring that people falling within this age acquire relevant skills and grow up to become responsible adults. The creation of more job opportunities should also be one of the key aspects of the developmental agenda by the Municipality in partnership with the sector departments such as the Department of Education, Health, Public Works, Roads and Transport etc.

The goal of the Local Economic Development Unit is to facilitate economic development, job creation and poverty eradication within Bela-Bela Local Municipality which is part of Waterberg District Municipality. This will be achieved by reducing the number of unemployed people, especially the youth, women and people with disabilities. Secondly, by ensuring that there is economic development in the Municipality and in particular in the identified sectors. Furthermore, there is a reduction in the number of people living below the poverty line. Section 153 of the Constitution stipulates the following developmental duties of all Municipalities:

A Municipality must structure and manage its administration, budgeting and planning processes to give priority to the needs of the community, and to promote social and economic development.

A Municipality must participate in national and provincial developmental programmes.

Population Gender Profile

Regarding Table 4 below, the gender composition within Bela-Bela indicates a slight imbalance between the males and females. The Census 2011 revealed that approximately 51% (28 304) of the population within Bela-Bela comprises females while 49% (27 546) comprises males. Nevertheless, that confirmed with the national trends that a higher proportion of women are found in the rural areas than men. This in many instances, especially amongst the African communities is attributed to the fact that men are generally attracted to places such as the bigger cities (i.e. Johannesburg etc.) that presents employment opportunities sometimes regardless of the nature of work involved. However, the 2016 Community Survey illustrate an apposite picture and revealed that 49% (37 335) of the population within Bela-Bela comprises of female and 51% (38 961) of the population comprises of male.

Table 4 : Gender Composition

Total Population (2011)		Total Population (2016)	
Male	Female	Male	Female
33 754	32 746	38 961	37 335
Total		Total	
		76 296	

Source: StatsSA: Community Survey, 2016

In addition to the above, it can also be suggested that there is a need for a developmental agenda that should proactively target women empowerment within Bela-Bela Municipal Area

The graph below depicts the employment of people between the ages of 15 to 65.

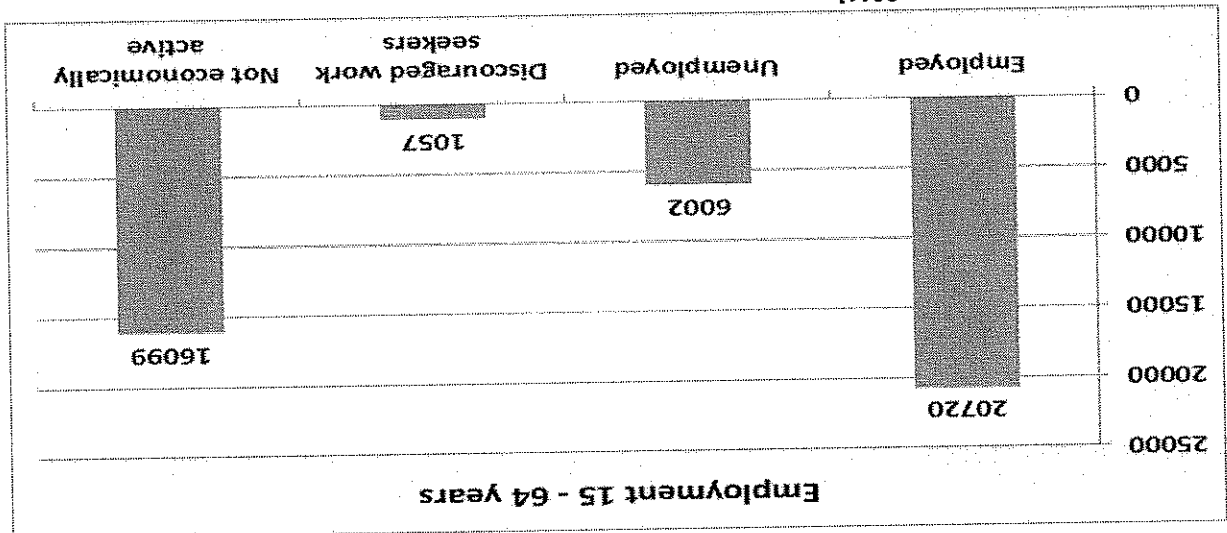
Sector	2012 - %	2014%
Agriculture, forestry and fishing	5	4
Mining and quarrying	4.9	17
Manufacturing	2.1	3

Table 5: Formal Employment Sector

It was previously indicated that the age composition of the population in Bela-Bela comprises of children who are under the age of 15 and who are not accounted as the labour force. The active labour force is estimated at 36 069 in 2011 individuals who are between the ages of 18 – 64. table 5 below indicates that approximately 23% of the active labour force is unemployed of which 30% is Youth. The unemployment rate in Bela-Bela Municipal area is similar to unemployment in the Province, but the labour force participation rate in the Municipality is considerably higher than that of the Province. This could be the result of labour migration out of Bela-Bela in search of work in Gauteng, particularly among younger adult members of the households.

The 30% unemployment rate of Youth which is unacceptably high is corroborated by the Education figures, where the picture painted is that majority of our Youth are not adequately skilled to be able to actively participate in the job market within the Municipality. Another challenge may be that those youth in a position of Post Matric Qualifications may be having Qualifications not necessarily compatible with the Economic needs of Bela-Bela.

[Source: StatisticsSA: Census, 2011]



Graph 3: EMPLOYMENT 15 – 64 YEARS

MINING: The contribution of the mining sector towards the economic development of Bela-Bela is not highly significant. There is two (1) mine (i.e. NAMCO which mine Industrial Diamonds) that exists within Bela-Bela. This mine is located in the southern parts of the municipal area and approximately six (6) kilometres to the south-east of Radium. (2) Vergenoeg Mining Company (PTY) Ltd falls within Region 5 comes from a wide-spread and diverse area which covers 42 different areas and predominantly three provinces, namely Gauteng, Limpopo and Mpumalanga.

Natural Resources within Bela-Bela	
Major Natural Resource	Relevance to Community
Hot Natural Springs	One of the key Tourism attraction points and the origin of the Municipality. A large number of job and business opportunities.
Agriculture	Food security and job creation

Table 6: Natural Resources within Bela-Bela

Based on the above, Bela Local Municipality is actively participating in the Expanded Public Works Programme (EPWP) as well as the Community Works Programme (CWP). A Municipal budget is being implemented and equally redistributed within the parameters or principles of EPWP, this implies that for every Capital project that the Municipality is implementing (capital expenditure) the element of social partnership is being taken into cognizance. Notably, Local Economic Development is also concerned with the creation of an environment, which will engage stakeholders in implementing strategies and programmes.

The LED Unit is currently reviewing the LED Strategy, which will guide the implementation of programmes and projects going forward.

Electricity, gas and water	3.9	2
Construction	6.2	6
Wholesale and retail trade, catering and accommodation	15.9	22
Transport, storage and communication	10.1	11
Finance, insurance, real estate and business services	33.2	16
Community, social and personal services	18.6	20
Total	100	100

may find the agriculture sector less attractive as they can probably get a similar, or very close to, a similar

(b) Availability of labour – There are claims that those people that have access to some form of a social grant, to increase production output (per hectare).

(a) Mechanization – As with most other sectors, there is a trend towards mechanization (e.g. precision farming)

attributed to the following:

The agriculture sector is by its nature one of the most labour-intensive industries, however, this ability to create jobs has decreased in recent times and there is evidence that the sector has even shed jobs. The main reasons can be

Due to the various crops produced, production systems vary widely. Although the trend is changing the whole industry is still characterized by a high unskilled labour input and a serious lack of middle management capacity. In commercial estate farming, the competitiveness of commercial production will be enhanced through appropriate skills development programmes at all levels and through infrastructure development. Access to water for irrigation is particularly important, but feeder roads to production areas and arterial roads to markets are just as important.

the majority of the Black population therein.

Whilst Hot Water Springs attracts thousands of tourists to Bela-Bela, the benefits beyond mere employment opportunities, but for those aspiring to enter the Tourism, business is still to be realised, particularly to

1.3 COMMENT ON BACKGROUND DATA

beans, China beans and Sunflower.

Citrus, and Peaches. Other crops include Maize, Cotton, Millet, Tobacco, Lucerne, Cowpeas, Groundnuts, Wheat, Jug Sweet Corn, Pumpkin Grey, Pumpkin White, Beetroot, Carrots, and Peppers. Fruit types include the following: Grapes, Vegetable crops include the following: Squash butternut, Squash hub barb, Onions, Watermelons, Cabbage assorted, the Springbok flats. Sandy, red soils and wetlands cover the rest of the area.

AGRICULTURE: In terms of the weather conditions, Bela-Bela comprises temperatures between 20-29°C, with the average rainfall between 520 – 650 mm per annum. There are black and red clay soils of medium to high potential in

scale supply of sandstone and clay which is used to manufacture the bricks within the area.

refractory clay and fluorspar are sufficient. The distribution of limestone industrial mineral is small, with a medium- Other metals that are found on a limited scale include manganese, copper, tin, cobalt and the supply of calcite,

these minerals can be mined within the next 20 – 50 years.

gold and diamonds) are of a very low grade and potential to such an extent that it cannot be considered probable that reviews revealed that the mineral occurrences that existed in Bela-Bela for mining resources and precious metals (i.e. Although diamonds are found on the existing mining activity the previous research undertaken as part of the past IDP

income through the social grant. As such, they may either withdraw their labour effort or only offer it partially, which presents practical problems for the farmer.

(c) Effects of ESTA - The Extension of Security of Tenure Act (No. 62 of 1997) (ESTA) stipulates that farm labour that has worked on the farm for longer than 10 years and is 60 years and older, has a right to stay on the farm. Some of the farmers are trying to avoid this by employing fewer people.

The main conclusion is that the agriculture sector will play an increasingly important role to secure food security for the South African population, therefore making it a key sector in the economy. It is therefore important that all land parcels be used productively.

2. INTRODUCTION TO GOVERNANCE

To promote and ensure accountability and that governance arrangements are in place, Section 121(2) (c) of the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMFA) supports the requirements of Section 18(1) (d) of the Local Government: Municipal Systems Act, No. 32 of 2000 (MSA) that information on matters of governance should be communicated to communities. This should, according to Sections 65(1) (a) of the MFMFA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of the Annual Report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

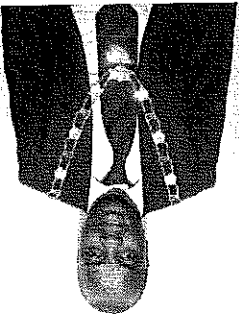
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 INTRODUCTION TO POLITICAL GOVERNANCE

Bela-Bela Local Municipality is a Category B Municipality established in terms of Section 12 of the Local Government: Municipal Structures Act, No. 117 of 1998 (MSA) and applying a collective Executive Committee System. The Municipality has established Committees in terms of Section 79 of the MSA and they are functional. The Committees meet on monthly basis. The recommendations of the Committees are then forwarded to the Executive Committee chaired by the Mayor.

The Municipality also established an Audit Committee which comprises of four members. The Committee is functional and established in terms of section 166 of the MFMFA. For the audit of performance, the Municipality utilizes the existing Audit Committee for the Performance Audit Committee as per Municipal Performance Regulations. Municipal Public Account Committee (MPAC) is also established and performs the role of the Oversight Committee. This committee further ensures that the Municipality complies with Section 127, 129 and 75 (c) of MFMFA and Section 21A of the MSA and Regulations.

Bela-Bela Local Municipality has established section 79 committees and they are structured as follows: Planning and Economic Development/Infrastructure Sub Committee, Governance, Transformation and Budget & Treasury Sub-Committee and Social and Community Services Sub-Committee.

POLITICAL STRUCTURE		FUNCTION	
	MAYOR - Cllr MJ Ngoben	The Mayor provides general political guidance over the fiscal and financial affairs of the Municipality and performs all duties as prescribed in Section 53 of the Local Government Municipal Finance Management Act No 56 of 2003. Presides at the meetings of the Executive Committee. Performs the duties, including ceremonial functions, and exercises the powers delegated to the Mayor by the Municipal Council or Executive Committee. In terms of Section 49 of the Local Government Municipal Structures Act No. 117 of 1998 and Regulations. Governance, Transformation and Budget & Treasury Sub-Committee .	
	Ward 6 Councillor and member of the Budget & Treasury and Transformation Sub-Committee	The Mayor is a member of the Governance, Transformation and Budget & Treasury Sub-Committee and also provide political leadership to the meetings of the Sub-Committee. Councillors in this Sub-Committee advises the Executive Committee on Financial and Budget related issues, Administration, HR and HRD, Legal Services, Occupational Health and Safety matters. The Sub-Committee also plays an oversight role on the performance of Budget & Treasury and Corporate Services Departments. The Speaker of Council presides at meetings of Council	
	SPEAKER- Cllr RZ Moeletsi	Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the MSA Ensures that Council meets at least quarterly and also maintain order during meetings. The Speaker is also responsible for ensuring compliance in Council and Council Committees with the Code of Conduct set out in Schedule 7 of the Municipal Structures Act No. 1 of 2021 (MStrA). Ensures that Council meetings are conducted in accordance with the Rules and Orders of Council.	
	PR Councillor		

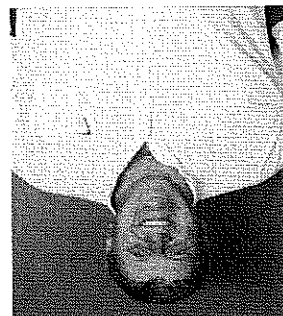
Chief Whip – Cllr MH Ledwaba**Ward 5 Councillor and****member of the Budget &****Treasury and Transformation****Sub-Committee**

The Chief Whip of Council maintains sound relations between the Municipal Council and various political parties. Ensure that relationships are constructive and focused on the key issues at hand. Furthermore, the Chief Whip is responsible for ensuring that Councillors of the various Political Parties are allocated to different Committees.

It is the responsibility of the Chief to ensure a quorum at Council meetings, Advise councillors belonging to various parties to convene party caucuses to determine the party's position on specific item/motions on the Council's agenda. To collaborate with the Speaker concerning issues of discipline and code of conduct of councillors. Attend IDP Rep Forum. Also, draw Speaker's lists for the Council debates and determine the speaking time for members after consultation with the respective chief whips of all political parties in Council.

Governance, Transformation and Budget & Treasury Sub-Committee member.

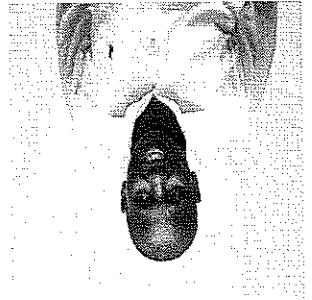
Members of the Budget & Treasury and Transformation Sub- Committee advises the Executive Committee on Financial and Budget related issues, Administration, HR and HRD issues, Legal Services, Occupational Health and Safety issues. Plays an oversight role on the performance of Budget & Treasury and of Corporate Services Department

EXCO – Cllr MN Ras**Ward 1 Councillor, EC****member and member of the****Budget & Treasury and****Sub-****Transformation****Committee****Governance, Transformation and Budget & Treasury Sub-Committee member.**

Members of the Budget & Treasury and Transformation Sub- Committee advises the Executive Committee on Financial and Budget related issues, Administration, HR and HRD issues, Legal Services, Occupational Health and Safety issues. Plays an oversight role on the performance of Budget & Treasury and of Corporate Services Department

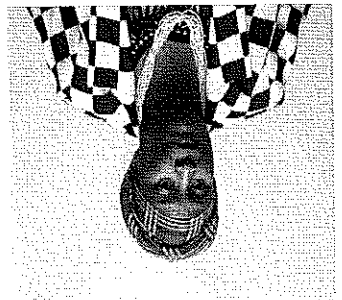
programs and services to the maximum benefit of the community.

methods, including partnership and other approaches, to deliver those strategies, national and provincial development plans; and also recommend or determine the best (IDP) and estimates of revenue and expenditure, taking into account any applicable programs and services to address priority needs through the Integrated Development Plan evaluate those needs in order of priority. Recommend to the municipal council strategies, of Council. Members of EXCO identify the needs of the Municipality. They also review and Municipality. The Committee receives reports from other Committees and Sub-Committees The Executive Committee (EXCO) is the Principal Committee of the Council in the



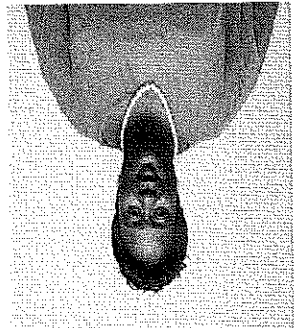
Cllr AR Moswoeu

**Ward 2 Councillor, EC member
and member of the Planning &
Economic Development and
Infrastructure Sub - Committee**



Cllr S Maluleka

**PR Councillor and Chairperson of
the Planning & Economic
Development and Infrastructure
Sub - Committee**



Cllr A Shika

Planning and Economic Development/ Infrastructure Sub – Committee, Chairperson.

The Chairperson of the Planning & Economic Development and Infrastructure Committee presides and provide political leadership to the meetings of the Committee. The Committee is responsible for advising the Executive Committee on issues of Local Economic Development, Tourism, Town Planning and Human Settlement. The Committee further advise the Executive Committee on Infrastructure development and service delivery issues and proposals that include water, sanitation, electricity, roads and maintenance. The Committee also serves as a hearing panel for all the applications as and when there are objections received by Council. It also plays an oversight role on the performance of the Planning & Economic Development as well as the Technical Services Departments

Planning and Economic Development/ Infrastructure Sub – Committee, member.

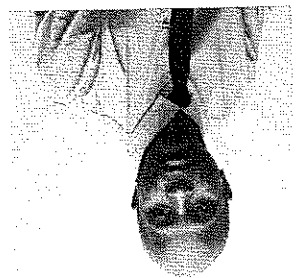
Members of this Committee are responsible for advising the Executive Committee on issues of Local Economic Development, Tourism, Town Planning and Human Settlement. The Committee members further advise the Executive Committee on Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads and maintenance. Plays an oversight role on the performance of the Planning & Economic Development as well as the Technical Services Departments.

Planning and Economic Development/ Infrastructure Sub – Committee, member.

Members of this Committee are responsible for advising the Executive Committee on issues of Local Economic Development, Tourism, Town Planning and Human Settlement. The Committee members further advise the Executive Committee on Infrastructure development and service delivery issues and proposals which includes water, sanitation, electricity, roads and maintenance. Plays an oversight role on the performance of the

PR Councillor and member of the
Planning & Economic
Development and Infrastructure
Sub – Committee

Cllr KF Mothokoa



PR Councillor and member of the
Planning & Economic
Development and Infrastructure
Sub – Committee

Cllr YSM Maletse



Ward 7 Councillor and the
Chairperson of the Social &
Community sub-committee

Social & Community Services Sub – Committee, Chairperson

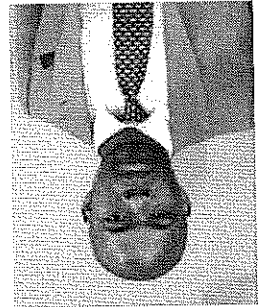
The Chairperson of the Social & Community Chairperson presides and provide political leadership to the meetings of the Committee. The Committee is responsible for advising the Executive Committee on issues of Social & Community Services. The Committee further advises the Executive Committee on Social Services, Disaster Management, Environment, Waste Management, and Safety & Security. The Committee also plays an oversight role in the performance of the Community and Social Services.

Planning and Economic Development/ Infrastructure Sub – Committee, member.

Members of this Committee are responsible for advising the Executive Committee on issues of Local Economic Development, Tourism, Town Planning and Human Settlement. The Committee members further advise the Executive Committee on Infrastructure, development and service delivery issues and proposals which includes water, sanitation, electricity, roads and maintenance. Plays an oversight role on the performance of the Planning & Economic Development as well as the Technical Services Departments.

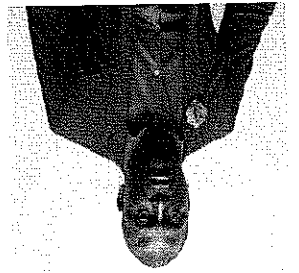
Planning & Economic Development as well as the Technical Services Departments.

Ward 9 and Councillor and member of the Social and Community Services Sub-Committee



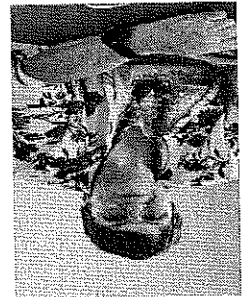
Cllr B Maname

Ward 4 Councillor and member of the Social and Community Services Sub-Committee



Cllr FS Hlongwane

PR Councillor and member of the Social and Community Services Sub-Committee



Cllr HJL Kruger

Councillors in this Committee advises the Executive Committee on Social Services, Disaster Management, Environment and Waste Management and Safety & Security, The Committee also plays an oversight role on the performance of the Community and Social

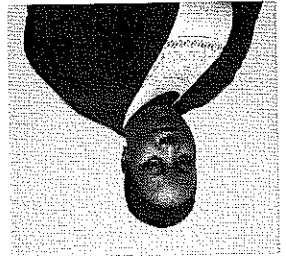
Social & Community Services Sub – Committee, Member

Councillors in this Committee advises the Executive Committee on Social Services, Disaster Management, Environment and Waste Management and Safety & Security, The Committee also plays an oversight role on the performance of the Community and Social

Social & Community Services Sub – Committee, Member

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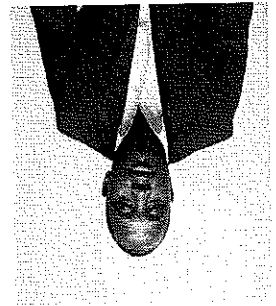


Cllr SD Seale

PR Councillor and member of the Social and Community Services Sub-Committee

Governance, Transformation and Budget & Treasury Sub-Committee Chairperson.

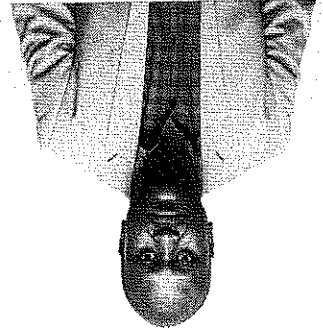
Councillors in the Budget & Treasury and Transformation Sub- Committee advises the Executive Committee on Financial and Budget related issues, Administration, HR and HRD issues, Legal Services, Occupational Health and Safety issues. Plays an oversight role on the performance of Budget & Treasury and of Corporate Services DepartmentsServices.



Cllr P Aphane

Ward 8 of Governance, Transformation and Budget & Treasury Sub-Committee

PR Councillor and the member of the Municipal Public Account Committee

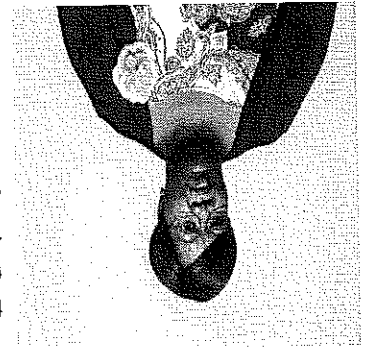


Clir J Makhubela

As indicated above members of MPAC plays an oversight on the performance of the Municipality by means of interrogating financial and non-financial reports and the report findings to Council. The Committee members further examine the Financial Statements and the Audit Reports of the Municipality. It is the members of this committee who consider and evaluate the contents of the Annual Report and make recommendations to the Council when adopting an Oversight Report on the Annual Report. The Committee members further ensure the promotion of good governance, transparency and accountability on the use of municipal resources.

Municipal Public Accounts Committee (MPAC) Member

Ward 3 Councillor and the Chairperson of the Municipal Public Account Committee



Clir L Modimolle

The Chairperson of the MPAC convene and presides over the MPAC meetings. The core functions of the MPAC includes amongst others playing an oversight on the performance of the Municipality through interrogating financial and non-financial reports and the report findings to the Council. The Committee further examine the Financial Statements and the Audit Reports of the Municipality. It is this committee that considers and evaluate the content of the Annual Report and make recommendations to the Council when adopting an Oversight Report on the Annual Report. The Committee further promote good governance, transparency and accountability on the use of municipal resources. The Committee further recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the Municipality or the Audit Committee. The Committee also performs any other functions assigned to it through a resolution of Council.

Municipal Public Accounts Committee (MPAC) Chairperson

Planning and Economic Development/Infrastructure, Social and Community Services, Governance & Transformation /Budget & Treasury committees sit every month. All recommendations are then forwarded to the Executive Committee for consideration. The Executive Committee has the authority to approve delegated functions and the remaining are resolved at Council meetings. During the financial year under review, four ordinary Council meetings and four Special Council meetings held as follows: 30 July 2020 - ordinary, 30 September 2020 - special, 29 October 2020 - ordinary, 17 January 2021 - special, 29 January 2021 - ordinary, 25 February 2021 - special, 12 March 2021 - special, 30 March 2021 - special, 29 April 2021 - ordinary - and 27 May 2021 - special. The Municipal Council took

MPAC

Governance, Transformation and Budget & Treasury Sub-Committee

Social and Community Services Subcommittee

Planning and Economic Development/Infrastructure Sub Committee

Structures Act 117 and regulations of 1998 as follows:

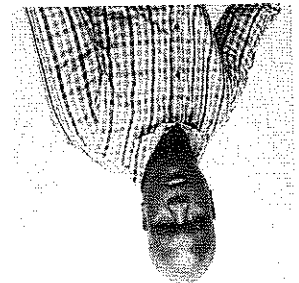
Bela-Bela Local Municipality has established section 79 committees in terms of Local Government: Municipal

2.2 POLITICAL DECISION-TAKING

Bela-Bela Municipal Council has a total number of 17 Councillors, with the African National Congress being the majority party. The number of seats is as follows: 17 Councillors, 9 ward councillors and 8 are councillors appointed on a proportional representative (PR)

PR Councillor

member of the Municipal
PR Councillor and the
Public Account Committee



Cllr MD Senosha

Municipal Public Accounts Committee (MPAC) Member

As indicated above members of MPAC plays an oversight on the performance of the Municipality by means of interrogating financial and non-financial reports and the report findings to Council. The Committee members further examine the Financial Statements and the Audit Reports of the Municipality. It is the members of this committee who consider and evaluate the contents of the Annual Report and make recommendations to the Council when adopting an Oversight Report on the Annual Report. The Committee members further ensure the promotion of good governance, transparency and accountability on the use of municipal resources.

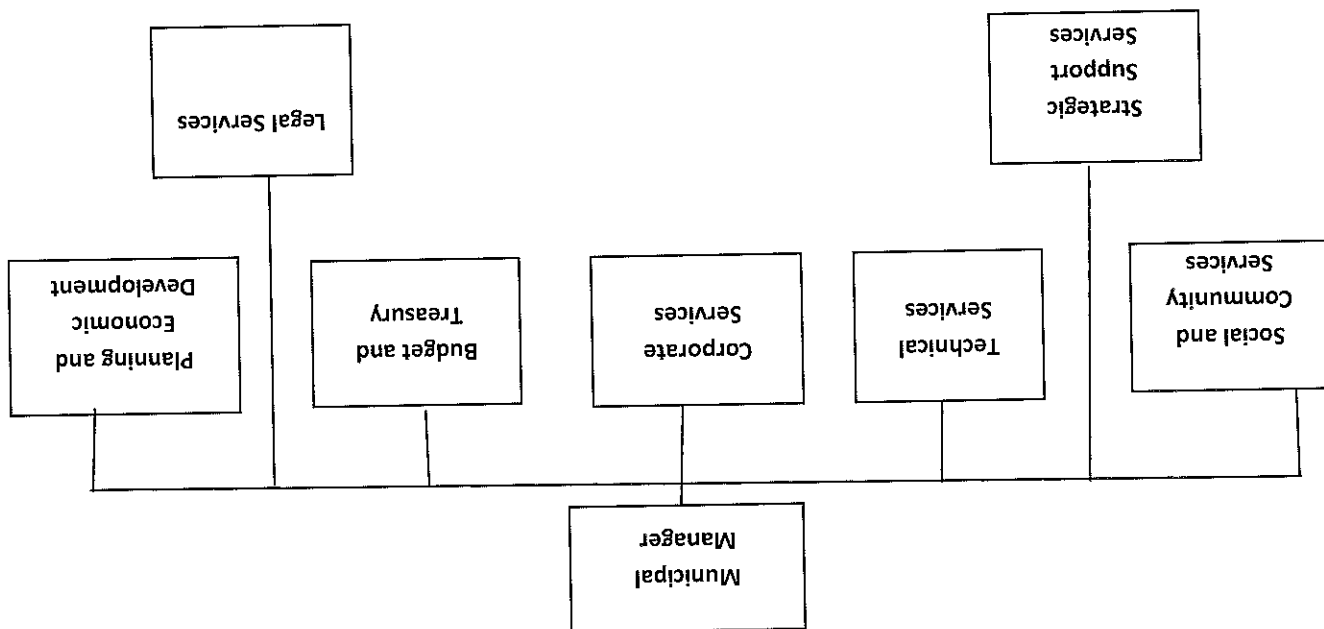
several resolutions during the 2020/2021 financial year of which were forwarded to the relevant departments for implementation.

2.3 ADMINISTRATIVE GOVERNANCE

2.3.1 INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Organizational Structure of Bela Local Municipality makes provision for a Municipal Manager and five Section 56 Managers and additional two non-sectional Managers who are also reporting directly to the Municipal manager. This indicates that there are 7 Head of Departments reporting to the Municipal Manager thematically depicted as follows:

Structure:1



Senior Manager: Planning &**Economic Development****Mr Mntsi T**

Communication projects, programmes and activities.

Marketing of Bela Bela.

Co-ordinating investments proposals

Liaison with investors

Promotion of tourism

Supporting the LED projects

Providing incentives for the SMEs/Support SME Development

Ensuring the implementation of the town planning requirements within the

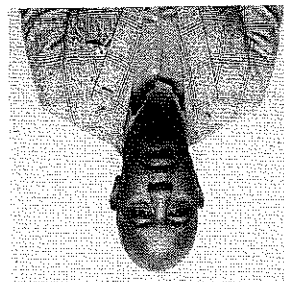
development taking place in the Bela- Bela Municipal Area.

Render Land Use, Building and Housing administration.

Render survey and demarcation of sites.

Decision-making in terms of spatial and physical planning.

Develop and advertise by-laws and policies related to Town Planning under the applicable laws.

Acting Senior Manager:**Corporate Services****Tj Mochapo**

Render acquisition of staff.

Administer employees' benefits.

Render administration, labour and legal relations.

Render training and development services.

Render organisational development services.

Render record management services.

Render information technology services.

Provide auxiliary services.

Oversee the drafting and updating of by-laws.

Compilation of council agendas.

Provide Legal Services

Senior Manager: Community**and Social Services****Serote MA**

Responsible for the maintenance of Parks, Cemeteries and Community Facilities.

Protection and Emergency Services

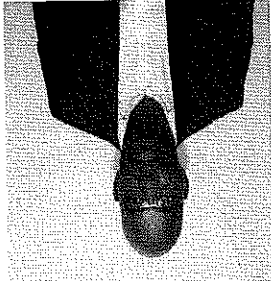
Licensing and Registration

Waste Management and Cleansing Services.

Belá-Bela Local Municipality participates in different forums for intergovernmental relations which are Premier Mayor's forum, the Municipal Manager's forum, CFOs Forum and Technical Managers forum. The municipal IDP/PMS Divisions also participates in the Provincial and District Municipality's Fora. These prime forums include sector departments operating at the cold face of society and communities. The Presidential hotline is established and deals with queries raised from various stakeholders inclusive of community members.

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

2.4 COMPONENT B: INTERGOVERNMENTAL RELATIONS

Senior Manager: Technical Technical Services Directorate is responsible for the provision of Water and Sanitation Services Roads and Storm-water Electrical Services PMU	Ms. B Maswanganyi  Chief Financial Officer  Mr. Marutha RM The Chief Financial Officer (CFO) is responsible for the Budget and Treasury Office (Finance) Budgeting and Financial Reporting, Expenditure and Revenue collection. The CFO play an advisory role to the Accounting Officer on the exercise of powers and duties assigned to the Accounting Officer in terms of the MFMA. It is also the CFO who assist the Accounting Officer with the administration of the Municipality bank's accounts and in the preparation and implementation of the Municipality's budget. Other than advising the Accounting Officer, the CFO also advise the Senior Managers and other Senior Officials in the exercise of powers and duties assigned to them in terms of Section 78 and 79 of the MFMA. Additionally, the CFO review budget, account, analyse and draw financial reports, manage debts, supply chain and other duties as delegated to the CFO and the Accounting Officer.
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processes.

The Municipality has established nine wards committees within 9 wards with 10 members each. The key purpose of ward committees is to create formal unbiased communication channels and cooperative partnership between the community and the Municipality in the ward and facilitate public participation in the process of development, review and implementation management of the Integrated Development Planning of the Municipality and municipal

2.5.1.2 WARD COMMITTEES

Other methods used to communicate with the community includes ward Imbizos, other forms such as media and utilization of the Municipal website. Over and above acquisition and confirmation of community needs, the Rep Forum meeting serves as a platform for Bela- Bela Local Municipality to engage the different stakeholders during the different stages of the IDP Process as a built-up towards the approval of the future budgets, reports on performance on current and past financial years activities.

IDP/Budget/PMS Representative Forums. Further than the IDP/Budget/PMS public participation processes, the Municipality involves the community on targeted consultations at ward level, with interested and affected stakeholders (NGOs, business, etc.) and through the planning processes.

IDP/Budget of the Municipality. They are further utilized as a platform to agree on community needs which shapes the purpose of these meetings is to give feedback and account to the community on the implementation of the IDP/Budget/PMS process plan is approved by Municipal Council with a schedule indication date, time and venue. The IDP/Budget/PMS public participation and accountability to the community on municipal programmes. The IDP/Budget/PMS public participation processes and ward committee meetings are the cornerstone sessions that

programmes of mobilising, informing and educating, engaging and empowering communities in Municipal affairs. Communication is an important element of good governance. It is through communication that the communities and other stakeholders are informed about the activities of the Municipality and thereby getting empowered to participate in the affairs of the Municipality. Section 18 of the MSA stresses the importance of communication between Councils and Communities. It gives guidelines of issues that the Municipality must communicate to its community. It is in this regard that over the years the Municipality has utilized different strategies to encourage community participation as enshrined in Section 152 of the South African Constitution of 1996. This included programmes of mobilising, informing and educating, engaging and empowering communities in Municipal affairs.

2.5.1 PUBLIC MEETINGS

2.5.1.1 COMMUNICATION, PARTICIPATION AND FORUMS

BUDGET AND TREASURY

1. Implementation of Indigent Policy in a fair, just and equitable manner.
2. Put measures to improve revenue collection (Revenue Enhancement Strategy)
3. Provision of the appropriate fleet in an affordable manner (Including Monitoring System)
4. Open a centralized store or appoint suppliers on a short time basis for bulk purchases to avoid delays
5. Households with rental rooms and shops should not be considered for indigents' registration.
6. To encourage the Community of Masakhane and Piennarsrevier to pay for municipal services
7. Improve Audit opinion.

TECHNICAL SERVICES.

1. Seek funding from the DBSA for the development of the Roads and Stormwater Master Plans.
2. Budget from own source in each financial year for the rehabilitation of at least 500m (0.5km) of the road network that is in a bad condition.
3. Budget a portion of the MIG each financial year to cover the roads and stormwater backlog.
4. Update the Water and Sanitation Master Plan through the DBSA grant.
5. Investigate and implement an alternative source of water for Rapotothwane Village.
6. Incorporate the development of the Storm Water Ingress Management Plan into the Water and Sanitation Master Plans funded through the DBSA grant.
7. Prioritize at least one project in each financial year to refurbish the sewerage infrastructure through WSIG funding.
8. Update the Electricity Master Plan through the DBSA grant.
9. Budget from own source to complete the construction of the 132/11kVA 2 X 20MVA sub-station in phases.
10. Budget from own source in each financial year to refurbish the ageing electrical infrastructure in multiple phases.
11. Re-install the capacitor bank at Bela-Bela main sub-station in order to rectify the power factor and thereby reduce/ make as accurate as possible the Eskom Bulk account.
12. Budget from own source in each financial year for the refurbishment of street light cabling and related infrastructure.

SOCIAL AND COMMUNITY SERVICES

1. The Vehicle Testing Station is to be opened to the public from April 2021
2. Adherence to a payment arrangement with the Department of Transport to ensure consistent provision of face value documents.
3. Commission an investigation into alleged corrupt activities in the traffic licensing department.
4. Provision of appropriate tools of the trade including firearms
5. Explore the usage of drones and cameras for traffic monitoring
6. Ensure that the traffic officials are visible in all municipal areas.
7. Convert Marx and Sutter road into a one-way street (Technical Services to provide technical support).
8. Develop a program on reduction of illegal dumping sites
9. To conduct educational awareness campaigns concerning waste management and second burials.
10. Consider using Telkom network at traffic and licensing
11. Identification of land for cemeteries within Bela-Bela (R101).

PLANNING AND ECONOMIC DEVELOPMENT

1. Finalization of the appointment of town planning specialist
2. Finalization of the improved LED Strategy
3. Budget provision for the SME and Cooperatives supports
4. To conduct a feasibility study for Bela Bela Dam (Game Reversed, Dam and Caravan Park) to be done once the panel of town planning specialists is appointed.
5. Land Audit report should be presented before Municipal Council
6. Management of Council Facilities for rental purposes
7. Finalization of outstanding property transactions at Gholbapapanpark and middle income.

CORPORATE SERVICES

1. Install Virtual Private Network (VPN) and Video conferencing facility to enhance municipal operations
2. Implement full functional electronic document system
3. Restore/install internet and telephone connectivity in all remote buildings
4. Replace ICT infrastructure in phases
5. Replace laptops, desktops and servers
6. Procurement of mobile office
7. Procurement of furniture

8. Development of HRD and HRM Strategy
9. Training of employees in line with legal requirements for personal and career development guided by WSP
10. Identify and prioritize all critical vacancies to be filled in all departments (at least 50% per post level range)
11. Engage with organized labour concerning the development of a policy to regulate employment around Covid-19.

OFFICE OF THE MUNICIPAL MANAGER

1. Filling of strategic positions e.g. DM: Communications/ IDP/PMS/Legal Services
2. Appointment of a panel of forensic investigators
3. Procurement of Electronic Customer Care System.
4. Secure Radio Interviews for Community engagements
5. Conduct public awareness on fraud and corruption whistleblowing

Table:7 below illustrate public meeting for the 2020 -2021 financial year

PUBLIC MEETINGS		
2020 – 2021 MEDIA RELEASED ON STATEMENTS SPECIAL PROGRAMS		
Nature of the Meeting	Date Media Statement Released	Ward no
Active Ageing Campaign	09 August 2020	Municipal wide
Special Programmes HIV/AIDS & TB Awareness Campaign	01 December 2020	Municipal wide
Mayoral Matric Awards	01 April 2021	Municipal wide
Mayoral Youth Message	16 June 2021	Municipal wide

2.5.1.8 COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

The Municipality is committed to fostering strategic partnerships with public and private sector institutions to implement programs and projects that are services delivery oriented. Office of the Mayor managed to establish formations such as special focus groups for the youth, the aged, people with disabilities, Church fraternal, traditional health practitioners.

A database has been developed to ensure that the Municipality implements activities that respond to stakeholders' needs and thus creating a sustainable relationship with members of the community.

Municipality developed Communication Strategy intending to enhance effecting and efficient communication with the community. And Customer Care Policy is in place including Batho Pele Service Standards that are implemented by the Customer Care Unit.

Implementation of the Communications Strategy enhanced Municipality communication with the community on service delivery updates. The community is continuously updated on service delivery interruptions via social media platforms and municipal website. Issues that are within Municipal power and functions are addressed and those of other sector departments are referred to the relevant office through the Office of the Mayor.

Table:9 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 56 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

- a) The avoidance of unplanned impacts as a consequence of risks that take us by surprise;
- b) The need to protect the Municipality's reputation and image;
- c) To comply with the requirements of applicable laws and regulations;
- d) To ensure that we live the Municipality's values and comply with our code of conduct, and
- e) To foster a culture of responsible risk-taking.

Municipality are:

The purpose of an Enterprise Risk Management (ERM) process is to ensure that all significant risks that the Municipality is exposed to (whether at an executive, cluster, branch, component or project level) are proactively identified and managed to acceptable levels continuously. The key drivers to embed such a process within the organization operates in a risk-free environment. Risk management is an integral component of good management and decision-making at all levels. It is about making decisions that contribute to the achievement of the Municipality's objectives.

2.6.1 RISK MANAGEMENT

To ensure accountability and governance arrangements are in place, Section 121 (2)(c) of the MFMA supports the requirements of Section 18(1)(d) of the MSA of 2000: stipulates that information on matters of governance should be communicated to communities. This should, according to Sections 65(1)(a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of the annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

OVERVIEW OF CORPORATE GOVERNANCE

2.6 COMPONENT D: CORPORATE GOVERNANCE

The Municipality did not conduct a Customer Satisfaction Survey during the 2020/2021 financial year. However, a Customer Care Unit is in place and functional, and is effectively gathering service delivery issues and complaints forwarded by community members. The information gathered by the Customer Care Unit is communicated to various departments within the Municipality to be attended to as soon as possible. Issues raised that are not for the Municipality are referred to relevant departments via the Office of the Mayor. Only one community protest took place on the 15th October 2020 in the 2020/21 financial year.

PUBLIC SATISFACTION LEVELS

2.5.1.9 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

Risks are defined as 'uncertain future events that could influence the achievement of objectives. These could include strategic, operational, financial and compliance objectives. Some risks must be taken in pursuing the opportunity, but the organization should be protected against avoidable losses.

In turn, ERM is defined as a 'process that is affected by people at every level of an organization, is applied in strategy setting and across the organization. It is designed to identify events potentially affecting the entity and manages risks within its risk appetite. It further provides management and the Executive Authority with reasonable assurance regarding the achievement of the entity's objectives.

The definition of ERM reflects certain fundamental concepts. It is:

- A process, ongoing and flowing through an entity;
- Affected by people at every level of the organization;
- Applied in strategy setting;
- Applied across the business, at every level and unit,
- Includes taking an entity level portfolio view of risk;
- Designed to identify potential events that, if they occur, will affect the entity and manage risk within its risk appetite;
- Able to provide reasonable assurance to an entity's management and oversight structure; and
- Geared to the achievement of objectives in one or more separate but overlapping categories.

Benefits of risk management

Some of the benefits of risk management can be summarized as follows:

- Ensures that management is focused on strategic objectives
- Identifies and manages cross-organizational risks
- Provides integrated responses to risks
- Ensures rationalization of capital and financial resources

The Municipality has a risk management committee composed of the head of departments and chaired by an external person.

The risk management committee sits every quarter to discuss risks that threaten the municipal objectives. Below are five high risks identified by the Municipality:

TOP TEN RISKS

1. High service delivery backlog.
2. Litigations against the Municipality
3. Illegal dumping of waste
4. Fraud and corruption
5. Cashflow constraints
6. Lack of land for human settlement
7. Covid-19 may jeopardise municipal operations
8. Negative audit outcome
9. Non-compliance with laws and regulations
10. Aging ICT infrastructure

2.6.2 RISK MANAGEMENT MEETINGS WERE HELD AS FOLLOWS – TABLE:10

RISK MANAGEMENT MEETINGS	
29 July 2020	Committee room
27 October 2020	Committee room
21 April 2021	Committee room
07 May 2021	Committee room
VENUE	

2.6.3 ANTI-CORRUPTION AND FRAUD

Bela-Bela Local Municipality has priorities fraud risk management as per the Local Government Municipal Finance Management Act (MFMA) No 56 of 2003. Fraud prevention policy and plan are in place. The hotline through which service delivery complaints are received and whistleblowers anonymous are reporting is centralized at the District Municipality and as well as at the Office of the Premier. To instill confidence in the anonymous reporting of incidents of fraud and corrupt activities, the hotline is managed independently. Bela-Bela Local Municipality has sound internal controls in place to work as a deterrent and to also prevent the occurrence of fraud. All reported cases are monitored,

investigated and discussed during the Top and Broader Management meeting as well as during the Audit Committee meetings. Internal Audit and Risk Management Committee assist to detect fraudulent and corrupt activities.

2.6.4 INTERNAL AUDIT FUNCTION

Internal Audit Division is a governance structure. The unit reports administratively to the Municipal Manager, functionally to the Audit Committee and has a staff complement of three officials.

The Internal Audit Division is responsible to evaluate the adequacy, effectiveness and efficiency of the internal control system and performance management. The Division provides the necessary assurance and advisory services to the organization and reports quarterly to the Audit Committee.

During the 2020/2021 Financial Year the internal controls were rated to be adequate, moderate and effective to accomplish the Municipal goals and objectives. Furthermore, through the internal control systems out of 100% control weaknesses, 80% of the weaknesses have been resolved while 20% are in the process of being resolved.

COMPOSITION OF MEMBERS OF THE PERFORMANCE AND AUDIT COMMITTEE

The following are members of the Committee:

- Adv. HSRR Nke - Chairperson
- Dr. K.F. Netshombo - Member
- Ms. A K Mabitsele - Member
- Mr. L. Langalibalela - Member

PERFORMANCE AND AUDIT COMMITTEE MEETINGS WERE VIRTUAL AND RECORDED VIA ZOOM AND WERE HELD AS FOLLOWS:

MEETINGS	DATE OF MEETING
Audit Committee	04 August 2020
Audit Committee	14 August 2020
Performance Audit Committee Meeting	26 October 2020

The Audit Committee has:

Evaluation of Financial Statements

The above-mentioned Audit Committee members were appointed on the 21st of June 2018. The appointment is with effect from 29 June 2018 for three (3) years. Subsequently, the additional member of the Audit Committee was appointed on the 31st of July 2019 and the appointment is with effect from 01 August 2019 for the duration of the existing contract of the above performance and audit committee. The contracts of the above members lapsed on the 30th of June 2021 and the contracts were extended until 31st August 2021.

Audit Committee members and attendance

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by the National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

Audit Committee Responsibility

We are pleased to present our report for the financial year ended 30 June 2020.

BRLM PERFORMANCE AND AUDIT COMMITTEE ANNUAL REPORT 2020/2021

Audit Committee with AGSA	18 December 2020
Audit Committee with AGSA	18 February 2021
Audit Committee – Final Audit Report (AGSA)	01 March 2021
Performance Audit Committee	26 May 2021
Audit Committee	24 June 2021

1. Reviewed and discussed the Annual Financial Statements.

Therefore the Audit Committee concurs and accepts the conclusions on the Annual Financial Statements and is of the opinion that the annual financial statements be accepted and read together with the report of the Auditor-General.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Municipality revealed certain weaknesses, which were then raised with the Municipality. There has been an improvement in the system of internal control of the Municipality and reducing qualification issues of the previous year. There are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General. In certain instances, the matters reported previously have not been fully and satisfactorily addressed. The Audit Committee notes management's commitment to correct the deficiencies. During the year under review, there was consistent monitoring of action plans and progress.

In-Year Management and Monthly/Quarterly Report

The Municipality has a monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA). Monitoring and reviews of performance information were periodically in the year under review.

Performance Management

The AC reviewed the functionality of the performance management system and it appears to be functional, however, there is room for improvement so far as the achievement of planned targets is concerned.

Risk Management

The AC is of the opinion that Municipality's risk management appears to be effective, and the Municipality did implement a comprehensive risk management strategy and related policies.

Compliance with laws and regulations

A number of non-compliance with the enabling laws and regulations were revealed by Internal Audit during the year. Thus there is a room for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

Internal Audit

The AC is satisfied with the effectiveness of Internal Audit and commends Management and Council for supporting the unit, however, the unit is not adequately capacitated and the position of additional Internal Auditor should be filled.

Performance Management system

The AC is satisfied that management did implement an effective management system, however, there is room for improvement in so far assessment of external service providers' performance regularly.

Conclusion

The Audit Committee wishes to acknowledge the commitment from the Council, management and staff of the Municipality. The stability in terms of the political and administrative leadership of the Municipality has contributed to these improvements reported above. We would also like to thank the Mayor for his support, Councilors, senior management for their efforts and internal audit for their contribution.

HSRR Nke (Mr)

Chairperson of the Audit Committee
Bela-Bela Local Municipality
30 June 2020

AUDITOR-GENERAL REPORT FOR 2020/2021 FINANCIAL YEAR

The Municipality has complied with the requirements of the Municipal Finance Management Act No. 56 of 2003 by compiling the 2020/2021 Annual Financial Statements and submitted these to the Auditor-General for auditing.

The 2020/2021 AGSA is in place and implemented been implemented

2.6.5 BY-LAWS

During the 2020/2021 financial year, the Municipal Council Approved four by-laws that were taken for public participation and promulgated. The table below depicts details of public participation dates.

Table: 11

BY-LAWS REVIEWED DURING 2020/2021 FY					
Description	Date Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted (Yes/No)	Date of Publication
Debt Collection	May 2021	Yes	April – May 2021	Yes	30 June 2021
Credit control	May 2021	Yes	April – May 2021	Yes	30 June 2021
Property Rates	May 2021	Yes	April – May 2021	Yes	30 June 2021
Tariff	May 2021	Yes	April – May 2021	Yes	30 June 2021

3 FINANCIAL HEALTH OVERVIEW

Municipality average debt collection rate was 84% in the 2020/2021 financial year which is above average in the

Province.

The Municipality's 2020/2021 financial year's total revenue is R496 million. The highest source of revenue was Service Charges (i.e. income from the sale of water, electricity, waste collection and sanitation) followed by government grants and property rates respectively. The total expenditure of the Municipality for the 2020/2021 financial year was R466 million. The highest expenditure was incurred on employee costs followed by bulk purchases (water and electricity) and general expenditure respectively.

The Municipality's financial performance resulted in a surplus of R30 million. Total consumer debtors before provision for doubtful debts was R128 million and the provision was R109 million at the end of June 2021. Debt collectors are being utilized to collect long outstanding debts. Trade payables amounted to R84 million as of 30 June 2021. Major creditors included bulk purchases (ESKOM) for electricity distributions and (Magalies) for water respectively. Contracted services are reflected as the second-highest expenditure under trade payables.

Table: 12 below illustrate financial performance for the 2020/2021 financial year.

Financial Overview 2020/2021					
Description	Original Budget	Adjustment Budget	Actual	Total Revenue (inclusive of capital transfers and contributions)	Grants
				180 769 000	202 868 000
Taxes and Service charges	301 136 784	298 136 784	258 307 705		
Other	41 787 180	37 399 832	45 007 192		
Sub total	523 692 956	538 344 616	495 901 185		
Total Expenditure (Less Expenditure)	(424 226 928)	(438 031 572)	(466 378 103)		

Financial Overview 2020/2021			
Description	Original Budget	Adjustment Budget	Actual
Surplus / (Deficit)	99 466 028	100 313 044	29 523 082

3.1 OPERATING RATIOS

Table:13 below depicts the main operating cost ratios in comparison with national treasury norms

Operating cost ratios 2020/2021		Value	Details
Increase in revenue	12%	$\frac{(495\ 901\ 185 - 441\ 275\ 230)}{441\ 275\ 230} \times 100$	$\frac{(\text{Period Under Review's Total Revenue} - \text{Previous Period's Total Revenue})}{\text{Previous Period's Total Revenue}} \times 100$
	Employee Related Costs	$\frac{152\ 100\ 029}{466\ 378\ 103} \times 100$	$\frac{\text{Total Operating Expenditure}}{\text{Employee Related Costs}} \times 100$
Employee cost	33%	$\frac{152\ 100\ 029}{466\ 378\ 103} \times 100$	$\frac{\text{Total Operating Expenditure}}{\text{Employee Related Costs}} \times 100$
	Repairs and maintenance	$\frac{20\ 662\ 337}{1\ 121\ 887\ 394} \times 100$	$\frac{\text{Total Repairs and Maintenance expenditure}}{\text{Property, Plant and Equipment and Investment property}} \times 100$

3 In the 2020/2021 financial year revenue increased by 12%. The increase in the total revenue was a result of the actuarial gains. The increase in service charges is due to tariff increases that were triggered by the increase in bulk purchases, materials and employee-related costs. There is also an increase in other income as a result of an increase in staff recoveries and unknown deposits recognized as own revenue. There was a decline in revenue

Net surplus percentage	$\frac{(300\ 314\ 897 - 466\ 378\ 103)}{300\ 314\ 897} \times 100$ $\frac{(\text{Total Operating Revenue} - \text{Total Operating Expenditure})}{\text{Total Operating Revenue}} \times 100$	-55.29%
Interest cover	$\frac{40\ 190\ 012}{10\ 666\ 930}$ $\frac{\text{Earnings before interest and taxation}}{\text{Finance charges}}$	3.76
Increase in expenditure	$\frac{(466\ 378\ 103 - 421\ 532\ 377)}{421\ 532\ 377} \times 100$ $\frac{(\text{Period Under Review's Total Expenditure} - \text{Previous Period's Total Expenditure})}{\text{Previous Period's Total Expenditure}} \times 100$	10.6%
Finance charges and depreciation	$\frac{10\ 666\ 930 + 36\ 209\ 274}{466\ 378\ 103} \times 100$ $\frac{\text{Finance charge and depreciation}}{\text{Total operating expenditure}} \times 100$	10.02%
		1.84%

derived from licenses and permits, this is due to a decline in the number of applications received by the Municipality.

- 4 Employee costs are at 33% of the total operating expenditure and are considered to be within the National Treasury norms of between 25% and 40% as stipulated on MFMA Circular No. 71. Repairs and maintenance are at 1.84%. Acquisition and construction of new infrastructure while gradually replacing the old infrastructure and cash flow limitations resulted in lower repairs and maintenance. Depreciation is at 10.02% of the total operating expenditure.

- 5 Total expenditure for the 2020/2021 financial year increased by 10.6% from the 2020/2021 financial year. The increase is attributable to bulk purchases increase as per the regulation.

- 6 The interest cover ratio of 3.76 indicates that the Municipality has more than sufficient earnings to cover interest payments as they fall due and there are no solvency concerns.

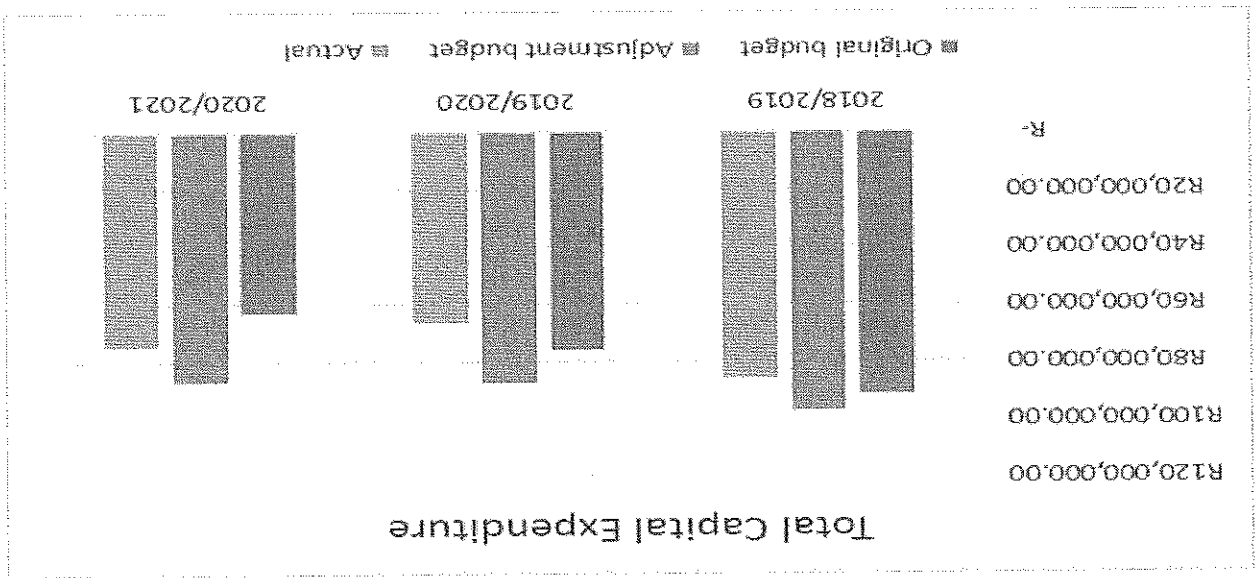
- 7 The net surplus constitutes -55.29% of the total revenue. The surplus has been arrived at after taking into account the non-cash items amounting to R79 million.

3.2 CAPITAL EXPENDITURE

Table: 14 below shows the total capital expenditure over three financial years.

Total capital expenditure			
Details	2018/2019	2020/2021	2020/2021
Original budget	91 366 777	75 615 456	62 697 241
Adjustment budget	96 866 777	86 884 330	86 440 307
Actual	85 660 583	66 353 109	74 586 460

Municipal infrastructure grant spending was 100%, Water Services Infrastructure Grant spending was 78% and the Integrated Electrification Programme grant had spent 100%. The Municipality had spent 95% on the capital budget as of 30 June 2021. All the capital projects undertaken by the Municipality were funded through the capital grants stated above, no projects were funded through their own sourced funds.

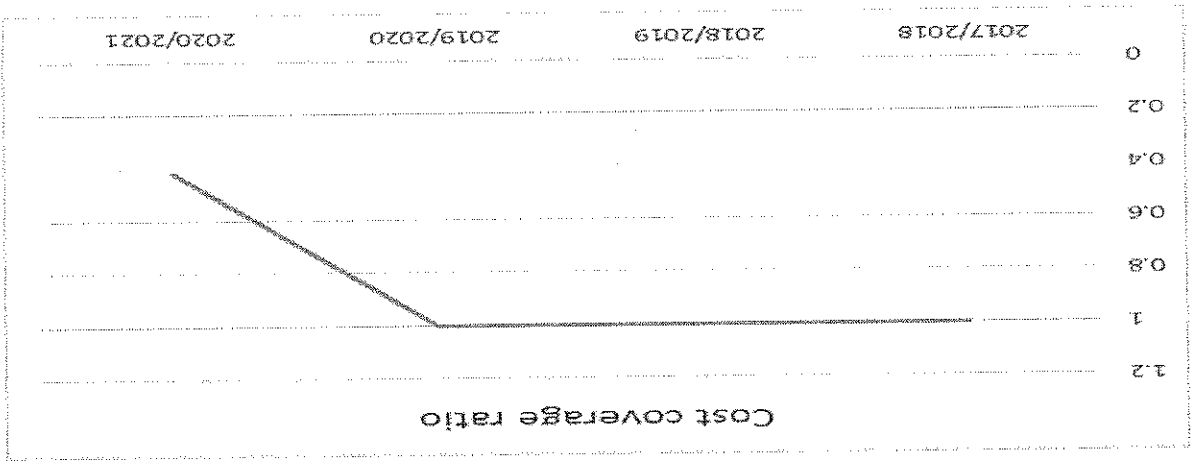


Graph:4 below illustrate capital expenditure over the period of three financial years

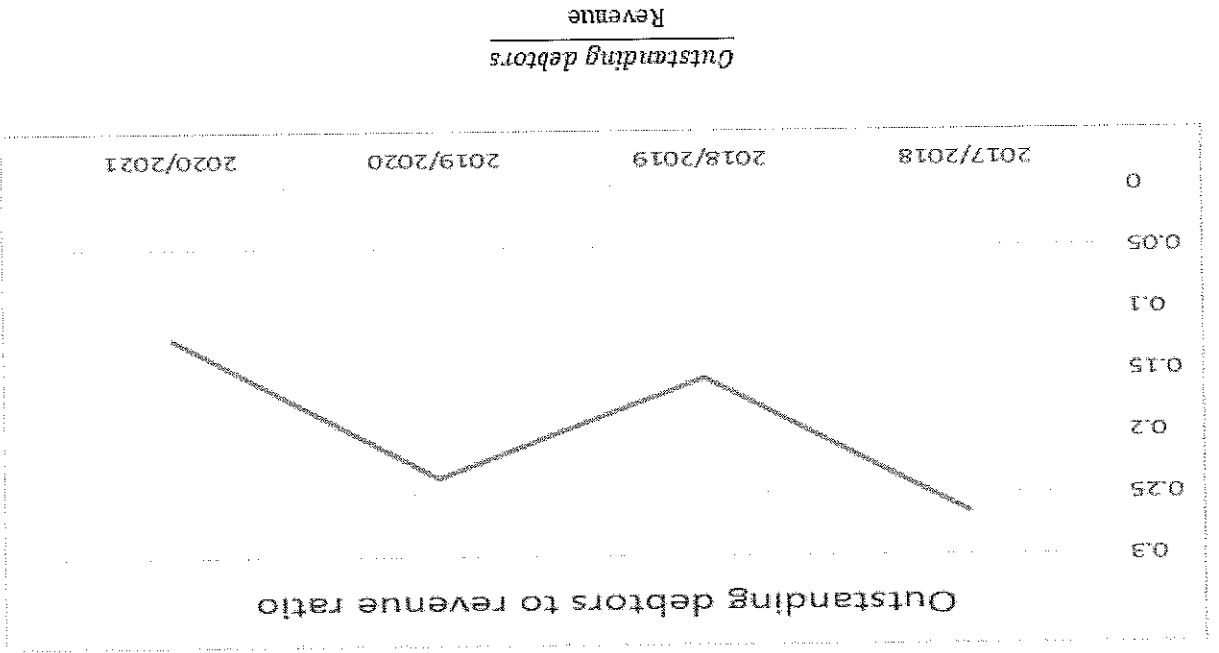
3.3 INTRODUCTION TO FINANCIAL PERFORMANCE

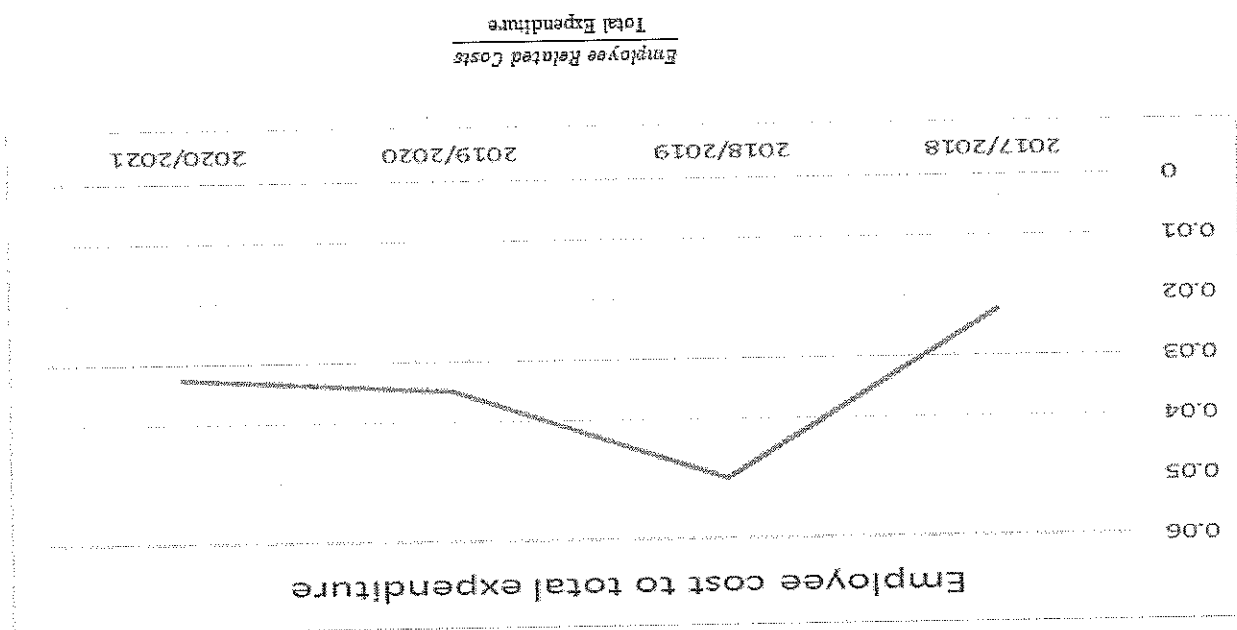
The graphs below depict the financial performance analyzed in terms of the financial ratios.

Graph:5 – COST COVERAGE RATIO

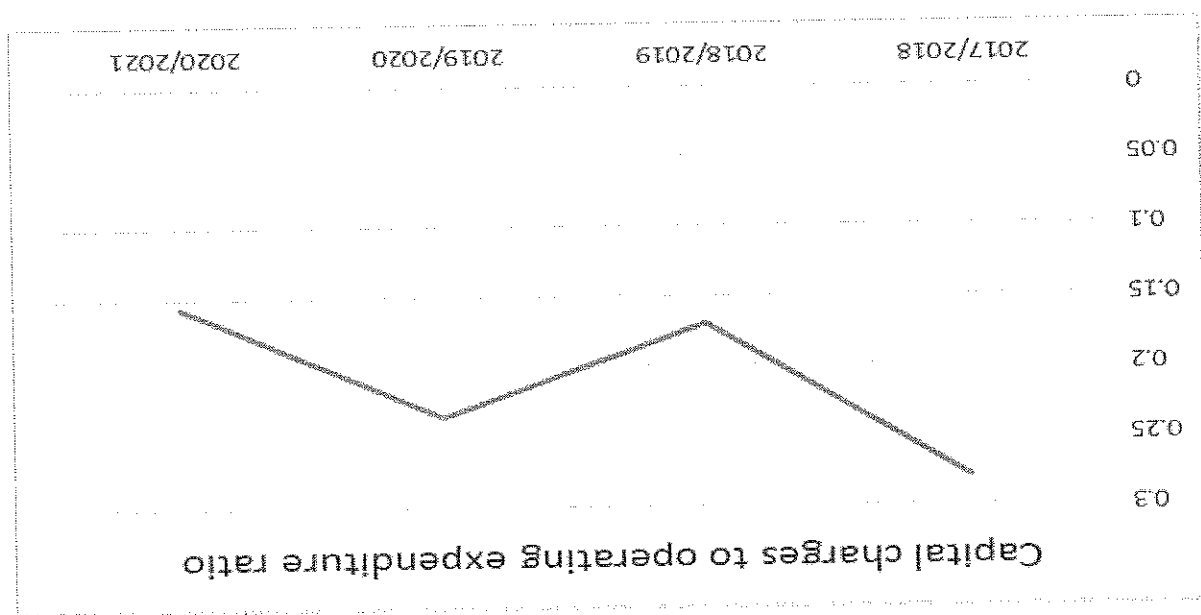


3.4 GRAPH:6 – OUTSTANDING SERVICE DEBTORS TO REVENUE RATIO





3.6 GRAPH:8 – EMPLOYEE COST RATIO



3.5 GRAPH:7 – CAPITAL CHARGES TO OPERATING EXPENDITURE RATIO

Demand charges	144 589	305 333
Other income	5 677 543	5 808 952
Interest received-investment	13 058 328	13 246 994
Fair value adjustments	-	-
Actuarial gains	1 295 000	-
Total revenue from exchange transactions	207 793 793	199 519 006
Revenue from non-exchange transactions		
Taxation revenue		
Property rates	79 460 504	74 791 581
Transfer revenue		
Government grants and subsidies	192 586 288	160 399 393
Fines	16 060 600	6 565 250
Total revenue from non-exchange transactions	288 107 392	241 756 224
Total revenue	495 901 185	441 275 230
Expenditure		
Employee related costs	(152 100 029)	(141 456 383)
Remuneration of councilors	(7 508 552)	(7 691 102)
Depreciation and amortization	(36 209 274)	(30 432 459)
Finance costs	(10 666 930)	(14 044 563)
Debt impairment	(68 382 485)	(28 437 470)
Bulk purchases	(116 651 348)	(111 705 282)
Contracted services	(34 566 745)	(27 588 188)
Loss on disposal of assets and liabilities	(289 543)	(30 779)
Fair value adjustments	-	(5 696 711)
Actuarial losses	-	(2 723 792)
General expenses	(40 003 197)	(51 705 657)

Operating grant revenue for the year amounted to R 117 999 828. All the operating grants allocated to the Municipality in terms of the Division of Revenue Act for 2020/2021 were received. No operating grants were withheld by National Treasury during the financial year.

3.6. GRANTS		
Operating grants	(Figures in Rand)	
	2021	2020
Equitable share	115 041 000	90 909 000
Finance Management Grant	1 700 000	1 700 000
Extended Public Works Program	1 060 000	1 046 000
SETA	198 828	211 634
Municipal Disaster Relief Grant	-	179 650
Total Operating grants	117 999 828	85 053 306

The final Unaudited Financial Statements reflect total revenue of R495 901 185. Revenue from exchange transactions consisted mainly of service charges. Revenue from non-exchange transactions was earned primarily from property rates and government grants.

Total expenditure for the year was R 466 378 103. Employee related costs and bulk purchases constituted 33% and 25% of total expenditure respectively. Total expenditure increased by 11%. The increase is mainly due to an increase in debt impairment.

3.5 COMMENT ON FINANCIAL PERFORMANCE

Total expenditure	(466 378 103)	(421 532 377)
Surplus for the year	29 523 082	19 742 853

3.6.1 COMMENTS ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES

Finance Management Grant	1 700 000	1 700 000
Extended Public Works Program	1 060 000	1 046 000
SETA	198 828	211 634
Municipal Infrastructure Grant	25 443 778	23 329 696
Municipal Water Infrastructure Grant	36 994 682	35 209 373
Integration National Electrification Programme	8 548 000	7 814 040
Municipal Disaster Relief Grant	-	179 650
Total Conditional Grants	73 945 288	69 490 393

A total of R 73 945 288 was recognised as revenue from conditional grants. Conditional grants include both operational and capital grants. Conditional grants are included in revenue only to the extent that the Municipality has met the conditions of those grants. All conditional grants were received from the National Treasury as per the Division of Revenue Act, except for the SETA grant which is received from the Department of Higher Education and Training.

3.6.2 COMMENTS ON CAPITAL EXPENDITURE

Capital Expenditure relates mainly to the construction and rehabilitation of municipal assets that will have value lasting over many years. Capital expenditure is funded from grants and own generated funds. Components deals with capital spending indicating the source of funding and whether the Municipality was able to spend on its planned and approved capital projects

3.7 SPENDING AGAINST CAPITAL BUDGET (FIGURES IN RAND) - TABLE:15

Project Name	Funding	Current budget	Total Expenditure
Bela Bela: Storm Water - Spa Park	MIG	R 3,446,364.70	R 3,446,364.70
Bela Bela: Extension Grave Yard	MIG	R 5,808,520.00	R 5,808,544.61
Bela Bela: Development of sport facilities - Spa Park	MIG	R 2,192,278.46	R 2,171,495.41
Bela Bela: Development of sport facilities - Lesiding	MIG	R 1,921,231.82	R 2,183,517.77
Bela Bela: Road Paving and Storm Water 1 (Hostel View & X5)	MIG	R 2,784,943.55	R 2,784,943.54
Bela Bela: Road paving & Storm water X6- Phase 1	MIG	R 4,383,405.80	R 4,142,944.74
Bela Bela: Road paving & Storm water X7- Phase 1	MIG	R 474,019.00	R 474,000.00
Bela Bela: Road paving & Storm water X8- Phase 1	MIG	R 262,162.22	R 262,160.00
Bela Bela: X 6 Intersection	MIG	R 500,000.00	R 498,747.51
Bela Bela: Road Paving X 4, 6, 7 & 8(Roll-Over)	MIG	R 2,383,074.45	R 2,383,005.45
Supply and install new and faulty water meters (±1200H in All V	WSIG	R 7,031,278.34	R 6,255,821.58
WCDM: Installation of Bulk Zonal Meters in Bela Bela(Ward 1 to	WSIG	R 275,350.00	-
2ML WTW in Masakhane	WSIG	R 10,876,927.14	R 10,842,694.72
Bela-Bela Refurbishment of old section of water treatment works	WSIG	R 3,054,349.00	R 2,690,452.37
Bela-Bela Refurbishment of old section of water treatment works	WSIG	R 4,650,647.56	R 4,641,552.27
Upgrade of Bela-Bela Aventura sewer pump station(19, 20)	WSIG	R 5,130,967.98	R 5,032,118.46
Bela-Bela water desalination plant -Rapotokwane(19, 20)	WSIG	R 5,949,934.84	R 3,714,749.85
Refurbishment of the Warmbad Dam	WSIG	R 505,545.75	-
Water reticulation in Rapotokwane	WSIG	R 9,300,000.00	R 3,119,000.34
Refurbishment of the Bela Bela Waste Water Treatment Works-P	WSIG	R 700,000.00	R 698,291.21
Refurbishment of sewer outfall from Aventura PS to Bela-Bela W	WSIG	R 8,548,000.00	R 8,564,429.10
Electrification of 900HH-INEP	INEP	R 3,600,000.00	R 3,600,000.00
Energy Efficiency and Demand Side Management	EEDSM	R 83,779,000.62	R 73,314,833.63
Total			

3.8 CASH FLOW MANAGEMENT AND INVESTMENTS

CASH FLOW

Cash Flow Statement
Figures in Rand Note(s)

2021
2020
* Restated

Cash flows from operating activities

Receipts
Property rates and traffic fines 100 129 300
51 353 066

Service charges 178 847 201
149 600 017

Grants 189 104 828
170 956 633

Interest income -
13 246 994

Other receipts 15 464 160
14 004 952

Payments 483 545 489
399 161 662

Employee costs (152 904 581)
(144 027 043)

Suppliers (50 829 313)
(188 441 694)

Finance costs -
(9 834 224)

Net cash flows from operating activities 68 182 450
56 858 701

Cash flows from investing activities

Purchase of property, plant and equipment (78 925 968)

Cash flows from financing activities 60 335 239

3.12 INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the Municipality. It will also ensure that the Municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

3.11 GRAP COMPLIANCE

With regards to the long term contracts and Public-Private Partnerships (PPP) it should be indicated that the Municipality did not have long term contracts and PPP's during the 2020/2021 financial year. The Municipality is also adhering and complying with Section 26(b) of Local Government Municipal Finance Management Regulations, which allows the Accounting Officer to appoint members of bid committees as and when required.

3.10 COMMENTS SUPPLY CHAIN MANAGEMENT

Section 112 of the Municipal Financial Management Act (MFMA) No.56 of 2003 requires municipalities to have a Supply Chain Management Policy which is fair, equitable, transparent, competitive, cost-effective and complying with the prescribed regulatory framework. As guided by the above mentioned Act Bela-Bela Local Municipality revised its SCM Policy during the 2020/2021 financial year to comply and implement the provisions of Section 112 of MFMA. And taking into account other development in Supply Chain Management (SCM) such as the new South African Revenue Services (SARS) phasing out of tax clearance certificates and introduction of compliance PINs, the new Centralized Supplier Database (CSD) and the e-Tender advertisement platform.

3.9 SUPPLY CHAIN MANAGEMENT

Interest Income	13 058 328	-
Net cash flows from financing activities	13 058 328	-
Net increase/ (decrease) in cash and cash equivalents	2 314 810	(3 476 538)
Cash and cash equivalents at the beginning of the year	10 201 964	13 678 502
Cash and cash equivalents at the end of the year	12 516 774	10 201 964

Bela-Bela Local Municipality has approved an indigent support policy where consumers who earn R3 500 and below qualify to receive free/subsidised basic services. These services include 6kl of water, 50KWH of electricity, free weekly waste collection, free sanitation services and 100% subsidy on property rates. An indigent register has been developed and it is being used as a guide of the number of households provided with the above mentioned free basic services. According to the statistics in the register, Bela-Bela local Municipality provides 4 984 houses with free basic services (indigents) during the 2020/2021 financial year.

SERVICES	NUMBER
FREE BASIC WATER	4 037
FREE BASIC ELECTRICITY	3 021
FREE BASIC SANITATION	4 187
FREE BASIC REFUSE	4 219

4.1 INTRODUCTION TO BASIC SERVICES

This component includes: water services; waste water (sanitation) services; electricity services; and roads and stormwater services.

Bela-Bela Local Municipality has a total of 18 068 households as per "Census 2011 Statistics" of which 14 497 constitute Urban Residential as per the "Spatial Development Framework Bela-Bela 2011", meaning that the difference is either not proclaimed, illegal or rural settlements. However the household has increased based on Census 2016 Community Survey which also estimates that there are approximately 21 354 households within Bela-Bela municipal area which is 18.9% increase from 2011. It is anticipated that the next Census will reveal an even bigger growth due to emerging informal settlements and formal extensions in the Township and Rural Areas. The inclusion of Savannah Estates is also inevitable. Although it is on the boundary of the Dr JS Moroka Local Municipality in the Mpumalanga Province, the Dermaacation Board has since confirmed that the Settlement is within the Bela-Bela Local Municipality Boundaries.

The Municipality is a Water Services Authority and Provider. During the 2020/2021 financial year there was improvement on the water supply system, and the Municipality was able to supply water reasonably to the Community of particularly Bela-Bela Town and Township.

Magalies water board is contracted to the municipality to provide purified water at 7.5 Mega-litres (ML) per day. However, on average 6ML/day was received, which is an improvement of 4.1Mega-liters per day from the previous financial year. The improvement was brought about by the commissioning of the Sondela Pump Station.

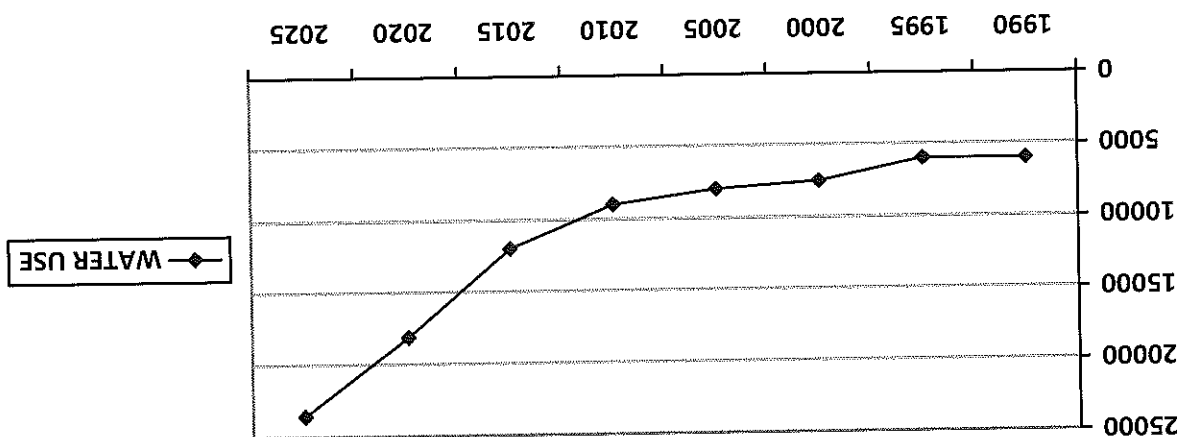
Waste Water Treatment Plant and all Pump Stations are on a high critical risk and need to be refurbished and upgraded in order to accommodate all the Settlements. Programmes to develop funding business plan has already started and the Municipality received R10 million from the Department of Water and Sanitation through WSiG funding to start with the refurbishment of the Bela-Bela Waste Water Treatment Plant, and the programme will continue in phases over three (3) financial years.

The Municipality was able to secure an in-kind grant from the Development Bank of Southern Africa (DBSA) for the Development of the Water and Sanitation Master Plan, Water Services Development Plan and the Plan to reduce non-revenue Water, due to be completed in the 2021/22 financial year. These plans will assist in effective planning of Water and Sanitation projects, ensuring sustainability of service provisioning.

The Municipality is licenced to provide electricity to Bela-Bela Town, Township and the Farms. Pienaarsrivier, Radium (Masakhane), Rapotokwane Village, Vingerkraal and Tsakane are serviced by Eskom. The Municipality is in a process of applying for the licence to also supply electricity in those areas which are currently serviced by Eskom so as to also improve Revenue and be able to apply credit control measures on defaulting customers on the municipal account.

During the financial year under review the Municipality has successfully maintained the electricity supply to all consumers, although it was mostly reactive maintenance due to challenges with resources. The electrical infrastructure is ageing and there is a dire need to refurbish it. Bulk capacity remains a challenge, however the Municipality is in the process to develop and electrical master plan through the in-kind grant from the Development Bank of Southern Africa (DBSA), and also in the process to resuscitate the Bela-Bela new substation project.

4.1.2 BULK WATER RESOURCES IN BELA-BELA LOCAL MUNICIPALITY



GRAPH 10: WATER DEMAND

Savannah Estates). (Source: Zutari Situational Analysis Report - 2022).

The Total Water Demand in the Jurisdiction of Bela- Bela Local Municipality is calculated at 18 138kℓ/day (including

Urban Water Usage by 2021 was 15 273kℓ/day, while for the other category the use is on the Moderate level of 2 865kℓ/day. The indigent households received 6kℓ of free basic water per month.

More stringent measures must be in place to reduce water losses. infrastructure failure. Non-revenue water (water theft through illegal connections and non - payment by consumers). often discussed as un-accounted for water which is in two aspects i.e Technical losses (water loss in the system due to Bela Bela Local Municipality recorded 23,5% water losses in 2020/2021 financial year. The Water losses were more particularly in Bela-Bela Town and Township.

Bela-Bela is supplied predominantly with water sourced from the Warmbaths and Platvliet dams, whose levels improved due to recent high rainfall. Therefore, much challenge with water shortages was not experienced

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

4.1.1 INTRODUCTION TO WATER PROVISION

system.

There is an urgent need to develop and Roads and Stormwater Master Plan, and to also upgrade the stormwater remains with the undercapacitated stormwater system, which was also regularly maintained to ensure effectiveness. The biggest challenge was maximized to improve roads infrastructure conditions and accessibility. The biggest challenge roads and further developed a standard guidelines for design and maintenance specifications. Routine road The municipality has also conducted a road visual assessment and produced a status quo report on the municipal

For supply in Bela-Bela Town and Township, only one borehole (Roodepoort) was functional, however its delivery of 800kℓ/day was unsustainable. The Bela- Bela Water Treatment Works constantly provided water without any challenges, with Magalies Water augmenting the Supply as contracted.

Challenges remained with boreholes in Rapotokwane, Tsakane and Vingerkraal, although repairs were regularly done to ensure functionality. Boreholes in Masakhane were recently refurbished to ensure constant water supply.

4.1.3 COMMENT ON WATER USAGE

Table above illustrates that there is a deficit of 3 834kℓ/day on the current demand (18 138kℓ/day). These water shortages are experienced mostly in areas supplied from Boreholes; viz Masakhane, Rapotokwane Village, Savannah Estates, Vingerkraal and Tsakane.

****Note that the % Contribution is rounded off to 2 decimal places**

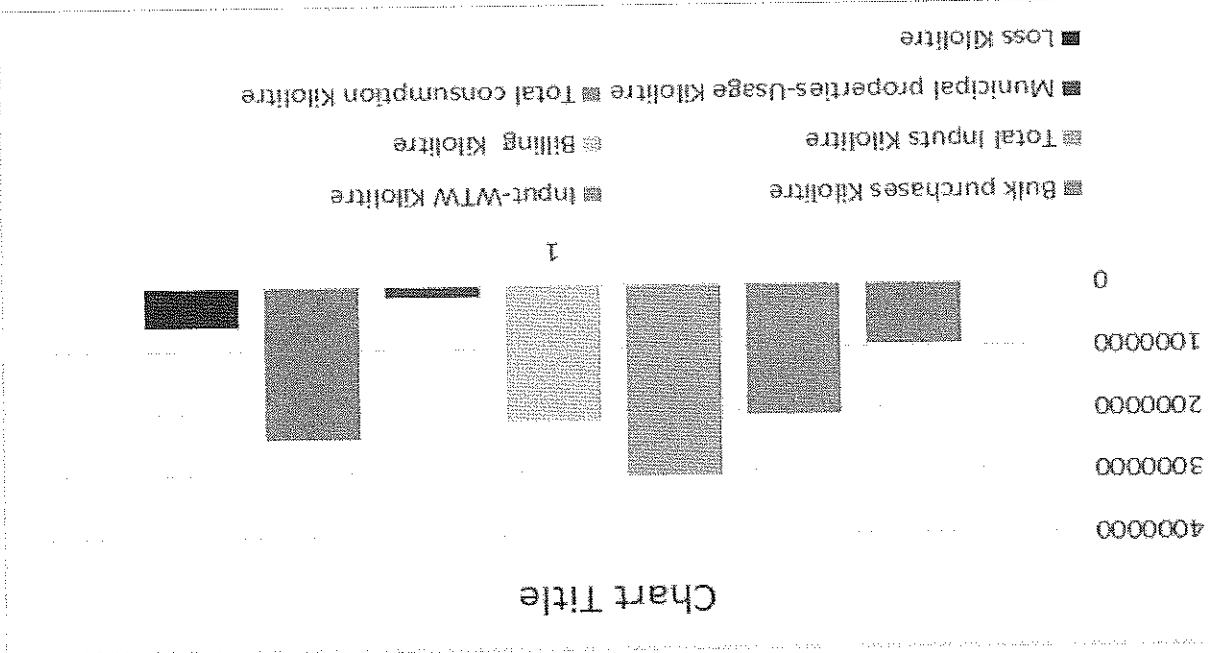
Bulk Resource	Average kℓ/day	% Contribution
Magalies Water	6 000	42%
BBLM WTW	5 000	35%
Ground water	3 304	23%
Total	14 304	100%

TABLE 16: AVAILABLE BULK WATER SUPPLY

- Potable water from Magalies Water Board
 - Bela- Bela Local Municipality Water Treatment Works
 - Boreholes/ Ground Water
- Bulk Water supply for the Bela-Bela area of jurisdiction is sourced as follows:

Due to the high water losses, the following Water Conservation Demand Management actions were prioritized:

- a) Metering of newly formalized areas/ households (Bela-Bela Ext 9 and Ext 25-Koppewaal)
- b) Replacement of Non-functional meters
- c) Reduce pressure in the reticulation system
- d) Reduce water losses to minimum acceptable levels
- e) Education & awareness
- f) Replacement of ageing infrastructure



GRAPH 11: WATER USE

Water Use – July 2020 to June 2021							
Bulk Purchases (kl)	9 558 795	Input WTW (kl)	2 078 120	Total Input (kl)	3 045 433	Billing (kl)	2 166 451
Municipal Properties - Usage	175 637	Total Consumption (kl)	2 524 916	Loss (kl)	587 254		

TABLE 17: WATER USE

Census	Category	Description		WATER (ABOVE MIN LEVEL)											
				2017		2018		2019		2020		2021			
Piped (tap)	water inside dwelling/ institution	House connections	14 073	78%	14 073	78%	14 073	78%	14 073	78%	855	5%	855	5%	
Piped (tap)	water inside yard	Yard connections	855	5%	855	5%	855	5%	855	5%	855	5%	855	5%	

4.1.4 TABLE 18: RESIDENTIAL WATER SERVICES DELIVERY ACCESS PROFILE [WATER]

The pictures above indicate a project underway; Refurbishment of the Warmbad Dam which was funded from the Water Services Infrastructure Grant. The rehabilitation of access road to the Dam was part of the scope of works.

IMAGE 1: REHABILITATION OF ACCESS ROAD TO THE WARMBAD DAM



4.1.6 COMMENT ON WATER SERVICES PERFORMANCE OVERALL

The Blue Drop assessment for the 2020/2021 financial year is still underway. So far only the system analysis has been done, with physical verifications and assessments still to be concluded in 2022.

The last Blue Drop assessment was done in 2014 and the risk rating was high due to the borehole system posing significant health risks. However the water quality compliance was adequate (within the SANS 2410 summarized as follows:

- i. Chemical Compliance 99.7%
- ii. Microbiological Compliance 95.3%

Positive improvements by the Municipality on the Blue Drop:

- i. Improved microbiological compliance on Water Supply by Magalies
- ii. Developed & presented a WCDM Strategy coupled with a business plan
- iii. Some improvements on Blue drop risk rating for Bela- Bela Water Treatment Works (WTW).
- iv. General workplace satisfaction is adequate.

The Water supply systems in Rapotokwane and Masakhane have also since been improved through the installation of Package Plants to improve the water quality.

TABLE 20: 2014 BLUE DROP ASSESSMENT

Bela-Bela Local Municipality			
Water Services Authority			
Magalies Water, Bela-Bela LM			
2014 Municipal Blue Drop Score			
43.11%			
2012 Municipal Blue Drop Score			
71.21%			
2011 Municipal Blue Drop Score			
71.07%			
Performance Area			
Bela-Bela	Radium	Rapotoekwane	
			
Magalies Water Bela-Bela LM	Bela-Bela LM	Bela-Bela LM	
Water Safety Planning (35%)			
21.35	18.55	18.55	
Treatment Process Management (8%)			
6.00	0.00	0.00	
DWQ Compliance (30%)			
17.63	0.00	0.00	
Management Accountability (10%)			
7.75	3.30	3.30	
Asset Management (14%)			
9.42	6.16	6.16	
Use Efficiency, Loss Management (3%)			
0.27	0.27	0.27	
Bonus Scores			
4.79	3.15	3.75	
Penalties			
1.50	2.83	1.70	
2014 BLUE DROP Score			
65.70%	28.60%	30.33%	
2012 Blue Drop Score			
74.88%	38.59%	69.72%	
2011 Blue Drop Score			
78.67%	38.95%	48.45%	
System Design Capacity (l/l/d)			
24.0	N/A	N/A	
Operational Capacity (% l/a Design)			
37%	N/A	N/A	
Average daily Consumption (l/p/d)			
514	N/A	N/A	
Microbiological Compliance (%)			
95.3%	84.2%	80.0%	
Chemical Compliance (%)			
99.7%	99.9%	50.0%	
Blue Drop Risk Rating (2012)			
89.6%	95.3%	90.5%	
Blue Drop Risk Rating (2013)			
57.8%	89.7%	91.6%	
Blue Drop Risk Rating (2014)			
38.1%	81.5%	82.0%	

4.2 INTRODUCTION TO WASTE WATER (SANITATION) PROVISION

BBLM households predominantly have a water borne sanitation system, except in rural areas such as Tsakane, Vingerkraal, Masakhane and Rapotokwane which use Dry Sanitation.

Backlog exists mainly in informal settlements and new extensions within the entire Municipal area, and was recorded at 4 120 households (including informal settlements and rural areas) as of end of June 2021. In order to address this matter the Municipality is supported by the Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGTA) to formalize informal settlements and the realignment of stands in line with township establishment requirements.

The Sanitation Infrastructure comprises of 1 X Biological Activated Sludge Plant in Bela-Bela (Bela-Bela Waste Water Treatment Works), 2 x Oxidation Ponds (Pleenaarsrivier and Masakhane), 8 Sewer Pump Stations (Masakhane PS, Pleenaarsrivier PS, Settlers PS, Leseding PS, Ext 6 PS, Bospoort 1 PS, Bospoort 2 PS, Aventura PS) and about 1056 Manholes over total length of 175,4km of pipeline.

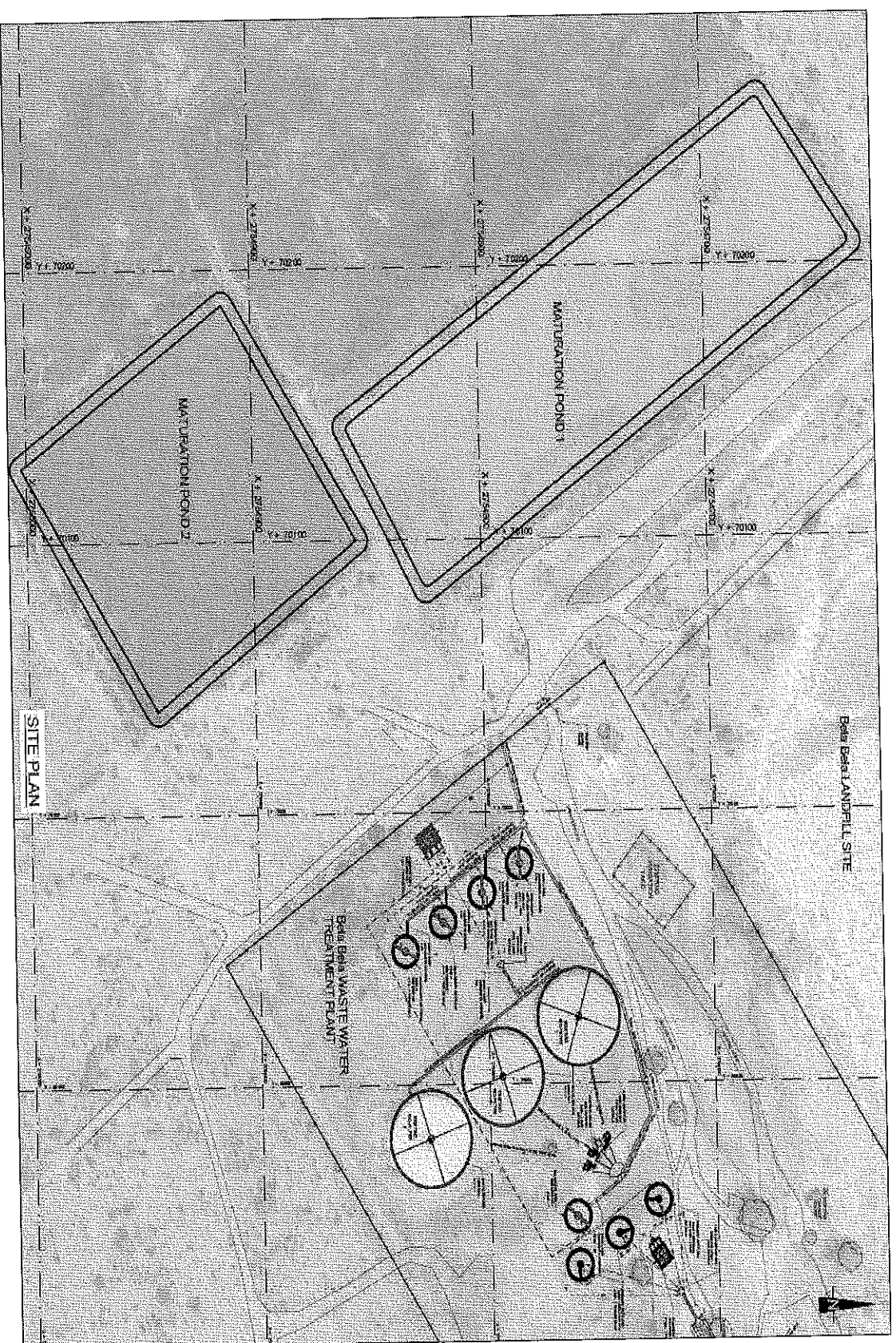
The main challenges with sanitation services are:

- i. Ageing Infrastructure.
- ii. Under capacitated Bulk Infrastructure, including Waste Water Treatment Plant (Bela-Bela) and Pump Stations.
- iii. Misuse of sewer network (Flushing of foreign objects).
- iv. Stormwater ingress caused by direct connection of household stormwater drains into the sewer system.

These challenges cause major sewage spillages thus causing an Environmental Hazards.

The Bela-Bela Waste Water Treatment Works (WWTW) is not fully functional due to broken down equipment and is also under capacitated. In the 2020/21 financial year the Municipality received Water Services Infrastructure Grant (WSIG) funding to start with the refurbishment of the WWTW, which will proceed over three (3) financial years up to 2022/23 financial year. Thereafter, further funding will be sought to upgrade the Plant up to a capacity of 10ML/day so as to accommodate the current and future growth particularly in Bela-Bela Town and Township. The Bela-Bela Township Ext 9 and Ext 25 (Koppewaal) are the newly formalized Settlements that have been connected to the sewerage system. Jacob Zuma is in the process to be formalized and re-aligned and will therefore also be connected to the sewerage system.

FIGURE 2: BELOW INDICATE THE LAYOUT OF THE BELA-BELA WASTE WATER TREATMENT WORKS (WWTW)



4.2.1 TABLE 21: RESIDENTIAL WATER SERVICES DELIVERY ACCESS PROFILE [SANITATION]

	Actual service levels		Actual Nr of HHS	14 928	82.60%	Full Flush - connected to a sewage system	855	4.73%	855	4.73%	Low Flush - connected to a sewage system	20	0.01%	20	0.01%	Septic tanks - full flush with septic tank	862	5.47%	962	5.69%	987	5.69%	VIP - Pit latrine with ventilation	0	0	Chemical toilet	Pit Latrines without ventilation (Backlog)	Bucket toilet	Other <RDP sanitation services	No services	Total	
	2018		Actual % of total HHS	14 928	82.60%	Full Flush - connected to a sewage system	855	4.73%	855	4.73%	Low Flush - connected to a sewage system	20	0.01%	20	0.01%	Septic tanks - full flush with septic tank	862	5.47%	962	5.69%	987	5.69%	VIP - Pit latrine with ventilation	0	0	Chemical toilet	Pit Latrines without ventilation (Backlog)	Bucket toilet	Other <RDP sanitation services	No services	18 064	100
	2019		Actual % of total HHS	14 928	82.60%	Full Flush - connected to a sewage system	855	4.73%	855	4.73%	Low Flush - connected to a sewage system	20	0.01%	20	0.01%	Septic tanks - full flush with septic tank	862	5.47%	962	5.69%	987	5.69%	VIP - Pit latrine with ventilation	0	0	Chemical toilet	Pit Latrines without ventilation (Backlog)	Bucket toilet	Other <RDP sanitation services	No services	18 064	100
	2020		Actual % of total HHS	14 928	82.60%	Full Flush - connected to a sewage system	855	4.73%	855	4.73%	Low Flush - connected to a sewage system	20	0.01%	20	0.01%	Septic tanks - full flush with septic tank	862	5.47%	962	5.69%	987	5.69%	VIP - Pit latrine with ventilation	0	0	Chemical toilet	Pit Latrines without ventilation (Backlog)	Bucket toilet	Other <RDP sanitation services	No services	18 064	100
	2021		Actual % of total HHS	14 928	82.60%	Full Flush - connected to a sewage system	855	4.73%	855	4.73%	Low Flush - connected to a sewage system	20	0.01%	20	0.01%	Septic tanks - full flush with septic tank	862	5.47%	962	5.69%	987	5.69%	VIP - Pit latrine with ventilation	0	0	Chemical toilet	Pit Latrines without ventilation (Backlog)	Bucket toilet	Other <RDP sanitation services	No services	18 064	100

4.2.2 TABLE 22: EMPLOYEES WATER AND SANITATION SERVICES

Employees: Water and Sanitation Services - 2020/2021 Financial year				
Job Level	Number of Employees	Number of Posts	Vacancies	% Vacancy
0-3	2	1	1	50%
4-6	4	3	1	25%
7-9	10	3	7	70%
10-12	4	3	1	25%
13-15	84	50	34	40%
Total	104	60	44	42%

4.2.3 COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

The Green Drop assessment was previously suspended by the Department of Water and Sanitation (DWS) since the last one that was done in 2014, however DWS has since resuscitated the process and the Municipality was assessed for the 2020/21 financial year with the outcome still pending.

TABLE 23: GREEN DROP COLOUR CODED SCORESHEET FOR THE 2014 ASSESSMENT

Technology Description		Pienaarstevier	Radium	Warmbaths
Technology (Liquid)	Anaerobic ponds/ Rotating biological	Facultative ponds	Rotating biological	Evaporation ponds
	Evaporation ponds (no effluent)		Evaporation ponds (no effluent)	Evaporation ponds (no effluent)
Technology (Sludge)		Sludge lagoon/ pond	Sludge lagoon/ pond	Not specified
Key Risk Areas				
A	ADWF Design Capacity (M/d)	2	1	5
B	Operational Flow (% of Design Capacity)	151% (NI)	151% (NI)	96% (NI)
C	Annual Average Effluent Quality			
	Compliance (2012-2013)			
	Microbiological Compliance (%)	0.0%	0.0%	0.0%
	Physical Compliance (%)	0.0%	0.0%	100.0%
	Chemical Compliance (%)	0.0%	0.0%	0.0%
D	Technical skills (Reg 813)	Yes	No	Yes
2014 Wastewater Risk Rating		82.4%	100.0%	52.9%

The Municipality has implemented and continues to implement remedies to improve the status of all the three (3) Treatment Works. Therefore, it is anticipated that the upcoming assessments will produce improved results.

Technology Description	Pienaarsrivier	Radium	Warmbaths
(%CRR/CRR max)			
2013 Wastewater Risk Rating	88.2%	64.7%	76.5%
(%CRR/CRRmax)			
Highest Risk Areas based on the CRR	Effluent compliance, flow measurement	Effluent compliance, flow measurement and technical skills	Microbial and chemical compliance
WW Risk Areas based on the CRR	None	None	None
Capital & Refurbishment expenditure for Fin Year 2012-2013	NI	NI	NI
(Rand)			
Description of Projects Expenditure 2012-2013	NI	NI	NI

4.3 ELECTRICITY

4.3.1 INTRODUCTION TO ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989, 1994, 1995, and the Electricity Regulation Act 2006.

During the 2020/2021 financial year the Municipality targeted to electrify 700 households in Bela-Bela Ext 9, however only 576 households could be connected due to budgetary constraints. A backlog of about a further 390 households still exists for Bela-Bela Ext 9 and Ext 25 (Koppewaal). This Backlog can only be covered once the Substation project is complete and functional.

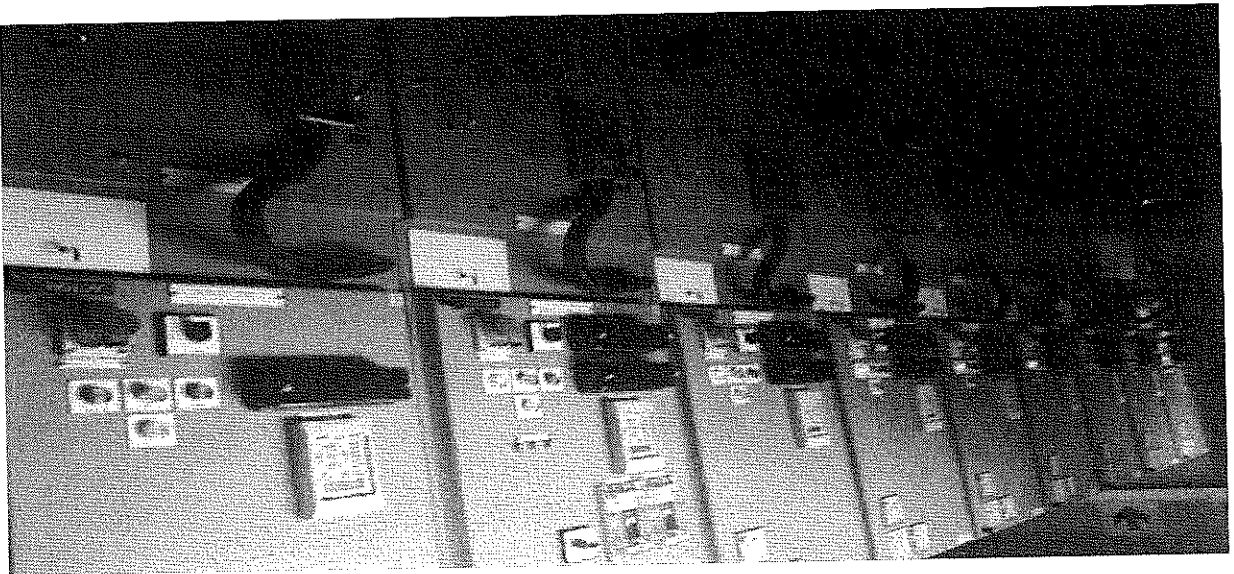
There are two electricity providers in the Bela-Bela municipal area, namely the Bela-Bela Local Municipality and Eskom. As per the Billing information, the Municipality provided access to electricity to 10 468 residential properties and 1 524 non-residential properties (Business, Churches, Schools & Hospitals) as at the end of June 2021.

Bela-Bela Local Municipality supplies Bela-Bela Town, Township, Spa Park, Jinnah Park, Feur n Villa, Eu Montagne, Goffbaanpark as well as outer plot areas like Bospoort and Noodhulp / Roodepoot. Whereas Eskom supplies the remaining areas, smaller towns/nodal points and the rural areas of Bela-Bela Local Municipality viz Radium/Masakhane, Rapotokwane, Settlers, Pienaarsriver and other farm areas.

4.3.2 BULK ELECTRIC SUPPLY

Bela-Bela Local Municipality has one main supply substation namely, Bela-Bela main substation located within town at Industrial Str. Next to the main substation, is the Eskom yard with 2 x 20MVA transformers which supply the substation via 2 x 11kV feeder cables of +/-160 m (each feeder consist of 2x 300mm² cables). Eskom is only responsible for supply into the main substation (i.e. 2 x 20MVA supply transformers). The reported Notified Maximum Demand was at 17.75 MVA, however it is currently exceeding our rated capacity. Current usage throughout the year varies between 19 MVA and 25 MVA, with the higher peak in the winter months. Therefore its critical that the new Bela-Bela 135/11KV 2 x MVA Substation project be completed.

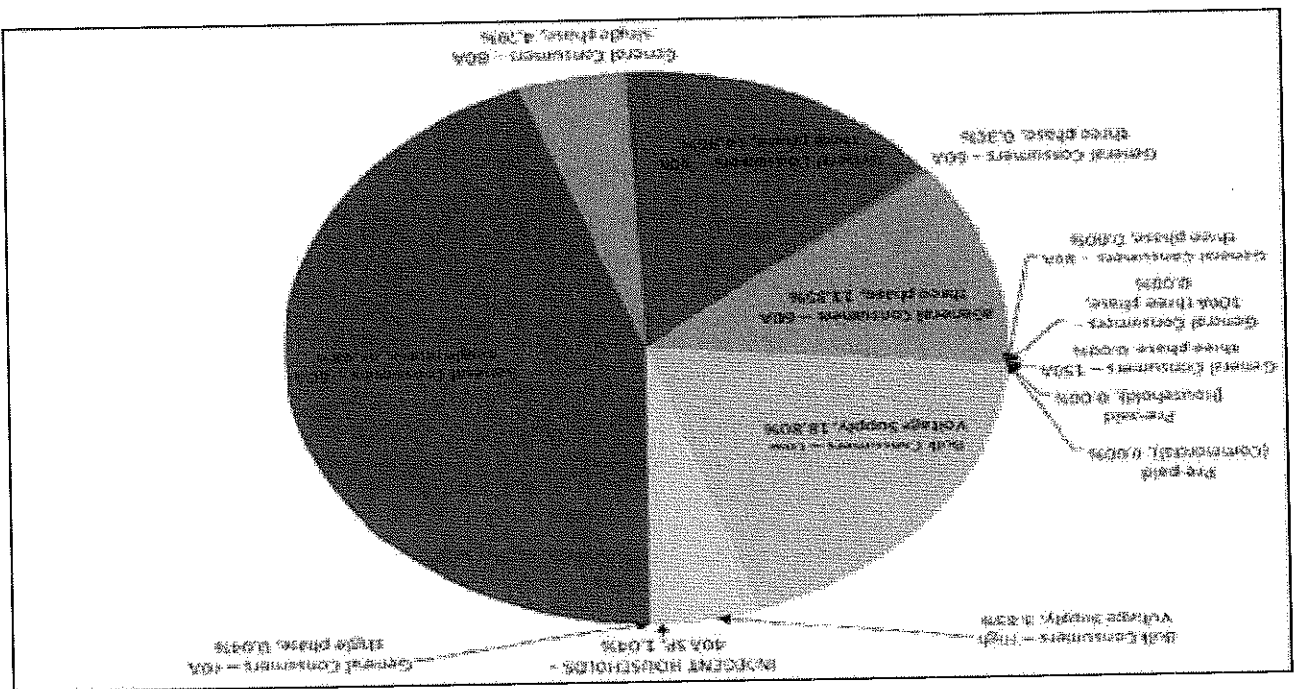
BELA-BELA MAIN SUB STATION



4.3.3 ELECTRICITY SERVICES DELIVERY LEVEL – TABLE: 24

ELECTRICITY SERVICES DELIVERY LEVEL	
ENERGY ABOVE (Above Minimum Level)	2020/201 H/H
ELECTRICITY : (AT LEAST MIN.LEVEL)	658
ELECTRICITY – (AT LEAST MIN.SERVICE LEVEL)	1101
ELECTRICITY –PREPAID (MIN.SERVICE LEVEL)	8504
MINIMUM SERVICE LEVEL AND ABOVE SUB TOTAL	13 827
BELOW MINIMUM LEVEL	0
OTHER SOURCES	3 364

GRAPH BELOW IS A PERCENTAGE BREAKDOWN OF CAPACITY ALLOCATIONS BY CONSUMER CLASS – GRAPH: 15



4.3.4 ELECTRICAL MAINTENANCE

Maintenance of the Electrical Infrastructure was reactively conducted as follows:

- i. Replacement of faulty Transformer
- ii. Replacement of faulty Meters
- iii. Repair of cable faults
- iv. Replacement of damaged wooden poles
- v. Repair/ replacement of blown Fuses and tripped circuit breakers
- vi. Repair of street lights
- vii. Vegetation management
- viii. Switch gear maintenance
- ix. Mini Substation maintenance
- x. Maintenance of Municipal Facilities/ Building Electricity

One of the biggest challenges with routine maintenance is the shortage of resources, particularly Plant and Equipment, personnel and materials. There is an urgent need to address this challenge.

4.3.5 EMPLOYEES - ELECTRICITY SERVICES – TABLE: 25

Employees : Electricity Services 2020/2021 Financial Year				
Job level	Number of Employees	Number of Posts	Number of Vacancies	% Vacancy
0-3	1	2	1	50 %
4-6	10	15	5	33%
7-9	2	4	2	50%
10-12	3	6	3	50%
13-15	16	35	17	48%
Total	32	62	28	45%

4.3.6 CAPITAL ELECTRIFICATION PROGRAMME – TABLE: 26

Service Objectives	Project Name	2020/2021 Budget
Electricity	Electrification of Ext 9-Phase 2 (700 Households)	R8 548 000.00
Street Lights	Energy Efficiency Demand Side Management (EEDSM) Programme: Bela Bela - Replacement of HPS Street Lights with LED Luminaires (Phase 1)	R3 000 000.00

4.3.7 COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Based on the 2019/2020 financial year electrical losses calculations, various reasons could be observed which are contributory factors such as technical elements. Therefore the Municipality should implement several interventions which includes:

- Replacement of 1000 Conventional meters
- Cost of supply study to an in depth tariff analysis and review
- Conclusion of supply Contracts with large power users

Bela Local Municipality is responsible for routine road maintenance, upgrade and rehabilitation. The roads in the municipal jurisdiction is in an appalling state. It is against this backdrop that the Technical Services Department conducted a Road Visual Assessment in order to obtain much details on work to be done over various streets. However, it must be emphasised that the routine road maintenance as well as refurbishment and upgrade of roads and stormwater infrastructure requires more funds.

Routine road maintenance was maximized to improve roads infrastructure conditions and accessibility. The biggest challenge remains with the undercapacitated stormwater system, which was also regularly maintained to ensure effectiveness. There is an urgent need to develop and Roads and Stormwater Master Plan, and to also upgrade the stormwater system.

4.4.1 INTRODUCTION TO ROADS AND STORMWATER

This component includes: roads and stormwater drainage.

4.4 ROADS AND STORMWATER

- Some of the emanating challenges reported by the staff are symptomatic to aged cables. These are:
- iv. Continuous audits on the large power users.
 - v. Continuous of the audits on the streetlights and municipal buildings energy meters.
 - vi. Continuation of the audits in the plots around the BBLM.
 - vii. Replacement of identified faulty electrical energy meters.
- All of the substation buildings structures require work to address leaks, ventilation, and security. With the exception of the main substation, all substations require major upgrade to MV switchgear panels (with busbars), breakers including protection, control and instrumentation
- i. Inefficient sections of cable that can no longer carry the rated load
 - ii. Cables that are prone to faults
 - iii. Repeated faulting on the same length of cable
 - iv. Cable breakdown i.e. cables that will operate for a long time and then instantly fail. With no gradual deterioration experienced.

4.4.2 TABLE 27: RECORDS OF MUNICIPAL ROADS INFRASTRUCTURE

Settlements	Length of Roads/Street		Total
	Paved	Unpaved	
Bela- Bela Town	161.3km	73.82km	235.12km
Radium (Masakhane)	1.03km	3.27km	4.3km
Pienarsrivier	5.1km	3.7km	8.8km
Rapotokwane	1.9km	17.1km	19km
Total	169.33km	97.89km	267.22km

4.4.3 TABLE 28: RECORDS OF MUNICIPAL STORMWATER INFRASTRUCTURE

DESCRIPTION	DISTANCE/ QTY
Guardrails	15.6 KM
Concrete open channels	15.6 KM
Earth open channels	1.7 KM
Underground pipes	62 KM
Catch inlets (number)	52

4.4.4 ROUTINE ROAD AND STORM WATER MAINTENANCE

Routine Maintenance of the Roads and Stormwater Infrastructure was conducted as follows:

- xi. Repair of damaged concrete block paved surfaces
 - xii. Patching of potholes as and when necessary coupled with availability of materials.
 - xiii. Clear roads of debris to ensure safe operating environment (Use of EPWP & CWP Workers)
 - xiv. Regravelling and blading of unpaved roads as and when resources are available, to enable free flow of traffic.
 - xv. Maintenance of stormwater infrastructure on a quarterly basis to avoid damage to property and loss of life. (Cleaning open lined channels, cleaning underground pipelines, catchpits, etc).
- One of the biggest challenges with routine maintenance is the shortage of resources, particularly Plant and Equipment and personnel. There is an urgent need to address this challenge.

4.4.5 TABLE 29: EMPLOYEES ROADS AND STORMWATER SERVICES

Job level	Number of Positions	Number of filled positions	Number of Vacancies	% Vacancy Rate
0-3	1	1	0	0 %
4-6	2	0	2	100 %
7-9	4	1	3	75%
10-12	13	2	11	84%
13-15	31	16	15	48%
Totals	51	20	31	61%

4.4.6 TABLE 30: CAPITAL PROJECTS

Programme	Project Description	Allocated Budget	Annual Milestone	Expenditure by June 2021
Roads and Storm	Bela Bela Ext 4, 6, 7 & 8: Road Paving	R2 383 074.45	3.5 kilometers of new roads constructed/ surfaced in Bela-Bela Ext 4, 6, 7 & 8.	R 2 383 055.45 (100%)
Roads and Storm	Bela Bela Spa	R 3 446 364.70	Construction of Stormwater in Bela-Bela Spa Park completed.	R 3 446 364.70 (100%)
Roads and Storm	Bela Bela Ext 5 & 6: Road paving & storm water	R2 784 943.54	1.6 kilometers of the roadbed for the new road in Bela-Bela Ext 5 & Hostel view constructed.	R 2 784 943.54 (100%)
Roads and Storm	Construction of Storm water in Bela-Bela Ext 7 - Phase 1	R 474 019.00	Designs completed and tender advertised for the Construction of Road paving & Storm water in Bela-Bela Ext 7 - Phase 1.	R 474 000.00 (100%)
Roads and Storm	Construction of Road paving & Storm water in Bela-Bela Ext 8 - Phase 1	R 262 162.22	Designs completed and tender advertised for the Construction of Road paving & Storm water in Bela-Bela.	R 262 160.00 (100%)

Capital Projects are mainly funded from the Municipal Infrastructure Grant (MIG).

4.6 INTRODUCTION TO PLANNING

Planning in South Africa operates within the Legal Framework, which strives to ensure that municipalities deliver their developmentally-oriented planning objectives as embraced under Sections 152 and 153 of the Constitution of South Africa. Bela-Bela Local Municipality, through the Planning and Economic Development Department, is the custodian of land development and land use; and this is guided by planning policies including the Spatial Development Framework (SDF) and Land Use Management Scheme (LUMS).

- Ongoing revision, implementation, monitoring, and evaluation of the SDF informed by current realities and policy frameworks
- Monitor implementation of the LUMS, capture current and future development
- Development of the Land Use and other By-Laws as well as other policy guidelines to enforce the implementation of the LUMS
- Coordinated building control activity. (Building plans, and Certificate of Occupancies, implementation of National Building Regulations Act 103 of 1977)
- Coordinated/administered land development applications (township establishment, rezoning, consent uses, subdivision and consolidation and any developmental application).

4.6.1 TABLE:31 BELOW ILLUSTRATE APPLICATIONS FOR LAND USE DEVELOPMENT

Applications for Land Use Development									
Detail	Formalisation of Township			Rezoning			Built Environment		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Planning Applications Received	0	2	1	6	3	3	141	142	124
Determination made in a year of recipient	0	0	1	0	6	3	141	170	124
Determination made in the	0	1	0	0	0	0	0	0	0

Building Plans Applications: 2020/2021 Financial Year				
Month	Building Plans Received	Building Plans Approved	Building Plans not Approved	Reason
July 2020	13	5 (From previous month)	2	Outstanding document (Title deed) To submit Land use rights
August 2020	17	5 (From previous month)	0	N/A
Details of Building Plans approved and Not-Approved and reasons thereafter				
Number of Building Plans received		100	85	15
Number of Building Plans approved		Number of Building Plans not approved		

4.6.2 BUILDING PLANS APPLICATIONS –TABLE:32

Applications for Land Use Development									
Detail	Formalisation of Township			Rezoning			Built Environment		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
following year									
Applications withdrawn	0	0	0	0	0	0	0	0	0
Applications outstanding at a year end	0	1	0	6	0	0	28	9	05

NB: By the end of FY 2020/2021 there were 15 outstanding building plans which will be processed in 2021/2022 FY. It must be noted that there is an accumulation of building plans which are not approved during the months which were received, therefore they are processed and approved in the following months within the FY.

		month)			
September 2020	15	6 (From previous month)	3	Outstanding Documents and pending building line relaxation	
October 2020	10	11 (From previous month)	1	Outstanding document (Title deed) To submit Land use rights	
November 2020	2	16 (From previous month)	2	Withdrawn	
December 2020	9	4 (From previous month) 2020	0		
January 2021	6	0	0		
February 2021	13	7 (From previous month)	3	Pending Correction by Architect. Non-compliance with property land use rights	
March 2021	3	6 (From previous month)	1	Circulating at Final Approval Stage	
April 2021	5	11 (From previous month)	0	N/A	
May 2021	6	3 (From previous month)	3	Awaiting for Written Consent Approval Outstanding Document (Title Deed)	
June 2021	11	11 (From previous month)	0	N/A	

4.6.3 EMPLOYEES SERVICES IN TOWN PLANNING DIVISION – TABLE:33

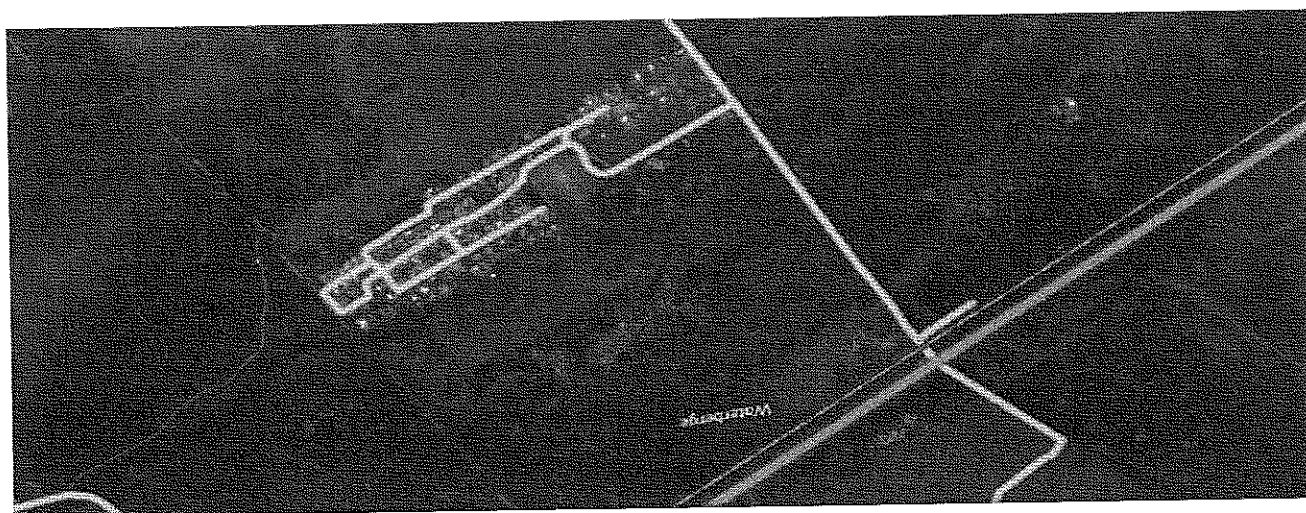
Employees Services in Town Planning Division				
Job Level	2020/21			
	Post Number	Employees Number	Vacancy	
0-3	2	2	0	
4-6	7	2	5	
7-9	2	1	1	
Total	11	5	6	

4.6.4 COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

The Municipality has the approved Spatial Development Framework and Land Use Management Scheme which is currently implemented, however, few challenges were experienced during the implementation. Enforcement of LUMS is one of the challenges that Municipalities face, as a result, illegal land uses is experienced within Municipality areas. To educate communities about the negative impact of the illegal land use that affects municipal planning for the provision of basic services, the Municipality conducted several awareness campaigns regarding compliance with Land Use Management to reduce the illegal land use and ensure proper planning for the provision of basic services. Another major challenge identified in town planning was the shortage of land for human settlement which resulted in an increasing number of informal settlements. The Municipality has requested the Provincial Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGSTA) through the Housing Development Agency (HDA) to purchase the land for the Municipality to develop for human settlement to reduce the number of informal settlements within the Municipality area.

4.6.5 SPA PARK (KOPPEWAAI)

The informal settlement is located at Erven 1491 & 1492. Erven 1491 is registered under the ownership of the Housing Development Agency (HAD), whereas Erf 1492 is registered under SBN Family Trust. The Map below illustrates the location of the informal Settlement:



The informal settlement is located at portion 52 of the farm Tweefontein which is registered under Bosvel Distrikraad. The Map below illustrates the location of the settlement:

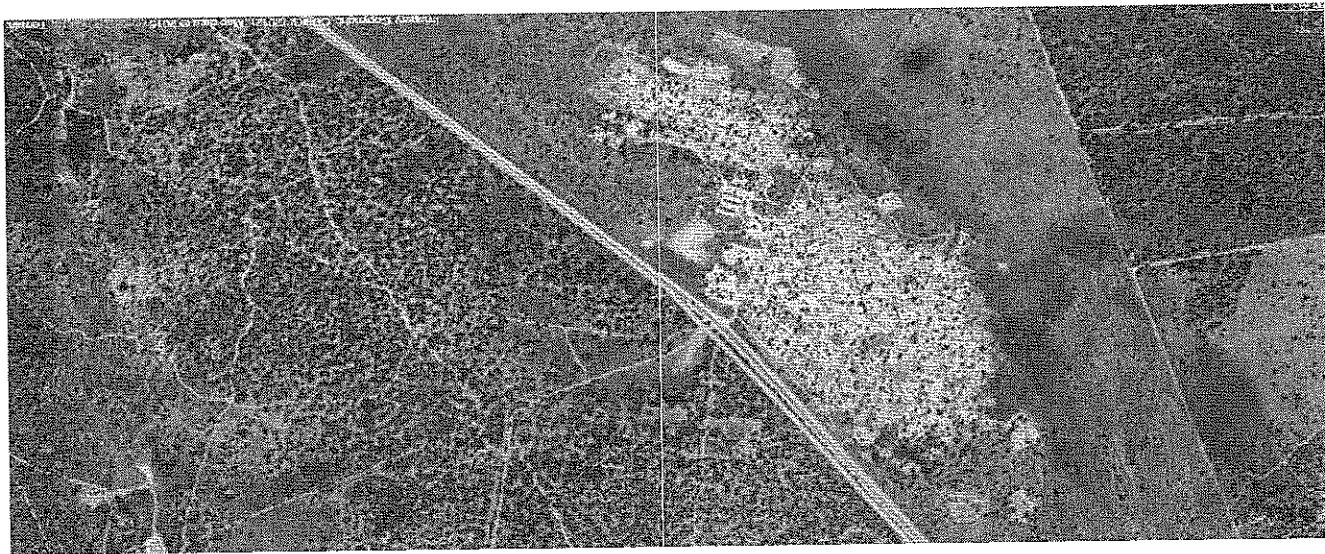
4.6.6 TSAKANE INFORMAL SETTLEMENT

During 2020/21 FY there were 250 stands which are serviced and 82 houses were built out of 250 serviced stands. Currently, there is an informal settlement upgrade.



Spa Park Informal Settlement

4.6.7 VINGERKRAAL INFORMAL SETTLEMENT LOCATED ON PORTION 05 OF THE FARM VINGERKRAAL 472-KQ THE SETTLEMENT IS OUTSIDE THE URBAN EDGE



During 2020/21 FY township establishment was approved at Vingerkraal with 1000 stands, the township is not yet serviced.

4.6.8 HUMAN SETTLEMENT

Bela Bela is accredited by the Department of Human Settlement and Department of Cooperative Governance, Human Settlement and Traditional Affairs to manage and administer beneficiaries within the Municipality. During the financial year, the Municipality was allocated 82 houses which were built at Warmbaths Extension 25. Spa Park Extension 1 and Welgegund (Masakhane) there were land tenure upgrade projects that aimed at rectifying the town planning process to enable residents to receive title deeds. There were 250 title deeds received properties are allocated at Bela Bela Extension 7 and 8.

4.7 INTRODUCTION TO ECONOMIC DEVELOPMENT

The Bela-Bela Local Economic Development Strategy is a document that is borne out of the 1996 Constitution, White Paper of Local Government of 1998, and the Municipal Systems Act of 2000. The latter states LED as one of the core components of the Integrated Development Plan which is the strategic document of the Municipality. It is a legislated mandate derived from the objects of the local government as stipulated in the Constitution of the Republic of South Africa. As one of the objects of local government that the municipalities should take care of the social and economic development within the jurisdiction of each Municipality.

4.7.1 ECONOMIC EMPLOYMENT BY SECTOR –TABLE:34

Economic Employment by Sector				
Financial Year	2018/19	2019/20	2020/21	Jobs
Sector	Year 2	Year -1	Year 0	
Agric, forestry and fishing	1 533	1 042	8.9%	
Mining and quarrying	420	576	5.6%	
Manufacturing	592	518	3.6%	
Wholesale and retail trade	4 690	4 342	36.0%	
Finance, property, etc.	1 660	1 623	13.3%	
Govt, community and social services	2 716	2 468	30.7%	
Infrastructure services	1 753	1 876	1.9	
Total	13 364	12 445	100.0%	

4.7.2 JOB CREATION THROUGH EXTENDED PUBLIC WORKS PROGRAMME – TABLE: 35

Job creation through EPWP* projects				
Details	EPWP Projects	Number of jobs created through Municipality's LED initiatives including capital projects (EPWP, CWP)		
Capital Project	Technical	123		
CWP	Community Works Program	1 030		
EPWP	EPWP	99		

4.7.3 EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES – TABLE:36

Employees: Local Economic Development Services			
Job Level	2020/21		
	Number of Posts	Number of Employees	Number of Vacancies
0 - 3	1	1	0
4 - 6	3	1	1
7 - 9	1	1	0
Total	5	3	1

Totals should equate to those included in Chapter 4 total employee schedule. Employees and Posts numbers are as of 30 June.

*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

4.7.4 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLA
CES – TABLE:37

Economic Activity by Sector			
Financial Year	2018/19	2019/20	2020/21
Sector	Year - 2	Year - 1	Year 0
Agric, forestry and fishing	89	90	4%
Mining and quarrying	82	88	17%
Manufacturing	38	39	3%
Wholesale and retail trade	284	288	22%
Finance, property, etc.	594	602	22%
Govt, community and social services	84	84	20%
Infrastructure services	244	253	19
Total	1 415	1 444	129%

This component includes: community parks & open spaces, community halls, sports fields, grounds and courts, cemeteries & crematoria and libraries & archives and waste management services

4.8.1 INTRODUCTION TO SOCIAL AND COMMUNITY SERVICES

Two of the objects of local government as enshrined in Section 152 (1) (c) (d) of the Constitution of the RSA is:

- a. To promote social and economic development and
- b. To promote a safe and healthy environment.

Section 24 of the Constitution of RSA Chapter 2 (b) i, ii and iii of Bill of Rights mandate municipalities to protect the environment for the benefit of present and future generations, through reasonable measures that prevent pollution and ecological degradation, promote conservation, secure ecologically sustainable development and use of natural resources. In recognition of this Constitutional obligation, National Environmental Management: Protected Areas Act No 57 of 2003 and Biodiversity Act No 10 of 2004 was promulgated to provide for the protection and conservation of ecologically viable areas and biodiversity.

Some of the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 within the Constitution of RSA are as follows:

- a. Cemeteries and crematoria
- b. Local sports facilities
- c. Municipal parks and recreation
- d. Bela-Bela Local Municipality within the Social and Community Services department aims to improve the quality of life of its citizens by effectively and efficiently identifying, developing and delivering comprehensive programmes that provide safe, sustainable and aesthetically pleasing recreational parks, municipal buildings, community facilities, streetscape locations, road reserves/verges, sports facilities and cemeteries in accordance with acceptable management practices or standards.
- e. Provide the community with a dignified and responsive cemetery and memorialisation service and consistent maintenance in accordance with acceptable management practices or standards.
- f. promote effective and sustainable "Greening Initiatives."

4.8.2 CEMETERIES AND CREMATORIUM

- Bela-Bela local Municipality has Four cemeteries that are consistently maintained.
- Mokoena cemetery is closed and inactive. However, those who have previously booked conduct burials as and when funerals occur.
 - Masakhane cemetery is used by both communities of Masakhane and Pienaarstrivier.
 - Warmbaths cemetery is actively used by the community members from Bela-Bela Township, Muslim community, Town, Spa Park and Jinnah Park areas.
 - Luna street cemetery is inactive and currently closed. We confirm that the cemetery is currently maintained and situated next to the Municipal Main Building.

4.8.3 MAINTENANCE ACTIVITIES

Maintenance activities at the cemetery include the following:

- Clearing of space;
- Mowing, edging, and blowing grass;
- Herbicides application and Litter picking;
- Tree pruning;
- Digging of graves as per bookings.

Challenges

- Warmbaths cemetery is busy with a high rate of burials with an average of 432 burials on average per year. (Most deaths recently are due to the COVID-19 Pandemic);
- The paupers' burials (burial of unknown persons) requests from Sector Departments;
- The Municipality is gradually running out of burial space;
- Theft and vandalism of tombstones and ablution facilities;
- Rainy seasons leads to overgrowing of grass;
- Inadequate fleet and equipment.

Recommendations and interventions

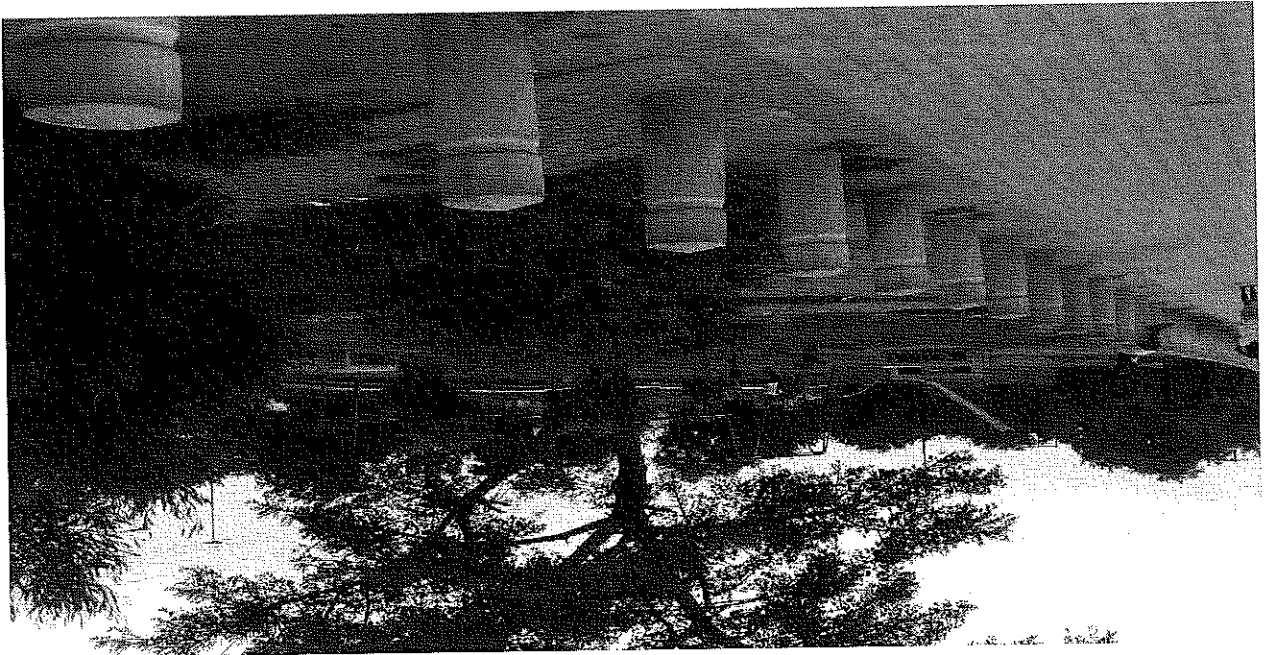
- Identification of land for the development of a new cemetery in Pienaarstrivier and Bela-Bela Township as matter of urgency;
- Security officers to be placed in all graveyards to curd theft and vandalism;
- Construction of a crematorium to be fast-tracked;
- Installation of high mast lights in all cemeteries which are solar operated.

4.8.4 PARKS AND RECREATIONAL FACILITIES

Municipal parks and recreational facilities are used and enjoyed by members of the community and members. The Municipality should emphasise measures to protect and preserve the natural vegetation of parks and recreational facilities to control the use and enjoyment by members of the community.

The Municipality maintained the following parks Mabusela Street park, Leseding Park, Bulbulia street park, Grobler street park, Miles Street park, Oosthuizen Street park, Wood Packer (Town) park.

The Municipality had an obligation of taking care of the parks and hereunder are scheduled maintenance activities: Cutting and mowing of grass; Irrigation; Weed control; Litter picking; Pruning of trees; Laying of soil/compost/fertilizers.



Madiba Park

Lethabile Park



Ext 6 & 7 Park



- a) Spa Pak Community Hall
- b) Jinnah Park Community hall
- c) Bela-Bela Community Hall
- d) Multi-Purpose Center
- e) Plenarsrevier Community Hall

The Municipality has and maintained the following 5 Community Halls:

Bela-Bela Municipality rents out the community halls to the community as part of revenue collection. Community halls are booked for various events such as funerals, wedding, church services, political gatherings and any other event that meet the municipal policy concerning bookings. However, the Municipality uses this venue for its meetings and other government stakeholders are allowed to use these public facilities.

4.8.5 COMMUNITY HALLS

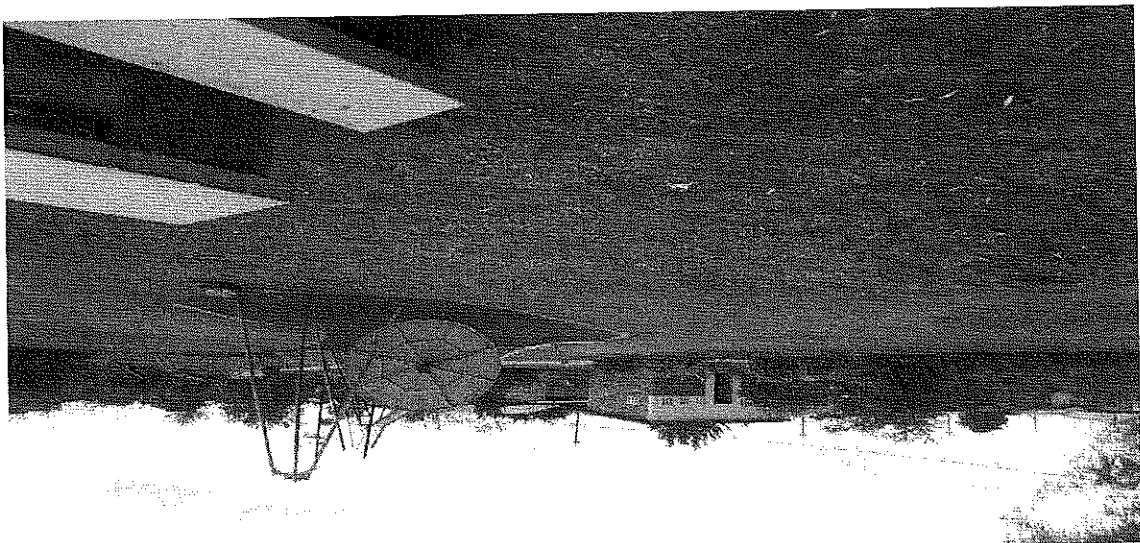
- a) Installation of the security fence in all parks;
- b) Installation Access control gates;
- c) Installation of a functioning system to transport greywater to the identified facilities.

Recommendations

- a) Most of our parks are not secured as a result their amenities are vandalised as people have unfettered access to the parks
- b) Trees and plants are stolen from the parks
- c) Water restrictions because of drought which leads to incapacity to irrigate

Challenges

Plenarsrevier

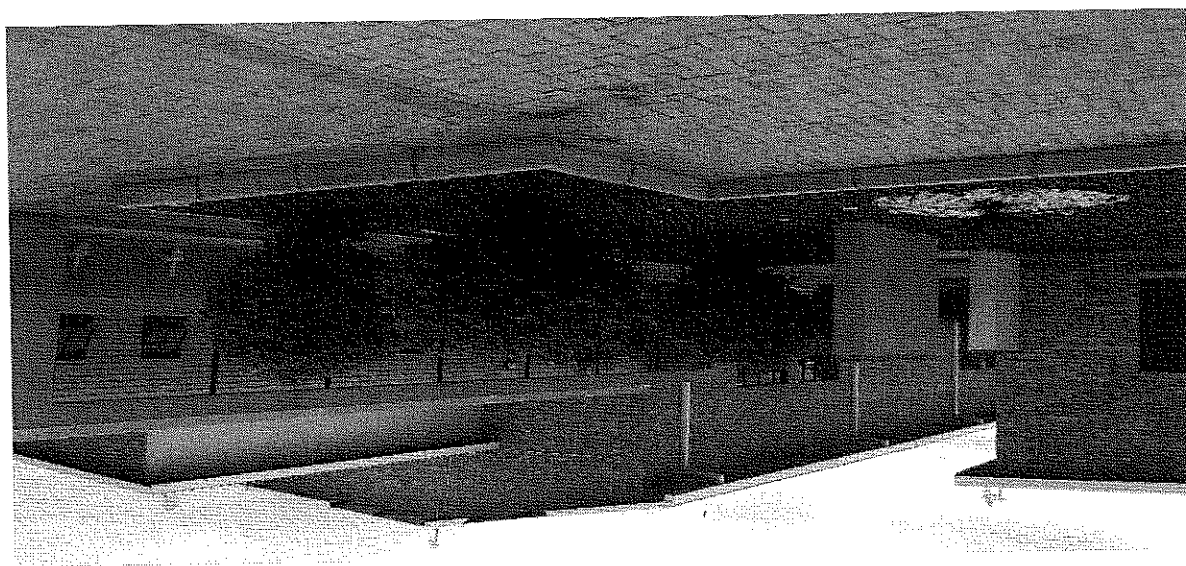


function.

hence the delays and or non-adherence to the maintenance schedule which also lead to the outsourcing of the The Municipality is currently depending on one grader to maintain both Roads and Municipal Sports Fields maintaining the sports fields, however, there is a challenge of insufficient cleaning machinery such as Graders. and two with lawn pitches. Furthermore, it should be noted that the Municipality has the responsibility of Concerning the Bela-Bela Sports Fields, it should be noted that seven of the ten are just ground sports fields Rapotokwane, Moloto & Spa Park)

Bela-Bela high, SUNFA, Ext 6, Ext 8, Ponto, Khabele A, Khabele B, Masakhane A, Masakhane B, Pienaarsrivier, The Municipality has and maintained 13 Sports facilities

4.8.6 SPORTS FIELDS, GROUNDS AND COURTS



Multi-Purpose Center

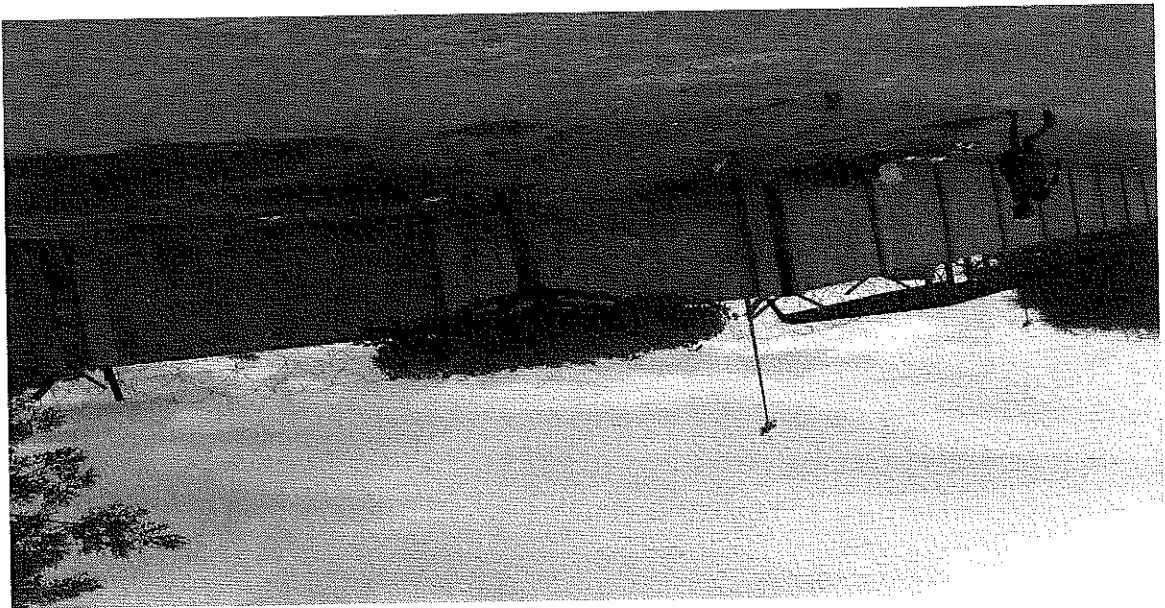
Scheduled maintenance activities:

- a) Cleaning of the hall
- b) Litter picking
- c) Cutting of grass outside and the surrounding

Scheduled maintenance activities are:

- a) Cutting of lawn;
- b) Cutting of grass of surrounding areas;
- c) Litter control;
- d) Weed control;
- e) Line markings with lime;
- f) Irrigation;
- g) Laying of soil/compost/fertilizers and
- h) Grading of sports grounds

Bela - Bela High Sports Field



4.8.7 COMMUNITY FACILITIES – TABLE: 38

Community Facilities Objectives Taken From IDP									
Service Objectives	Service Indicators	OUTPUT	2018/19	2019/20	2020/21				
						Target	Actual	Target	Actual
Community Halls	Maintenance of	Cleaning of 5 Com Hall	6	11	11	5	5	5	5
Parks	Maintenance of	Parks	6	11	11	5	5	5	5
Sports Fields	Maintenance of	Maintain 10 sports grounds	14	14	13	5	5	13	13
Cemeteries	Maintenance of	Cemeteries	4	4	4	5	5	4	4

4.9 INTRODUCTION TO WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANSING AND RECYCLING

Section 24(Chapter 2) of the Constitution indicates that everyone has the right to have an environment that is not harmful to his or her health and to have the environment protected for the benefit of present and future generations through reasonable legislative and other measures that :

prevent pollution and ecological degradation;

promote conservation, and Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

Based on the Constitution National Environmental Management Act (NEMA) 107 of 1998 came to effect with the objective to:

protect health, wellbeing and the environment by providing reasonable measures for-

Minimising the consumption of natural resources.

Avoiding and minimising the generation of waste

Reducing, reusing, recycling and recovering waste.

Treating and safely disposing of waste as a last resort.

Preventing pollution and ecological degradation.

Securing ecologically sustainable development while promoting justifiable economic and social development.

Promoting and ensuring the effective delivery of waste services.

Remediating land where contamination presents or may present a significant risk of harm to health or the environment and

Achieving integrated waste management reporting and planning.

To ensure that people are aware of the impact of waste on their health, well-being and the environment.

To provide for compliance with the measures set out.

Generally, it gives effect to section 24 of the constitution to secure an environment that is not harmful to health and well-being.

The Municipality has an approved Integrated Waste Management Plan (IWMP), currently under review which has an optimum approach to waste management planning in terms of the resources allocation, time scheduling achievable targets and allocation of responsibilities.

The overall objective of this IWMP is to reduce the generation of waste and the environmental impact of all forms of waste, thereby ensuring sound socio-economic development, a healthy population and that the quality of environmental resources is no longer adversely affected by uncontrolled and uncoordinated waste management. The internationally accepted waste hierarchy approach for waste avoidance/reduction, reuse, recovery, treatment and disposal is adopted in the strategy.

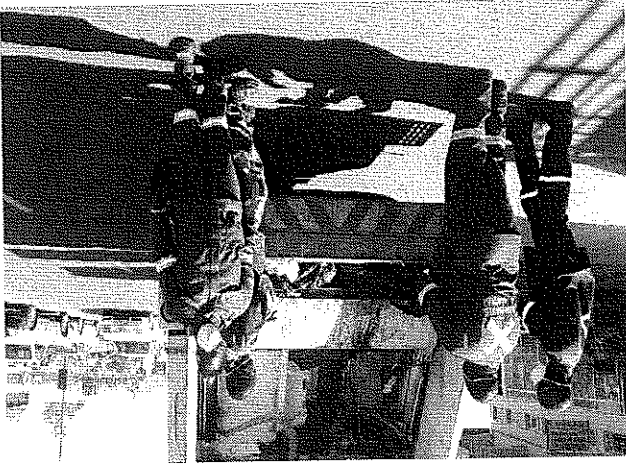
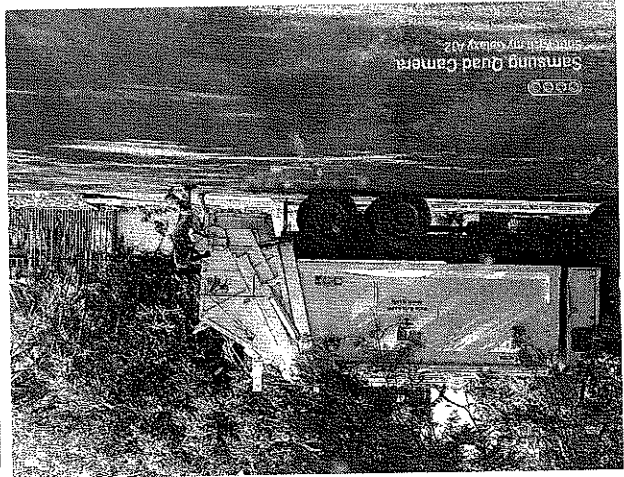
The Municipality is offering efficient curbside collection programs for recyclables and engaging community participation, recycling programs also contribute to the overall wellbeing of a community. The amount of waste being sent to landfills can both be reduced

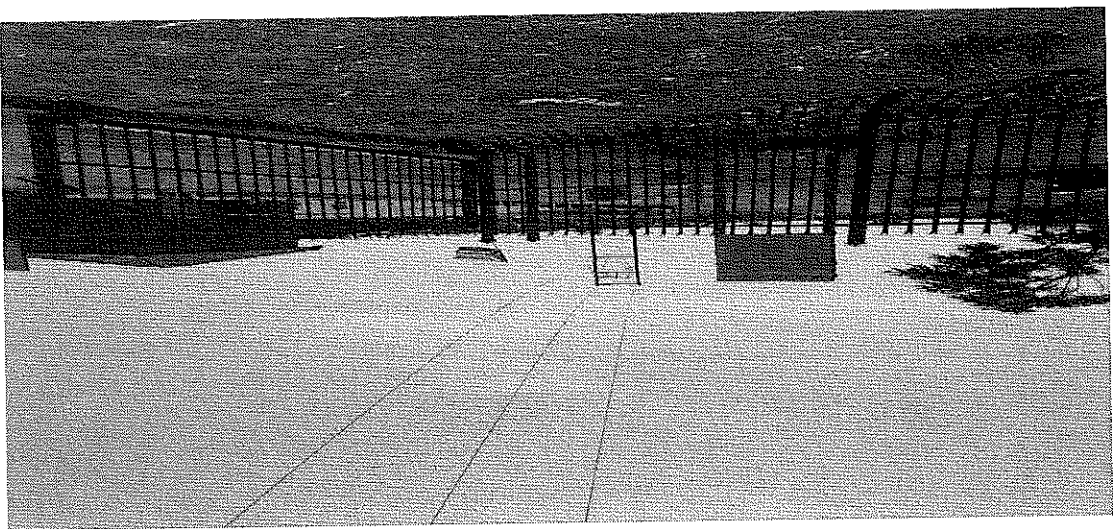
The saying that one men's trash is another men's treasure couldn't be true than in the case of recycling, these days there are growing opportunities for communities to earn money by selling their recyclable or their already recycled materials such as papers, plastic bottles and cans. With communities earning money and companies saving money, this is a recycling win-win.

4.9.1 WASTE AND REFUSE REMOVAL ACHIEVEMENTS:

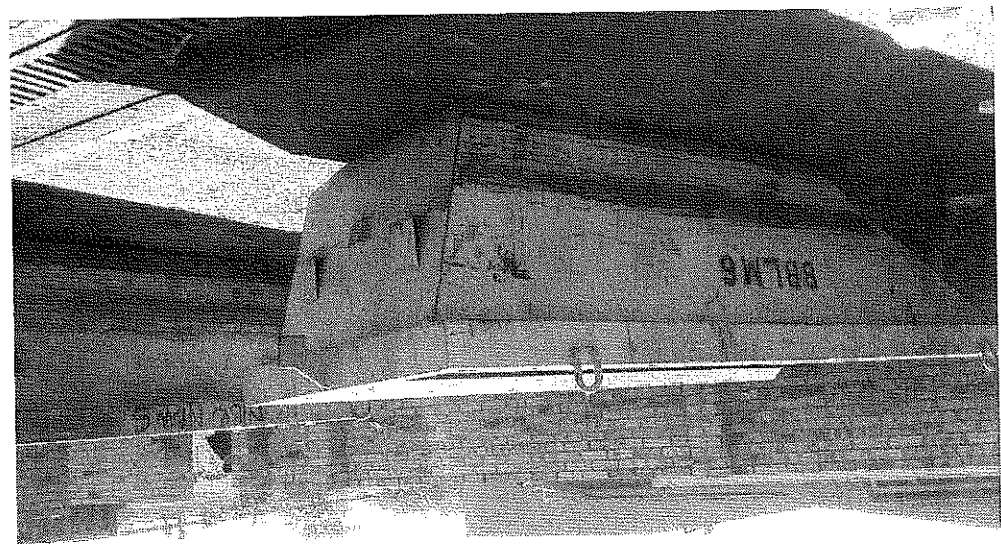
To comply with the requirements of Section 24 of the 1996 Constitution of Republic of South Africa, (NEMA) 107 of 1998 and Bela Local Municipality approved Integrated Waste Management Plan, which highlighted all the pivotal areas where the Municipality is responsible for Waste Management. During the 2020/2021 financial year, the Municipality collected waste from all formal settlements once per week per household which was at (Bela-Bela Town, Bela-Bela Township, Pienaarsrivier and Masakhane). The collection of waste was also done twice per week in business areas. Furthermore, it should be noted that apart from the collection of waste in the formalised areas, the Municipality could not ignore the informal settlements. The collection of waste was further extended to informal settlements through emptying of Mass Refuse Containers placed in different areas of the informal settlements. The Waste collection service in informal settlements covered Zuma, Koppewaal and Ext 8 & 9.

4.9.2 KERBSIDE COLLECTION BY COMPACTOR TRUCK

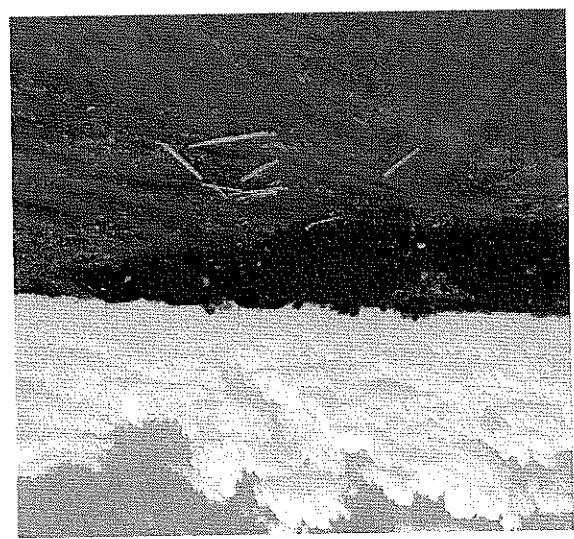
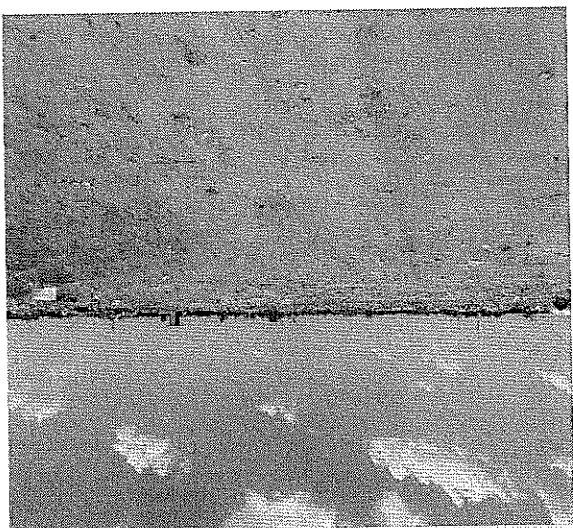




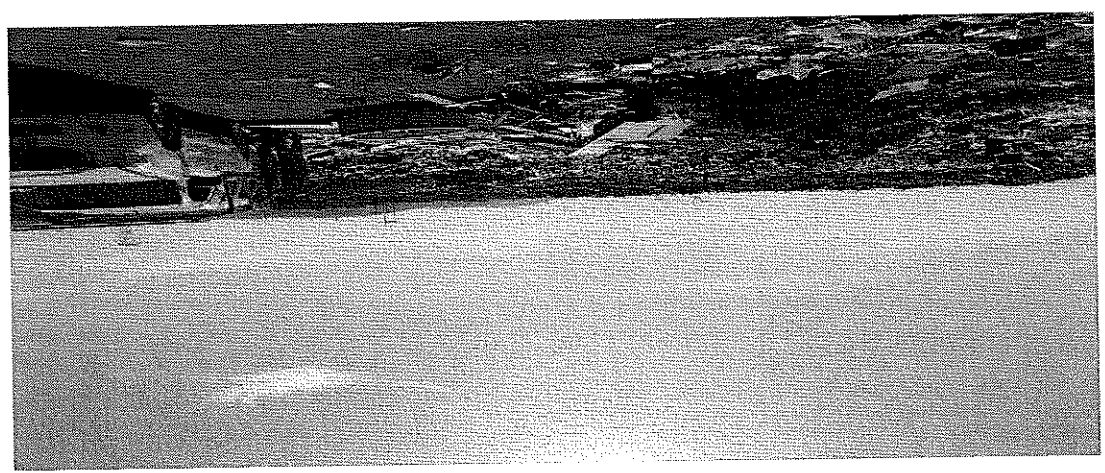
4.9.4 LANDFILL SITE ENTRANCE



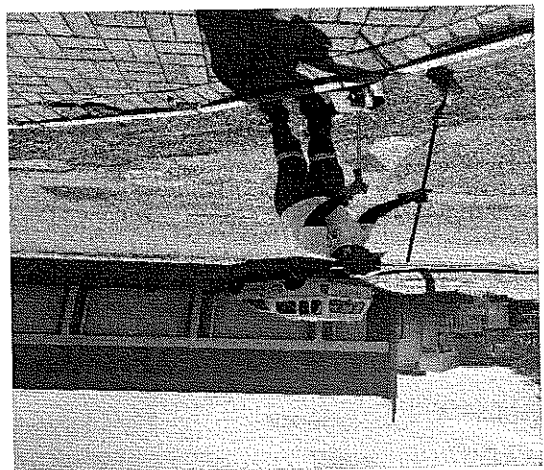
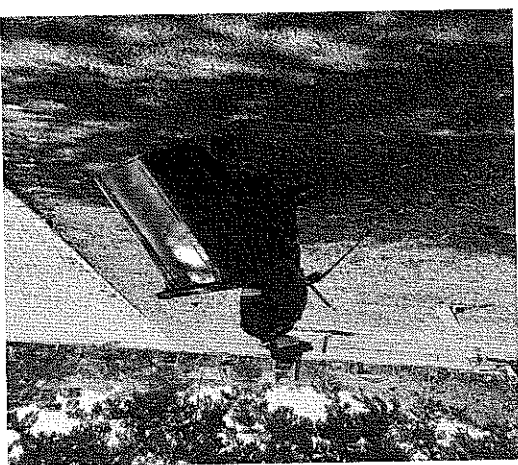
4.9.3 MASS REFUSE CONTAINERS AT PICK N PAY(BOSVELD MALL)



4.9.6 LANDFILL DISPOSAL AREA (AFTER)



4.9.5 LANDFILL DISPOSAL AREA (BEFORE)



4.9.8 ILLEGAL DUMPING SITES

Due to the mushrooming of informal settlements in the municipal area, the Municipality is faced with the challenge of illegal dumping in some areas. For the Municipality to comply with the provisions of Section 24 of the Constitution of RSA the Municipality cleared the illegal dumping areas bi-weekly.

4.9.9 ENVIRONMENTAL AWARENESS CAMPAIGNS

The Municipality conducted 4 community awareness campaigns. Due to the COVID 19 outbreak restrictions, physical interaction with communities could not take place, therefore the Municipality came with a strategy of conducting awareness campaigns through social media, by writing media statements and posting them on the municipal Facebook page and also on the municipal website.

4.9.10 WASTE MANAGEMENT AWARENESS CAMPAIGNS (WASTE MANAGEMENT)

An awareness campaign was conducted to educate the community on waste management. The Municipality was concerned about the alarming rate at which household waste is disposed of by the public and littering resulting in illegal dumping areas in the township and some parts of town. Such behaviour has a negative long term environmental impact and also portrays a bad image of the town. The awareness campaign was conducted using media statements (facebook and the Municipal website), Municipalities statement of account and pamphlets.

(a) Prevention of pollution and geological degradation.

(b) Prevention of pollution and geological degradation.

(c) Prevention of pollution and geological degradation.

(d) Prevention of pollution and geological degradation.

(e) Prevention of pollution and geological degradation.

(f) Prevention of pollution and geological degradation.

(g) Prevention of pollution and geological degradation.

(h) Prevention of pollution and geological degradation.

(i) Prevention of pollution and geological degradation.

(j) Prevention of pollution and geological degradation.

(k) Prevention of pollution and geological degradation.

(l) Prevention of pollution and geological degradation.

(m) Prevention of pollution and geological degradation.

(n) Prevention of pollution and geological degradation.

(o) Prevention of pollution and geological degradation.

(p) Prevention of pollution and geological degradation.

(q) Prevention of pollution and geological degradation.

(r) Prevention of pollution and geological degradation.

(s) Prevention of pollution and geological degradation.

(t) Prevention of pollution and geological degradation.

(u) Prevention of pollution and geological degradation.

(v) Prevention of pollution and geological degradation.

(w) Prevention of pollution and geological degradation.

(x) Prevention of pollution and geological degradation.

(y) Prevention of pollution and geological degradation.

(z) Prevention of pollution and geological degradation.

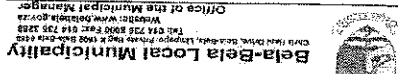
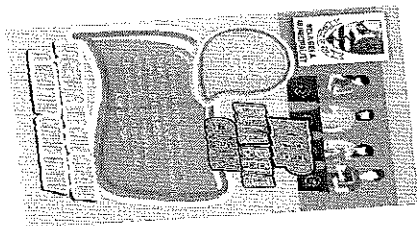
An Environmental awareness campaign was conducted to educate the community on recycling. The awareness campaign was aimed at encouraging members of the community to recycle their waste. Recycling has long term benefit which includes a clean environment and will further reduce the amount of waste sent to the landfill. The awareness campaign was conducted using media statements (facebook and the Municipal website), Municipalities statement of account and pamphlets.



4.9.12 ENVIRONMENTAL AWARENESS CAMPAIGN (ILLEGAL DUMPING SITES)

An Environmental awareness campaign was conducted to educate the community on illegal dumping sites. The awareness campaign was aimed at making the public aware of the land, water and soil pollution caused by illegal dumping sites. Illegal dumping materials also contain toxic substances like sharp objects, white goods, nappies, contaminated medical waste, asbestos and tires, which may pose serious health and safety risks to the community members, especially children. The members of the community were also encouraged to practice the three R's which are Reduce, Reuse and Recycle. The awareness campaign was conducted using media statements through (facebook and the Municipal website), Municipality's statement of account and pamphlets.

Page 1 of 2



Office of the Municipal Manager
Bela-Bela Local Municipality

For immediate release
To: All Media Houses
Date: 24 March 2020

ILLEGAL WASTE DUMPING AWARENESS
Land, water, soil and air pollution is the single greatest environmental threat to our health and well-being. The community and non-indigenous communities in the area must be educated on the dangers of illegal dumping and the importance of proper waste disposal.

Illegal dumping is the act of disposing of waste in an unauthorized area. This includes dumping household waste, commercial waste, and industrial waste. The community is urged to report any illegal dumping to the Municipality.

The Municipality has a number of initiatives in place to reduce illegal dumping. These include the installation of recycling bins, the provision of recycling information, and the implementation of recycling programs.

The Municipality is committed to reducing illegal dumping and promoting proper waste disposal. The community is urged to support these initiatives and to report any illegal dumping to the Municipality.

For more information, please contact the Municipality's Environmental Services Department. The contact details are provided on the back of this pamphlet.

Thank you for your cooperation in keeping our community clean and healthy.

4.9.13 ENVIRONMENTAL AWARENESS CAMPAIGN (BURNING OF SCRAP TIRES)

An Environmental awareness campaign was conducted to educate the community on the burning of scrap tires. The awareness campaign was aimed at making the public aware of the dangers of burning old tyres as this can have a long term effect on the environment which are land, water and soil pollution and also causing health problems which include respiratory problems. The community was encouraged to practice scrap tire management practice which involves reducing, reusing, recycle and proper disposal. The awareness campaign was conducted using media statements (facebook and the Municipal website), Municipality's statement of account and pamphlets.

In cognizance of the challenges of a high rate of unemployment, the Municipality came up with waste management initiatives whereby the community can make use of recyclable material to create commodities that can be sold to make money and support their own families or create jobs for other community members

The Municipality had developed a complaints management register. The Municipality registered all complaints received from community members and other stakeholders as well as all complaints identified by municipal officials. All complaints reported in either way were attended to within 48 hours upon receipt.

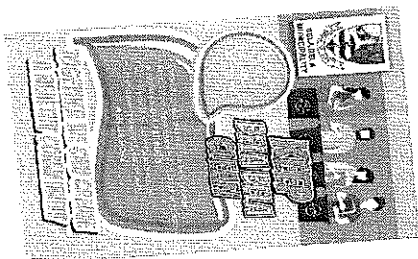
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OPEN BURNING OF OLD TIRES A HAZARD TO SOCIETY

To : All Media Houses
Date : 22 June 2021

MEDIA STATEMENT

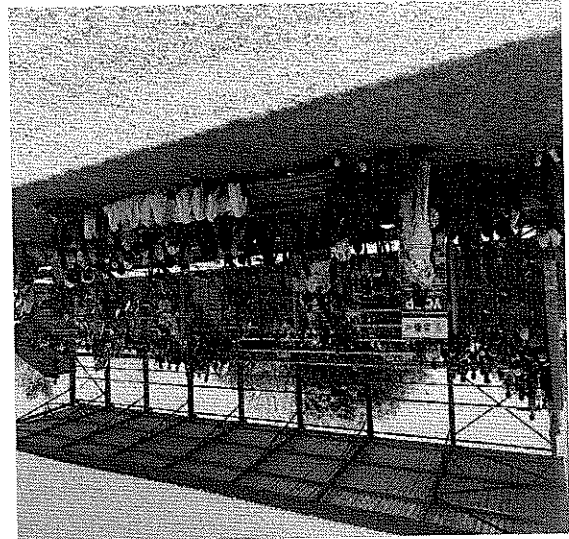
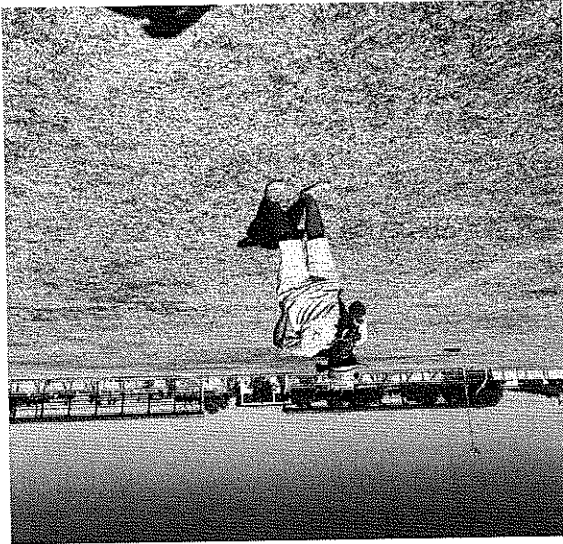
Municipality
 •Belle L'Impora, Privada Eng X 1609 Barb-Sala 0105
 Tel: 014-730 8200 Fax: 014-736 3266
 Website: www.bellelavora.gov.xm
 Office of the Municipal Manager



compose edutainment activities on several activities as a way of enhancing the support to be given to the recycling activities in the municipal era.

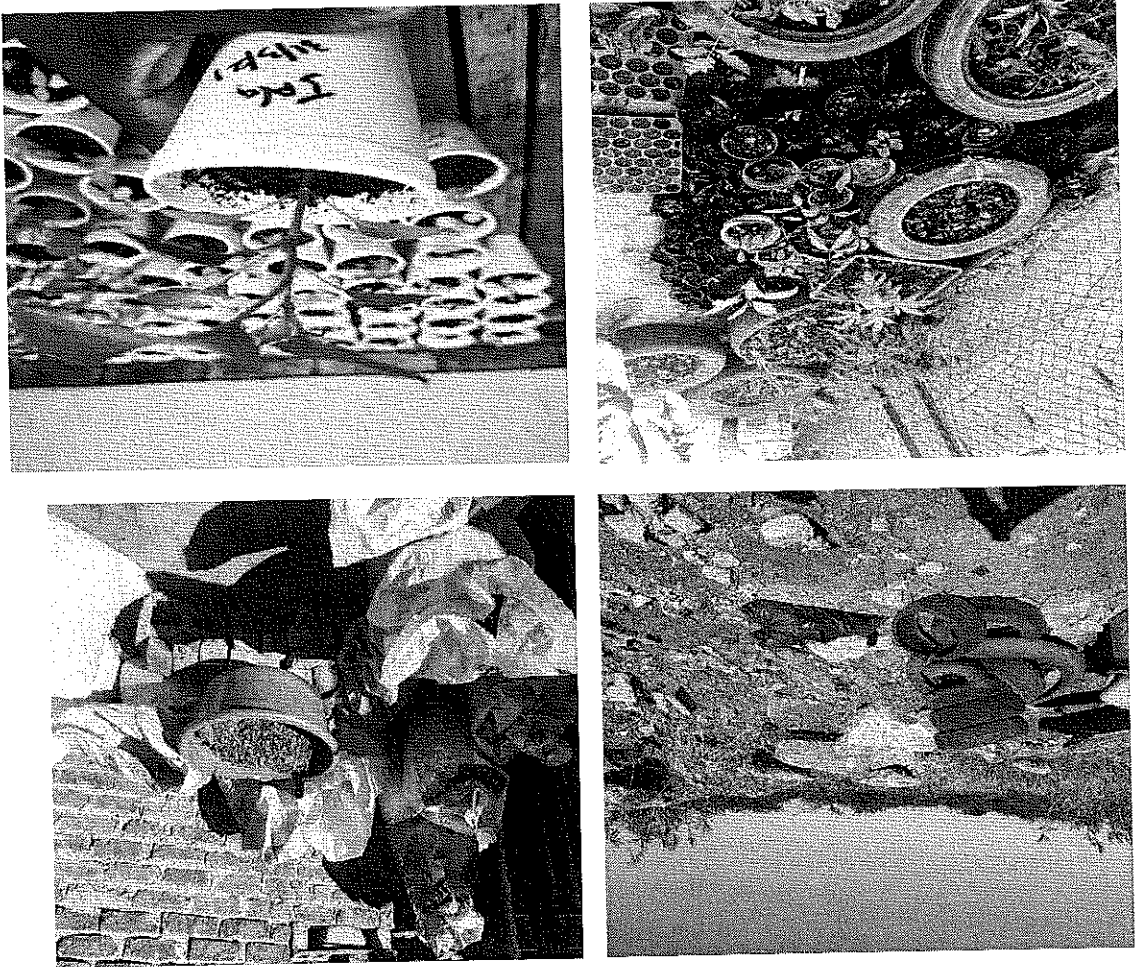
Namely:-

- To incorporate the recycling activities in the school curriculum
- To emphasise the importance of school environmental management
- To participate in school recycling initiatives



4.9.17 WASTE MANAGEMENT INITIATIVES (TYRE RECYCLING INITIATIVE)

A community member based in Bela-Bela Township has come up with waste minimization and recycling initiative by starting a food garden project using old scrap tyres and disposable cups. Because there is no land for this community member, he is using his backyard for the food garden. This waste management initiative assists the Municipality in ensuring that tyres are not being disposed of in the landfill site as they fall under hazardous waste material. He collects scrap tyres from the landfill site and disposable cups from formal food establishments and reuses these materials for planting vegetable crops. He also uses animal waste as manure to grow the plants inside the scrap tyres and the disposable cups. Once the crops have grown and are ready, he sells them to the community. Below are the pictures of the project:



4.9.18 CHALLENGES

The Municipality is experiencing an increase in the number of illegal dumping areas. There is also a shortage of mass refuse containers to be used at illegal dumps and for rental to businesses and to the community.

The Municipality has only 1 permitted landfill site which has a lifespan of 6 years remaining, furthermore the landfill site is not accessible during rainy days. With regard to waste collection, it should be noted that most households are using 85l waste bins which are not able to handle the amount of waste generated. Other households use receptacles without handles (e.g. bathtubs and buckets) which pose danger to workers

Due to the new demarcation of boundaries conducted during the 2005/2006 financial year Rapotokwane (Kwa – Litho) was transferred from Mpumalanga province to Limpopo Province within Bela-Bela municipal jurisdiction. Rapotokwane is a rural area situated about 80km from the Bela-Bela landfill site and is currently not serviced in terms of waste management.

Absence of a recycling infrastructure will enable separation of waste at source and diversion of waste streams to material recovery and buy back facilities.

A growing population and economy, which means increased volumes of waste generated. This puts pressure on waste management facilities, which are already in short supply.

4.9.19 SOLID WASTE SERVICE DELIVERY – TABLE:39

Solid Waste Service Delivery Levels				
Description	Actual	Actual	Actual	No.
	No.	No.	No.	No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	10005	9779	9189	9294
Minimum Service Level and Above sub-total	10005	9779	9189	9294

Households - Solid Waste Service Delivery Levels below the minimum					
Description	2016/17	2017/18	201/19	2020/21	
	Actual	Actual	Actual	Original	Adjusted
Formal Settlements					
Total households	0	0	0	0	0
Households below minimum service level					
The proportion of households below minimum	%	%	%	%	%

- TABLE 40

4.9.20 HOUSEHOLDS - SOLID WASTE SERVICE DELIVERY LEVELS BELOW THE MINIMUM

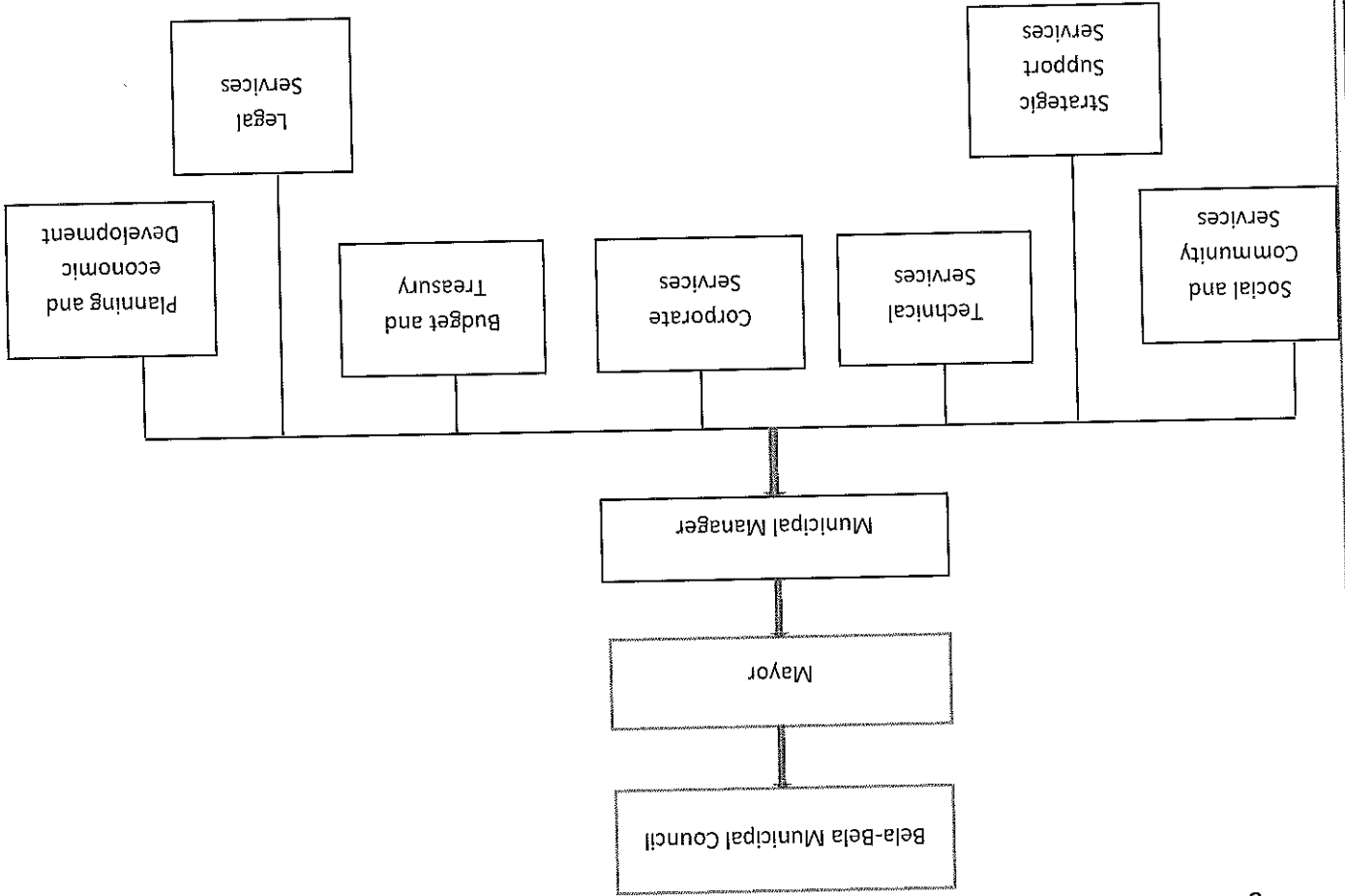
Minimum Service Level and Above percentage	100%	100%	100%	100%
Solid Waste Removal: (Below minimum level)	0	0	0	0
Removed less frequently than once a week	0	0	0	0
Using communal refuse dump	0	0	0	0
Using own refuse dump	0	0	0	0
Other rubbish disposal	0	0	0	0
No rubbish disposal	0	0	0	0
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level percentage	0%	0%	0%	0%
Total number of households	10005	9779	9189	9294

[illegible]

5. INTRODUCTION ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality had a staff complement of 370 as provided in the revised Organogram. The municipal organogram makes provision for a Municipal Manager, five Senior Managers (Head of Departments), and three additional Managers which is the Manager Legal Services, Manager PMU and Manager Strategic Support Services. Furthermore, the organogram also make provision for 21 Middle Managers (Divisional Heads)

Figure: 1



S.1 INTRODUCTION TO THE MUNICIPAL PERSONNEL

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Section 66 of the MSA, requires the Municipality through the Office of the Municipal Manager within the Policy Framework as determined by the Municipal Council subject to any applicable legislation to develop a staff establishment for the Municipality which subsequently led to the appointment of personnel as per the Council approved organizational structure. It is in light of the above that the Municipality managed to appoint 346 permanent staff members and 10 contract employees during the 2020/2021 financial year. It should further be noted that although most posts were advertised in an attempt to reduce the vacancy rate some of the positions could not be filled due to financial constraints. The tables below provide details of employee totals, vacancy rate and staff turnover.

5.1.1 TOTAL NUMBER OF EMPLOYEES – TABLE:41

Employees					
Description	2020/2021	Approved Posts	Approved Employees	No.	%
Water	49	60	33	27	45%
Waste Water (Sanitation)	47	45	27	18	40%
Electricity	59	63	32	31	49.2%

Employees					
Description	2020/2021	Approved Posts	Approved Posts	Appointed Employees	Variance 2020/2021
	No.	No.	No.	No.	%
Waste Management	79	80	42	38	47.5%
Housing	11	11	3	8	73%
Waste Water (Storm Water Drainage)	24	27	12	15	55.5%
Roads	25	25	10	15	60%
Transport/Fleet Management	6	9	5	4	44.4%
Planning	11	13	5	8	61.5%
Local Economic Development	7	8	4	4	50%
Planning (Strategic & Regulatory)	11	2	2	0	0%
Community & Social Services	7	2	1	1	50%

VACANCY RATE 2020/2021			
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using full-time equivalents)	No.
Municipal Manager	1		1

5.1.2 VACANCY RATE – TABLE: 42

Employees						
Description	2020/2021	Approved Posts	Approved Posts	Appointed Employees	Variance 2020/2021	Variance 2020/2021
Totals	622	634	370	264	42%	
Corporate, Budget, MM, Audit and Other	166	167	111	56	33.5%	
Parks, Sport and Recreation	79	79	50	29	36.7%	
Protection & Emergency	41	43	33	10	23	
	No.	No.	No.	No.	%	

VACANCY RATE 2020/2021			
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using full-time equivalents)	
CFO	1	0	
Firefighters	Function of WDM	Function of WDM	
Other Management: Levels 1-3 (excluding Finance Posts)	39	6	
Senior Management: Levels 1-3 (Finance posts)	14	5	
Highly Skilled Supervision: Levels 4-6 (excluding Finance posts)	82	39	
Highly Skilled Supervision: Levels 4-6 (Finance posts)	23	11	
Total	160	61	
Total	160	61	

No	Policy Name	Status
1	Recruitment and Selection Policy	Approved
2	Staff Retention Policy	Approved
3	Overtime Policy	Approved
4	Training Policy	Approved
5	HIV AIDS Policy	Approved

During the 2020/2021 financial year, the Municipality had 23 terminations of services. The terminations were due to the following reasons: 9 reached retirement age 9 death cases and 5 resignations.

5.1.5 APPROVED POLICIES – TABLE: 44

During the 2020/2021 financial year, the Municipality had 23 terminations of services. The terminations were due to the following reasons: 9 reached retirement age 9 death cases and 5 resignations.

5.1.4 COMMENT ON VACANCIES AND TURNOVER:

Turn-over Rate			
Details	Total appointments as of beginning of financial year	Terminations during the financial year	Turn-over Rate%
	No.	No.	
2020/2021	389	23	5.9 %

5.1.3 TURNOVER RATE – TABLE: 43

No	Policy Name	Status
6	Occupational Health and Safety Policy	Approved
7	Code of Conduct	Approved
8	Travelling Allowance Policy	Approved
9	Stand-by Allowance	Approved
10	Cell phone Allowance	Approved
11	Dress Code Policy	Approved
12	Bereavement Policy	Approved
13	Employment Equity	Approved
14	Disciplinary Code and Procedure Policy	Approved
15	Long service Recognition Policy	Approved
16	Scarce Skills Policy	Approved
17	EAP Policy	Approved

5.1.6 INJURY ON DUTY AND SICK LEAVES

Bela-Bela Local Municipality developed and approved the Occupational Health and Safety Policy as guided by the provisions of the OHS Act No 85 of 1993. The policy is aimed at giving effect to the provisions of the OHS Act which requires the Municipality to ensure that all employees and other people who are in any of the premises of the Municipality are safe and the environment is conducive for employees to perform their duties. Although there are policies in place, it should be noted that no institution is risk-free hence always striving to mitigate and prevent the risks. With all the efforts of avoiding risks, there are some accidents such as injuries

occurring while performing official duties. Table 45 below depicts the details of the injuries that occurred during the financial year under review:

5.1.7 NUMBER AND COST OF INJURIES ON DUTY 2020/2021 – TABLE:45

Number and Cost of Injuries on Duty 2020/2021						
Type of injury	Injury	Days	No.	%	Average injury leave taken per employee	Average injury leave per employee
	Leave Taken					Cost
Required basic medical attention only	0	0	0	0	0	0
Temporary total disablement	250	1		67.5%	0.67	R 196 515.00
Permanent disablement	0	0	0	0	0	0
Fatal	0	0	0	0	0	0
Total	250	0		67.5%	0.67	R 196 515.00
Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	The proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	* Average sick leave per Employee	Estimated cost

5.1.9 NUMBER OF DISCIPLINARY / MISCONDUCT CASES AND STATUS – TABLE:46

No:	Number of Employees	NATURE OF THE ALLEGED MISCONDUCT	DATE OF SUSPENSION	DETAILS OF THE DISCIPLINARY HEARING: STATUS OF THE CASE	DATE FINALISED
1.	3	Fraud & Corruption	05 February 2020	All matters Finalized	October 2020
2.	3	Gross negligence and failure to perform tasks and responsibilities diligently	One official was not suspended however was charged and two suspended on: 19 February 2020	Two matters not finalized and one was closed on the 26 th August 2020 due to the passing the affected employee	Two is on going
3.	7	Incitement	March 2021	Matter not finalized	N/A

5.1.10 COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

The Municipality adheres strictly to the provisions of the Disciplinary Code, the Collective Agreement and the Labour Relations Act 66 of 1995. The table above depicts only the disciplinary case in place for the year 2020/2021 financial year.

5.2 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68 (1) of the Local Government Municipal System Act No: 32 of 2000, requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way. For the Municipality to comply with the above-mentioned act, the Municipality had developed the 2020/2021 Work Skills Plan (WSP) which was submitted to the Local Government Sector Education Training Authority (LGSETA). The Municipality implements its WSP throughout the year to ensure workforce capacity development. Though the Municipality is required to train its employees and councillors, the Municipality has also focused on initiating training of community members

through different groups. The table below depicts the details of training programmes offered during the financial year under review.

5.2.1 SKILLS MATRIX –TABLE: 47

SKILLS MATRIX											
Management level	Gender	Number of skilled employees trained by 30 June 2021									
		Learnership		Skills programmes & another short course		Other forms of training					
		Actual 30 June 2021	Target	Actual 30 June 2021	Target	Actual 30 June 2021	Target				
Mayor and Councilors	Female	1	6	0	7	0	0	Males	2	10	0
	Female	0	2	0	2	0	0	Males	0	0	0
	Female	0	0	0	1	0	0	Technicians and trade workers	0	0	0
	Female	0	2	0	5	0	0	Technicians and trade workers	0	0	0
Professionals	Males	0	3	0	1	0	0	Professionals	0	0	0
	Males	0	2	0	1	0	0	Professionals	0	0	0
	Males	0	0	0	8	0	0	Community	0	0	0
	Males	0	0	0	11	0	0	Community	0	0	0

SKILLS MATRIX												
Management level	Gender	Number of skilled employees trained by 30 June 2021						Learnership	Skills programmes & another short course	Other forms of training		
		Actual 30 June 2021	Target	Actual 30 June 2021	Target	Actual 30 June 2021	Target					
and personal service workers	Males	0	0	3	14	0	0				0	
	Females	6	6	0	10	0	0				0	
	Males	4	4	0	7	0	0				0	
	Females	0	4	0	0	0	0				0	
Clerical and administrative workers	Males	4	4	0	7	0	0				0	
	Females	0	0	0	0	0	0				0	
Machine Operators and Drivers	Males	0	36	0	3	0	0				0	
	Females	0	4	0	0	0	0				0	
	Males	0	0	0	0	0	0				0	
	Females	0	0	0	2	0	0				0	
Skilled Agricultural, Forestry, Craft and Related Trades Workers	Males	0	0	0	11	0	0				0	
	Females	0	0	0	42	0	0				0	
Elementary Occupations	Males	0	27	0	55	0	0				0	
	Females	0	22	0	42	0	0				0	

The purpose of Information and Communication Technology (ICT) is to enable the Public Service in its service delivery quest. The ICT House of Values depicts the values and key focus areas of ICT service delivery. These objectives, principles, values and key focus areas inform the acquisition, management and use of ICT. ICT Governance is one of the key performance areas as indicated in the 2020/2021 Bela-Bela Municipality's SDBIP. This accountability enables the institution to align the delivery of ICT services with the strategic and business goals of the Institution.

During 2020/2021 Financial Year (FY), Bela-Bela Local Municipality ICT division has conducted ICT Steering committee meetings to ensure effective and efficient management of ICT resources and processes to facilitate the achievement of Municipal goals and objectives as stipulated in the Municipal Finance Management Act (MFMA) No 56 of 2003. The table below depicts details of Steering Committee meetings held during 2020/2021 FY.

5.3 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

SKILLS MATRIX												
Management level	Gender	Number of skilled employees trained by 30 June 2021				Learnership	Skills programmes & another short course	Other forms of training	Total Trained as 30 June 2021			
		Actual 30 June 2021		Target					Actual 30 June 2021		Target	
		Actual 30 June 2021		Target					Actual 30 June 2021		Target	
		Actual 30 June 2021		Target					Actual 30 June 2021		Target	
		Actual 30 June 2021		Target					Actual 30 June 2021		Target	
Males		Females		Total Trained as 30 June 2021		Males		Females		Total Trained as 30 June 2021		
9		8										

5.3.1 ICT STEERING COMMITTEE MEETINGS – TABLE:48

ICT STEERING COMMITTEE MEETINGS WERE HELD AS FOLLOWS:	
DATE	VENUE
30 September 2020	Virtual Zoom
15 November 2020	Virtual Zoom
15 February 2021	Virtual Zoom
21 June 2021	Virtual Zoom

The Information Communication and Technology (ICT) Governance Framework guides the organizational accountability and responsibilities concerning the ICT functions and its operations as per the Corporate Governance of ICT Policy Framework and the Public Service Act. The ICT Division has the responsibility to develop, implement and review ICT policies to comply with the ICT Governance Framework and Standards Procedures and to adapt to the technological changes of the ICT infrastructure.

The lack of an ICT governance framework can result in a fragmented approach to the implementation and adherence to policies, standards and unlocking the value that ICT could contribute to business enablement, hence it is of vital importance to continuously develop and review policies that will give effect to different pieces of legislation guiding the usage of ICT in the Public Sector inclusive of Municipalities. It is in light of the above that Bela-Bela Local Municipality developed and reviewed its ICT Policies. Below are the details of the ICT Policies developed, reviewed and approved by the Municipal Council for implementation during the financial year under review (2020/2021 FY).

ICT Helpdesk Procedure Policy
 ICT Patch Management Policy
 ICT Management Framework

ICT Charter
 ICT Continuity Management
 ICT Disaster Recovery Policy
 ICT Usage
 ICT Change Management Policy

5.3.1.1 WEBSITES

Section 21B of the Local Government Municipal Systems Act (MSA) No 32 of 2000 requires Municipalities to establish official Municipal Website depending on its affordability, the Municipality is further expected to place on the Municipal Website information required to be made public in terms of the MSA and the Local Government Municipal Finance Management Act (MFMA) No 56 of 2003

Municipal Website: Content and Currency on Material	
Documents published on the Municipality's Website	Yes/No
Current annual and adjustments budget and all budget-related documents	Y
All current budget-related policies	Y
The previous Annual Report (2020/2021)	Y
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act no 32 of 2000	Y
All service delivery agreements 2020/2021	N/A
All long term borrowing contracts 2020/2021	N/A
All supply chain management contracts above a prescribed value give the value for 2020/2021 FY	N/A
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 2020/2021 FY	Y

In terms of Section 67 (1) (a)-(k) of the Local Government Municipal Systems Act (MSA) No 32 of 2000, human resource development must ensure fair, efficient, effective and transparent personnel administration amongst others –

a) *The recruitment, selection and appointment of persons as staff members,*
b) *Service conditions of staff*

In terms of the section stated above and Section 66 of the MSA No 32 of 2000, the Municipal Manager established the ICT Division and appointed staff thereof, and further determined the conditions of service. The table below depicts the details of the Human Resource statics for the ICT Division.

5.3.2 ICT HUMAN RESOURCE STATISTICS

In terms of Section 75 of the Municipal Finance Act, No 56 of 2003, the Accounting Officer of a Municipality is expected to place on the municipal website referred to in section 21 of the Local Government Municipal Systems Act No 32 of 2000 information as may be required and prescribed by the above-mentioned Acts. It is in this regard that Bela-Bela Local Municipality established its website which is regularly updated.

5.3.1.2 COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

Municipal Website: Content and Currency on Material			
Yes/No	Documents published on the Municipality's Website	N/A	Contracts agreed in 2020/2021 to which subsection (1) of Section 33 applies, subject to subsection (3) of that section
Y	All quarterly reports tabled in Council in terms of Section 52 of the Municipal Finance Management Act no 56 of 2003 during 2020/2021 Financial Year		

Table:49 below depicts the details of the Human Resource statics for the ICT Division.

Job Level	Number of employees	Number of posts approved	Number of posts filled	Vacancies
Level 1	1	1	1	0
Level 3	1	2	1	1
Level 4	1	2	1	1
Level 6	0	2	0	2

CHAPTER 6

6 ANNUAL PERFORMANCE SCORECARD REPORT FOR THE 2020/2021 FINANCIAL YEAR

Bela-Bela Local Municipality established Performance Management Systems (PMS) as guided by Section 38 of the Local Government Municipal Systems Act, No 32 of 2000. As required by the above mentioned Act the established PMS commensurate with the resources of the Municipality, its circumstances and is also in line with the priorities, objectives, indicators and targets contained in its Integrated Development Plan (IDP). Furthermore, the Municipality set appropriate key performance indicators as a yardstick for measuring the 2020/2021 performance. The set indicators also outlined the outcomes and impact concerning the Municipality's developmental priorities and objectives as set out in the Approved 2020/2021 Integrated Development Plan (IDP).

Emanating from 2020/2021 Approved IDP and budget, the Municipality developed an SDBIP which organizational scorecard providing a strategic direction on how will the organization implement and account for the budget, developmental objectives and priorities approved for the financial year under review. The Municipality also established the process of regular reporting to Council and to communities, whereby Management, Audit Performance Committee, and the Mayor tabled quarterly Service Delivery and Budget Implementation Plan performance reports. The Municipality also complied with the provisions of Section 46 of the Local Government Municipal Systems Act by compiling the 2020/2021 Annual Performance Report which was submitted to the Auditor General as required by Section 45 of the Local Government Municipal Systems Act No 32 of 2000.

AUDITOR-GENERAL REPORT FOR 2020/2021 FINANCIAL YEAR

Bela-Bela Local Municipality complied with the provisions of Section 125 of MFMA and Section 45 of MSA of 2000 by compiling and submitting both the 2020/21 Annual Performance Report and the 2020/2021 Annual Financial Statements. Both the 2020/2021 Annual Performance Report and 2020/2021 Annual Financial Statements were submitted to the Auditor General for auditing as per regulation

2020/21 ANNUAL PERFORMANCE REPORT - ANNEXURE A

2020/21 AUDITED ANNUAL FINANCIAL STATEMENT - ANNEXURE B

2020/21 AUDITOR-GENERAL REPORT - ANNEXURE C

STATUTORY ANNUAL REPORT PROCESS – TABLE 50

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 feed seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (in-year financial reporting).	
3	Finalize 4 th quarter Report for the previous financial year	
4	Submit the Draft 2020/2021 Annual Report to Internal Audit and Auditor-General	
5	Audit/Performance committee considers Annual Performance Report of the Municipality	August
6	Municipality submits Annual Performance Report including consolidated Annual Financial Statements to Auditor General.	
8	Auditor General assesses Draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
9	The Municipality receives the Auditor General findings and began to address the Auditor General's comments	
10	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	November
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Annual and Oversight report, Publicise both reports and Submitted to the relevant provincial and national sector departments	December
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports being used as input.	January

6.1 COMMENT ON THE ANNUAL REPORT PROCESS

In terms of Section 127 (2) of the Local Government Finance Management Act No 56 of 2003, the Mayor of the Municipality must within seven months after the end of the year, the table in the Municipal Council the Annual Report of the Municipality and any Municipal Entity under the Municipality's sole or shared control. To comply with the provisions of the above-mentioned Act, Bela-Bela Local Municipality established a process of compiling the 2020/2021 Annual Report. The process began with the adoption of the National Treasury Circular 11 and 63 which provides guidance on how and when to compile and to submit the Annual Report. It should be noted that the requirements of the two circulars complement each other hence both applied in the compilation of the 2020/2021 Annual Report of the Municipality.

Over and above, the compilation of the 2020/2021 Annual Report as per the above mentioned National Treasury Circulars allow the Municipality to provide more and comprehensive information on the activities and decisions made by the Municipality during the financial year under review.

Furthermore, the Municipality adhered to the timeliness on the compilation of the Annual Report to provide more range of information on the challenges, successes and the overall performance of the Municipality. The information assists the new planning cycle for the 2020/2021 Financial Year. The Municipality also compiled the 2020/2021 four quarterly performance reports in line with the Approved 2020/2021 IDP, Approved 2020/2021 Service Delivery and Budget Implementation Plan (SDBIP) and the Approved 2020/2021 Budget, which formed the basis of the 2020/2021 Annual Performance Report which was compiled and submitted to the relevant sector departments on the 31st August 2021.

6.2 TABLE:51 2020/2021 AUDIT ACTION PLAN

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give "full and regular" reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report is to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a Municipality as audited by the Auditor General and approved by a council or a provincial or national executive.
Baseline	The current level of performance that a Municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Local Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation • Spatial Rational
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that

contributes to the achievement of a Key Result Area. Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which output has been achieved (policy developed, presentation delivered, service rendered) Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measures.	Performance Indicator	Performance Standards: The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed on criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.	Performance Targets: The level of performance that municipalities and their employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a Municipality aims to achieve within a given time period	Service Delivery Budget Implementation Plan The detailed plan was approved by the mayor for implementing the Municipality's delivery of services, including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.	Vote: One of the main segments into which a budget of a Municipality is divided for the appropriation of money for the different departments or functional areas of the Municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: a) one of the main segments into which a budget of a Municipality is divided for the appropriation of money for the different departments or functional areas of the Municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned
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APPENDICES

APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Section 18 (1) of the Local Government Municipal Structures Act No 117 of 1998 indicates that Municipalities must have Municipal Councils which consists of a number of Councillors determined by the MEC for Local Government in the Province. Sub-section 2 of the Act further indicates that a Municipal Council must meet at least quarterly, however, it should be noted that Bela-Bela Local Municipality held Council meetings quarterly as per the Council approved schedule of meetings, furthermore, Special Council meetings were also held as and when necessary. Table 51 below depicts the number of Council and Subcommittee meetings held and the attendance by each Councillor.

NAME OF COUNCILLOR	FULL TIME/ PART-TIME	PARTY REPRESENTATIVE	NO OF COUNCIL MEETINGS SCHEDULED	NO OF COUNCIL MEETINGS ATTENDED	% OF ATTENDANCE	NO OF SUBCOMMITTEE MEETINGS SCHEDULED	NO OF SUBCOMMITTEE MEETINGS ATTENDED	% OF ATTENDANCE
CLLR NGOBENI MJ	Full time	ANC	10	10	100%	11	04	36%
CLLR MOELETSI RZ	Full time	ANC	10	10	100%	Not assigned to attend Subcommittee	Not assigned to attend Subcommittee	Not assigned to attend Subcommittee
CLLR LEDWABA MH	Full time	ANC	10	06	60%	11	04	36%
CLLR HLUNGWANE FS	Part time	ANC	10	05	50%	11	03	27%
CLLR MALULEKA SE	Part time	ANC	10	10	100%	11	06	55%
CLLR MASEMOLA TR	Part time	DA	10	03	30%	11	03	27%
CLLR SEALE SD	Part time	EFF	10	10	100%	11	10	90%

NAME OF COUNCILLOR	FULL TIME/PART-TIME	PARTY REPRESENTATIVE	NO OF COUNCIL MEETINGS SCHEDULED	NO OF COUNCIL MEETINGS ATTENDED	% OF ATTENDANCE	NO OF SUBCOMMITTEE MEETINGS SCHEDULED	NO OF SUBCOMMITTEE MEETINGS ATTENDED	% OF ATTENDANCE
CLLR MALETE YMS	Part time	ANC	10	10	100%	11	10	90%
CLLR MODIMOLA LR	Part time	ANC	10	10	100%	Not assigned to attend Subcommittee	Not assigned to attend Subcommittee	Not assigned to attend Subcommittee
CLLR APHANE MP	Part time	ANC	10	07	70%	11	03	27%
CLLR SHIKA MA	Part time	ANC	10	08	80%	11	07	64%
CLLR MOTHOKWA KF	Part time	DA	10	10	100%	11	07	64%
CLLR SENOSHA MD	Part time	DA	10	10	100%	Not assigned to attend Subcommittee	Not assigned to attend Subcommittee	Not assigned to attend Subcommittee
CLLR MAKHUBELA MJ	Part-time	BRA	10	10	100%	Not assigned to attend Subcommittee	Not assigned to attend Subcommittee	Not assigned to attend Subcommittee
CLLR MOSWEOU AR	Part time	EFF	10	10	100%	11	07	64%
CLLR RAS MN	Part	DA	10	10	100%	11	04	36%

Section 79 of the Local Government Municipal Structures Act No 117 of 1998 requires Municipal Councils to establish one or more Section 80 Committees necessary for the effective and efficient performance of any of its functions or to exercise its powers. It is in light of the above that Bela-Bela Local Municipal Council during its inaugural sitting in 2016 it established various Council Committees to assist the Executive Committee to function effectively and further determined the functions of each Committee and also appointed the Chairpersons for each Committee. Table 52 below depicts the details of the Committees established as well as the purpose of such Committees.

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

NAME OF COUNCILLOR	FULL TIME/PART-TIME	PARTY REPRESENTATIVE	NO OF COUNCIL MEETINGS SCHEDULED	NO OF COUNCIL MEETINGS ATTENDED	% OF ATTENDANCE	NO OF SUBCOMMITTEE MEETINGS SCHEDULED	NO OF SUBCOMMITTEE MEETINGS ATTENDED	% OF ATTENDANCE
CLLR KRUGER HIL	Part time	DA	10	4	40%	11	2	18%
CLLR MANAME B	Part time	ANC	10	09	90%	11	11	100%

Committees of Council excluding the Mayoral/Executive Committees

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees established in terms of Section 79 of the Municipal Systems Act No 117 of 1998	Purpose of Committee
Social and Community Services Sub-Committee	Section 80 Committee appointed in terms of Section 79 of MSA No 117 of 1998 to assist the Executive Committee in performing its responsibilities of amongst others advising Council on matters related to Social and Community Services.
Planning and Economic Development/Infrastructure Sub-committee	Section 80 Committee appointed in terms of Section 79 of MSA No 117 of 1998 to assist the Executive Committee in performing its responsibilities of amongst others advising Council on matters related to Planning and Technical Services.
Governance and Transformation/ Budget & Treasury Subcommittee	Section 80 Committee appointed in terms of Section 79 of MSA No 117 of 1998 to assist the Executive Committee in performing its responsibilities of amongst others advising Council on matters related to the Budget and Treasury and Corporate Services.
Municipal Public Account Committee (MPAC)	Oversight Committee which plays an oversight role over the work of the administration and advice Council as per the legislative requirements.
Audit and Risk Management Committees	Oversight Committee established in terms of Section 166 of the Local Government Municipal Finance Management Act (MFMA) No 56 of 2003. This Committee advises the Municipal Council, the Political Office Bearers, the Accounting Officer and the Management Staff on matters listed under Section 166 (2)(a-e) of the MFMA.
Integrated Development Planning (IDP) Steering Committee	Technical support through IDP Review process
IDP Rep Forum	Stakeholder participatory mechanism during the IDP Review process
Top Management	Strategic management decision-making structure established in terms of Section 77 of the Local Government Municipal Finance Management Act no 56 of 2003. This Committee assists the Accounting Officer in managing and coordinating the financial administration of the Municipality.
Broader Management	Operational management decision-making structure established to assist the Top Management in performing its responsibilities.

APPENDIX C –THIRD-TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure		
Initials & Surname	Title	Directorate/ Department
Ramolobeng MN	Divisional Manager: Human Resources Management	Corporate Services
Nkuna D	Divisional Manager: Information Technology	Corporate Services
Vacant	Divisional Manager: Council Support and Administration	Corporate Services
Mahlare K	Divisional Manager: Human Resources Development	Corporate Services
Vacant	Manager Legal Services	Office of the Municipal Manager
Tshikovihi C	Divisional Manager: Integrated Development & Planning	Office of the Municipal Manager
Mogweemang L	Divisional Manager: Local Economic Development	Planning & Economic Development
Mhlongo v	Divisional Manager: Performance Management System	Office of the Municipal Manager
Manzini M	Divisional Manager: Town Planning	Planning & Economic Development
Pilane T	Divisional Manager: Roads & Stormwater	Technical Services
Moloto MJ	Divisional Manager: Water & Sanitation	Technical Services
Dilinga P	Divisional Manager: Parks and Cemeteries	Social & Community Services
Monare I	Divisional Manager: Protection and Emergency Services	Social & Community Services
Mohala AMS	Divisional Manager: Waste & Cleansing	Social & Community Services

Third Tier Structure		
Initials & Surname	Title	Directorate/ Department
Kabe KC	Chief Audit Executive	Office of the Municipal Manager
Vacant	Divisional Manager: Communications	Office of the Municipal Manager
Mothapo TJ	Manager Strategic Support Services	Office of the Municipal Manager
Titi T	Divisional Manager: Revenue	Budget & Treasury Office
Matwalana LT	Divisional Manager: Licensing	Social & Community Services
Vacant	Divisional Manager: Expenditure	Budget & Treasury Office
Mohale T	Divisional Manager: SCM	Budget & Treasury Office
Motshoane LJ	Divisional Manager: Budget and Reporting	Budget & Treasury Office
Vacant	Specialist Financial Statements	Budget & Treasury Office

2020 – 2021 ANNUAL PERFORMANCE REPORT

ANNEXURE A

Final Report 2020/2021

BELA-BELA LOCAL MUNICIPALITY



ANNUAL PERFORMANCE REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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1.0 INTRODUCTION

The Annual Performance Report (APR) is hereby prepared for Bela-Bela Local Municipality in terms of section 46(1) and (2) of the Local Government Municipal Systems Act (MSA) No. 32 of 2000, section 121 (2)(b) and (3)(c) of the Local Government Financial Management Act (MFMA) No. 56 of 2003 as well as MFMA Circular 11 on annual reporting.

This report covers the performance information from 01 July 2020 to 30 June 2021 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP) as revised in conjunction with the Budget Adjustment during February 2021, in relation to the objectives and targets as summarized in the Municipality's Integrated Development and Plan (IDP).

The report further reflects the actual performance of the Municipality as measured against the performance indicators and targets in its 2020/2021 IDP, 2020/2021 Annual Budget and SDBIP.

Furthermore, this report takes into account the National Government's Strategic Key Performance Areas for local government, which are (1) Basic Service Delivery and Infrastructure Development; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management; (5) Good Governance and Public Participation, and (6) Spatial Rationale as added.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area (KPA). Each KPA has several Municipal Programmes which are linked to the IDP of the Bela-Bela Local Municipality to focus on priority development initiatives in a more coherent and organised manner.

The report further contains, *inter alia*, the list of service providers and their performance on grant-funded service delivery capital projects and the performance of other external service providers.

2.0 LEGISLATIVE REQUIREMENT

This APR has been prepared in compliance with the requirements of section 46 (1) of the Local Government: MSA as amended, which stipulates as follows:

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.

Further to the above, this APR should form part of the 2020/2021 Annual Report in terms of section 121 (3)(c) of the Local Government: MFMA which stipulates as follows:

(3) The annual report of a municipality must include-

- a) _____;
- b) _____;

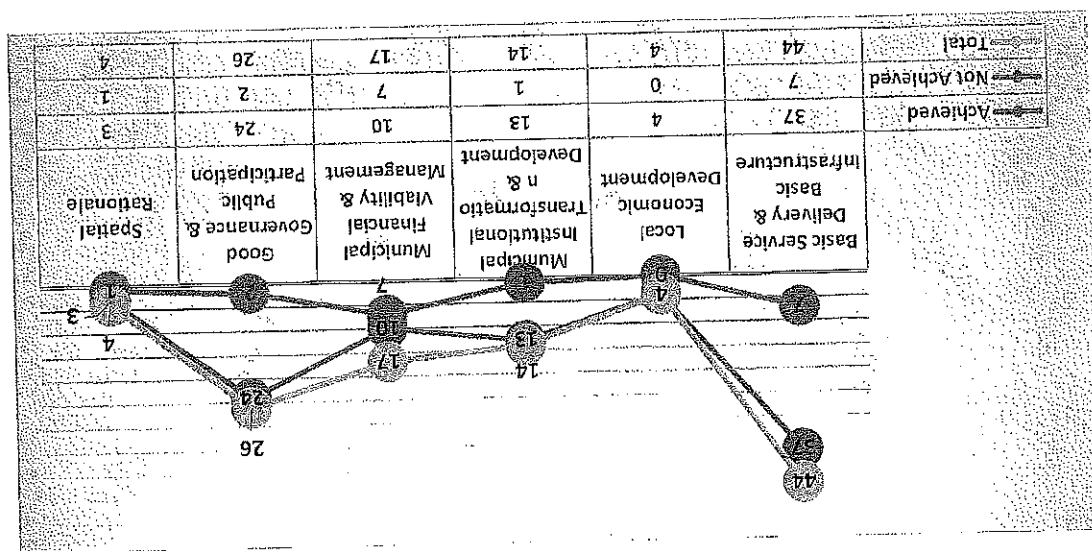
3.3 Overview Of The Performance Summary

Table 03. Summary of Performance Rating per KPAs in terms of Targets achievements.

No.	KPAs	Achieved	Not Achieved	With Review
1	Basic Service Delivery and Infrastructure Development	37	7	3
2	Local Economic Development	4	0	0
3	Municipal Transformation and Institutional Development	13	1	2
4	Municipal Financial Viability and Management	10	7	1
5	Good Governance and Public Participation	24	2	0
6	Spatial Rationale	3	1	4
Totals		91	18	10
		119		

A total of 91 KPAs were achieved out of 109 applicable indicators which are due for reporting by end of the financial year. A total of 18 were not achieved of which reasons and corrective measures are indicated on the report. The overall performance of the institution is at 91 achieved out of 109 which translates to 83 percentage of achievement.

Graph 01: Performance Summary per KPA



The graph above presents Performance indicators per KPA in the municipality. The information on the graph is directly derived from the reported information of actual work achieved as reported by end of the financial year (30 June 2021).

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The Annual Performance Report (APR) is hereby prepared for Bela-Bela Local Municipality in terms of section 46(1) and (2) of the Local Government Municipal Systems Act (MSA) No. 32 of 2000, section 121 (2)(b) and (3)(c) of the Local Government Financial Management Act (MFMA) No. 56 of 2003 as well as MFMA Circular 11 on annual reporting.

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The report further reflects the actual performance of the Municipality as measured against the performance indicators and targets in its 2020/2021 IDP, 2020/2021 Annual Budget and SDBIP.

Furthermore, this report takes into account the National Government's Strategic Key Performance Areas for local government, which are (1) Basic Service Delivery and Infrastructure Development; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management; (5) Good Governance and Public Participation, and (6) Spatial Rationale as added.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area (KPA). Each KPA has several Municipal Programmes which are linked to the IDP of the Bela-Bela Local Municipality to focus on priority development initiatives in a more coherent and organised manner.

The report further contains, *inter alia*, the list of service providers and their performance on grant-funded service delivery capital projects and the performance of other external service providers.

2.0 LEGISLATIVE REQUIREMENT

This APR has been prepared in compliance with the requirements of section 46 (1) of the Local Government MSA as amended, which stipulates as follows:

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.*

Further to the above, this APR should form part of the 2020/2021 Annual Report in terms of section 121 (3)(c) of the Local Government MFMA which stipulates as follows:

(3) The annual report of a municipality must include-

- a) _____;*
- b) _____;*

3.2 List of Withdrawn Indicators

Table 02

KPI Code	Key Performance Indicator (KPI)	Department	Reasons For Withdrawal
KPI 12	Percentage of the work completed as measured according to the PPII (Appendix D) for the refurbishment and automation of the Bela Bela Waste Water Treatment Works (WWTW) by 30 June 2021.	Technical Services	The KPI was withdrawn because of a lack of funds, the Business Plan was not approved on time.
KPI 28	Number of mass refuse containers procured by 31 December 2020	Social and Community Services	The KPI was withdrawn due to Financial Constraints.
KPI 33	Number of illegal dumping areas transformed into aesthetically landscaped areas by 30 June 2021	Social and Community Services	The KPI was withdrawn due to the continuous vandalism of the transformed landscaped area.
KPI 52	Number of Employee Wellness Programmes held by 31 December 2020.	Corporate Services	The KPI was withdrawn due to Covid-19 restrictions.
KPI 61	Percentage spending on Procurement of Furniture and Other Office Equipment by 30 September 2020	Corporate Services	The KPI was withdrawn due to Financial Constraints
KPI 64	% of Portions of Land disposed of by 30 June 2021	Planning & Economic Development	The KPI was withdrawn because this process is dependent on the Panel which could not be procured and appointed due to financial constraints.
KPI 96	No. of properties resurveyed and ratified by 30 June 2021	Planning & Economic Development	The KPI was withdrawn because this process is dependent on the Panel which could not be procured and appointed due to financial constraints.
KPI 97	No. of phases completed in the Gap Housing Development Phases completed by 30 June 2021	Planning & Economic Development	The KPI was withdrawn because this process is dependent on the Panel which could not be procured and appointed due to financial constraints.
KPI 98	No. of Equipment (Plotter) Procured by 30 June 2021	Planning & Economic Development	The KPI was withdrawn because it will form part of the contracted services for printing machines that will be procured at a later stage.
KPI 117	Percentage spending on Procurement of fleet. (R5 000 000) by 30 June 2021	Corporate Services	The KPI was withdrawn due to Financial Constraints

4.0 PERFORMANCE COMPARISON OF THE 2020/2021 FINANCIAL YEAR AND THE PRIOR-YEAR 2019/2020 FINANCIAL YEAR.

Section 46 (1) (b) of the Local Government MSA requires the Annual Performance Report to include a comparison of set targets of the reported year with the previous years' performance. This section summarises the performance trend of the two financial years. The rating is based on indicators that were achieved and a total of indicators not achieved for both financial years. The table below presents a summary of performance trends based on the two financial years.

Table 04: Performance comparison in terms of number of KPIs

No.	KPIs	2019/2020 FY	2020/2021 FY
1	Basic Service Delivery and Infrastructure	18	37
2	Local Economic Development	12	10
3	Municipal Transformation and Institutional Development	10	24
4	Municipal Financial Viability and Management	21	3
5	Good Governance and Public Participation	3	39
6	Spatial Rationale	66	104
Totals		66	109

The table above presents the comparison of the overall performance of the institution based on the applicable indicators and targets. In the 2020/2021 financial year, the municipality has achieved a total of 91 targets compared to 65 achieved targets for 2019/2020. However, the total number of indicators applicable for the 2019/2020 financial year was 104 which is less compared to 109 for the 2020/2021 financial year. The numbers can be translated as follows: In the 2019/2020 financial year, the Municipality achieved 63 per cent of the overall achievements as compared to 83 percent for the 2020/2021 financial year.

Table 05: Performance comparison in terms of percentages

No.	KPIs	2019/2020 FY	2020/2021 FY
1	Basic Service Delivery and Infrastructure	50%	84%
2	Local Economic Development	75%	100%
3	Municipal Transformation and Institutional Development	33%	93%
4	Municipal Financial Viability and Management	56%	59%
5	Good Governance and Public Participation	84%	92%
6	Spatial Rationale	63%	75%
Totals		63%	83%

Table 08: Detailed Performance Information

Achieved													
Not Achieved													
Withdrawn													
Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Performance	Project Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	300 New water meters installed in Bela-Bela Ext 9	Not Achieved No new water meters installed in Bela-Bela Ext 9 by 30 June 2020	Supply and installation of new water meters in Bela-Bela Ext 9	Number of new meters installed in Bela-Bela Ext 9 by 30 June 2021	Number of new meters installed in Bela-Bela Ext 8 and 9 by 30 June 2021	#	KPI 1	1200 households in Bela-Bela Ext 9 require water meters to bill for water consumption and increase revenue	1200 New water meters to be installed in Bela-Bela Ext 8 and 9	1200 New water meters to be installed in Bela-Bela Ext 8 and 9		N/A
								KPI 2 (New)	250 households in Bela-Bela Ext 25 require water meters to bill for water consumption and increase revenue	250 New water meters to be installed in Bela-Bela Ext 25 (Koppewa)			Misalignment of the Cadestral layout and encroachment of stands.
													Engage the Municipal Planning Department to intervene with the alignment of stands.
													List of addresses, Complete and signed Job Cards
													Technical Services
													78%

Annual Performance Report for the year ended 30 June 2021: Bela-Bela Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	N/A	N/A	Refurbishment of the Warmbad Dam	Percent of the work completed as measured according to the PPII (Table 9) for the Refurbishment of the Warmbad Dam by 30 June 2021	Percent of the work completed as measured according to the PPII (Table 9) for the Refurbishment of the Warmbad Dam by 30 June 2021	%	KPI 5	There is a need to refurbish the inlet works of the Dam and improve the road to access the dam.	60% of the work completed as measured according to the PPII (Table 9) for the Refurbishment of the Warmbad Dam	57% of the work completed as measured according to the PPII (Table 9) for the Refurbishment of the Warmbad Dam		N/A	N/A		Designs approval Letter, Contractor's appointment Letter, Quarterly Progress Report.	Technical Services	142 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	N/A	N/A	Refurbishment of the old section of the Water Treatment Works (WTW) (Roll-over)	Percentage of the work completed as measured according to the PPII (Table 9) for the Refurbishment of the old section of the Water Treatment Works (WTW) by 30 June 2021.		%	KPI 7 (New)	The existing Water Treatment Works has sections that have deteriorated and are non-functional. The Water Treatment Works are also under capacitated. Therefore, there is a need to refurbish the old section of the WTW.	100% of the work completed as measured according to the PPII (Table 9) for the Refurbishment of the old section of the Water Treatment Works (WTW)			N/A	N/A		Quarterly progress Report and Completion Certificate.	Technical Services	100%

Annual Performance Report for the year ended 30 June 2021: Beja-Bada Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
			Level of water															
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	100% of informal households to be provided with basic level of water	Achieved 100% of informal households to be provided with basic level of water	Water	Percent of informal households to be provided with basic level of water by 30 June 2021		%	KPI 10	4 Number of Informal HH were provided with relief level of water	100% (4 269 informal households to be provided with a basic level of water)			N/A	N/A		Report on informal settlements and villages	Technical Services	100%

Annual Performance Report for the year ended 30 June 2021: Bela-Bela Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	N/A	N/A	Refurbishment and automation of the Bela-Bela Waste Water Treatment Works (WWTW)	Percentage of the work completed as measured according to the PPII (Table 9) for the refurbishment and automation of the Bela-Bela Waste Water Treatment Works (WWTW) by 30 June 2021.	Withdrawn	%	KPI 12	The Bela-Bela WWTW is deteriorating and under capacity due to the rapid growth with additional household connections to the sewer network. There is a need to upgrade the works.	19% of the work completed as measured according to the PPII (Table 9) for the refurbishment and automation of the Bela-Bela Waste Water Treatment Works (WWTW)	Withdrawn		N/A	N/A	N/A	N/A	Technical Services	

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of Measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
					Treatment Works (WWTW)													
					Phase 1A by 30 June 2021													
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	N/A	N/A	Refurbishment of sewer outfall from Aventura PS to Bela-Bela WWTW	Percentage of the work completed as measured according to the PPII (Table 9)	Percentage of the work completed as measured according to the PPII (Table 9)	%	KPI 15 (New)	The existing sewer pipe line is constantly bursting and overflowing to the storm-water culverts and earth drains across the network. There is a need to upgrade	19% of the work completed as measured according to the PPII (Table 9) for the Refurbishment of sewer outfall from Aventura PS to Bela-Bela WWTW			The scope of the project was increased in order to accommodate the sewer pipe line from the Bela-Bela Mall and the Water front to the Aventura PS	To expedite the process of finalising the design and the approval thereof.		Design approval letter	Technical Services	74%

Annual Performance Report for the year ended 30 June 2021: Ekurhuleni Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2018/2019	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	100% of formal HHs to be provided with access to a basic level of Sanitation	Achieved 100% (9 430 formal households were provided with a basic level of sanitation)	Sanitation	Percent of formal households with access to a basic level of Sanitation by 30 June 2021		%	KPI 15	9 548 formal HH were provided with access to a basic level of Sanitation	100% (9 548 formal HH to be provided with access to a basic level of Sanitation)	100% (9 536 formal HH to be provided with access to a basic level of Sanitation)		N/A	N/A		Billing report	Technical Services	133 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/ Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/ Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	55% of the work completed as measured according to the PPII for the Bela-Bela Spa Stormwater	Achieved 70% (Construction Stage) 50%	Construction of Stormwater Interceptor in Bela-Bela Spa Park	Percent of the work completed as measured according to the PPII (Table 9) for the Construction of Stormwater Interceptor in Bela-Bela Spa Park by 30 June 2021.	Percent of the work completed as measured according to the PPII (Table 9) for the Construction of Stormwater Interceptor in Bela-Bela Spa Park by 31 December 2020	%	KPI 18	Under capacity stormwater drainage system in Spa Park.	100% of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Spa Stormwater	100% of the work completed as measured according to the PPII (Table 9) for the Construction of Stormwater Interceptor in Bela-Bela Spa Park		N/A	N/A		Quarterly progress reports and Completion Certificate.	Technical Services	100 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (Unit)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	N/A	N/A	Construction of the R101 Intersection in Bela-Bela Ext 6	Percentage of the work completed as measured according to the PPII for the Bela-Bela Ext 6: R101 Intersection by 30 June 2021	Percentage of the work completed as measured according to the PPII for the Bela-Bela Ext 6: R101 Intersection by 30 June 2021	%	KPI 20	The entrance into Bela-Bela X6 is informal and unsafe for road users as it crosses the railway and intersects with the R101. Therefore there is a need to formalize the entrance	45% of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Ext 6: R101 intersection.	29% of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Ext 6		Designs are completed, pending presentation/engagement to the PPII which is also delayed by delays to approve way leave application by Transnet and SANRAL.	Engagement meeting with both Transnet and SANRAL to resolve the delays		Designs approval Letter and Tender advert	Technical Services	48%

Annual Performance Report for the year ended 30 June 2021: Bela-Bela Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2018/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	N/A	N/A	Construction of Road paving & Stormwater in Bela-Bela Ext 7 - Phase 1	Percent of age of the work completed as measure d according to the PPII (Table 9) for the Bela-Ext 7: Road paving & Stormwater Phase 1 by June 2021	Percent of age of the work completed as measure d according to the PPII (Table 9) for the Bela-Ext 7: Road paving & Stormwater Phase 1 by June 2021	%	KPI 22	A backlog of roads and stormwater exists in Bela-Township and must be covered each financial year through the MIG.	45% of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Ext 7: Road paving & Stormwater - Phase 1	29% of the work completed as measured according to the PPII (Table 9) for the Construction of Road paving & Stormwater in Bela-Bela Ext 7 - Phase 1		N/A	N/A		Designs approval Letter and Tender advert.	Technical Services	100 %

Annual Performance Report for the year ended 30 June 2021: Bela-Bela Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	2.5 kilometres of new roads constructed, surfaced and maintained in Bela-Bela Ext 4, 6, 7 & 8	Achieved 2.5 km Road was constructed and surfaced in Bela-Bela Ext 4, 6, 7 & 8	Construction of Road paving & Stormwater in Bela Ext 4, 6, 7 & 8 (Roll-over)	Percentage of the work completed as measured according to the PPII (Table 9)		%	KPI 24 (New)	A backlog of roads and stormwater exists in Bela Township and must be covered each financial year through the MIG.	100% of the work completed as measured according to the PPII (Table 9) for the Construction of Road paving & Stormwater in Bela Ext 4, 6, 7 & 8			N/A	N/A		Quarterly progress Report and Completion Certificate.	Technical Services	100%

Annual Performance Report for the year ended 30 June 2021: Bela-Bela Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	100% of 209 non-residential properties to be provided with access to electricity	Achieved 100% of 209 non-residential properties to be provided with access to electricity	Electricity	Percent of non-residential properties (Business, Churches, Schools & Hospitals) to be provided with access to electricity by 30 June 2021.			KPI 27	1 209 non-residential properties (Business, Churches, Schools & Hospitals) to be provided with access to electricity	100% (1 209 non-residential properties (Business, Churches, Schools & Hospitals) to be provided with access to electricity).	100% (1 433 non-residential properties (Business, Churches, Schools & Hospitals) to be provided with access to electricity).		N/A	N/A		Billing Report for conventional meters and Prepaid reports	Technical Services	100 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	To promote the welfare of the community	N/A	N/A	Waste Management and Cleansing	Number of mass refuse containers procured by 31 December 2020	Withdrawn	#	KPI 30	15x mass refuse containers	20 x mass refuse containers to be procured.	Withdrawn		N/A	N/A	N/A	N/A	Social and Community Services	
Basic Service Delivery and Infrastructure Development	To promote the welfare of the community	100% of 189 HHs with access to Solid Waste Removal	Achieved 100% of 189 HHs with access to Solid Waste Removal	Waste Management and Cleansing	Percentage of formal households with access to Solid Waste Removal by 30 June 2021		%	KPI 31	100% (9 189 formal HH) with access to Solid Waste Removal	100% (9 189 formal HH) with access to Solid Waste Removal	100% (9 294 formal HH) with access to Solid Waste Removal					Collection Schedule and billing report	Social and Community Services	100%
Basic Service Delivery and Infrastructure Development	To promote the welfare of the community	100% of 3 088 informal HHs with access to Solid Waste Removal	Achieved 100% of 3 088 informal HHs with access to Solid Waste Removal	Waste Management and Cleansing	Percentage of informal households with access to the waste collection by 30 June 2021		%	KPI 32	100% (3 088 informal HH) with access to Solid Waste Removal	100% (3 088 informal HH) with access to Solid Waste Removal			N/A	N/A		Collection Schedule	Social and Community Services	100%

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	5x Waste Management awareness campaigns to be conducted	Not Achieved 3x Waste Management awareness campaigns conducted	Waste Management and Cleansing	Number of messages of awareness on waste management by 30 June 2021		#	KPI 34	3x Waste Management awareness campaigns conducted	4 x messages of awareness on waste management through the distribution of pamphlets			N/A	N/A		Social media statement, pamphlet, Municipal website's statement of account and website.	Social and Community Services	100 %
	Promote the welfare of the community	2x Illegal dumping areas to be transformed into aesthetically landscaped areas	Not Achieved 1x Illegal dumping area transformed into aesthetically landscaped area	Waste Management and Cleansing	Number of illegal dumping areas transformed into aesthetically landscaped areas by 30 June 2021	Withdrawn	#	KPI 35	1 illegal dumping area transformed into aesthetically landscaped area	2 X Illegal dumping areas to be transformed into aesthetically landscaped areas	Withdrawn		N/A	N/A	N/A	N/A	Social and Community Services	

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of Measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	36 Roadblocks to be conducted	Not Achieved 27X Roadblocks	Protection and emergency services	Number of roadblocks conducted by June 2021		#	KPI 38	27X Roadblocks conducted	36 X Roadblocks to be conducted	24 X Roadblocks to be conducted		N/A	N/A		Schedule Staff attendance Registers and Reports	Social and Community Services	108 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	45% of the work completed as measured according to the PPII for the Bela-Bela Extension of the existing graveyard	Not Achieved (Approved Designs)	Extension of the existing graveyard in Bela-Bela	Percent of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Extension of the existing graveyard by 30 June 2021.	Percent of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Extension of the existing graveyard by 30 June 2021.	%	KPI 40	Current graves reaching full capacity	100% of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Extension of the existing graveyard	100% of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Extension of the existing graveyard		N/A	N/A		Designs approval Letter; Contract of's appointment Letter; Quarterly progress report and Completion Certificate.	Technical Services	100%
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	55% of the work completed as measured according to the PPII for the Bela-Bela Extension of the existing graveyard	Achieved (55% of the work completed as measured according to the PPII for the Bela-Bela Extension of the existing graveyard)	Construction of a Sports Facility in Spa Park	Percent of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Extension of the existing graveyard by 31 June 2021.	Percent of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Extension of the existing graveyard by 31 June 2021.	%	KPI 41	Insufficient Sporting facility in Spa Park	100% of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Extension of the existing graveyard	100% of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Extension of the existing graveyard		N/A	N/A		Quarterly progress report and Completion Certificate.	Technical Services	100%

Annual Performance Report for the year ended 30 June 2021: Bela-Bela Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	N/A	N/A	Construction of the Moloto Street Stadium	Percentage of the work completed as measured according to the PPII (Table 9) for the Bela-Bela Moloto Street Stadium by 31 September 2020	Percentage of the work completed as measured according to the PPII (Table 9) for the construction of the Moloto Street Stadium by 30 June 2021	%	KPI 43	Insufficient Sporting facilities in Bela-Bela township (Roll-over project)	100% of the work completed as measured according to the PPII for the Bela-Bela Moloto Street Stadium	100% of the work completed as measured according to the PPII (Table 9) for the Construction of the Moloto Street Stadium		N/A	N/A		Quarterly progress report and Completion Certificate.	Technical Services	100%

Annual Performance Report for the year ended 30 June 2021: Beke-Pala Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	4x Cemeteries to be maintained	Achieved 4x Cemeteries maintained	Parks and Community facilities	Number of cemeteries maintained by 30 June 2021		#	KPI 45	4 cemeteries maintained	4x Cemeteries to be maintained			N/A	N/A		Schedule and Maintenance Register	Social and Community Services	100 %
		4x Cemeteries to be maintained (Warm baths Cemetery, Mokoena Street Cemetery, Luna Weg Cemetery & Masakhan e Cemetery)																

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of Measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	8X parks to be maintained	Achieved 8X parks maintained	Parks and Community facilities	Number of parks maintained by 30 June 2021		#	KPI 47	8X parks maintained	8X parks to be maintained, Mabusela Street park, Leseding Park, Bulbulia Street Park, Grobler street park, Miles Street park, Oosthuizen Street park, Wood Pack (Town) park			N/A	N/A		Schedule and Maintenance Register	Social and Community Services	100 %
Good Governance and Public Participation	To Improve Administrative Governance Capacity	4X Council meetings to be convened	Achieved 5X Council meetings convened	Council Administration	Number of Council meetings convened by 30 June 2021		#	KPI 48	8 Council meetings were convened and successfully held.	4 X Council meetings convened			N/A	N/A		Notice of Council meetings	Corporate Services	250 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Municipal Transformation and Institutional Development	To Improve Administrative Governance Capacity	4x ICT Steering Committee meetings	Achieved 4x ICT Steering Committee meetings convened	Corporate Governance (ICT)	Number of ICT Steering Committee meetings convened by 30 June 2021		#	KPI 51	4 Steering Committee meetings convened	4 X ICT Steering Committee meetings to be convened			N/A	N/A		Agenda and the Signed Attendance Registers	Corporate Services	100 %
Municipal Transformation and Institutional Development	To Improve Administrative Governance Capacity	Number of ICT (GIS) Systems renewed	Not Achieved 1	Corporate Governance (ICT)	Number of ICT (GIS) Systems renewed by June 2021		#	KPI 52	Outdated ICT (GIS) System, Licence expired	Renewal of ICT (GIS) license System			N/A	N/A		Copy of the GIS License Certificate	Corporate Services	100 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	4x Employee Wellness Camps held	Achieved 4x Employee Wellness Camps held	Human Resources (Employee Wellness Programme)	Number of Wellness Camps and Workshops convened by 30 June 2021		#	KPI 55	4X Employee Wellness Camps held	4x Employee Wellness Camps			N/A	N/A		Signed Attendance Registers	Corporate Services	275 %
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	4x Hazard Identification and Risk Assessment conducted	Achieved 4x Hazard Identification and Risk Assessment	Human Resources (Occupational Health & Safety)	Number of Hazard Identification and Risk Assessment conducted by 30 June 2021		#	KPI 56	4 X Hazard Identification and Risk Assessment	4x Hazard Identification and Risk Assessment			N/A	N/A		Hazard Identification and Risk Assessment Reports	Corporate Services	100 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to Improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	1x 2019/2020 WSP developed and submitted	Achieved 1x 2020/2021 WSP	Human Resources & Development (Training)	Number of WSP reviewed and submitted to LGSETA by 30 April 2021		#	KPI 59	1x 2020/2021 WSP	1 X 2021/2022 WSP Developed and submitted			N/A	N/A		A copy of WSP and Proof of submissions	Corporate Services	100%
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	73 Officials and 17 Councilors (90)	Achieved Training of 73 Officials and 17 Councilors	Human Resources & Development (Training)	Number of Official and Councilors trained by 30 June 2021		#	KPI 60	156 officials and 8 councilors trained	73 Train Officials and 17 Councilors (90)	Train 40 Officials and 3 Councilors (43)		Budgetary constraints	Training programmes deferred to the 2021/2022 FY		Signed Attendance Registers and a Report	Corporate Services	35%

Annual Performance Report for the year ended 30 June 2021: Bethu-Beta Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of Measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	N/A	N/A	Procurement of Furniture & Other Office Equipment	Percentage spending on Procurement of Furniture & Other Office Equipment by 30 September 2020	Withdrawn	%	KPI 63	0	100% spending on the Procurement of Furniture & Other Office Equipment (R500 000)	Withdrawn		N/A	N/A	Not Applicable	Not Applicable	Corporate Services	

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of Measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
			and approved by Council by 25 June 2020.		Council by 30 May 2021													
Good Governance and Public Participation	Clean Governance	1x Annual Report tabled to Council for approval	Achieved. 1x Approved SDBIP after 28 days after budget approval	Performance Management	Number of SDBIP approved by the Mayor 28 days after the approval of the budget by 30 June 2021	Number of SDBIP approved by the Mayor 28 days after the approval of the budget by 30 June 2021	#	KPI 67	1 Approved 2020/2021 SDBIP	1 X 2021/2022 Approved SDBIP 28 days after budget approval			N/A	N/A		2021/2022 Approved SDBIP and Letter of Acknowledgement from Mayor's office	Office of the Municipal Manager	100 %
Good Governance and Public Participation	Clean Governance	1x Annual Report tabled to Council for approval	Achieved. Council sitting on Wednesday 25 March 2020 with resolution	Corporate Governance	Number of Annual reports compiled and tabled to Council for approval by 31 March 2021	Number of Annual reports compiled and tabled to Council for approval by 31 May 2021	#	KPI 68	2019/2020 Annual Report	1 X 2019/2020 Annual Report tabled to Council for approval			N/A	N/A		Council Approved Report with Council Resolution	Office of the Municipal Manager	100 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of Measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action Measure to Improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Good Governance and Public Participation	Clean Governance	1 X 2019/2020 Section 72 MFMA Report submitted to Council for approval	Achieved 1 X 2019/2020 Section 72 MFMA Report submitted to Council for approval	Corporate Governance	Number of MFMA Section 72 Mid-Year report compiled and submitted to Council for approval by 31 January 2021	Number of MFMA Section 72 Mid-Year report compiled and submitted to the Mayor, National Treasury and Limpopo Provincial Treasury by 25 January 2021	#	KPI 71	1 X 2019/2020 Section 72 MFMA Report	1 X 2020/2021 Section 72 MFMA Report submitted to Council for approval	1 X 2020/2021 MFMA Section 72 Report compiled and submitted to the Mayor, National Treasury and Limpopo Provincial Treasury by 25 January 2021		N/A	N/A		Proof of acknowledgement by Office of the Mayor, National Treasury and Limpopo Provincial Treasury	Office of the Municipal Manager	100 %
Good Governance and Public Participation	Clean Governance	4 X Back to Basics reports compiled for approval	Achieved 4 X Back to Basics report	Performance Management	Number of Back to Basics reports compiled and submitted to CoGHS TA by 30 June 2021	Number of Back to Basics report compiled and submitted to CoGHSTA	#	KPI 72	4 X Back to Basics reports	4 X Back to Basics report compiled and submitted to CoGHSTA			N/A	N/A		4 X sets of Back to Basics Reports and proof of acknowledgement by CoGHSTA	Office of the Municipal Manager	100 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Good Governance and Public Participation	To improve administrative and governance capacity	4x Number of Special programmes implemented (Active Ageing campaign, HIV/TB Awareness Campaign, Mayoral Matric Awards and Annual Matric Career Exhibitions)	Not Achieved. 3x Active Ageing Campaign held on the 05 September 2019. Special programmes HIV/TB Awareness Campaign, HIV/TB Awareness Campaign, Mayoral Matric Awards and Annual Matric Career Exhibitions held on the 31 January 2020.	Special Programmes	Number of Media releases of Special programmes implemented by 30 June 2021		#	KPI 75	3 Number of Special programmes implemented (Active Ageing campaign, HIV/TB Awareness Campaign, Mayoral Matric Awards)	4x Media releases of Special programmes initiatives			N/A	N/A		Social Media	Office of the Municipal Manager	100 %
Good Governance and Public Participation	To improve administrative and governance capacity	1x Review and approval of Communication Strategy by June 2020	Achieved. 1x Communication Strategy	Corporate Governance	Number of Communication strategy reviews approved by Council by 30 June 2021		#	KPI 76	2020/2021 Communication Strategy	1 X Reviewed and approved 2021/2022 Communication Strategy			N/A	N/A		Approved Communication Strategy with Council Resolution	Office of the Municipal Manager	100 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Good Governance and Public Participation	To improve administrative and governance capacity	4x Ward Committees reports	Achieved 4x Quarterly Reports submitted to Speaker's office	Corporate Governance	Number of Ward Committees reports submitted to Speaker by 30 June 2021		#	KPI 78	4 Ward Committees reports	4 x Ward Committees reports			N/A	N/A		Ward Committee Reports	Office of the Municipal Manager	100 %
Good Governance and Public Participation	To improve administrative and governance capacity	1 X Audit Committee Charter to be reviewed	Achieved 1 X Audit Committee Charter on the 23 July 2019	Corporate Governance	Number of Audit and Performance Committee Charter reviews by 30 September 2021		#	KPI 79	1 X Audit and Performance Committee Charter Reviewed	1 X Audit and Performance Committee Charter reviewed			N/A	N/A		Copy of Audit and Performance Committee Charter, minutes and council resolution	Office of the Municipal Manager	100 %

Annual Performance Report for the year ended 30 June 2021: Bela-Bela Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Good Governance and public Participation	To improve administrative and governance capacity	4x Audit Committee Reports	Achieved 4x Audit Committee Reports	Corporate Governance	Number of Audit Committee Reports tabled to Council by 30 June 2021		#	KPI 82	4 X Audit Committee Reports tabled to Council	4 X Audit Committee Reports tabled to Council			N/A	N/A		Audit Reports with Council Resolutions	Office of the Municipal Manager	100 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of Measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Good Governance and Public Participation	To improve administrative and governance capacity	4X Risk Management Meetings	Achieved 4X Risk Management Meetings held on the 15th August, November 2019, 13rd February, 2020 and 22nd May 2020.	Corporate Governance	Number of Risk Management meetings held by 30 June 2021		#	KPI 85	4X Risk Management meetings	4 X Risk Management Meetings			N/A	N/A		Signed Attendance Registers and minutes	Office of the Municipal Manager	100 %
Good Governance and Public Participation	To improve administrative and governance capacity	4 MPAC meetings	Achieved 4X MPAC meetings held on the 15th July, 14th October 2019, 11th & 13th February 2020.	Council Administration	Number of MPAC meetings held by 30 June 2021		#	KPI 86	4X MPAC meetings	4 X MPAC meetings			N/A	N/A		Signed Attendance Registers and Reports	Office of the Municipal Manager	100 %

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of Measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Good Governance and Public Participation	To improve administrative and governance capacity	1 x Anti-Corruption and Fraud awareness campaigns to be held	Not Achieved	Corporate Governance	Number of Fraud and Anti-Corruption awareness campaigns conducted by 30 June 2021		#	KPI 89	1 Fraud and Anti-Corruption awareness campaigns to be conducted	1 x Anti-Corruption and Fraud awareness campaigns to be held			Not held due to Covid-19 Regulations restricting gathering	To be held in the first quarter 2021/2022 2 FY.		Signed Attendance register	Office of the Municipal Manager	0%
Local Economic Development	Promote and Encourage Sustainable Economic Environment	1 x Draft LED Strategy approved by Council	Not Achieved	Local Economic Development	Number of LED Strategy developed and approved by council by 30 June 2021		#	KPI 90	2008 LED Strategy (Strategy Outdated)	1 x LED Strategy approved by Council			N/A	N/A		Q3 (Draft LED Strategy) Q4 (Approved LED Strategy with Council resolution)	Planning & Economic Development	100%
Local Economic Development	Promote and Encourage Sustainable Economic Environment	N/A	N/A	Local Economic Development	Number of LEDF re-launched by 31 March 2021		#	KPI 91	Non-Functional LEDF	1 x LEDF to be re-launched			N/A	N/A		Q3 (Signed attendance register)	Planning & Economic Development	100%

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of Measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit/Review	Evidence Required	Department	KPI Rating
Spatial Planning and Integrated Communities Rationalisation	Liveable and Integrated Communities	N/A	N/A	Develop Housing Beneficiary Allocation policy	No. of Housing Allocation policy developed by 30 June 2021		#	KPI 95	No Housing Allocation policy	1 X Housing Allocation policy			N/A	N/A		Q3 (Draft Housing Allocation policy) Q4 (Approved Housing Allocation policy)	Planning & Economic Development	100%
Spatial Planning and Integrated Communities Rationalisation	Liveable and Integrated Communities	N/A	N/A	Revenue Enhancement	% Portions of Land disposed of by 30 June 2021	Withdrawn	%	KPI 96	-	50% of identified portions of land disposed	Withdrawn		N/A	N/A		N/A	Planning & Economic Development	
Spatial Planning and Integrated Communities Rationalisation	Liveable and Integrated Communities	N/A	N/A	Encroachment rectification	No. of properties resurveyed and ratified by 30 June 2021	Withdrawn	#	KPI 97	-	100 X Properties to be resurveyed and ratified	Withdrawn		N/A	N/A		N/A	Planning & Economic Development	
Spatial Planning and Integrated Communities Rationalisation	Liveable and Integrated Communities	N/A	N/A	Proclamation of Un-Proclaimed properties	No. of properties proclaimed by 30 June 2021		#	KPI 98	-	50 X Properties to be proclaimed			Due to policy obstacles	Review of SLUMA By-Law to enable the process of proclamation		Q2 (Notice Copy) Q4 (Notice copy)	Planning & Economic Development	0%

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of Measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to Improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Municipal Financial Viability and Management	To improve the financial viability	1x 2019/2020 AFS compiled and submitted to the Auditor General	Achieved. 2018/2019 AFS compiled and submitted to the Auditor General by 31 August 2019	Budget and Reporting	Number of Annual Financial Statements compiled and submitted to the Auditor General by 31 August 2020	Number of Annual Financial Statements compiled and submitted to the Auditor General by 31 October 2020	#	KPI 102	1 2018/2019	1x 2019/2020 AFS compiled and submitted to the Auditor General			N/A	N/A		2019/2020 AFS and Proof of Submissions to the Auditor General	Budget & Treasury	100%
Municipal Financial Viability and Management	To improve the financial viability	1x 2019/2020 AFS compiled and submitted to the Auditor General	Achieved. 1x 2019/2020 AFS compiled and submitted to the Auditor General by 31 August 2020	Budget and Reporting	Number of Action Plan for 2019/2020 AG Audit Queries completed by 31 January 2021		#	KPI 103	1 2018/2019 Action Plan	1 X Action Plan for 2019/2020 AG audit queries completed			N/A	N/A		2019/2020 Action Plan with Council Resolution	Budget & Treasury	100%
Good Governance and Public Participation	To improve administrative and governance capacity	Obtain Unqualified Audit Opinion for 2018/2019	Not Achieved. Obtain qualified Audit Opinion for 2018/2019	Budget and Reporting	Obtain Unqualified Audit Opinion by 30 November 2020	Obtain Unqualified Audit Opinion by 30 February 2021	Unqualified	KPI 104	2018/2019 Qualified Audit Opinion	Obtain Unqualified Audit Opinion 2019/2020			Inadequate controls to confirm the accuracy of the bulk purchase of electricity bills.	Install checkpoint meters parallel to Eskom point. Obtain contract registers for		Auditor General's Report	Budget & Treasury	0%

Annual Performance Report for the year ended 30 June 2021: Beth-Roha Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of Measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to Improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Municipal Financial Viability and Management	To improve the financial viability	1x 2020/21 Annual Budget	Achieved within the financial quarter of the targeted date. The budget was approved by the Council on the 26th of June 2020.	Budget and Reporting	Number 21 Annual Budget approved by Council by 31 May 2021				1x 2020/21 Approved Budget approved on the 26 June 2020	1x 2021/2022 Approved Annual Budget			N/A	N/A		Council Approved 2021/2022 Budget with Council Resolution	Budget & Treasury	100 %

Annual Performance Report for the year ended 30 June 2021: Bela-Bela Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Actual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Municipal Financial Viability and Management	Improve Financial Viability	N/A	N/A	Expenditure Management	Percentage payment on budgeted capital projects identified for 2020/2021 financial year i.e. IDP by 30 June 2021		%	KPI 109	82%	100%			The municipality received an additional grant for WSIG that caused the late implementation of the project.	Implementation of forward planning and acceleration of spending plan.		Report	Budget & Treasury	88%
Municipal Financial Viability and Management	To improve financial viability	4x quarterly assets verification to be conducted 2019/2020 FY	4x quarterly assets verification to be conducted 2019/2020 FY	Assets Management	Number of quarterly asset verification reports completed - movable (sampling) completed by 30 June 2021		#	KPI 110	4x quarterly assets verification to be conducted 2019/2020 FY	4x quarterly assets verification to be conducted 2020/2021 FY			N/A	N/A		4x Sets of Quarterly asset verification reports	Budget & Treasury	100%

Annual Performance Report for the year ended 30 June 2021: Betsi-Beta Local Municipality

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Actual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Management					collection rate (Consumer cash collected / Consumer billing) by 30 June 2021								implemented in full.	measures.				
Municipal Financial Viability and Management	Improve Financial Viability	N/A	N/A	Expenditure Management	100% payment to creditors within 30 days by 30 June 2021		%	KPI 115	100% payments to creditors within 30 days	100% payments to creditors within 30 days			Cash flow constraints	Adhere to the procurement plan. Improve cash flow position.		Quarterly Report	Budget & Treasury	76%
Municipal Financial Viability and Management	Financial Stability	5 X Bid Committee Members and other officials to be trained	Achieved 5 X Bid Committee Members and other officials to be trained	Supply Chain Management	Number of SCM Bid Committee Members and other officials trained by 30 September 2020		#	KPI 116	5 X Bid Committee Members and other officials trained	5 X Bid Committee Members and other officials to be trained			N/A	N/A		Signed Attendance Register	Budget & Treasury	100%

Key Performance Area	Strategic Objectives	2019/2020 Annual Target	2019/2020 Annual Performance	Project/Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	Unit of Measure (UoM)	KPI Code	Baseline 2019/2020	Annual Targets 2020/2021	Revised Annual Target	Annual Performance 2020/2021	Reasons for Variation	Corrective Action/Measure to improve performance	Internal Audit Review	Evidence Required	Department	KPI Rating
Municipal Financial Viability and Management	Financial Stability	N/A	N/A	Procurement of Fleet	Percentage spending on Procurement of fleet. (R5 000 000) by 30 June 2021	Withdrawn	%	KPI 119	0	100% spending on Procurement of Fleet (R5 000 000)	Withdrawn		N/A	N/A	N/A	N/A	Corporate Services	

8.0 PROJECT PERFORMANCE INDICATOR IMPLEMENTATION (PPII)

Table 9: Project Performance Indicator Implementation (PPII)

Item No	Performance Description	% completed
1	Appointment of Consulting Engineers	5%
2	Scoping Report completed and approved	10%
3	Preliminary Designs completed and approved	14%
4	Detailed Design Report and Drawings approved	19%
5	Draft Tender Document (Bid Specifications) approved	24%
6	Tender Advertised	29%
7	Tender Evaluation completed	33%
8	Tender Adjudication completed	38%

4: Performance significantly above expectations

3: Fully effective

2: Performance not fully effective

1: Unacceptable performance

Zero rated: Not achieved due to unforeseen circumstances beyond the control of the Service Provider

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestones	Expenditure by June 2021	Actual Performance by 30 June 2021	Reasons for Variations if any/Corrective Measures	Corrective Measures	Existence Required	Department	Service Provider's Name	Rating
Municipal Infrastructure Grant													
1.	Roads and Storm Water	Bela Bela Ext 4, 6, 7 & 8: Road Paving	R2 383 074.45		100% (3.5) kilometers of new roads constructed/surfaced in Bela-Bela Ext 4, 6, 7 & 8.	2 383 055.45 100%		None	None	Completion certificate	Technical Services	ZMC Consulting	2
2.	Roads and Storm Water	Bela Bela Spa Park: Stormwater	R 3 446 364.70		100% of the work completed as measured according to the PPI (Table 9) for the construction of Stormwater in Bela-Bela Spa Park.	3 446 364.70 100%		None	None	Completion certificate	Technical Services	Monula Consulting Engineers & Project Management	3

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2021	Actual Performance By 30 June 2021	Reasons for Variations if any/Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
6.	Public Amenities /Facilities	Leseding Development of sports facilities	R 1 921 231.82		for the: Construction of a Sports Facility in Spa Park. 52% of the work completed as measured according to the PPII (Table 9) for the Masakha ne: Development of sports facilities.	R 1 283 571.77		The appointed Contractor could not establish site and commence with works due to the illegal occupants/ households on the land earmarked for the Sports facility have moved The community unrest delayed the construction for two weeks		Quarterly progress report	Technical Services	Phamela Engineering	3
7.	Roads and Storm Water	Bela Bela: Ext. 6 Intersection	500 000.00		29% of the work completed as measured according to the PPII	498 747.51		Delay in the approval of the way leaves by Transnet and SANRAL	Engagement meeting with both Transnet and SANRAL		Technical Services	ZMC	2

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestones	Expenditure by June 2021	Actual Performance By 30 June 2021	Reasons for Variations if any/Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
10	Roads and Storm Water	Construction of Road paving & Storm water in Bela-Bela Ext 8 - Phase 1	262 162.22 (Multi-year project)		paving & Storm water in Bela-Ext 7 - Phase 1.	262 160.00 100%				Designs approval Letter and Tender advert	Technical Services	ZONK Consulting	4
Water Service Infrastructure Grant													
11	Water and Sanitation	Bela Bela: Refurbishment of the old section of the Water Treatment Works (WTW)	R 3 054 348,39 (Roll-over budget)		100% of the work complete as measure d according to the PPII (Table 9) for the Refurbishment of the old	R 2 690 452,37 88%				Completion Certificate	Technical Services	T.I Engineering Services (Pty) Ltd	2

Annual Performance Report for the year ended 30 June 2021: Bela-Bela Local Municipality

No	Program me	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2021	Actual Performance By 30 June 2021	Reasons for Variations if any/Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
14	Water and Sanitation	Bela Bela: Upgrading of the Aventura sewer Pump Station	R 4 650 647,56 (Roll-over budget)		(VWWTW) recycling of treated effluent 100% of the work complete d as measure d according to the PPII (Table 9) for the Bela-Bela: Upgradin g of the Aventura sewer Pump Station.	R4 641 562,27 100%				Completion certificate	Technical Services	Phekiso Consulting Engineers	4
15	Water and Sanitation	Supply and install new and faulty water meters(All Wards)	R 7 031 278,34		Supply and install new and faulty water meters (1450H) in Ext. 9 and 25 by 30 June 2020.	R 6 255 821,58 89%		Variance of 24 Bulk meters which were not installed.	Declared as savings	Completed and signed Job Cards	Technical Services	Studio Martini Ingengneria	2
16	Water and Sanitation	Water Conservation and Demand Management (WCDM): Replacement of	475 000.00		19% of the work complete d as measure d	0		We could not finalize the designs due to budget limitations.	Expedite the process of approving the reviewed		Technical Services	Studio Martini	2

Annual Performance Report for the year ended 30 June 2021: Bela-Dela Local Municipality

No.	Program me	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2021	Actual Performance by 30 June 2021	Reasons for Variations if any/Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
		2X existing Boreholes.			PPI (Table 9) for the Construction of a 1ML Water Treatment Package Plant in Masakha and the Refurbishment of 2X existing Boreholes							
18	Water and Sanitation	Refurbishment of the Warmbad Dam	5 949 934.84		57% of the work completed as measured according to the PPI (Table 9) for the Bela-Bela Refurbishment of the Warmbad Dam	3 714 749.85			Quarterly Progress report	Technical Services	Tshahu Consulting	4
19	Water and Sanitation	Water Supply Source Augmentation and the	505 545.75		19% of the work completed as	0				Technical Services	Paul and Partners	N/A

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2021	Actual Performance by 30 June 2021	Reasons for Variations if any/Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
21	Water and Sanitation	Refurbishment of sewer outfall from Aventura PS to Bela-Bela WWTW	700 000.00		(WWTW) -Phase 1A 19% of the work complete as measure d according to the PPII (Table 9) for the refurbishment of sewer outfall from Aventura PS to Bela-Bela WWTW	698 291.21		The scope of work for the project was increased in order to accommodate the sewer pipe line from the Bela-Bela Mall and the Waterfront to the Aventura PS	To expedite the process of finalizing the designs and the approval thereof.	Quarterly Progress report	Technical Services	Marungane Project	3
22	Integrated National Electricity Programme	Bela Bela Ext 9: Electrification of Households (700HH)	R8 548 000.00		700 Households connected with electricity supply	8 548 000 100%		124HH not connected, variance is caused by the budget shortfall	The Municipality to submit the BP for the remaining 124HH	Quarterly progress report	Technical Services	Voit Consulting	4

NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT NUMBER	START DATE	TERMINATION DATE	CONTRACT DURATION	EXPIRY DATE	NOTES
6. Evaluations-Enhanced Property Appraisal	General Valuation Roll	R3 119 604.87 contract	01 July 2015	9/3/1/170	5 years	30 June 2020	3
7. Fidelity Cash Solution	Cash Collection	R 20 854.84 p/m inc VAT	01 August 2017	9/3/1/131	3 years	31-July-2020	4
8. Munsoft	Intergrated financial System	R1 978 415.00 p/a Excl Vat	01 July 2020	RT25-2016	2 Years	30 June 2022	5
9. Kunene Makopo Risk Sloutions	Provision of Short Term Insurance	R 901 328.14 p/a	01 July 2020	9/3/1/282	3 Years	30 June 2023	3
10. Sempro Consulting (Pty) Ltd	Indigent Management System	As per the pricing schedule	01 September 2020	9/3/1/287	3 Years	31 August 2023	4
11. Maximum Profit Discovery	Value Added Tax recovery service	As and when required (15%)	01 July 2017	Regulation 32	3 years	30-June-2020 It shall renew automatically for a further 3 years period unless terminated by either party by giving 3 months written notice of such termination.	4
12. Moruleng Travel & Projects	Travel and Accommodation Services	As and when required	22 February 2018	9/3/1/243	3 years	22 February 2021	2
13. Altimax	Accounting Support Services	As and when required	03 July 2019	9/3/1/259	2 years	30 June 2021	4
14. Black Jills Engineers	Accounting Support Services	As and when required	03 July 2019	9/3/1/259	2 years	30 June 2021	1
15. Tladi and Associates Consulting	Accounting Support Services	As and when required	03 July 2019	9/3/1/259	2 years	30 June 2021	1

NAME OF THE SERVICE PROVIDER	DESCRIPTION OF THE SERVICE	UNIT PRICE	START DATE	END DATE	DURATION OF CONTRACT	TENDER NUMBER	EXPIRY DATE	NUMBER OF CONTRACTS
28. Elphash Trading Enterprise	Provision of Security Services	R1 251 215.38 p/m	01 April 2021		3 Years	9/3/1/265	31 March 2023	4
29. Limpopo Provincial Government (Transport)	Transport	Based on 80/20 commission	1 April 2018		3 Years		31 March 2021	4
30. TMT Services and Suppliers (Pty) Ltd	Traffic law enforcement	As per the bid document	05 December 2019		3 years	9/3/1/263	05 December 2022	4
TECHNICAL SERVICES DEPARTMENT								
31. Tshuki Trading	Supply and delivery of Personal Protective Equipment (PPE)	As and when require services	01 December 2018		3 years	9/3/1/252	30 November 2021	4
32. Crystal Sambo Trading	Supply and delivery of Personal Protective Equipment (PPE)	As and when require services	01 December 2018		3 years	9/3/1/252	30 November 2021	4
33. Bolelang Trading	Supply and delivery of Personal Protective Equipment (PPE)	As and when require services	01 December 2018		3 years	9/3/1/252	30 November 2021	2
34. Ka-Ntse Trading	Supply and Delivery of Road Surfacing and Building Materials	As and when require services	05 December 2018		2 years	9/3/1/248	05 December 2020	4
35. Bakwena Industrial Supplies	Supply and Delivery of Road Surfacing and Building Materials	As and when require services	05 December 2018		2 years	9/3/1/248	05 December 2020	4
36. Mabchem Trading and Projects	Supply and delivery of water purification chemicals	As and when require services	05 December 2018		2 years	9/3/1/247	05 December 2020	4

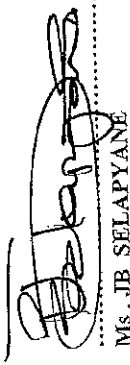
NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	COUNTY IN WHICH PROJECT IS LOCATED	CONTRACT NUMBER	CONTRACT DATE	START DATE	END DATE	PERIOD	STATUS
48. Marungane Projects	Upgrade of Municipal Landfill Site			18 May 2020		28 months	18 September 2022	3
49. Bo-Mamohla Projects	Construction of Road Paving & Stormwater X6			01 September 2020	9/3/1/292	12 months	31 August 2021	4
50. Phamela Engineering Services	Leasing Sports Facilities			08 October 2020		12 months	08 October 2021	3
51. Horizon Signature Projects	Refurbishment of Warmbad Dam			08 March 2021	9/3/1/305	12 months	08 March 2022	3
52. ZMC Consulting	Bela Bela Waste Water Treatment Works			23 April 2021		9 months	23 January 2022	3
WATER SERVICES INFRASTRUCTURE GRANT (WSIG) FUNDED PROJECTS								
53. T.I Engineering Services (Pty) Ltd	Refurbishment of the old section of Water Treatment Works			24 April 2019	9/3/1/257-1	15 months	24 July 2020	3
54. Ayamah Consulting	Water desalination plant – Rapotokwane			24 April 2019	9/3/1/257-2	15 months	24 July 2020	2
55. Unity Construction	Upgrading Aventura Sewerage Pump Station			07 April 2020	9/3/1/275	08 months	06 August 2020	3
56. Paul and Partners Engineering	Rapotokwane Water Augmentation and Reticulation			11 May 2020		25 Months	11 June 2022	3
57. Phamela Engineering Services	Masakhane 2ML Water Treatment Works			16 July 2019		24 Months	16 July 2022	3
58. Tshashu Consulting & Projects	Refurbishment of Warmbad Dam			25 May 2020		20 Months	25 January 2022	3

11.0 CONCLUSION

Notwithstanding challenges experienced during the year under review, Bela-Bela Local Municipality strived to serve its constituent Community with distinction during the 2019/2020 financial year. This report demonstrates the commitment of the Municipality to ensure that the local community have access to their basic needs, as enshrined in the 1996 Constitution of the Republic of South. Investment in capital and social infrastructure remains a clear focus area when projects are identified in the IDP. This report to Council and the local community demonstrates the ability of the Bela-Bela Municipality to adapt to the ever-changing socio-economic needs of the local community. The Municipality has already put in place corrective actions in response to these unachieved targets for implementation in the 2021/2022 IDP Review, Budget and SDBIP respectively, and will duly report to Council through its Governance Structures on the progress made to address those targets.

I wish to extend my gratitude to the Municipal Council, Executive Committee, Portfolio Committees the Management Team as well as to all the employees of the Bela-Bela Local Municipality who diligently and competently assisted to ensure that our Municipality is well on its way to becoming "A Place of Excellence" in all its Service Delivery and Governance processes.

Our Governance approach is that of continuous learning from our experiences and those of other well-performing Municipalities across the country, as we embark on our journey of Good Corporate Governance, characterised by improved quality of livelihoods in all the neighbourhoods therein.


.....
Ms. JB SELAPYANE

ACTING MUNICIPAL MANAGER

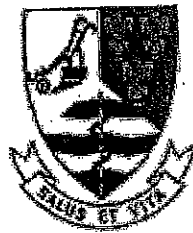
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ANNEXURE B

2020 2021 ANNUAL FINANCIAL STATEMENTS

Final adjusted Annual financial statement 2020/21



Bela Bela Local Municipality
(Registration number LIM 366)
Annual Financial Statements
for the year ended 30 June 2021

Bela Bela Local Municipality

(Registration number LIM 366)

Annual Financial Statements for the year ended 30 June 2021

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The reports and statements set out below comprise the annual financial statements presented to the Council:

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ASB	Accounting Standard Board
COVID	Compensation for Occupational Injuries and Diseases
COVID-19	Corona Virus Disease
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
IGRAP	Interpretation of Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
SCM	Supply Chain Management

Bela Bela Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Inventories	3	234 795	327 740
Receivables from exchange transactions	4&5	21 158 511	23 189 926
Statutory receivables	6&5	21 527 219	18 948 093
VAT receivable	7	3 173 941	7 909 199
Agreements	8	353 947	279 461
Receivables from non-exchange transactions		2 537 308	2 218 490
Cash and cash equivalents	9	12 516 771	10 201 964
		61 502 492	63 074 873
Non-Current Assets			
Investment property	10	279 138 852	279 138 852
Property, plant and equipment	11	842 748 542	800 183 275
Intangible assets	12	1 722 249	1 860 365
Heritage assets	13	538 950	538 950
Agreements	8	73 024	113 240
		1 124 221 617	1 081 834 682
		1 185 724 109	1 144 909 555
Total Assets			
Liabilities			
Current Liabilities			
Payables from exchange transactions	14	155 705 442	167 837 459
Consumer deposits	15	6 373 400	6 023 767
Employee benefit obligation	18	1 793 000	2 726 000
Unspent conditional grants and receipts	16	18 365 680	21 847 140
Provisions	17	573 950	813 056
		182 811 472	199 247 421
Non-Current Liabilities			
Employee benefit obligation	18	52 911 870	45 274 870
Provisions	17	70 494 746	62 284 208
		123 406 616	107 559 078
		306 218 088	306 806 499
Total Liabilities		879 506 021	838 103 056
Net Assets		879 506 021	838 103 056
Accumulated surplus		879 506 021	838 103 056
Total Net Assets		879 506 021	838 103 056

* See Note 54

Bela Bela Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Figures in Rand		
Opening balance as previously reported	780 887 198	780 887 198
Adjustments	8 995 992	8 995 992
Correction of errors	(8 284 869)	(8 284 869)
Change in accounting policy	24 041 753	24 041 753
Prior year adjustments	805 640 074	805 640 074
Balance at 01 July 2019 as restated*		
Changes in net assets	32 462 982	32 462 982
Surplus for the year	32 462 982	32 462 982
Total changes	838 103 068	838 103 068
Restated* Balance at 01 July 2020		
Changes in net assets	41 402 953	41 402 953
Surplus for the year	41 402 953	41 402 953
Total changes	879 506 021	879 506 021
Balance at 30 June 2021		

* See Note 54

Bela Bela Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	206 173 500	(1 500 000)	204 673 500	178 847 201	(25 826 299)	53.1
Sale of goods and rendering of services	473 640	-	473 640	324 710	(148 930)	53.2
Rental of facilities and equipment	1 728 480	(200 000)	1 528 480	1 365 599	(162 881)	53.3
Agency services	-	-	-	4 593 392	4 593 392	53.4
Licences and fees, Agency fees, Commission received and Demand charges	5 172 072	-	5 172 072	1 938 558	(3 233 514)	53.4
Cemetery fees	611 760	-	611 760	449 027	(162 733)	53.5
Commission received	-	-	-	99 846	99 846	53.6
Demand charges	484 044	-	484 044	144 589	(339 455)	53.7
Other income	7 507 992	(1 500 000)	6 007 992	16 177 543	10 169 551	53.8
Interest received - investment	16 093 236	(1 363 340)	14 729 896	13 058 328	(1 671 568)	53.8
Total revenue from exchange transactions	238 244 724	(4 563 340)	233 681 384	216 998 793	(16 682 591)	

Revenue from non-exchange transactions

Taxation revenue	94 479 240	(1 500 000)	92 979 240	79 460 504	(13 518 736)	53.9
Property rates	-	-	-	-	-	-
Transfer revenue	191 184 163	20 715 000	211 899 163	192 586 268	(19 312 875)	53.10
Government grants and subsidies	-	-	-	16 060 600	16 060 600	53.10
Fines, penalties and forfeits	-	-	-	-	-	-
Total revenue from non-exchange transactions	285 663 403	19 215 000	304 878 403	288 107 392	(16 771 011)	
Total revenue	523 908 127	14 651 660	538 559 787	505 106 185	(33 453 602)	

Expenditure

Employee costs	(147 279 576)	(4 488 601)	(151 768 177)	(148 329 989)	3 438 188	
Remuneration of councillors	(8 234 976)	-	(8 234 976)	(7 508 552)	726 424	
Depreciation and amortisation	(33 967 992)	-	(33 967 992)	(36 209 274)	(2 241 282)	53.11
Finance costs	(12 600 000)	7 600 000	(5 000 000)	(10 537 838)	(5 537 838)	53.12
Debt impairment	(10 349 916)	-	(10 349 916)	(68 382 485)	(58 032 569)	53.13
Bulk purchases	(131 510 004)	-	(131 510 004)	(116 851 348)	14 658 656	53.14
Contracted services	(35 422 296)	(13 405 690)	(48 827 986)	(38 336 785)	10 491 201	53.15
General expenses and other materials	(44 862 168)	(3 510 353)	(48 372 521)	(38 752 418)	9 620 103	53.15
Total expenditure	(424 226 928)	(13 804 644)	(438 031 572)	(464 708 689)	(26 677 117)	
Operating surplus	99 681 199	847 016	100 528 215	40 397 496	(60 130 719)	53.16
Loss on disposal of assets and liabilities	-	-	-	(289 543)	(289 543)	53.17
Actuarial gains/losses	-	-	-	1 295 000	1 295 000	53.17

Bela Bela Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Position

Assets

Current Assets						
Inventories	270 402	-	270 402	234 795	(35 607)	53.18
Receivables from exchange transactions	21 112 927	-	21 112 927	21 158 515	45 588	
Statutory receivables	58 806 753	-	58 806 753	21 527 219	(37 279 534)	53.19
VAT receivable	25 954 808	-	25 954 808	3 173 941	(22 780 867)	53.20
Agreements	608 045	-	608 045	353 947	(254 098)	53.21
Receivables from non-exchange transactions	38 160 629	(11 653 172)	26 507 457	2 537 308	(23 970 149)	53.22
Cash and cash equivalents	21 633 690	6 999 229	28 632 919	12 516 771	(16 116 148)	53.23
	166 547 254	(4 653 943)	161 893 311	61 502 496	(100 390 815)	

Non-Current Assets

Investment property	287 683 918	-	287 683 918	279 138 852	(8 545 066)	
Property, plant and equipment	803 905 236	4 197 700	808 102 936	842 748 542	34 645 606	
Intangible assets	1 684 417	-	1 684 417	1 722 249	37 832	
Heritage assets	538 950	-	538 950	538 950	-	
Agreements	608 045	-	608 045	73 024	(535 021)	53.24
	1 094 420 566	4 197 700	1 098 618 266	1 124 221 617	25 603 351	
	1 260 967 820	(456 243)	1 260 511 577	1 185 724 113	(74 787 464)	

Total Assets

Liabilities

Current Liabilities						
Payables from exchange transactions	138 014 823	(456 243)	137 558 580	155 705 440	18 146 860	53.25
Consumer deposits	5 836 474	-	5 836 474	6 373 400	536 926	53.26
Employee benefit obligation	-	-	-	1 793 000	1 793 000	53.27
Unspent conditional grants and receipts	12 364 128	-	12 364 128	18 365 680	6 001 552	53.28
Provisions	-	-	-	573 950	573 950	
	156 215 425	(456 243)	155 759 182	182 811 470	27 052 288	

Non-Current Liabilities

Employee benefit obligation	48 254 008	-	48 254 008	52 911 870	4 657 862	
Provisions	2 612 697	-	2 612 697	70 494 746	67 882 049	53.29
	50 866 705	-	50 866 705	123 406 616	72 539 911	
	207 082 130	(456 243)	206 625 887	306 218 086	99 592 199	
	1 053 885 690	-	1 053 885 690	879 506 027	(174 379 663)	

Total Liabilities

Net Assets

Net Assets

Reserves						
Accumulated surplus	1 053 885 690	-	1 053 885 690	879 506 027	(174 379 663)	

Bela Bela Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

The present value of the post-retirement and long-term obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement and long-term obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post-retirement and long-term obligations. In determining the appropriate discount rate, the municipality considers the market yields at the reporting date on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension or other long-term liability. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for post-retirement and other long-term obligations are based on current market conditions. Additional information is disclosed in Note 18.

Effective interest rate

The municipality uses the prime interest rate to discount future cash flows.

Recognition and Derecognition of Land

The municipality assesses whether it controls or does not control land by considering the principles contained in IGRAP 18.

The municipality is assessed to not control land of which it is the legal owner or the custodian and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP and the required disclosure are made in the relevant Notes to the Financial Statements.

In order to assess that the municipality does not control the land, the following factors are considered in applying its judgement-

Another entity acts as the custodian of the land in terms of a binding arrangement with the municipality and that entity has the right to direct access to the land, and to restrict or deny the access of others to the land.

Another entity is required or granted a right to use the land in terms of a binding arrangement with the municipality and that entity has the right to direct access to the land, and to restrict or deny the access of others to the land to meet its service delivery objectives.

Impairment of trade receivables

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which receivables have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable categories across all classes of receivables.

Impairment of statutory receivables

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which receivables have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per identifiable categories across all classes of receivables.

Assessing and recognising impairment of receivables for traffic fines is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not to be made at the time of initial recognition.

Bela Bela Local Municipality

(Registration number LIM 366)
Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.3 Investment property (continued)

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value model

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 10).

The municipality discloses relevant information relating to assets under construction or development in the notes to the annual financial statements, which include: the cumulative expenditure recognised in the carrying value of investment property; the carrying value of investment property that is taking a significantly longer period of time to complete than expected; and the carrying value of investment property where construction or development has been halted (see note 10).

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Bela Bela Local Municipality

(Registration number LIM 366)

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.4 Property, plant and equipment (continued)

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements, which include: the cumulative expenditure recognised in the carrying value of an item of property, plant and equipment; the carrying value of an item of property, plant and equipment that is taking a significantly longer period of time to complete than expected; and the carrying value of an item of property, plant and equipment where construction or development has been halted (see note 11).

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.5 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.6 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance. The municipality has classified computer software and servitudes as intangible assets.

An asset is identifiable if it either: is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Subsequent to initial measurement intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Bela Bela Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.7 Heritage assets (continued)

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset.

1.8 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows: consideration is given to the nature of the assets, whether it is primarily to provide a service to the community, and whether there is any realistic possibility of the asset being used in a commercial and profitable manner.

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the municipality designates the asset as a non-cash-generating asset and applies this accounting policy.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Bela Bela Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.9 Financial instruments (continued)

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Agreements	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Consumer deposits	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants and receipts	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, except for financial instruments subsequently measured at fair value, which are measured at its fair value.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations.

Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique.

Bela Bela Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.9 Financial instruments (continued)

- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:

- derecognises the asset; and

- recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

1.10 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset. Statutory receivables arise from non-exchange transactions.

Statutory receivables arise from the following legislation:

Municipal Property Rates Act (Act no 6 of 2004)

Criminal Procedures Act (Act no 51 of 1977)

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Recognition

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Accounting Policies

1.10 Statutory receivables (continued)

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rents are expensed in the period in which they are incurred.

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Accounting Policies

1.15 Employee benefits (continued)

A constructive obligation is an obligation that derives from the municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the municipality provides post-employment benefits for one or more employees.

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Accounting Policies

1.15 Employee benefits (continued)

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

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Accounting Policies

1.16 Provisions and contingencies (continued)

A contingent liability is:

- possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 41.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy and 1.8.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

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Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Revenue received from conditional grants, donations and other funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the agreement, where applicable. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

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Accounting Policies

1.23 Unauthorised expenditure (continued)

For details on unauthorised expenditure, refer to note 47 - Unauthorised expenditure.

1.24 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the fruitless and wasteful expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

For details on unauthorised expenditure, refer to note 48 - Fruitless and wasteful expenditure.

1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the MFMA, the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the irregular expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

For details on irregular expenditure, refer to note 49 - Irregular expenditure.

1.26 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are made in respect of unrecognised contractual commitments, which include future capital commitments relating to property, plant and equipment, investment property, intangible assets and heritage assets, as applicable, operational commitments, as well as future commitments relating to operating leases. Refer to note 40 - Commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Commitments consist of expenditure committed but not yet incurred. Commitments are categorised as follows:

- Commitments approved and contracted for.
- Commitments approved but not yet contracted for.

1.27 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

In order to assess that the segments could be aggregated, the following factors were considered in applying its judgement:

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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later periods:

GRAP 104 (amended): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the is not yet set by the Minister of Finance.

The municipality expects to adopt the for the first time when the Minister sets the effective date for the .

The municipality is unable to reliably estimate the impact of the standard on the annual financial statements.

Guideline: Guideline on Accounting for Landfill Sites

The objective of this guideline: The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

It covers: Overview of the legislative requirements that govern landfill sites, Accounting for land, Accounting for the landfill site asset, Accounting for the provision for rehabilitation, Closure, End-use and monitoring, Other considerations, and Annexures with Terminology & References to pronouncements used in the Guideline.

The effective date of the guideline is for years beginning on or after the date still to be set by the Minister of Finance

The municipality expects to adopt the guideline for the first time when the Minister sets effective date.

Guideline on the Application of Materiality to Financial Statements

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	2021	2020
Figures in Rand		

3. Inventories

Water

Water inventory

Opening balance

Purchases

Sales

Distribution loss

Closing balance

	234 795	327 740
	327 740	267 725
34	30 997 367	29 837 470
	(21 840 756)	(23 518 070)
	(9 249 556)	(6 269 385)
	234 795	327 740

4. Receivables from exchange transactions

Consumer debtors - Electricity

Consumer debtors - Fees

Consumer debtors - Interest

Consumer debtors - Merchandising and jobbing

Consumer debtors - Refuse

Consumer debtors - Rental Charges

Consumer debtors - Sewerage

Consumer debtors - VAT

Consumer debtors - Water

Other debtors

Water District Municipality fire fighting

4 888 864	5 000 688
1 291 744	1 272 097
4 522 762	4 993 454
685 091	1 358 467
1 051 140	1 100 196
48 872	77 007
2 193 772	2 267 492
223 055	278 866
4 532 847	3 862 193
22 256	1 286 798
1 698 108	1 692 668
21 158 511	23 189 926

Trade and other receivables pledged as security

No trade or other receivables was pledged as security.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

None of the financial assets that are fully performing have been renegotiated in the last year.

Trade and other receivables past due but not impaired

Impairment is only calculated on consumer debtors. All consumer debtors that were past due, were impaired.

Trade and other receivables impaired

As of 30 June 2021, trade and other receivables of R 128 012 467 (2020: R 118 735 014) were impaired and provided for.

The amount of the provision was R 108 574 318 as of 30 June 2021 (2020: R 97 942 569).

The ageing of these receivables is as follows:

Current (0-30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 365 days

> 365 days

171 724	39 655
11 426 543	11 711 610
5 909 750	4 603 117
4 161 458	4 039 026
25 646 885	20 397 367
80 696 107	77 944 239
128 012 467	118 735 014

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5. Consumer debtors disclosure (continued)

Statutory receivables included in consumer debtors above are as follows:
Consumer debtors - Rates

Financial asset receivables included in consumer debtors above

Total consumer debtors

Included in above is receivables from exchange transactions
Consumer debtors

Included in above is receivables from non-exchange transactions
Property rates

Net balance

Rates

Current (0 -30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 365 days

> 365 days

Impairment

Electricity

Current (0 -30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 365 days

> 365 days

Impairment

Water

Current (0 -30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 365 days

> 365 days

Impairment

VAT

31 - 60 days

61 - 90 days

91 - 120 days

121 - 365 days

> 365 days

Impairment

	2021	2020
18 115 144	17 630 703	
19 438 148	20 210 460	
37 553 292	37 841 163	
19 438 148	20 210 456	
18 115 144	17 630 703	
37 553 292	37 841 159	
4 441	144 138	
6 669 713	6 523 327	
3 996 885	3 937 050	
3 325 973	3 567 006	
22 809 452	21 836 986	
88 783 152	72 787 623	
(107 474 472)	(91 165 427)	
18 115 144	17 630 703	
2 064	-	
4 729 032	5 420 590	
1 159 877	950 864	
654 957	850 613	
3 008 457	2 670 173	
5 775 163	5 242 102	
(10 440 686)	(10 133 654)	
4 888 864	5 000 688	
28 827	7 130	
3 539 878	2 922 973	
2 304 325	1 914 952	
1 762 802	1 695 928	
10 239 829	8 745 526	
28 863 487	23 265 393	
(42 206 281)	(34 689 709)	
4 532 847	3 862 193	
75 777	60 862	
73 669	75 781	
71 704	72 425	
493 700	504 368	
2 066 942	1 850 750	
(2 558 737)	(2 285 320)	
223 055	278 866	

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Figures in Rand

2021

2020

5. Consumer debtors disclosure (continued)

Merchandising and Jobbing

Current (0 -30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 365 days

> 365 days

71 160

83 500

30 407

21 486

204 415

2 232 347

(1 958 222)

685 092

-

344 792

97 608

85 724

341 379

3 234 728

(4 104 231)

1 358 467

Summary of debtors by customer classification

Consumers

Current (0 -30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 365 days

> 365 days

176 164

9 494 736

5 883 052

4 547 408

29 089 614

97 101 928

146 292 902

(126 429 077)

19 863 825

147 971

8 976 957

5 167 297

4 434 865

26 103 256

96 001 334

140 831 680

(118 490 696)

22 340 984

Less: Allowance for impairment

Industrial/ commercial

Current (0 -30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 365 days

> 365 days

7 722 127

3 025 697

2 230 758

15 332 324

59 881 638

88 192 544

(72 303 827)

15 888 717

35 589

8 438 416

2 656 683

2 581 523

13 214 761

46 239 725

73 166 677

(58 511 645)

14 655 032

Less: Allowance for impairment

National and provincial government

Current (0 -30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 365 days

> 365 days

879 393

997 886

709 266

4 034 399

12 495 693

19 116 637

(17 315 885)

1 800 752

230

819 565

716 206

589 644

2 916 336

8 490 805

13 532 786

(12 105 446)

1 427 340

Less: Allowance for impairment

Reconciliation of allowance for impairment

Balance at beginning of the year

Contributions to allowance

Debt impairment written off against allowance

(189 106 996)

(26 951 787)

(20 654 390)

183 767

(216 058 783)

(189 106 996)

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2021

2020

Figures in Rand

6. Statutory receivables (continued)

Statutory receivables general information

Transaction(s) arising from statute

Property rates arise from the Municipal Property Rates Act (Act no 6 of 2004).

Traffic fines arise from the Criminal Procedures Act (Act no 51 of 1977).

Determination of transaction amount

The transaction amount for property rates is determined using the policy on Revenue from non-exchange transactions.

The transaction amount for traffic fines is determined by the offence incurred in accordance with the Criminal Procedures Act (Act no 51 of 1977).

Interest or other charges levied/charged

Interest is charged on overdue consumer debtors - rates and is calculated using the nominal interest rate.

No interest charged on traffic fines. Other charges includes contempt of court which is not due to the municipality.

Basis used to assess and test whether a statutory receivable is impaired

All statutory receivables that are past due or uncollected were impaired.

Impairment on property rates is calculated based on a risk and payment scoring system.

Impairment on traffic fines is calculated on an average rate of payment for the current and prior years.

Discount rate applied to the estimated future cash flows

No discount rate was used in the property rates and traffic fines impairment calculation.

Statutory receivables past due but not impaired

All Statutory receivables past due was impaired.

Statutory receivables impaired

As of 30 June 2021, Statutory receivables of R 128 012 467 (2020: R 119 476 515) were impaired and provided for.

The amount of the provision was R 111 161 171 as of 30 June 2021 (2020: R 100 528 422).

The ageing of these receivables is as follows:

Current (0-30 days)	171 724	2 413 438
31 - 60 days	11 426 543	6 529 327
61 - 90 days	5 909 750	3 937 050
91 - 120 days	4 161 458	5 219 706
121 - 365 days	25 646 885	23 945 936
> 365 days	80 696 107	77 431 058
	128 012 467	119 476 515

Factors the entity considered in assessing statutory receivables impaired

The calculations and scoring used when completing the Type Risk Payment report for property rates are based on the following:

- Accounts aging

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9. Cash and cash equivalents (continued)

Credit quality of cash at bank and short-term deposits, excluding cash on hand

One of the investment accounts are pledged as security, the rest are call accounts. Therefore readily convertibles and there is an insignificant risk for a change in value.

Credit rating

Investments

Cash and cash equivalents

Less: Unspent conditional grants

1 139 389	1 016 289
11 380 298	7 638 683
(18 365 318)	(21 848 077)
(5 845 631)	(13 193 105)

Cash and cash equivalents pledged as collateral

Limited cession of ABSA Fixed Deposit number 2066701092

800 000

Guarantee

Fleet Card

ACB Mag Tape Credit

Abisa Vehicle and Management system

Overdraft

ACB Mag Tape Debit R160 000 @10% of

500 000	-
400 000	-
1 500 000	-
100 000	-
15 000 000	-
1 600 000	-
19 100 000	-

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
ABSA Bank - Current Account (Primary Bank Account) - 13-3000-0062	7 780 316	8 907 944	10 308 174	11 036 613	8 460 258	12 008 123
ABSA Bank - Call Account - 40-7836-0937	338 056	730 739	209 415	340 769	733 452	209 415
ABSA Bank - Call Account -92-9574-5884	162 818	99 493	22 855	162 818	99 493	22 855
ABSA Bank - Fixed Deposit - 206-670-1092	976 571	916 796	846 299	976 571	916 796	846 299
ABSA Bank - CINCOR - 407-374-1532	-	-	881	-	-	881
Total	9 257 761	8 654 972	11 387 624	12 516 771	10 209 999	13 087 573

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10. Investment property (continued)

Maintenance of Investment property

No costs were incurred to maintain investment property as investment property consists of vacant land.

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11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Derecognition cost	Derecognition accumulated depreciation	Revaluations or increase in provision	Depreciation	Closing balance
	24 369 665	-	-	-	-	(1 404 196)	22 965 469
Buildings	52 083 713	2 802 938	-	-	-	(2 871 045)	52 115 606
Community facilities	1 780 684	198 999	(52 431)	46 982	-	(709 030)	1 265 204
Furniture and office equipment	553 130 666	56 051 052	(57 679)	32 348	9 580 256	(22 086 812)	596 649 831
Infrastructure	78 909 942	-	-	-	-	-	78 909 942
Land	3 325 540	24 942 341	-	-	-	(1 473 245)	26 794 636
Transport assets	813 687	138 581	-	-	-	(277 087)	475 181
Computer equipment	718 266	143 082	-	-	-	(330 389)	530 959
Machinery and equipment	21 439 066	-	-	-	-	(962 619)	20 476 447
Recreational assets							
	736 371 229	84 376 993	(110 110)	79 330	9 580 256	(30 114 423)	800 183 275

Pledged as security

None of the assets was pledged as security.

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11. Property, plant and equipment (continued)

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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12. Intangible assets (continued)

Intangible assets with an indefinite useful life

The servitudes recognised in the asset register represent a right of way to land in order to service and maintain municipal infrastructure, such as below ground water networks, and since land is considered to have an indefinite lifespan, the servitude embeds the same lifespan properties.

13. Heritage assets

2021		
Cost / Valuation	Accumulated impairment losses	Carrying
538 950	-	538 950

Historical assets

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13. Heritage assets (continued)

Reconciliation of heritage assets 2020

Opening balance	Closing Balance
538 950	538 950

Historical assets

Pledged as security

None of the heritage assets pledged as security;

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17. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Increase or decrease in provision	Total
Rehabilitation of landfill site	62 284 208	8 210 538	70 494 746
Performance bonus	813 055	(239 105)	573 950
	63 097 263	7 971 433	71 068 696

Reconciliation of provisions - 2020

	Opening Balance	Increase in provision	Total
Rehabilitation of landfill site	48 493 598	13 790 610	62 284 208
Performance bonus	682 193	130 862	813 055
	49 175 791	13 921 472	63 097 263
Non-current liabilities		70 494 746	62 284 208
Current liabilities		573 950	813 055
		71 068 696	63 097 263

Rehabilitation of landfill site

The provision for the rehabilitation of the landfill site relates to the legal obligation to rehabilitate landfill sites used for waste disposal. The valuation of the landfill site was performed as at 30 June 2021 by i@Consulting (Pty) Ltd. Its is calculated as the present value of the future obligation, discounted at prime interest rate.

The following key assumption were used: SAFSEC escalation rate 6.9% (2020: 6.9% -CPI), discount rate of 7.25% (2020: 7.25%) and nett effective discount rate 7.25% of (2020: 0.35%). The remaining estimated life of the landfill site of 5 years is used in the discounted calculation of the provision.

Provision for rehabilitation of landfill site

Balance at the beginning of the year	62 284 208	48 493 598
Changes in provision of landfill closure	4 297 610	9 580 256
Interest charge	3 912 927	4 210 354
	70 494 745	62 284 208

Performance Bonus

The provision for the performance bonus has been calculated at 10% of the relevant Section 56 Manager's package as per the Department of Provincial and Local Government guidelines on Performance Management and based on the past experience of Section 56 Managers paid out bonuses.

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to the employee after:

- the annual report for the financial year under review has been tabled and adopted by municipal council.
- the evaluation of performance in accordance with the provisions of regulation 23; and
- approval of such evaluation by the municipal council as a rewards for outstanding performance.

Movement in the performance bonus

Opening balance	813 055	682 193
Reversed	(813 055)	(682 193)
Additional provision	573 950	813 055
	573 950	813 055

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18. Employee benefit obligations (continued)

Changes in the present value of defined benefit obligation and long service awards

	2021	2020
Opening balance	48 000 000	39 656 190
Benefits paid	(2 281 000)	(1 804 327)
Net expense recognised in the statement of financial performance	8 985 000	10 148 137
	54 704 000	48 000 000

Net expense recognised in the statement of financial performance

Current service cost	3 108 000	2 908 994
Interest cost	5 920 000	4 515 351
Actuarial (gains) losses	(43 000)	2 723 792
	8 985 000	10 148 137

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9,04 %	8,15 %
Normal salary increase rate	5,91 %	5,56 %
Net effective discount rate	1,99 %	2,45 %
CPI (Consumer Price Inflation)	5,91 %	4,56 %

The average expected working life of employee is 62 years (2020: 62 years).

The key assumptions PEMA are as follows:

Discount rate used : 12.31% (2020: 9.33%)
 Health care cost of inflation : 8.88% (2020 : 6.82%)
 Net effective discount rate : 3.15% (2020 : 2.35%)
 CPI (Consumer Price Inflation) : 7.88% (2020 : 5.32%)

Other assumptions

Assumed healthcare cost and long service awards trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	10 972 000	8 459 000
Effect on defined benefit obligation	62 993 000	47 898 000

Amounts for the current and previous four years are as follows:

	2021	2020	2019	2018	2017
Post retirement medical benefits	47 986 000	41 699 000	33 447 773	41 613 870	39 188 870
Long service awards	6 718 000	6 301 000	6 208 417	5 854 000	5 037 000

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25. Property rates

Rates received

Business	9 665 334	12 022 802
Other	284 161	274 073
Residential	54 557 727	49 046 251
Small holdings and farms	7 758 702	7 621 018
State	7 194 580	5 827 437
	79 460 504	74 791 581

Valuations

Accommodation establishment	62 051 000	62 051 000
Commercial	738 219 000	738 219 000
Farms agricultural	3 818 881 000	3 818 881 000
Farms business	586 359 000	586 359 000
Farms other	45 635 000	45 635 000
Farms residential	631 632 000	631 632 000
Farms vacant land	528 796 000	528 796 000
Industrial	15 400 000	15 400 000
Municipal property	21 078 000	21 078 000
Private open space	15 959 000	15 959 000
Public benefit activities	54 217 000	54 217 000
Public service infrastructure	8 433 000	8 433 000
Residential	3 667 770 000	3 667 770 000
Small holdings agricultural	18 803 000	18 803 000
Small holdings business	39 994 000	39 994 000
Small holdings other	393 000	393 000
Small holdings residential	123 903 000	123 903 000
Small holdings vacant land	167 484 000	167 484 000
Vacant business	8 616 000	8 616 000
Vacant residential	776 268 000	776 268 000
	11 329 891 000	11 329 891 000

Valuations on land and buildings are performed every five (5) years. The last general valuation came into effect on 1 July 2016. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

A general rate of R 0.006 - (2020: -; R 0.006) is applied to property valuations to determine assessment rates.

The rate randages are as follows:

Business and industrial R 0.0164 - (2020 : R 0.0157)

Farms agriculture (bona fide) R 0.0032 - (2020 : R 0.0031)

Government properties R 0.0164 - (2020 : R 0.0157)

Residential properties R 0.0131 - (2020 : R 0.0125)

Vacant land business R 0.0164 - (2020 : R 0.0157)

Vacant land residential R 0.0164 - (2020 : R 0.0157)

The new general valuation will be implemented on 01 July 2021.

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26. Government grants and subsidies (continued)

Expanded Public Works Programme Integrated Grant for Municipalities

Current-year receipts	1 060 000	1 046 000
Conditions met - transferred to revenue	(1 060 000)	(1 046 000)
	-	-

Conditions still to be met - remain liabilities (see note 16 - Unspent conditional grants and receipts).

The grant is to incentivise municipalities to increase labour intensive employment through infrastructure programmes that maximise job creation and skills development in line with the EPWP guidelines.

Local Government Financial Management Grant

Current-year receipts	1 700 000	1 700 000
Conditions met - transferred to revenue	(1 700 000)	(1 700 000)
	-	-

Conditions still to be met - remain liabilities (see note 16 - Unspent conditional grants and receipts).

The purpose of this grant is to ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner for the benefit of all people and environment, through effective policies, integrated planning, strategies, knowledge based and procedures.

Municipal Infrastructure Grant

Balance unspent at beginning of year	2 581 304	-
Current-year receipts	25 444 000	25 911 000
Conditions met - transferred to revenue	(25 443 778)	(23 329 696)
Other adjustment	(2 581 304)	-
	222	2 581 304

Conditions still to be met - remain liabilities (see note 16 - Unspent conditional grants and receipts).

The municipal infrastructure grants complement the equitable share grants for local government; however, it is provided conditionally to municipalities.

The key principles underpinning the design of the MIG are outlined below:

Focus on infrastructure required for a basic level of service: The MIG programme is aimed at providing only basic infrastructure.

Maximising economic benefits: The programme will be managed to ensure that the local economic spin-offs through providing infrastructure are maximised.

Equity in all the allocation and use of funds: The mechanism for distributing funds must provide for equitable access to such funds by the poor to make uniform progress in closing the infrastructure gap.

Municipal Disaster Relief Grant

Balance unspent at beginning of year	(650)	-
Current-year receipts	-	179 000
Conditions met - transferred to revenue	-	(179 000)
Other	-	(650)
	(650)	(650)

Conditions still to be met - remain liabilities (see note 16 - Unspent conditional grants and receipts).

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28. Employee related costs

Acting allowances	352 275	744 670
Bargaining council	43 202	42 000
Basic	81 341 842	78 544 665
Bonus	6 089 399	6 256 468
Car allowance	10 171 456	9 482 441
Cellphone allowance	1 865 739	2 059 185
Current service cost	2 505 000	2 266 000
Fire allowance	2 100	26 550
Housing benefits and allowances	401 235	376 289
Leave pay provision charge	5 634 425	4 262 308
Long-service awards	121 963	340 756
Medical aid - company contributions	8 128 647	7 069 478
Overtime payments	14 079 644	13 340 267
Post employment benefits	15 946 146	15 318 879
Skills development levy	1 007 141	663 753
Unemployment insurance fund	659 775	662 674
	148 329 989	141 456 383

Remuneration of Municipal Manager: S.M. Makhubela

Annual Remuneration	505 545	804 282
Car Allowance	202 216	317 316
Performance Bonuses	-	186 117
Contributions to UIF, Medical and Pension Funds	101 109	-
Cellphone Allowance	24 500	42 000
	833 370	1 349 715

Remuneration of Chief Financial Officer: R.M. Marutha

Annual Remuneration	551 514	530 313
Car Allowance	223 608	215 928
Performance Bonuses	-	121 524
Contributions to UIF, Medical and Pension Funds	119 325	36 000
Cellphone Allowance	36 000	-
	930 447	903 765

Remuneration of Corporate Services Manager: J.B. Selapane

Annual Remuneration	599 180	574 539
Car Allowance	255 552	246 772
Performance Bonuses	-	174 073
Contributions to UIF, Medical and Pension Funds	173 514	36 000
Cellphone Allowance	36 000	-
Other Allowances (Acting Allowances as Municipal Manager)	121 470	-
	1 185 726	1 031 384

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29. Remuneration of councillors (continued)

Executive Mayor: M.J. Ngobeni

Remuneration
Cellphone allowance
Car allowance
Contributions to SDL, medical and pension funds

2021	2020
514 830	528 770
44 400	44 400
215 219	208 320
136 951	131 497
911 400	912 987

Speaker: R.Z. Moelets

Remuneration
Cellphone allowance
Car allowance
Contributions to SDL, medical and pension funds

2021	2020
551 352	584 928
44 400	44 400
-	1 825
142 197	136 649
737 949	767 802

Chief Whip: M.H. Ledwaba

Remuneration
Cellphone allowance
Car allowance
Contributions to SDL, medical and pension funds

2021	2020
421 068	444 225
44 400	44 400
161 418	156 242
67 673	65 785
694 559	710 652

Mayoral Committee Member: S.E. Maluleka

Remuneration
Cellphone allowance
Car allowance
Contributions to SDL, medical and pension funds

2021	2020
375 273	403 197
44 400	44 400
161 410	156 242
114 472	109 910
695 555	713 749

Mayoral Committee Member: M.N. Ras

Remuneration
Cellphone allowance
Contributions to SDL, medical and pension funds

2021	2020
313 211	321 949
44 400	44 400
49 458	48 053
407 069	414 402

Councillor: P.M. Aphone

Remuneration
Cellphone allowance
Car allowance
Contributions to SDL, medical and pension funds

2021	2020
186 636	198 586
44 400	44 400
87 402	84 608
78 133	74 188
396 571	401 782

Councillor: F.S. Hlungwane

Remuneration
Cellphone allowance
Car allowance
Contributions to SDL, medical and pension funds

2021	2020
145 560	151 468
44 400	44 400
68 107	65 922
60 752	58 079
318 819	319 869

Councillor: M.J. Makhubela

Remuneration
Cellphone allowance
Car allowance
Contributions to SDL, medical and pension funds

2021	2020
155 016	173 330
44 400	44 400
68 108	65 922
51 270	35 122

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29. Remuneration of councillors (continued)	320 487	319 213
Councillor: M.A. Shika	228 012	250 910
Remuneration	44 400	44 400
Cellphone allowance	87 404	84 608
Car allowance	36 646	35 691
Contributions to medical and pension funds	396 462	415 609
Councillor: M.J.L. Kruger	59 224	-
Remuneration	14 800	-
Cellphone allowance	22 704	-
Car allowance	9 576	-
Contributions to medical and pension funds	106 304	-
30. Depreciation and amortisation	36 071 158	30 114 423
Property, plant and equipment	138 116	318 036
Intangible assets	36 209 274	30 432 459
31. Finance costs	704 911	5 447 950
Overdue accounts	3 912 927	4 210 354
Land fill site	5 920 000	4 515 351
Other interest paid	10 537 838	14 173 655
32. Debt impairment	26 951 787	20 470 623
Debt impairment allowance - consumer debtors	9 972 096	(12 507 532)
Debt impairment allowance - traffic fines	31 458 602	20 474 379
Bad debts written off	68 382 485	28 437 470
33. Fair value adjustments	-	(5 686 711)
Investment property (Fair value model)		

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35. Contracted services

Outsourced Services

Debt Collectors and Tracers	-	323 690
Catering Services	-	17 709
Security Services	8 831 472	9 756 093
Traffic Fines Management	629 595	265 284

Consultants and Professional Services

Business and Advisory	7 166 609	5 703 600
Legal Cost	2 935 647	6 274 028

Contractors

Aerial Photography	153 033	-
Catering Services	22 190	145 210
Maintenance of Municipal Vehicles	1 045 947	1 983 332
Maintenance of Equipment	1 552 397	818 938
Maintenance of Unspecified Assets	15 999 895	2 300 304
	38 336 785	27 588 188

36. General expenses

Advertising	219 341	261 389
Auditors remuneration	5 718 492	5 300 598
Bank charges	1 463 973	1 091 104
Cleaning	587 394	377 231
Commission paid	3 299 654	3 038 330
Hire	4 795 506	13 345 834
Insurance	925 010	1 488 484
IT expenses	5 535 947	6 260 006
Fuel and oil	2 186 578	3 194 939
Postage and courier	5 735	94 068
Printing and stationery	297 960	301 730
Protective clothing	2 049 935	2 219 771
Repairs and maintenance	5 834 178	9 984 613
Subscriptions and membership fees	2 201 657	496 126
Telephone and fax	2 179 224	4 199 705
Training	-	28 665
Travel - local	317 288	225 096
Community outreach programme	-	25 200
Chemicals	-	13 852
Internal audit	564 695	208 432
Capacity building	167 739	550 618
Other expenses	392 112	270 636
	38 752 418	52 976 427

37. Auditors' remuneration

Fees

5 718 492	5 300 598
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	2021	2020
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39. Financial instruments disclosure (continued)	10 201 964	10 201 964
Cash and cash equivalents	23 772 119	23 772 119
Trade and other receivables from exchange transactions	34 366 784	34 366 784

Financial liabilities

	At amortised cost	Total
Consumer deposits	6 023 767	6 023 767
Trade and other payables from exchange transactions	153 687 912	153 687 912
Unspent conditional grants and receipts	21 874 140	21 874 140
	181 585 819	181 585 819

40. Commitments

Authorised capital expenditure

Already contracted for but not provided for

- Property, plant and equipment

34 195 547	28 144 225
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Not yet contracted for and authorised by accounting officer

- Property, plant and equipment

192 125 516	226 037 200
-------------	-------------

Total capital commitments

Already contracted for but not provided for
Not yet contracted for and authorised by accounting officer

34 195 547	28 144 225
192 125 516	226 037 200
226 321 063	254 181 425

Total commitments

Total commitments

Authorised capital expenditure

226 321 063	254 181 425
-------------	-------------

This committed expenditure relates to plant and equipment as required by GRAP 19 and will be financed by available bank facilities, accumulated surpluses, existing cash resources, funds internally generated etc.

The municipality owns properties that are leased out to employees for the period not exceeding 12 months. The municipality leases land to various entities for the purposes of farming and network equipment transmission. Lease periods range from five to ten years.

Operating leases - as lessee (expense)

Minimum lease payments due
- within one year

262 267	1 583 104
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Operating lease payments represent rentals payable by the municipality for certain of its office properties. No contingent rent is payable.

Nashua - The municipality leased printers from Nashua for a period of 36 months, effective from 24 July 2014. There were no defaults or breaches and no terms or condition were negotiated during the reporting period.

Fedality Cash Solutions - The municipality has a lease with Fedality Cash Solutions for a period of 36 months, effective from 1 August 2017. There were no defaults or breaches and no terms or conditions were renegotiated during the reporting period.

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41. Contingencies (continued)

On 8 May 2020, the municipality obtained an interim court order against Fidelis Motau and 3 others for inter alia, their interference with the operations of the municipality.

Status 2020: The matter has been postponed on two occasions to allow the respondents an opportunity to obtain legal representation. The matter has been postponed to 30 September 2020.

Status 2021: There is no monetary value against the municipality other than legal fees.

Claim amount: No monetary claim.

Estimated potential expenditure on fees: R150 000 limited to legal costs.

Illegal Land Grabbers of various Municipal Lands

Nature of the matter: Civil-Interdict

On 26 June 2020, the municipality obtained an interim court order against various land grabbers at the Masakahane, Extension 7, Hetbad and Roodepoort properties.

Status 2020: The matter has been postponed to allow the respondents an opportunity to obtain legal representation. The respondents have obtained legal representation to oppose the matter. The matter has been postponed to 18 September 2020 to enable the municipality to file a responding affidavit.

Status 2021: There is no monetary value against the municipality other than legal fees.

Claim amount: No monetary claim

Estimated potential expenditure on fees: R250 000 limited to legal costs

Nakevi Abel Makgato//Bela Bela Municipality

Nature of the matter: On 17 August 2020, Summons were issued against the Municipality by the Plaintiff for alleged damages sustained to his vehicle as a result of a pothole.

Status 2021: We confirm that pleadings have closed herein and a pre-trial conference has been set down for 6 August 2021, where after we shall obtain a trial date.

Estimated potential expenditure on fees: R250 000 limited to legal costs.

Dr Camillius Monulu//Bela Bela Municipality

Nature of the matter: On 11 February 2021, Summons were issued against the Municipality by the Plaintiff for alleged damages sustained to his vehicle as a result of a pothole.

Status 2021: The pleadings have closed herein and the parties are in the process of exploring settlement prospects. We are of the view that the matter will be settled.

Estimated potential expenditure on fees: R250 000 limited to legal costs.

Aurecon SA (Pty) Ltd/ Bela Bela Local Municipality - Ref: Mahowa/KK/BLB-002

Nature of the matter: Bela Bela Local Municipality is sued by Aurecon SA (Pty) Ltd for professional consultancy engineering services on the project known as Bela Bela pave Bus route- Rapotokwane. The matter is defended in the High Court but the proceedings are stayed in order to claim refund Bela Bela Municipality paid as security for a borrowed pit utilized for the said project from the Department of Minerals and energy (DME). We are in the process of obtaining a closure certificate for the rehabilitation of the borrowed pit from the DME in order to claim the refund.

Status 2021: The management estimate of the financial exposure at this stage which is including legal costs and disbursements. The municipality runs a risk of civil litigation proceeding, if the DME refuses to refund the rehabilitation of the borrowed pit.

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41. Contingencies (continued)

Status 2021: The matter is being defended in the High Court but the proceedings are stayed in order to claim refund the Municipality paid as security for a borrowed pit utilized for the sain project from the Department of Minerals and Energy (DME)

Amount Claimed: R509 125.01

Contingent assets

Contingent assets are a possible asset that arises from past events, and those in existence will be confirmed only or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

There are currently no contingent assets noted in the year under review..

42. Related parties

Relationships
Members of key management

The municipality does not have related party transactions for the 2021 financial year Refer to note 27 and 28

43. Comparative figures

Certain comparative figures have been restated, refer to note 51 - Prior-year adjustments for the detail.

44. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

There was no change in the municipality's risk profile or risk policies.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 30 June 2021				
Consumer deposits	6 373 400	-	-	-
Trade and other payables	155 132 082	-	-	-
Unspent conditional grants and receipts	18 365 608	-	-	-
At 30 June 2020				
Consumer deposits	6 023 767	-	-	-
Trade and other payables	155 364 228	-	-	-
Unspent conditional grants and receipts	21 847 140	-	-	-

Bela Bela Local Municipality

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Annual Financial Statements for the year ended 30 June 2021

Figures in Rand

2021 2020

48. Fruitless and wasteful expenditure (continued)

The classification, validation and recoverability of all fruitless and wasteful expenditure was submitted to council in terms of section 32 of the MFMA for determination. The said submission was routed to by council for further investigation which is still ongoing.

49. Irregular expenditure

Opening balance as previously reported

Opening balance as restated

Add: Irregular Expenditure - current

Add: Irregular Expenditure - prior period

Closing balance

48 600 206	-
48 600 206	-
14 448 304	33 345 382
-	15 254 824
63 048 510	48 600 206

Details of irregular expenditure incurred

Included in the current year irregular expenditure is an amount of R15 254 824 which relate to the 2019 audit outcome. The reported irregular expenditure of 2019/20 financial year of R18 406 185 which relate to which continuing contracts which were found to be in contravention of the Municipality's Supply Chain Management Policy during the 2018 financial year audit.

The nature of the irregular expenditure as required by the SCM regulation is as follows:

Tender process where certain qualifying bidders were disqualified

Not evaluated in terms of PPPFA

As a result of not following Section 32 of MSCR

Tenders that contravened the SCM regulation by not including if tenders were for a panel of

service providers on the advert

Funds allocated to unspent conditional grant used for other payments

1 635 722	9 264 046
3 421 613	4 194 762
965 994	858 000
8 424 975	4 089 378
-	14 939 196
14 448 304	33 345 382

Disciplinary steps taken

The classification, validation and recoverability of all irregular expenditure was submitted to council in terms of section 32 of the MFMA for determination. The said submission was routed to by council for further investigation which is still ongoing.

50. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee

Amount paid - current year

1 513 869	1 472 080
-	(1 472 080)
1 513 869	-

Material losses through criminal conduct

Opening balance as previously reported

Add: Losses identified - current period

Less: Amounts recovered - current

2 997 932	2 963 198
-	432 863
-	(398 129)
2 997 932	2 997 932

The material losses is debit orders which went fraudulently through the bank account. See note 36 for disclosure.

Investigation is still on-going and no amounts were written off in the current year.

Bela Bela Local Municipality

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	2021	2020
Figures in Rand		

50. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2021:

30 June 2021	Outstanding less than 90 days	Outstanding more than 90 days	Total
	2 097	-	2 097
Cllr. Ledwaba MH	1 265	2 710	3 975
Cllr. Makhubela MJ	1 930	1 293	3 223
Cllr. Maletse YMS	1 953	11	1 964
Cllr. Maluleka SE	2 017	42 552	44 569
Cllr. Moeletszi RZ	9 262	46 566	55 828

30 June 2020

	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr. Hlungwane FS	1 457	-	1 457
Cllr. Ledwaba MH	606	-	606
Cllr. Makhubela MJ	1 402	-	1 402
Cllr. Maletse YMS	1 749	-	1 749
Cllr. Maluleka SE	3 040	-	3 040
Cllr. Masemola TR	2 126	884	3 010
Cllr. Moeletszi RZ	1 003	-	1 003
Cllr. Mothokwa KL	404	-	404
Cllr. Ngobeni MJ	562	-	562
Cllr. Seale SD	1 618	-	1 618
Cllr. Senosha MD	377	106	483
Cllr. Shika MA	1 126	-	1 126
	15 470	990	16 460

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2021	Highest outstanding amount	Aging (in days)
	44 569	-
Moeletszi R.Z	3 976	-
Makhubela M.J	48 545	-
30 June 2020		
	Highest outstanding amount	Aging (in days)
	10 487	-
	3 040	-
Cllr. Mseza REMM	13 527	-
Cllr. Maluleka SE		

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2021

2020

Figures in Rand

53. Budget differences (continued)

- 53.12: Debt impairment - The variance is as a result of lower level of payment.
- 53.13: Bulk purchase - Electricity and water consumption reduced due to Covid-19
- 53.14.: Contracted service - Contracting was done for essential services due to Covid-19.
- 53.15: General expenses and other materials - Contracting was done for essential services due to Covid-19.
- 53.16: Loss on disposal of assets and liabilities - No budget provision
- 53.17: Actuarial gains/losses - Variance relates to gain/loss on long service award and employment benefit raised during the actuarial valuation assessment conducted at year end.
- 53.18: Inventories - Water consumption reduced due to Covid-19
- 53.19: Statutory receivables - Variance due to lower level of traffic income.
- 53.20: VAT receivable - The payment levels reduced therefore the input and output VAT declined.
- 53.21: Agreements - Consumer did not honour their agreements due to Covid-19.
- 53.22: Receivables from non-exchange transactions - The municipality has been significantly been impacted by the Covid-19 pandemic and subsequently national lockdown declared during the national state of disaster. The disruption has negatively impacted on service charges income.
- 53.23: Cash and cash equivalents - The municipality applied for roll over which was not approved and deducted from the equitable share
- 53.24: Agreements - Consumer did not honour their agreements due to Covid-19.
- 53.25: Payables from exchange transactions - Covid-19 affected the level of payment.
- 53.26: Employee benefit obligation - Based on the actuarial assumptions at year end
- 53.27: Unspent conditional grants and receipts - The municipality applied for roll over which was not approved and deducted from the equitable share.
- 53.28: Provisions - Based on the actuarial assumptions at year end.
- 53.29: Provisions - Based on the actuarial assumptions at year end.

54. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2020

Payables from exchange transaction
Property, plant and equipment

Note	As previously reported	Correction of error
	(165 631 907)	(8 284 869)
	736 371 229	24 014 753
	570 739 322	15 729 884

Errors

The following prior period errors adjustments occurred:

2020 2021 OVERSIGHT REPORT

ANNEXURE C

**BELA-BELA LOCAL MUNICIPALITY
OVERSIGHT REPORT**



2020/2021 FINANCIAL YEAR

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2. INTRODUCTIONS

The Municipal Public Accounts Committee (MPAC) has been established in terms of section 29, 33 and 79 of the Amended Municipal Structures Act no.03 of 2021. The core role functions of the Committee amongst others as per the terms of reference outlined in the Council approved delegation register and the South African Local Government Association Practical Guide (SALGA) for MPACs of March 2012 is to play an oversight role by ensuring accountability and proper governance by means of evaluating the performance of the municipality through using the Integrated Development Plan (IDP) as a tool of analysis against the approved Budget relating to a particular financial year. The Committee is also vested with the responsibility of interrogating amongst others the Annual Report, the Municipality's annual Financial Statements (AFS), Annual Performance Report (APR) and Audit Report (AR) as issued by Auditor General as well as others matters that may be referred by Council.

It is in this regard that the Committee had interrogated the 2020/2021 Annual Report and compiled the Oversight Report thereof. The Oversight Report compiled is as prescribed by section 127(5)(a) of the local Government Finance Management Act no.56 of 2003. Furthermore, the Committee followed processes to solicit inputs on the 2020/2021 Annual Report by means of opening its meetings to the Public and afford an opportunity to any member of Public who may wish to make representation before the committee. All processes followed in the compilation of Oversight Report were guided by the provisions of the Local Government Finance Management Act, no.56 of 2003, the Local Government Municipal Systems Act no.32 of 2000, the Local Government Municipal Structures Act no.03 of 2021 and National Treasury Circular 11, 32 and 63 respectively.

3. COMPOSITION OF MPAC MEMBERS

No	MPAC Member Name	Designations
3.1	Cllr MJ Mabua	Chairperson
3.2	Cllr SD Seale	Member
3.3	Cllr MJ Makhubele	Member
3.4	Cllr HJL Kruger	Member

5.1 DELIBERATIONS

The Committee had resolved after lengthy deliberation on its sitting on 11 March 2022, to seek clarity from Acting Municipal Manager reasons why the Annual Report does not have Audited Financial Statements(AFS), Audited Annual Performance Report(APR) and Auditor General Report.

Subsequent to that Acting Municipal Manager: Ms. JB Selapane attended Committee meeting on 17 March 2022, where she reported to Committee that above-mentioned documents are not part of the report due dispute that municipality raised against the Auditor General Audit team for non-adherence to audit process and late commencement of audit which resulted in municipality unable to comply with laws and regulations. The report was issued on 29 March 2022.

5.2 PUBLIC PARTICIPATION PROCESS FOLLOWED

The Municipality have adopted the draft annual report on 28 January 2022 for public comments and subsequently Municipality have advertised on 04 February 2022 on Public notice and Municipal website for public comments. The Stakeholders were 04 February 2022 to 07 March 2021 to make inputs and comments on the report. Municipality did not receive any public comments on draft annual report.

6. CONCLUSION

6.1 Municipal Public Accounts Committee has performed its duties as legislated and satisfied with all the processes followed in probing the 2020/2021 Annual Report which led to the development of an Oversight Report.

6.2 The Annual Report does complies with the requirements of the Local Government: *Municipal Finance Management Act* No. 56 of 2003 and with National Treasury (NT) guidelines for annual reports as it contain all legislated documents, it should be however be reported that Audited Annual Financial Statements, Audited Annual Performance Report and Auditor General Report for 2020/2021 were submitted very late (30 March 2022), just a day before Council sitting, which results in MPAC not being able to process the late submitted documents to its satisfactory.

6.3 This oversight report was accordingly compiled in terms of Circular 32 of the Municipal Finance Management Act (MFMA) No. 56 of 2003 together with section 129 of MFMA.

2020 2021 AUDITOR GENERAL REPORT

ANNEXURE D

Report of the auditor-general to the Limpopo Provincial Legislature and the council on the Bela-Bela Local Municipality

Report on the audit of the financial statements

Disclaimer of opinion

1. I was engaged to audit the financial statements of the Bela-Bela Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2021, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget information and actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. I do not express an opinion on the financial statements of the municipality. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial statements.

Basis for disclaimer of opinion

Property Plant and equipment

3. I was unable to obtain sufficient appropriate audit evidence that the property, plant and equipment was properly accounted for, due to non-submission of residual value assessments of property, plant and equipment. Furthermore the useful lives assessments were not sufficiently presented for audit purposes due to inaccurate and incomplete underlying accounting records. I was unable to confirm the errors in the useful lives assessment as the approach followed by management was not adequate since only assets with book values of R1 were assessed for useful lives. In addition, the impact of the assessment on the revision of the useful lives was not recorded, as a result, there are assets with negative book values still in use. I was unable to confirm the impact by alternative means

4. Furthermore, the municipality did not present the impact of changes in estimates relating to useful lives as required by GRAP 3, Accounting policies, changes in accounting, estimates and errors in the financial statements. I was unable to confirm the impact by alternative means

5. Consequently I was unable to confirm if depreciation of R36 million was calculated correctly by management. In addition material difference of R10 million was noted for accumulated depreciation between fixed asset register and financial statements. I was unable to determine the exact impact to the property, plant and equipment stated at R842 million (2019-20: R800 million), depreciation stated at R36 million (2019-20: R30 million) in note 11 and 30 to the financial statements as it was impracticable to do so.

11. Payables from exchange transactions were materially misstated by R13 million due to the cumulative effect of individually immaterial uncorrected misstatements in:

- Trade payables as it was understated by R5 million
 - Year end accruals of R8 million which we could not obtain sufficient appropriate audit evidence
- Consequently I was unable to confirm payables from exchange transactions by alternative means. Due to this I was unable to determine whether any adjustment was necessary to payables from exchange transactions.

Allowance for impairment

12. The municipality did not account for provision for impairment in accordance with GRAP 104, financial instruments. This was due to management not classifying indigent debtors correctly to determine the status risk. Consequently, I was unable to determine whether any adjustments were necessary to allowance for impairment R216 million (2019-20: R198 million) in note 5, allowance for impairment R10 million (2019-20: R17 million) note 6 and debt impairment R68 million (2019-20: R28 million) in note 32 to the financial statements.

Contracted services

13. The municipality did not account for settlement agreement in accordance with GRAP 1, Presentation of financial statements, and GRAP 104, Financial instruments. The municipality did not accrue for the settlement agreement when the agreement was signed, contracted services – legal fees is overstated by R11 million (2019-2020: R14 million). In addition, current liabilities are understated. Furthermore, the other income is overstated by R11 million (2019-2020: R14 million). Additionally, there was an impact on the surplus for the period

Net cash flows from operating activities

14. The municipality did not correctly prepare and disclose cash flow statement in accordance with GRAP 2, Cash flow statement. This was due to multiple errors in determining cash flow statement. I was not able to determine the full extent of the errors in the cash flow statement as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities stated at R68 million in the cash flow statement were necessary.

Cash flows from financing activities

15. The municipality did not correctly prepare and disclose the net cash flows from financing activities in accordance with GRAP 2, Statement of Cash Flows. This was due to material classification error in determining cash flows from financing activities. I was not able to determine the full extent of the errors in the net cash flows from financing activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from financing activities as stated at R13 million in the financial statements, was necessary.

21. Furthermore, prior period errors were also not corrected in the years in which the errors occurred in order to comply with the requirements of GRAP 3, Accounting policies, changes in accounting estimates and errors. I was unable to obtain sufficient appropriate audit evidence by alternative means in the matters described above. Consequently, I was unable to determine whether any adjustment was necessary for each financial statement item affected as disclosed in correction of prior period errors per note 54 to the financial statements.

Risk management

22. The municipality did not adequately disclose credit risk disclosure in accordance with the requirements of GRAP 104, Financial Instruments. This was due to the municipality not disclosing collateral held and other credit enhancements. In addition the municipality did not disclose information relating to concentrations risk in the financial statements. Consequently, I was unable to determine whether any adjustments were necessary to the risk management note 44 to the financial statements.

Preparation of the financial statements

23. I was unable to obtain sufficient audit evidence that the accounting officer has fulfilled its responsibility for the preparation of the financial statements in accordance with the GRAP, as written representations in this respect were not provided. I was also unable to obtain written representations from the accounting officer that I had been provided with all relevant information and access as agreed in terms of the audit engagement, and that all transactions had been recorded and were reflected in the financial statements. I could not determine the effect of the lack of such representations on the financial position of the municipality at 30 June 2021 or the financial performance and cash flows and related disclosure notes for the year then ended.

Emphasis of matters

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

Emphasis of matter paragraphs

25. The following emphasis of matter paragraphs will be included in our auditor's report to draw the users' attention to matters presented or disclosed in the financial statements:

Material losses – Water and Electricity

26. As disclosed in note 34 to the financial statements, electricity losses of R21 million, were incurred as a result of power theft, meter tampering, illegal connections, and faulty meters.

27. As disclosed in note 34 to the financial statements, water losses of R8 million, were incurred as a result of and water theft, meter tampering, illegal connections, and faulty meters.

Introduction and scope

35. 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 objective presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

36. My procedures address the usefulness and reliability of the reported performance information, which must be based on the Municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the Municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

37. I evaluated 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 objectives presented in the Municipality's annual performance report for the year ended 30 June 2021:

Development priorities	KPA 1 – Basic service delivery and infrastructure development
Pages in annual performance report	x – x

38. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

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

KPA 1 – Basic service delivery and infrastructure development

40. I was unable to obtain sufficient appropriate audit evidence that systems and processes were established to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. This was due to limitations on the scope of our work. We were unable to test whether the indicator was well-defined and verifiable by alternative means. As a result, we were unable to audit the reliability of the achievement of the indicators listed on the table below.

44. Included below are material findings on compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

Audit of compliance with legislation

43. Refer to the annual performance report on page x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings raised on the usefulness and reliability of the reported performance information in paragraphs x of this report.

Achievement of planned targets

42. We draw attention to the matters below. Our opinion is not modified in respect of these matters.

Other matters

41. I am unable to conclude whether the actual reported performance information achievement on the annual performance report as at 30 June 2021 is materially misstated because I was unable to obtain sufficient appropriate audit evidence on KPI -31: Percentage of formal households with access to solid waste removal by 30 June 2021 as described in Basic Service Delivery and Infrastructure Development. I have identified differences between the source document that was provided which was not sufficient for us to obtain appropriate audit evidence and the annual performance report that resulted to a material misstatement.

Percentage of formal households with access to solid waste removal by 30 June 2021

KPI	NAME OF INDICATOR
KPI 25	Number of households connected with electricity supply in Bela-Bela X9 by 30 June 2021
KPI 26	Percentage of formal households to be provided with access to basic level of electricity by 30 June 2021.
KPI 27	Percentage of non-residential properties (Business, Churches, Schools & Hospitals) to be provided with access to electricity by 30 June 2021
KPI 40	Percentage of the work completed as measured according to the PPII for the extension of existing grave yard in Bela Bela by 30 June 2021
KPI 41	Percentage of the work completed as measured according to the PPII for the construction of a sports facility in Spa Park by 30 June 2021
KPI 42	Percentage of the work completed as measured according to the PPII for the construction of a sports facility in Leseding by 30 June 2021
KPI 43	Percentage of the work completed as measured according to the PPII for the construction of a Moloto Street Stadium by 30 June 2021

53. In some instance the loss resulting from irregular expenditure of the MFMA.

54. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c).

- Procurement Regulation 5(6).

59. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM Regulation 5. This limitation was identified in the procurement processes for the following key project:
Bela-Bela Spa Park Storm water; Bela-Bela ext. 6 : R101 Intersection; Bela-Bela Ext 6 : Road paving & storm water - phase 1; Extension of graveyard, gravelling of graveyard access roads and construction of abluent block & septic tank provision of pallisade fencing
60. This Sufficient appropriate audit evidence could not be obtained that the performance of contractors or service providers was monitored on a monthly basis as required by section 116(2) of the MFMA. This limitation was identified in the procurement processes for the following key projects: Bela-Bela Spa Park Storm water; Bela-Bela ext. 6 : R101 Intersection; Bela-Bela Ext 6 - Road paving & storm water - phase; Extension of graveyard, gravelling of graveyard access roads, construction of abluent block & septic tank provision of pallisade fencing; Bela-Bela: Refurbishment of the Warm bad Dam; Rapotokwane: Water Augmentation and reticulation; Bela-Bela Ext 9 and Electrification of Households (900HH)-Phase 2 (503HH).

67. BBLM leadership did not exercise oversight responsibility regarding financial reporting, compliance and related internal controls to ensure that compliance requirements are met in order to prevent irregular and wasteful expenditure because of insufficient understanding of SCM laws and regulations and formulating a compliance driven internal control environment.

68. The municipality did not have sufficient monitoring controls to ensure the proper implementation of the overall process of performance management systems and processes. There were no internal documented procedures that guide management on facilitation of effective performance monitoring, evaluation and corrective action.

Policies and procedures

69. The municipality did not have documented and approved internal policies and procedures to address planning, implementation, monitoring and reporting processes and events pertaining to performance management and reporting.

70. The municipality did not have sufficient monitoring controls to ensure the proper implementation of the overall process of performance management systems and processes. There were no internal documented procedures that guide management on facilitation of effective performance monitoring, evaluation and corrective action. This is due to leadership lacking in understanding required in ensuring adherence to the requirements of the FMPP.

Information technology governance framework

71. Information technology governance was found to be inadequately designed and implemented due to the following key internal control deficiencies:

72. There was an oversight in the execution of management responsibilities, which led to services of an IT third party service provider not being monitored.

73. There was budget constraints which led to the following control weaknesses:

• Key vacancies within the IT Department not being filled

• The IT strategy not being developed and implemented

Financial and performance management

Proper record keeping

74. The municipality entity did not have a proper record management system to maintain information and support the reported performance in the annual performance report. This included information that related to the collection, collation, verification, storing and reporting of actual performance information. This extended to expenditure management where there was no proper record.

75. In terms of our engagement letter, we agreed that all information requested for audit purposes would be submitted within 3 working days of the request by the auditors. Despite this agreement, management did not supply the documentation requested in the following instances:

- Lack of firewall backup infrastructure
- Lack of a system to extract system administrator activities and firewall logs to enable management to perform the necessary reviews.

84. There was oversight in the execution of responsibilities by IT Management which led to the following control weaknesses:

- IT security policy omitting key aspects
- ICT backup policy omitting key aspects
- ICT Firewall policy omitting key aspects
- User access management policy omitting key aspects
- Data centre and server room standards omitting key aspects
- Lack of a documented process to manage the inventory of sensitive information

Governance

Risk management

85. Although a risk assessment framework is in place, management does not adequately monitor and report on progress of controls implemented, or respond to new risks that may arise. Therefore the risk management process of the entity is not considered to be adequate or effective.

Internal audit

86. Although a Leadership did not act on a timely basis on the internal audit units recommendations or reports, thus negatively affecting its effectiveness as an assurance provider to the leadership of the entity

87. Timeframes in place for the preparation and internal review of the financial statements are not adequate as no reviews were performed on the draft financial statements by the internal audit unit due to time constraints and capacity.

Auditor - General

Pretoria

29 March 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.