

**2018/2019
FINANACIAL YEAR**

**ANNUAL
REPORT**

CONTENTS

CONTENTS	1
PROPOSED REVISED ANNUAL REPORT TEMPLATE	6
CHAPTER 1	7
COMPONENT B: EXECUTIVE SUMMARY	9
MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	12
1.1 INTRODUCTION TO BACKGROUND DATA	12
Towns and townships	20
Bela Bela Town and Township(Growth Point)	20
Sub-total	20
Pienaarsriver	20
1.2 FINANCIAL HEALTH OVERVIEW	24
1.2.1 OPERATING RATIOS	25
1.2.2 CAPITAL EXPENDITURE	26
1.3 AUDITOR GENERAL REPORT FOR 2018/2019 FINANCIAL YEAR	27
1.3 STATUTORY ANNUAL REPORT PROCESS	27
1.4.1 COMMENT ON THE ANNUAL REPORT PROCESS	28
CHAPTER 2	30
GOVERNANCE	30
2. INTRODUCTION TO GOVERNANCE	30
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	30
2.1 POLITICAL GOVERNANCE	30
INTRODUCTION TO POLITICAL GOVERNANCE	30
2.2 POLITICAL DECISION-TAKING	40
2.3 ADMINISTRATIVE GOVERNANCE	42

Contents

2.3.1. INTRODUCTION TO ADMINISTRATIVE GOVERNANCE	42
COMPONENT B: INTERGOVERNMENTAL RELATIONS	46
2.4 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS	46
2.4.1 INTERGOVERNMENTAL RELATIONS	46
2.4.1.1 NATIONAL INTERGOVERNMENTAL STRUCTURES	46
2.4.1.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURE	46
2.4.1.3. DISTRICT INTERGOVERNMENTAL STRUCTURES	46
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	47
2.5.1 PUBLIC MEETINGS	47
2.5.1.1 COMMUNICATION, PARTICIPATION AND FORUMS	47
2.5.1.2 WARD COMMITTEES	48
2.5.1.3 Ward Committee Meetings	48
2.5.1.4 IDP Rep Forum Meetings	48
2.5.1.5 IDP Road Shows	48
2.5.1.6 Strategic Planning Session for 2018/2019 FY	48
2.7 <u>TABLE:15 IDP PARTICIPATION AND ALIGNMENT</u>	54
COMPONENT D: CORPORATE GOVERNANCE	55
2.8 RISK MANAGEMENT	55
2.9 ANTI-CORRUPTION AND FRAUD	57
2.9.1 FRAUD AND ANTI-CORRUPTION STRATEGY	57
3. INTERNAL AUDIT FUNCTION	58
4. SUPPLY CHAIN MANAGEMENT	58
4.2 BY-LAWS	59
4.3 WEBSITES	60
4.4 <u>PUBLIC SATISFACTION ON MUNICIPAL SERVICES</u>	62
PUBLIC SATISFCATION LEVELS	62
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)	63

Contents

3.1 INTRODUCTION	63
COMPONENT A: BASIC SERVICES	63
3.2 INTRODUCTION TO BASIC SERVICES	63
3.2.1 WATER PROVISION	64
3.2.2 COMMENT ON WATER USE BY SECTOR:	68
3.2.3 COMMENT ON WATER SERVICES PERFORMANCE OVERALL:	72
3.3 WASTE WATER (SANITATION) PROVISION	75
3.3.1 COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:	80
3.5 ELECTRICITY	82
3.5.1 INTRODUCTION TO ELECTRICITY	82
3.6 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING	87
3.6.1 INTRODUCTION TO WASTE MANAGEMENT	87
3.7 FREE BASIC SERVICES AND INDIGENT SUPPORT	100
COMPONENT B: ROAD TRANSPORT	101
INTRODUCTION TO ROAD TRANSPORT	101
3.8 ROADS	101
3.8.1 INTRODUCTION TO ROADS	101
3.9 WASTE WATER (STORMWATER DRAINAGE)	107
3.9.1 INTRODUCTION TO STORMWATER DRAINAGE	107
COMPONENT C: PLANNING AND DEVELOPMENT	109
3.10 PLANNING	109
3.10.1 INTRODUCTION TO PLANNING	109
3.10.2 COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL	112
COMPONENT D:	118
3.12 COMMUNITY & SOCIAL SERVICES	118
3.12.1 INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES	118

Contents

3.13 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES.....	129
COMPONENT A: ORGANISATIONAL PERFORMANCE SCORECARD (PART I).....	130
ANNUAL PERFORMANCE SCORECARD REPORT FOR THE 2017/2018 FINANCIAL YEAR.....	130
7. PERFORMANCE COMPARISM OF THE 2018/2019 FINANCIAL YEAR AND THE PRIOR- YEAR (2017/18 FINANCIAL YEAR).....	138
COMPONENT B.....	206
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE.....	206
(PERFORMANCE REPORT PART II).....	206
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL.....	207
4.2 EMPLOYEE TOTALS, TURNOVER AND VACANCIES.....	207
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE.....	210
4.4 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT.....	210
4.5 COMMENT ON INJURY AND SICK LEAVE:.....	213
4.7 PERFORMANCE REWARDS.....	215
4.7.1 Comment on Performance Rewards.....	215
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE.....	216
3.13 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES.....	219
APPENDICES.....	223
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE.....	223
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES.....	224
CHAPTER 5 – FINANCIAL PERFORMANCE.....	229
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET.....	234
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS.....	236
5.7 CASH FLOW.....	236
COMPONENT D: OTHER FINANCIAL MATTERS.....	237
5.8 SUPPLY CHAIN MANAGEMENT.....	237
5.9 GRAP COMPLIANCE.....	237

Contents

6.2 2018/19 AUDITOR GENERAL ACTION PLAN	252
GLOSSARY.....	255
APPENDICES.....	257
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	257
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES.....	259
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE	261
APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE (AC) 2018/2019 FINANCIAL YEAR	264

PROPOSED REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of 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 principals 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 in 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 is 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

CHAPTER 1

COMPONENT A: MAYOR'S FOREWORD

I am honoured and equally humbled to be presenting the 2018/2019 Annual report that happens to be the last one of the 5th Administration. We have recently emerged from a smooth and incident free national elections that saw ***South Africans on 8 May 2019 taking to the polls to elect the 6th administration, 25 years since the advent of democracy, with much optimism.***

The relevance and importance of tabling this Annual report is to enhance and hold both the administration and political leadership accountable but most importantly to demonstrate transparency in the affairs of Bela-Bela municipality.

One of the flagship projects that stood out for me during the period under review is the construction of the widening of the miles street bridge. Not only was the bridge and its surroundings constructed beautifully and on record time, but it gave rise to a smooth, fast and safe movement between the town and township for both pedestrians and increasing motorists inclusive of public transport especially during peak hours.

The condition of municipal infrastructure in our municipality is a crucial element in our ability to ensure service provision to all communities. We can record without hesitation that like all the municipalities in our country one of our biggest challenge is ageing infrastructure.

The most common problem experienced with water reticulation systems is leakage of water and constant water pipe bursts which can be attributed to ageing pipes and inappropriate pipe materials (asbestos pipes). We can however record that there was a project underway during the year under review of water demand management of installing new apc pipes.

We are very saddened by the fact that amidst all efforts we could not improve our audit opinion and we are stuck with a "Qualified audit outcome" for the third year in succession because of irregular expenditure this time around. To get to the bottom of this irregularity we have instructed MPAC to investigate this matter further.

On a lighter note but equally important, as part of the Active Ageing Campaign hosted annually by the Department of Social Development from local to national championship, we can proudly record that Mrs RR Seima won the National Golden Games Jakskei. This will go a long way in keeping our elders active and healthy and enhancing social cohesion within our community.

In the words of the President of the RSA, his Excellency Mr MC Ramaphosa, "Let us forge a compact for an efficient, capable and ethical state, a state that is free of corruption, for companies that generate social value and propel human development, for elected officials and public servants who faithfully serve no other cause than that

of our people. We must be a society that values excellence, rewards effort and rejects mediocrity."

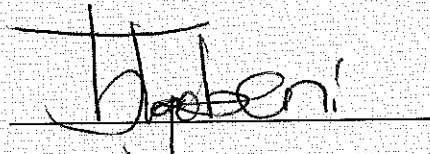
It is time to roll up our sleeves and work. While we acknowledge that the country is faced with serious financial constraints, which could impact on service delivery, it is time to make prudent choices albeit them being difficult to make and will not please everyone.

I hereby implore everyone in particular my fellow Councillors to work together and improve on our planning and implementation of capital projects to be able to accelerate service delivery to our community.

In the same breath, we have a responsibility to encourage and inculcate the culture of paying for the services we receive from the municipality and this will go a long way in providing basic services in a sustainable manner.

This is very true for us as we walk the journey of service delivery, public participation and accountable caring government. Any victories reflected here still demand that we do not falter, that we do not linger; we realize that there is a long way to go. That working together we can do more, working against each other we can do nothing. There is more that binds us than separating us.

Truly yours

A handwritten signature in black ink, appearing to read 'Ngobeni', written over a horizontal line.

Cllr. MJ Ngobeni

MAYOR

COMPONENT B: EXECUTIVE SUMMARY

The 2018/2019 annual report affords the Bela-Bela Local Municipality to reflect on its mandate to deliver services in an equitable and sustainable manner. Hereunder is the 2018/2019 Annual Report of Bela-Bela Local Municipality that captures at large our performance and achievements against the set strategic objectives, amidst the unprecedented exodus of many employees holding critical positions especially at senior management level. I must indicate that the municipality firmly remains on its course to delivering better services to its people.

Despite this, the municipality made good 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"**

During the year under review, the municipality remained committed on its endeavor to deliver transformational change for its residents of Bela-Bela. I must emphasize that considering everything that took place, we remain on course to improving the quality of life for our people. The municipality confirmed its strategic focus area, underpinned by the fact that we still wanted to remain the destination of choice in terms of tourism and enhance the lives of the residents of Bela-Bela. The municipality focused on improving its infrastructure through increased repairs and maintenance of basic infrastructure, improved its stimulation of economic growth to reduce poverty and unemployment, improved on its financial position, continued to provide basic services successfully. Details of the key success are highlighted in the performance information contained later in the report.

Council approved the 2018/19 Reviewed Integrated Development Plan accompanied by the Medium Term Expenditure Framework (MTREF) in May 2018. The IDP and the MTREF was operationalized, monitored and evaluated through the Service Delivery and Budget Implementation Plan, which serves as a management tool.

The municipality was able to prepare and submit all the four (4) quarterly performance reports and the mid-year budget and performance assessment report to council as required in terms of sec. 72 of the Local Government MFMA, 2003 (Act 56 of 2003).

In addressing inequality and poverty through uplifting our communities, the municipality

managed to provide access to water to most of our informal settlements. This focused programme of improving the lives of the people residing in informal settlements was achieved through Corporate Social Investments by partnering with strategic partners and focused funds made available through our budget.

The municipality's long term financial sustainability and stability is seen through its ability to generate and collect revenue. The slight increment in operating revenue has resulted in the slight improvement in the municipality's liquidity position, more work still needs to be done on the financial accountability and sustainability. In 2018/2019, our grant expenditure was impressively at 97% and the collection rate at 94%, based on this, the municipality is moving in the right direction.

Section 51 of the Local Government: Municipal Systems Act, No. 32 of 2000 that speaks to the Organization of Administration of Municipalities found practical expression as the Municipality was able to fill the position of the Senior Manager: Technical Services, and Senior Manager: Planning and Economic Development, thus capacitating it technically and in terms of planning and economic development. Administratively I am grateful for support received from the Senior Management and the entire staff in ensuring that effective service delivery is achieved.

The municipality continues to play an important role in improving the socio-economic development of its communities in line with the objects of local government as contained in the Constitution of RSA, section 152 by completing its capital projects as contained in the approved IDP for 2018/2019 financial year.

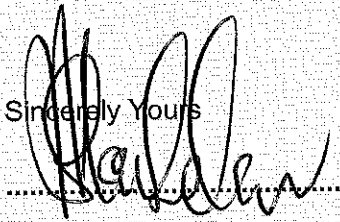
This period also marked the beginning of our efforts to comply with the Municipal Standard Chart of Accounts (MSCOA) regulations and excellent work has been done thus far. One important and critical governance matter that we are not proud of but happy about is that we were able to maintain the Qualified audit opinion by Auditor-General of South Africa. This is one critical area that we are going to rally our forces and energies to ensure that we improve our audit opinion in the coming financial year.

The people of Bela-Bela have entrusted us with the responsibility to better their lives, as management we forever commit to creating employment, fighting poverty, bettering service

delivery and creating more economic opportunities. We have a firm believe that we are still on course to go back to basics, and build and an accountable, responsive and caring government.

Finally, let me thank the Mayor, Executive Committee, the Speaker of Council, Section 79 Committees and all political leaders who continue to provide leadership and play a critical role in monitoring and evaluating the municipality's performance. The 2018/19 has been progressive and seen significant progress in the development of Bela-Bela, the Senior Management of the Municipality and I remain committed to the goals and objectives of delivering services to the people of our town.

Sincerely Yours

A handwritten signature in black ink, appearing to read 'Makhubela', written over a horizontal dashed line.

SM MAKHUBELA

MUNICIPAL MANAGER

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.1 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.

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 Reticulation	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	Economic Development and Planning/ 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

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 that seeks to ensure optimal performance of its powers and functions as mentioned above. 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.

1.1.1 POPULATION DYNAMICS AND FUTURE GROWTH TRENDS

The total size of Bela-Bela's population is currently estimated at 76 296 individuals which has increased by 14.73 % by 2016 compared to Census 2011. Total population inter-censal 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 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. Table 2 and a graph below illustrate the estimated population trend's pattern.

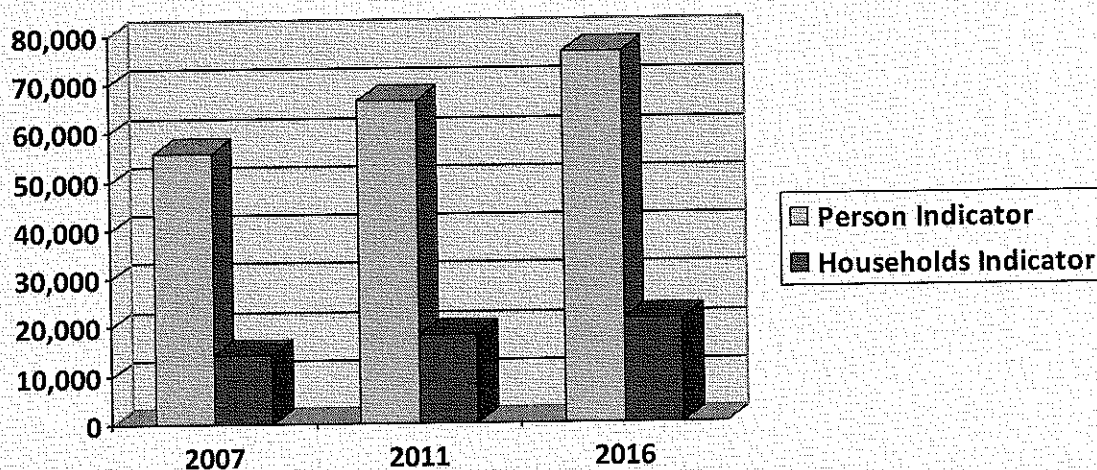
POPULATION DYNAMICS AND GROWTH TRENDS

Table: 2

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

Graph: 1

Population Growth 2001-2020



Source: StatsSA: Community Survey, 2016

The high growth ratio takes into account other main factors such as in – migration, which can result in further increase in the population within Bela-Bela. It would be recalled from the 2007/ 08 IDP that there are a number of 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.

Table: 3 Households Dynamics

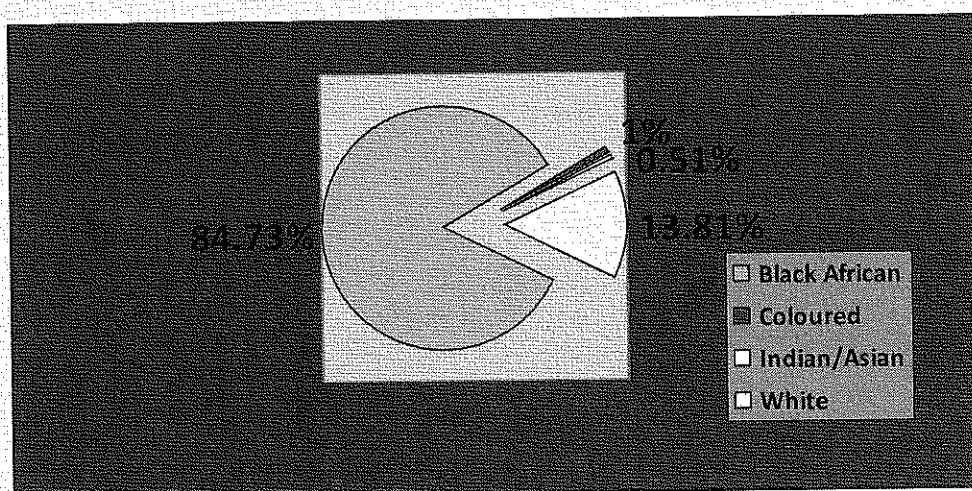
Census 2001		Census 2011		Community Survey 2016	
Households	Ave HH size	Households	Ave HH size	Households	Ave HH size
12 335	3.7	18 068	3.7	21 354	3.6

Source: StatsSA: Community Survey, 2016

1.1.2 POPULATION GROUP, AGE GROUP AND GENDER IN BELA-BELA MUNICIPAL AREA.

The population of Bela-Bela Local Municipality in terms of groupings categorized as per the **Graph 2** below. It is evident that 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 of 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%

TABLE: 4 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

Age	Black African	Coloured	Indian or Asian	White	Grand Total
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 in order to meet the needs of a youthful 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 numbers 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, that there is 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) 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.
- (b) A Municipality must participate in national and provincial developmental programmes.

Population Gender Profile

With reference to **Table 5** 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 of females while 49% (27 546) comprises of 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 by the fact that men are generally attracted to places such as the bigger cities (i.e. Johannesburg etc.) that presents the 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:5 GENDER COMPOSITION

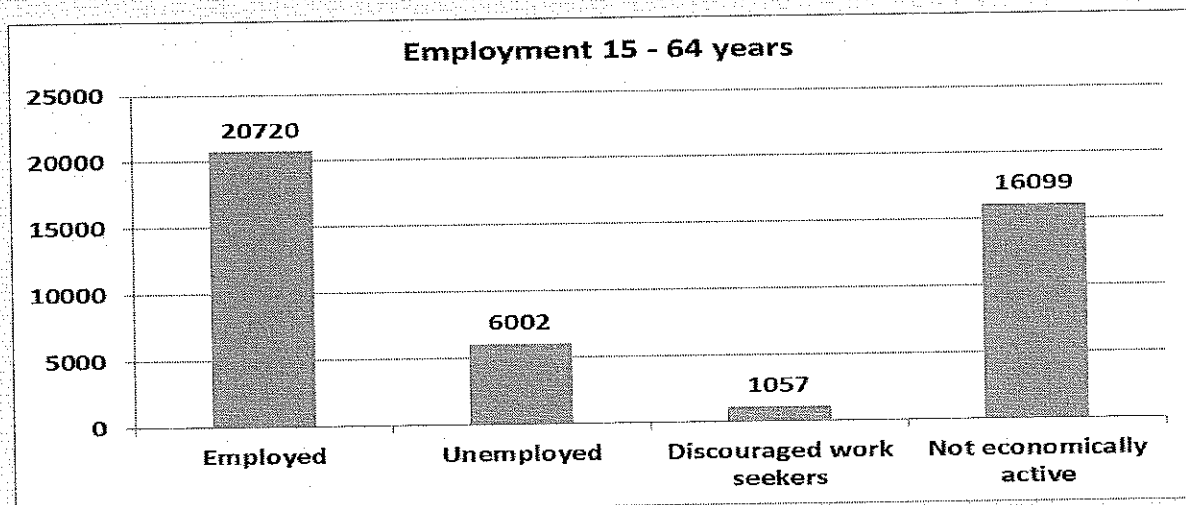
Total Population (2011)			Total Population (2016)		
Male	Female	Total	Male	Female	Total
33 754	32 746	66 500	38 961	37 335	76 296

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 pro – actively target women empowerment within Bela-Bela Municipal Area

Employment of people between the Ages of 15 to 65.

GRAPH:2 EMPLOMENT 15 – 64 YEARS



[Source: StatisticsSA: Census, 2011]

It was previously indicated that the age composition of 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 estimates at 36 069 in 2011 individuals who are between the ages of 18 – 64. **Figure 3** 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 maybe that those youth in position of Post Matric Qualifications may be having Qualifications not necessarily compatible to the Economic needs of Bela-Bela.

TABLE:6 FORMAL EMPLOYMENT SECTOR

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

Based on the above, Bela 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 each and 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 will be reviewing the LED Strategy, which will guide implementation of programmes and projects going forward.

Table: 7

REVIEW OF NEIGHBOURHOODS WITHIN BELA- BELA LOCAL MUNICIPALITY	
Settlement Type	Households
Towns and townships	
Bela Bela Town and Township(Growth Point)	12 000
Sub-total	12 000
Small Towns	
Pienaarsriver	500
Radium, Vingerkraal & Tsakane	1137
Rust de Winter, Mabula, Settlers & Farming Areas	2000
Sub-Total	3 637
Rural settlements	
Rapotokwane	600
Sub-Total	600
Informal settlements	
Jacob Zuma	1020
Bela bela ext 9	600
Spa park(proposed warmbath extension 25)	255
Vingerkraal	250

Eersbewoon/tsakane	245
Masakhane	145
Rapotokwane	30
Sub-total	2545
Total	18 182

Table: 8 NATURAL RESOURCES WITHIN BELA-BELA

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

MINING: The contribution of the mining sector towards economic development of Bela-Bela is not highly significant. There is only one (1) mine (i.e. NAMCO which mine Industrial Diamonds) that exists within Bela-Bela. This mine is located on the southern parts of municipal area and approximately six (6) kilometres to the south east of Radium.

Although diamonds are found on the existing mining activity the previous research undertaken as part of the past IDP reviews revealed that the mineral occurrences that existed in Bela-Bela for mining resources and precious metals (i.e. gold and diamonds) is of a very low grade and potential to such an extent that it cannot be considered probable that these minerals can be mined within the next 20 – 50 years.

Other metals that are found on a limited scale include manganese, copper, tin, cobalt and the supply of calcite, refractory clay and fluorspar is sufficient. The distribution of limestone industrial mineral is small, with a medium scale supply of sandstone and clay which is used to manufacture the bricks within the area.

AGRICULTURE: In terms of the weather conditions, Bela-Bela comprises of 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 the Springbok flats. Sandy, red soils and wetlands cover the rest of the area.

Vegetable crops include the following: Squash butternut, Squash hub barb, Onions, Watermelons, Cabbage assorted, Sweet Corn, Pumpkin Grey, Pumpkin White, Beetroot, Carrots, and Peppers. Fruit types include the following: Grapes, Citrus, and Peaches. Other crops include: Maize, Cotton, Millet, Tobacco, Lucerne, Cowpeas, Groundnuts, Wheat, Jug beans, China beans and Sunflower.

1.1.3 COMMENT ON BACKGROUND DATA

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

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 the 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 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 attributed to the following:

- (a) Mechanization – As with most other sectors, there is a trend towards mechanization (e.g. precision farming) in order to increase production output (per hectare).
- (b) Availability of labour – There are claims that those people that have access to some form of social grant, may find the agriculture sector less attractive as they can probably get a similar, or very close to, a similar 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 less people.

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

1.2 FINANCIAL HEALTH OVERVIEW

Municipality average debt collection rate was 89% in the 2018/2019 financial year which is above average in the Province.

The Municipality's 2018/2019 financial year's total revenue is R449 million. The highest source of revenue was Service Charges (i.e. income from Sale of water, electricity, waste collection and sanitation) followed by the government grants and property rates respectively. Total expenditure of the municipality for the 2018/2019 financial year was R395 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 R55 million. Total consumer debtors before provision for doubtful debts was R105 million and the provision was R97 million at the end of June 2019. Debt collectors are being utilized to collect long outstanding debts. Trade payables amounted to R74 million as at 30 June 2019. Major creditors included Eskom for electricity distributions and the fleet service provider of which payment of the balance will depend on the outcome of the currently continuing court proceedings.

Table: 9 BELOW INDICATES AN OVERVIEW OF FINANCIAL PERFORMANCE FOR THE 2018/2019 FINANCIAL YEAR.

Financial Overview 2018/2019			
Description	Original Budget	Adjustment Budget	Actual
Income			
Grants	177 950 000	177 950 000	172 373 407
Taxes and Service charges	277 013 843	277 013 843	228 082 480
Other	52 054 231	52 054 231	49 075 906
Sub total	507 018 074	507 018 074	449 531 793
Less expenditure	(406 626 854)	(408 085 274)	(394 635 969)
Surplus / (Deficit)	100 391 220	98 932 799	54 895 824

1.2.1 OPERATING RATIOS

Table: 10 below depicts the main operating cost ratios in comparison with National treasury norms.

Operating cost ratios 2018/2019	
Details	Value
Increase in revenue	8%
Employee cost	29%
Repairs and maintenance	2%
Finance charges and depreciation	11%
Decrease in expenditure	-14%
Interest cover	5.75%
Net surplus percentage	12%

In the 2018/2019 financial year revenue increased by 8%. The increase in the total revenue is mainly attributable to the increase in actuarial gains on the municipality's Post-retirement medical aid benefits and the increase in interest received from consumer debtors and investments. 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 increase in staff recoveries and unknown deposits recognized as own revenue. There was a decline in revenue derived from licenses and permits, this is due to a decline in the number of applications received by the municipality.

Employee costs is at 29% of the total operating expenditure and is considered to be within the National Treasury norms of between 25% and 40% as stipulated on MFMA Circular No. 71. Repairs and maintenance is at 2%. 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 8% of the total operating expenditure.

Total expenditure for the 2018/2019 financial year decreased by 14% from the 2017/2018 financial year. The decrease is attributable to the significant decline in impairment loss and loss on disposal of assets.

The interest cover ratio of 5.75 indicates that the municipality has more than sufficient earnings to cover interest payments as they fall due and there are no solvency concerns.

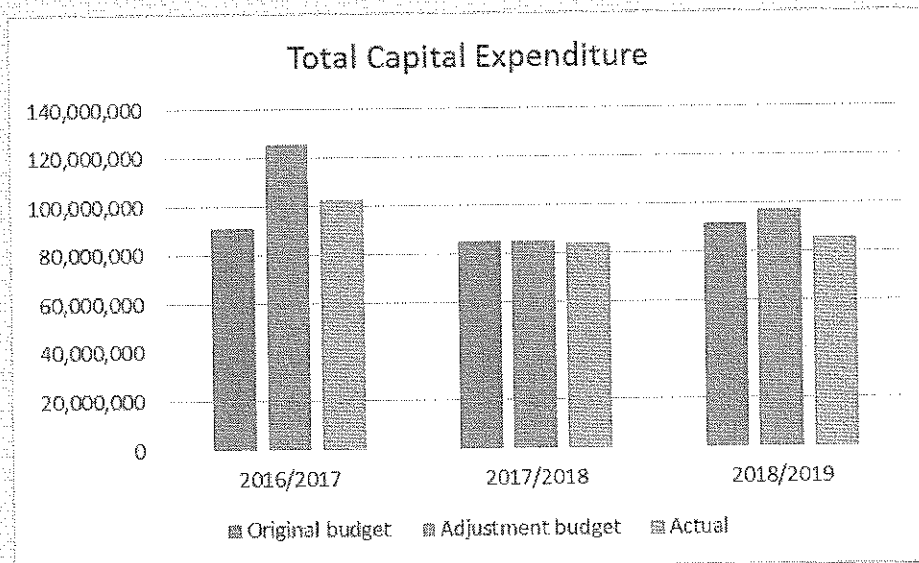
The net surplus constitutes 12 % of the total revenue. The surplus has been arrived at after taking into account the non-cash items amounting to R67 million.

1.2.2 CAPITAL EXPENDITURE

Table: 11 below shows the total capital expenditure over the period of three financial years.

Total capital expenditure			
Details	2016/2017	2017/2018	2018/2019
Original budget	91 231 450	85 238 800	91 366 777
Adjustment budget	125 665 479	85 238 800	96 866 777
Actual	102 623 689	84 028 380	85 660 583

Graph: 1 Illustration of capital expenditure over the three financial years



Municipal infrastructure grant spending was 100%, Water Services Infrastructure Grant spending was 94% and the Integrated Electrification Programme grant had a spending of 44%. The Municipality had spent 88% on the capital budget as at 30 June 2019. All the capital projects undertaken by the municipality were funded through the capital grants stated above, no projects were funded through own sourced funds.

1.3 AUDITOR GENERAL REPORT FOR 2018/2019 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 2018/2019 Annual Performance Report and the 2018/2019 Annual Financial Statements.

Both the 2018/2019 Annual Performance Report and the 2018/2019 Annual Financial Statements were submitted to the Auditor General for auditing by the 31st of August 2019. For the detailed Auditor General Report refer to Chapter 6: Component A

1.3 STATUTORY ANNUAL REPORT PROCESS

Table:12

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize 4 th quarter Report for previous financial year	
4	Submit draft 2018/2019 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	

10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses Draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipality receive Auditor General findings and began to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	January

1.4.1 COMMENT ON THE ANNUAL REPORT PROCESS

In terms of Section 127 (2) of the Local Government Municipal Finance Management Act No 56 of 2003, the Mayor of the Municipality must within seven months after the end of the year, table in the Municipal Council the Annual Report of the Municipality and of any Municipal Entity under the Municipality's sole or shared control. In order to comply with the provisions of the above mentioned Act, Bela-Bela Local Municipality established a process of compiling the 2018/2019 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 compliments each other hence both applied in the compilation of 2018/2019 Annual Report of the Municipality.

Management commenced with the compilation of the report from July 2019, 2018/2019 Draft Annual Report was submitted to the Auditor General during Auditing of the 2018/2019 Annual Financial Statements and the 2018/2019 Annual Performance Report in August 2019. Management deemed it necessary to achieve the timelines as set out in the circulars to afford Council ample time to exercise its oversight role over the Administration work. Over and above, the compilation of the 2018/2019 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 assist the new planning cycle for the 2019/2020 Financial Year. The Municipality also compiled the 2018/2019 four quarterly performance reports in line with the Approved 2018/2019 IDP, Approved 2018/2019 Service Delivery and Budget Implementation Plan (SDBIP) and the Approved 2018/2019 Budget, which formed the basis of the 2018/2019 Annual Performance Report outlined in Chapter 4 of this Annual Report.

CHAPTER 2

GOVERNANCE

2. INTRODUCTION TO GOVERNANCE

To ensure accountability and governance arrangements are in place, Section 121(2) (c) of the MFMA support the requirements of Section 18(1) (d) of the Municipal Systems Act 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 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 POLITICAL GOVERNANCE

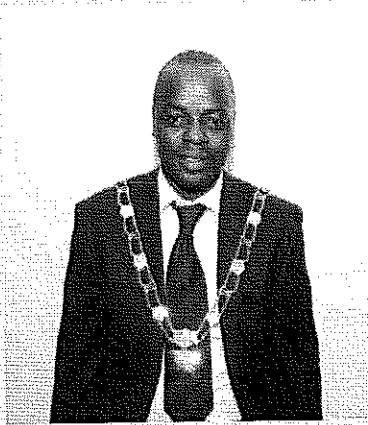
INTRODUCTION TO POLITICAL GOVERNANCE

Bela-Bela Local Municipality is a Category B municipality established in terms of Section 12 of the Municipal Structures Act (Act 117 of 1998) and applying a collective Executive Committee System. The Municipality has established Section 80 Committees and 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 three members. The Committee is functional and established in terms of section 166 of MFMA (2003). For the audit of performance the Municipality utilizes the existing Audit Committee for the purpose of 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. These committee further ensures that the municipality complies with Section 127, 129 and 75 (c) of MFMA 2003 and Section 21A of the Local Government: Municipality Systems Act No. 32 of 2000 and Regulation.

POLITICAL STRUCTURE

MAYOR - Cllr MJ Ngobeni



Ward 6 Councillor and member of the Budget & Treasury and Transformation Sub-Committee

FUNCTION

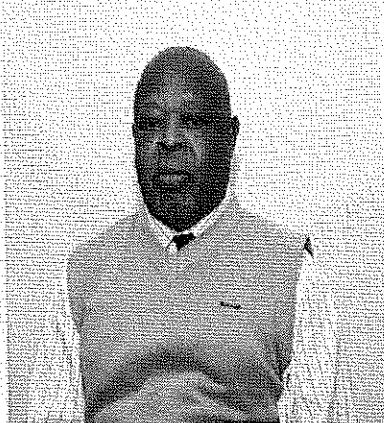
The Mayor provides general political guidance over the fiscal and financial affairs of the municipality and perform all duties as prescribed in of Section 53 of the Local Government Municipal Finance Management Act No 56 of the 2003.

Presides at the meetings of the Executive Committee.

Performs the duties, including and 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.

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

SPEAKER- Cllr RZ Moeletsi



PR Councillor

The Speaker of Council presides at meetings of Council

Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Local Government Municipal Systems Act (MSA) No 32 of 2000.

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 1 of MSA No 32 of 2000.

Ensures that Council meetings are conducted in accordance with the Rules and Orders of Council.

Chiefwhip – Cllr MH Ledwaba



Ward 5 Councillor and member of the Budget & Treasury and Transformation Sub- Committee

The Chief Whip of Council maintain 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 quorum at Council meetings, Advise councillors belonging to various parties to convene party caucuses so as to determine the party's position on specific item/motions on the Council's agenda. To collaborate with the Speaker in relation to 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.

Budget & Treasury/Governance and Transformation 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 N Ras



Ward 1 Councillor and member of the Budget & Treasury and Transformation Sub- Committee

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

Budget & Treasury/Governance and Transformation 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

Cllr A Shika

Planning & Economic Development and Infrastructure 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



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

CIlr S Maluleka



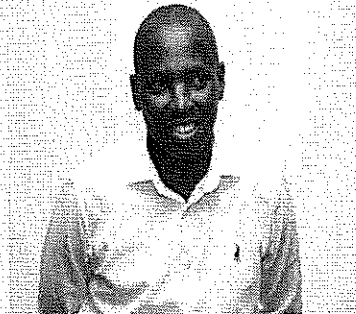
**Ward 2 Councillor and member of
the Planning & Economic
Development and Infrastructure
Sub - Committee**

CIlr AR Moswoeu

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 includes 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 & Economic Development and Infrastructure
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.



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

Planning & Economic Development and Infrastructure 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.

Cllr KF Mothokoa



Planning & Economic Development and Infrastructure 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.

Cllr YSM Maletse

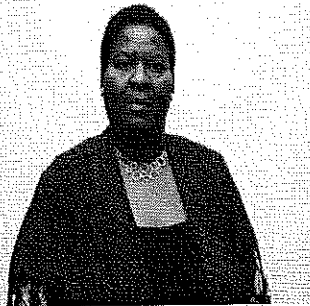


**Ward 7 Councillor and the
Chairperson of the Social &
Community sub - committee**

Social & Community Services 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 on the performance of the Community and Social Services.

Cllr TR Masemola

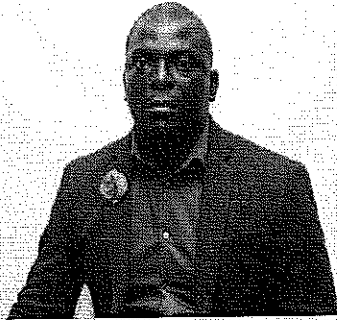


**PR Councillor and member of the
Social and Community Services Sub-
Committee**

Social & Community Services 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

ClIr FS Hlongwane



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

Social & Community Services 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

ClIr B Maname

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

Social & Community Services 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

ClIr SD Seale



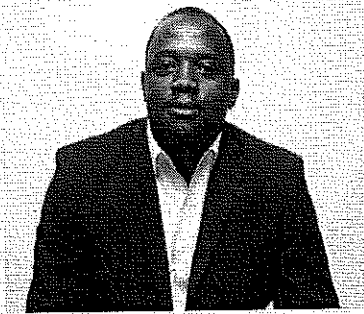
PR Councillor and member of the Social and Community Services Sub-

Social & Community Services 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

Committee

Cllr P Aphane



**Ward 8 Councillor and member of
Budget & Treasury and
Transformation Sub- Committee**

**Budget & Treasury/Governance and Transformation 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 L Modimolle

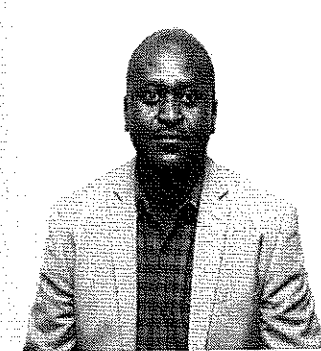


**Ward 3 Councillor and the
Chairperson of the Municipal Public
Account Committee**

Municipal Public Accounts Committee (MPAC) Chairperson

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 by means of interrogating financial and non-financial reports and the report findings to Council. The Committee further examine the Financial Statements and the Audit Reports of the municipality. It is this committee that consider and evaluate the content of the Annual Report and to make recommendations to 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.

Cllr J Makhubela



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 examines 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 to make

PR Councillor and the member of the Municipal Public Account Committee

recommendations to Council when adopting an Oversight Report on the Annual Report. The Committee members further ensures the promotion of good governance, transparency and accountability on the use of municipal resources.

Cllr MD Senosha



**PR Councillor and the member of the Municipal Public Account Committee
PR Councillor**

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 examines 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 to make recommendations to Council when adopting an Oversight Report on the Annual Report. The Committee members further ensures the promotion of good governance, transparency and accountability on the use of municipal resources.

COUNCILLORS

Bela-Bela Municipal Council has a total number of 17 Councillors, with the African National Congress being the majority party. Number of sittings are out of 17 Councillors, 9 are ward councillors and 8 are councillors appointed on a proportional basis.

2.2 POLITICAL DECISION-TAKING

Bela-Bela Local Municipality has established section 79 committees in terms of Local Government: Municipal Structures Act 117 and regulations of 1998.

The committees are structured as follows:

- a) Planning and Economic Development/Infrastructure Sub Committee
- b) Social and Community Services Sub committee

c) Governance & Transformation /Budget & Treasury

d) MPAC

The 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 2018/19 financial year, 4 ordinary Council meetings and 4 Special Council Meetings were held. The Municipal Council took number of resolutions during 2018/2019 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- Bela Local Municipality makes provision for a Municipal Manager and five Section 56 Managers. This indicates that there are five Head of Departments reporting to the Municipal Manager thematically depicted as follows:

Graph:1

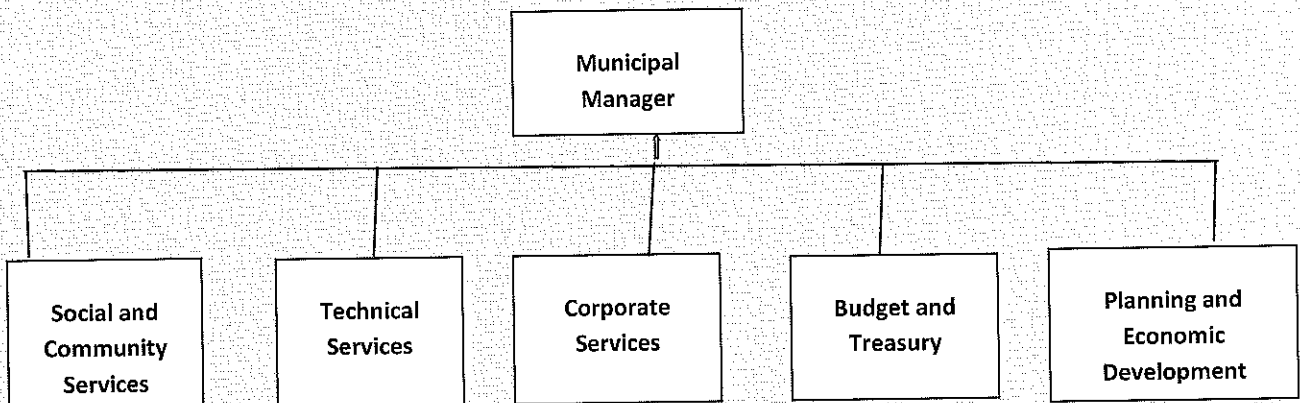


Table:13

**TIER 1 TOP ADMINISTRATIVE
STRUCTURE
Municipal Manager**



SM Makhubela

Function

- a) The Municipal Manager –
- (i) as head of the administration, is responsible for the effective day to day running of the administration of the municipality;
 - (ii) is responsible for the execution of Council resolutions;
 - (iii) plays a prominent role, together with the Mayor, in building, maintaining and enhancing a good relationship between the Council, Councillors and the administration;
 - (iv) must ensure, after consultation with the Mayor and Speaker, that a proper and effective Committee service responsible for the agenda and minutes is in place for each of the Committees, and that then Committees meet on a regular basis;
 - (v) receives reports with recommendations from the Managers on all matters that must be handled by either the Municipal Manager, the Mayor or the Council in terms of the delegation of powers of the Council;

**Manager: Planning & Economic
Development**

Mr Mnisi T

Managing the development, approval and implementation of the IDP.
Monitoring the performance of the Municipality through PMS requirements.
Compiling and monitoring the implementation of strategic, operational and activity plans to give effect to the IDP.
Compiling and submitting progress performance reports on all the development initiatives, projects, programmes and activities taking place within Bela Bela (i.e. Quarterly, Mid - yearly and Annual Reports).
Developing and Implementing policies and procedures to manage and co – ordinate all approved public participation and communication projects, programmes and activities.
Marketing of Bela Bela.

Co – coordinating investments proposals
Liaison with investors
Promotion of tourism
Supporting the LED projects
Providing incentives for the SMMEs./Support SMME Development
Ensuring the implementation of the town planning requirements within the development taking place in 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 in accordance with the applicable laws.

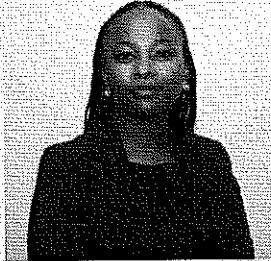
Manager: Corporate Services



Selepyana J

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

Acting Manager: Community and Social Services



Serote A

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

Protection and Emergency Services

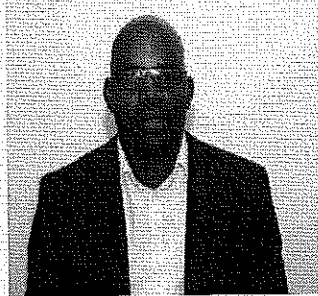
Waste Management and Cleansing Services.

Manager: Technical Services

Technical Services Directorate is responsible for the provision of Water and Sanitation
Roads and Storm-water
Electrical Services

Ms. B Maswanganyi

Chief Financial Officer



Mr. Marutha RM

The Chief Financial Officer (CFO) is responsible for 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 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.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.4 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

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

2.4.1 INTERGOVERNMENTAL RELATIONS

2.4.1.1 NATIONAL INTERGOVERNMENTAL STRUCTURES

Besides Provincial forums attended by both officials and politicians, there are other formal intergovernmental structures dealing directly with the National Government. The interaction between National Government and the Municipality is done through the Provincial forums which are as follows: The Provincial IDP forum, Premier's Lekgotla, Premeir's Monitoring and Evaluation forum and the Monitoring and Evaluation Forum by Limpopo Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA).

2.4.1.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Provincial Planning forum, Premier's Lekgotla, Premeir's Monitoring and Evaluation forum and Limpopo Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA). These forums assist with implementation of the Performance Management Systems (PMS) at municipal level and the establishments of credible IDP and SDBIP and further ensuring that municipalities are striving to obtain Clean Audit Opinions.

2.4.1.3. DISTRICT INTERGOVERNMENTAL STRUCTURES

Waterberg District Municipality role is to coordinate, facilitate and provide support to the local municipalities on service delivery and governance related matters. Bela- Bela Local Municipality participate fully in the Waterberg District forums, such as District Planning Forums, the Mayor's forum and the Municipal Managers forum and quarterly back to basic engagement meetings.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.5 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Communities within Bela Bela Municipality play a vital role to ensure accountability in Municipal affairs. Through established ward committee system and scheduled IDP/Budget/PMS community participation processes the community was able to hold Council accountable.

The community participation processes have entrenched a culture of involving communities in decision making processes including finalising the IDP/Budget/PMS of the Municipality.

Through the usage of the local media, Council sittings and established Council committee (ward committees) communities are continuously informed on municipal governance, management and other development.

2.5.1 PUBLIC MEETINGS

2.5.1.1 COMMUNICATION, PARTICIPATION AND FORUMS

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 Municipal Systems Act No 32 of 2000 stresses the importance of communication between Councils and Communities. It gives guidelines of issues that the Municipality must communicate about 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.

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

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 IDP/Budget /PMS Rep Forum.

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.

2.5.1.2 WARD COMMITTEES

The Municipality has established nine wards committee's with 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 processes. Out of 9 ward committee 8 is functional

2.5.1.3 WARD COMMITTEE MEETINGS

During the 2018/2019 financial year a number ward committee meetings were held in order to inform local community about the IDP process, and also provide report back with regard to the implementation of the IDP review process as well as on projects which were implemented in the Municipal area. Amongst other things which were discussed are the status of the past and current financial year and planning for the future development prioritites in their respective wards which must find expression in the IDP projects list.

2.5.1.4 IDP REP FORUM MEETINGS

The forum should be restructured so as to include the recently established ward committees, service providers and other community – based organizations. The Municipality held its 2018/2019 IDP Representative Forum meetings on the 15th September 2017, 27th October 2017, 17 November and 16th March 2018.

2.5.1.5 IDP ROAD SHOWS

The Mayor conducted 2018 - 2019 IDP/Budget Mayoral Roadshow in all the wards within the jurisdiction of Bela Bela Local Municipality. The 2018 – 2019 IDP/Budget Mayoral Roadshows took place during the months of April and May 2018. The Input and comments sourced from the community were taken into consideration before the budget was finalized and tabled for approval to council

2.5.1.6 STRATEGIC PLANNING SESSION FOR 2018/2019 FY

Strategic Planning Session was from 26th – 28th February 2018 with Senior and Middle Management, Municipal Mayor, Executive Committee Members, the rest of the Council members and Ikosi Mahlangu who is the only chief within the jurisdiction of Bela Bela Municipality. The Strategic Framework provided the strategic direction of the municipality, which also formed the basis for

updating the Vision, Mission, Values, Objectives and Strategies. Furthermore, the most important aspect was the formulation of key performance indicators.

Table: 14 PUBLIC MEETING

Public Meetings							
Nature of the Meeting	Date of events	Ward no	Venue	Number of participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and Manner of Feedback given to the community
Mandela Day Event at with Working on Fire	17 Jul 2018	WARD 5	Bela- Bela Crech	1	3	68	Cleanup campaign and awareness campaign on fire safety tips.
Mandela Day Event at Bela-Bela Hospital and Vingerkraal High School	18 Jul 2018	WARD 1 & 9	Bela- Bela Hospital and Vingerkraal High School	Deputy Minister for the Department of Communications and 3 Councilors	4	213	Cleanup campaign in commemoration of Mandela Day at the Hospital and Vingerkraal High School
Active Ageing Campaign for elderly people: Golden Games	16 Aug 2018	WARD 5	Bela- Bela High School	2	4	65	The program is intended to encourage elderly people to lead healthy life style and participate in golden games. HIGH

Public Meetings

Nature of the Meeting	Date of events	Ward no	Venue	Number of participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and Manner of Feedback given to the community
Back to school campaigns on school opening	10 Jan 2019	Ward 2, 5, 7 & 8	Bela Bela High, Raeleng High, Maope High, Ulando high and Piennarsr evier High	15	5	3000	5x high schools were visited by the municipal political leadership to encourage learners to take education serious.
Mayoral matric award ceremony- 26 Jan 2018	26 Jan 2019	Ward 7	Multi - purpose center	9	6	154	The Mayor and local Councillors were recognizing top achievers in matric 2017
Mayoral Matric award ceremony	18 Jan 2019	Ward 7	Multi - purpose center	9	6	500	The Mayor and local Councillors were recognizing top achievers in matric 2019
Commission on Gender Equality Advocacy and Legal Clinic	08 March 2019	Ward 2	Bela Bela Community Hall	4	3	89	Ward Committees, CDW and NGO's were capacitated on Estates and

Public Meetings							
Nature of the Meeting	Date of events	Ward no	Venue	Number of participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and Manner of Feedback given to the community
							Marriage contracts
Career Exhibition	13 June 2018	Ward 7	Multi purpose Center	6	4	261	Give learner an exposure on career of their choices that are available
2018 - 2019 IDP/ BUDGET MAYORAL ROADSHOW							
Public meetings							
IDP/Budget Road Show Ward 6	24 April 2018	6	Madiba Park	8	14	368	Proposed/ Draft IDP and Budget for 2018/2019 presented
IDP/Budget Road Show Ward 2	25 April 2018	2	Bela-Bla Community hall	6	8	89	Proposed/ Draft IDP and Budget for 2018/2019 presented
IDP/Budget Road Show Ward 9	26 April 2018	9	Spa Park	9	7	106	Proposed/ Draft IDP and Budget for 2018/2019

Public Meetings							
Nature of the Meeting	Date of events	Ward no	Venue	Number of participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and Manner of Feedback given to the community
							presented
IDP/Budget Road Show Ward 9	2 May 2018	9	Masakhan e	4	10	93	Proposed/ Draft IDP and Budget for 2018/2019 presented
IDP/Budget Road Show Ward 8	05 May 2018	8	Kwa-litho Community hall	3	6	67	Proposed/ Draft IDP and Budget for 2018/2019 presented
IDP/Budget Road Show Ward 5	5 May 2018	5	Bel - Bela High	6	8	106	Proposed/ Draft IDP and Budget for 2018/2019 presented
IDP/Budget Road Show Ward 5	5 May 2018	8	Pienaarsrivier	3	9	135	Proposed/ Draft IDP and Budget for 2018/2019 presented
IDP/Budget Road Show Ward 4	6 May 2018	4	Ponto	5	9	353	Proposed/ Draft IDP and Budget for

Public Meetings							
Nature of the Meeting	Date of events	Ward no	Venue	Number of participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and Manner of Feedback given to the community
							2018/2019 presented
IDP/Budget Road Show Ward 3	6 May 2018	3	Sunfa	3	8	81	Proposed/ Draft IDP and Budget for 2018/2019 presented
IDP/Budget Road Show Ward 7	9 May 2018	7	Multi-Purpose Center	5	13	146	Proposed/ Draft IDP and Budget for 2018/2019 presented
IDP/Budget Road Show Ward 1	12 May 2018	1	Laerskool Warmbad	4	14	69	Proposed/ Draft IDP and Budget for 2018/2019 presented

2.6 COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

The municipality is committed in 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 response to stakeholder's 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. That assisted in avoiding community protest in the 2018/19 financial year. The community is continuously updated on service delivery interruptions.

Public participation is implemented through community feedback meetings during which ward Councilors and members of ward committees collect service delivery issues from their respective wards and report to Office of the Speaker and IDP Division.

Issues that relates to Municipal functions are addressed and those that relates to sector departments are referred to relevant office through Office of the Mayor.

2.7 TABLE:15 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

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

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 such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

2.8 RISK MANAGEMENT

No 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 contributes to the achievement of the Municipality's objectives.

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 on a continuous basis. The key drivers to embed such a process within the Municipality are:

- 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.

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 opportunity, but the organization should be protected against avoidable losses.

In turn, ERM is defined as a 'process that is effected 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) A process, ongoing and flowing through an entity;
- b) Effected by people at every level of the organization;
- c) Applied in strategy setting;
- d) Applied across business, at every level and unit,
- e) Includes taking an entity level portfolio view of risk;
- f) Designed to identify potential events that, if they occur, will affect the entity and to manage risk within its risk appetite;
- g) Able to provide reasonable assurance to an entity's management and oversight structure; and
- h) Geared to 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:

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

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

The risk management committee sits on a quarterly basis to discuss risks that threatens the municipal objectives. Below are five high risks identified by the municipality:

- a) Ageing infrastructure
- b) Possible floods
- c) High outstanding debts
- d) High amount of distribution losses
- e) Illegal occupation of land.

Table: 16 RISK MANAGEMENT MEETINGS WERE HELD AS FOLLOWS

RISK MANAGMENT MEETINGS	VENUE
08 August 2019	Auditorium
15 th March 2019	Auditorium
09 April 2019	Auditorium
10 May 2019	Auditorium

2.9 ANTI-CORRUPTION AND FRAUD

2.9.1 FRAUD AND ANTI-CORRUPTION STRATEGY

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 whistle blowers 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 occurrence of fraud. All reported cases are monitored, investigated and furthermore discussed during 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.

3. 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 2018/2019 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 system 95% of control weaknesses were raised during the year under review and 90% of the weaknesses have been resolved while 5% are in the process of being resolved.

4. SUPPLY CHAIN MANAGEMENT

4.1 OVERVIEW 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 comply with the prescribed regulatory framework. As guided by the above mentioned Act Bela-Bela Local Municipality revised its SCM Policy during 2017/18 financial year in order to comply and implement the provisions of Section 112 of MFMA. And taking into account other developments in Supply Chain Management (SCM) such as the new South African Revenue Services (SARS) phasing out of tax clearance certificates and introduction of compliance PIN numbers, the new Centralized Supplier Database (CSD) and the e-Tender advertisement platform.

Supply Chain Management (SCM) has improved from the 2014/15 financial year. The Municipality improved its SCM through implementation of the sound internal policies and procedures. Furthermore, it should be noted that with the improvement on SCM and other areas the Municipality received a Qualified Audit Opinion in the 2018/19 financial year with reduced SCM compliance findings. However, it should be reported that there were few non-compliance issues raised by the Auditor General. In order to address the findings of the Auditor General in this regard the municipality developed an action plan to closely monitor the implementation of the Auditor General's recommendations. The action plan is attached as a separate annexure.

4.1.1 COMMENTS SUPPLY CHAIN MANAGEMENT

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 2018/19 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.

4.2 BY-LAWS

During 2018/2019 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:17

Description	Date Revised	By-laws introduced during 2018/2019			
		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 2018	Yes	April – May 2019	Yes	30 June 2019
Credit control	May 2018	Yes	April – May 2019	Yes	30 June 2019
Property Rates	May 2018	Yes	April – May 2019	Yes	30 June 2019
Tariff	May 2018	Yes	April – May 2019	Yes	30 June 2019

4.3 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.

Table: 19

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 (2017/2018)	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 2018/2019	N/A
All long term borrowing contracts 2018/2019	N/A
All supply chain management contracts above a prescribed value give the value for 2018/2019 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 2018/2019 FY	Y
Contracts agreed in 2018/2019 to which subsection (1) of Section 33 apply, subject to subsection (3) of that section	N/A
Public-Private Partnership agreements referred to in section 120 made in 2018/2019 FY	N/A

Municipal Website : Content and Currency on Material	
Documents published on the Municipality's Website	Yes/No
All quarterly reports tabled in Council in terms of Section 52 of the Municipal Finance Management Act no 56 of 2003 during 2018/2019 Financial Year	Y

4.3.1 COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

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.

4.4 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

The Municipality did not conduct Customer Satisfaction Survey during 2018/2019 financial year however, However a Customer Care Unit is in place and functional, and is effectively gather information with regard to service delivery issues raised by the community. The information gathered by Customer Care Unit is communicated to various departments within the municipality to be attended too. Issues that are raised by the community that are not for the municipality are reffered to relevant departments via the Office of the Mayor. No community protest took place in the 2018/2019 financial year with regard to services delivery issues

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

3.1 INTRODUCTION

During the 2018/2019 financial year BBLM managed to maintain water services and access to all its consumers. The Municipality's water sources were under extreme pressure due to drought therefore, the Municipality had to implement water restrictions measures. Water supply was augmented by ground water in all the settlements through the MWIG funding. It is worth mentioning that informal settlements such as Vingerkraal and Tsakane were provided with water at an RDP standard. It should further be mentioned that the Municipality experienced mushrooming of new households in these areas.

The Municipality utilized infrastructure and service support as provided by Eskom in some of its areas such as Tsakane where 270 Households were electrified. In addition, the same settlement benefited from Magalies Water Board where a total of 250 VIP toilets were constructed and handed over to the beneficiaries.

During the financial year under review the Municipality has successfully maintained the electricity supply to all consumers and carried out preventive maintenance in order to minimize and where possible avoid load outages and shedding. In order to improve the electricity supply and to address the backlog on electricity, the Municipality embarked on a process of constructing a 10MVA substation with the assistance from Department of Energy. For the financial year under review the Municipality conducted an assessment on the current electricity capacity, and submitted a business plan to construct the 10MVA substation. The business plan was approved on a 3year funding cycle by the Department of Energy however Eskom also has to approve the designs hence the project implementation is anticipated to commence during the 2018/2019 financial year.

The municipality has also conducted a road visual assessment and produced a status quo report on the municipal roads and further developed a standard guidelines for design and maintenance specifications. Routine road maintenance was maximized to improve roads infrastructure conditions and accessibility.

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

3.2 INTRODUCTION TO BASIC SERVICES

Bela-Bela Local Municipality is a water services authority and provider. During the 2018/2019 financial year the Municipality experienced challenges with regard to the water supply system. The municipality was under severe strain due to drought and high water demands. The informal settlements in the municipal jurisdiction continued to grow and had to be catered for in the provision of water services even though they were not included during the planning processes.

Magalies water board is contracted to the municipality to provide purified water at 4.6 Mega-Litres (ML) per day. However, on average 3ML/day was received in this financial year. Obviously this was less than half of the required supply from the water board, hence the strain on the municipal resources.

Sewerage plants are on a high critical risk according to the green drop 2014 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 R2 million from the Department of Water and Sanitation to do some maintenance at the Bela-Bela Waste Water Treatment Plant. Other plants will be covered as funds are made available from other sources.

The Municipality is as well licenced to provide electricity to the town and its townships. The outskirts of the municipal town is serviced by Eskom and that is where there is majority of the backlog. The municipality is in a process of applying for the licence to also supply electricity in those areas which are currently serviced by Eskom.

3.2.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

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

Bela-Bela Local Municipality is a predominantly dry area with an average annual rainfall of 481mm which is below the Country's average (500mm). The rainfall is seasonal and very variable over the past year resulting in unpredictable drought coupled by high evaporation.

The draught situation resulted in low water levels for Bela-Bela dam's i.e Warmbaths and Platrivier dams which also influenced the discharge of raw water for socio-economic factors.

Due to the irregular, rather unsustainable water supply in the area, the Municipality embarked on a plan to conserve, save and manage the supply of water and the plan had to be documented for purposes of reporting.

Bela-Bela Local Municipality recorded 18.43% water losses in 2017/2018 audited financial year. The Water losses was more often discussed as un-accounted for water which is in two aspects i.e Technical losses (water loss in the system due to infrastructure failure. Non-revenue water (water theft through illegal connections and non-payment by consumers).-

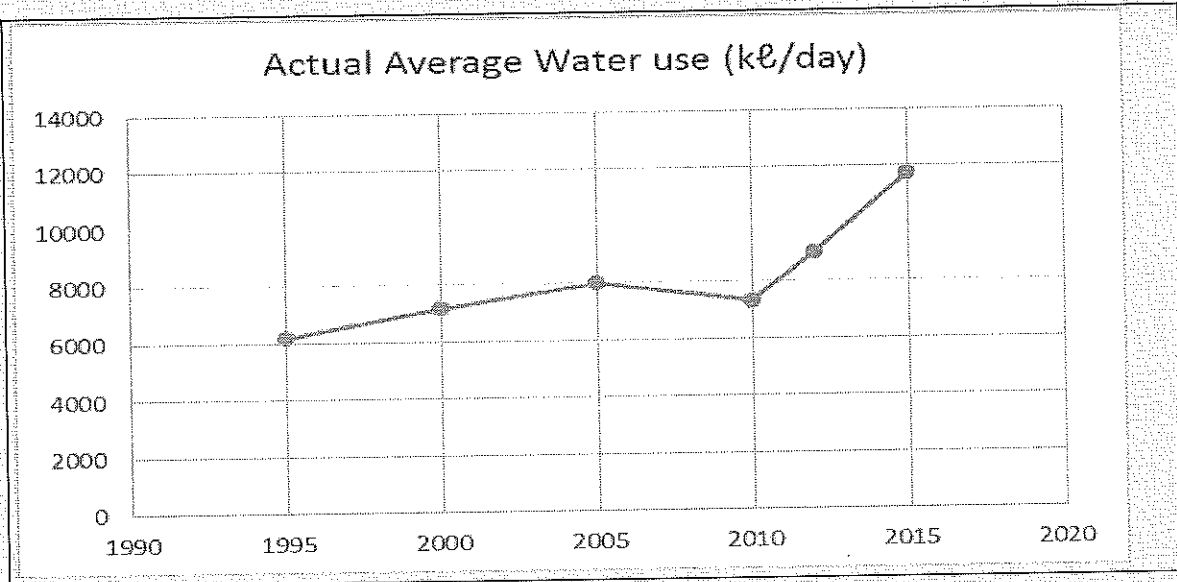
Bela-Bela Local Municipality has a total of 18068 households as per "Census 2011 Statistics" of which 14497 constitute Urban Residential as per the "Spatial Development Framework Bela-Bela 2011", meaning that the difference is either not proclaimed, illegal or rural settlements.

Urban Water Usage in 2019 was 11747kℓ/day, while for the other category the use is on the Moderate level of supply of 80ℓ/c/day (320ℓ/H/d) on 3571 households, the need is therefore 1143kℓ/day.

The indigent household in BBLM received 10kℓ of free basic water per month

The Water Demand in Bela-Bela Local Municipality jurisdiction is calculated at 12890kℓ/day.

Graph 1



Bulk Water Resources in Bela-Bela

The urban regions of Bela-Bela Local Municipality receive bulk water as follows:

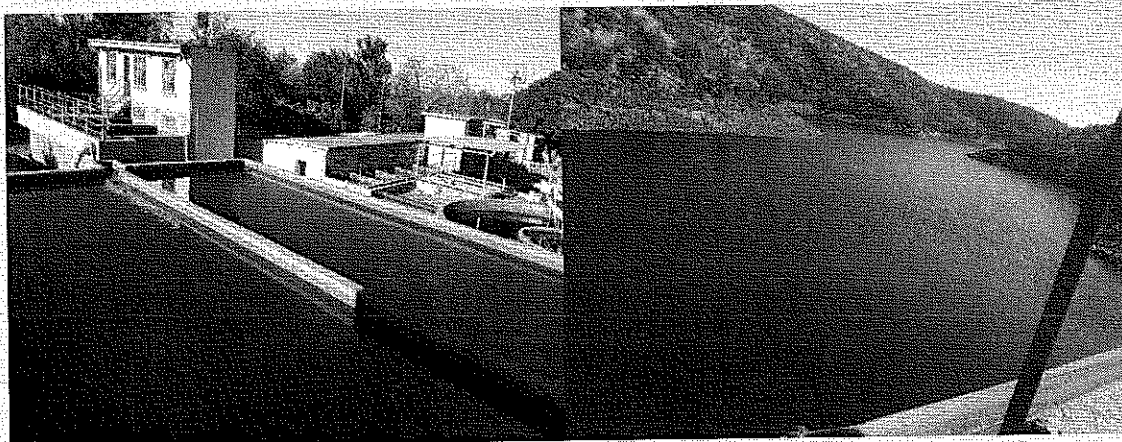
- i. Portable water from Magalies Water Board
- ii. Bela- Bela Local Municipality Water Treatment Works
- iii. Boreholes/ Ground Water

Bulk Resource	Average kℓ/day	% Contribution
Magalies Water	3900	39.39
BBLM WTW	4800	48.48
Ground water	1200	12.12
Total	9900	99.99

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

Table 21 above illustrates that there is a deficit of 2447kℓ/day on the current demand (11 747kℓ/day)

Figure 1



Bela- Bela Water Works

Warmbaths Dam

The pictures above shows the state of water works. As depicted from the picture on the left side, it is confirmed that the old section of the water works need to be re-worked and incorporated to the current functioning plant.

The Warmbaths dam was at almost at 55% level and there was no enough water to be drawn from it. This then confirms that water management and conservation has to be improved.

Only one borehole (Roodepoort) was functional during the 2017 year and the delivery of 800kℓ/day was unsustainable.

The Bela- Bela Local Municipality Water Treatment Works was the only sustainable Bulk Supply Resources.

To argument the bulk water supply, Bela- Bela Local Municipality embarked on the process of developing boreholes.

Additional six new boreholes were drilled & equipped while four were refurbished. All the work was done both at Bela- Bela urban area and in other settlements around Bela- Bela Local Municipality .it therefore be noted that the project was funded by the Department of Water & Sanitation.

While faced with challenges of draught, low water levels, and infrastructure in some areas, it is recommended that the Municipality prioritize reduction of water losses to acceptable limits and negotiate with Magalies Water Board to supply the Municipality with the agreed quota in order to reduce the shortfall.

Furthermore, the Municipality continued with Water Conservation Demand Management programme with the aim of reducing the impact of drought and also improve municipal revenue and performance.

While implementing the austerity measures to reduce water supply challenges the Municipality Water Conservation Demand Management Plan prioritized the following actions:

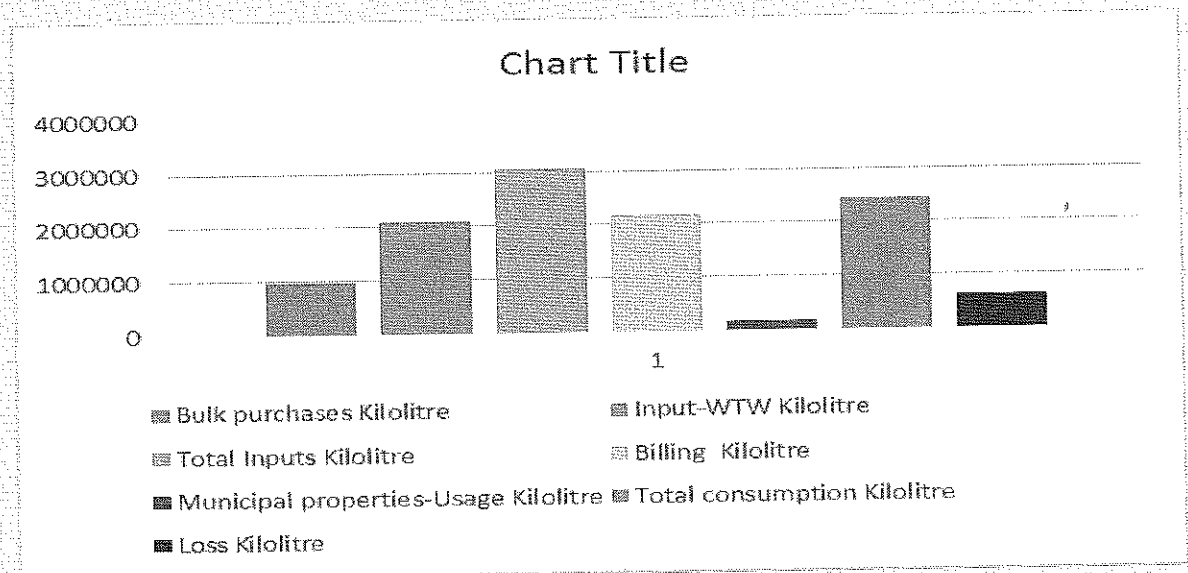
- Reduce the level of non- revenue demand
- Reduce pressure in the reticulation system

- Water recycling
- Manage high water demand areas
- Reduce water losses to minimum acceptable levels
- Explore use of Ground water
- Education & awareness
- Replace aged Infrastructure

Table: 22

Water use (quantity)-July 2018 to June 2019						
Bulk purchases	Input WTW	Total Inputs	Billing	Municipal properties-Usage	Total consumption	Loss
Kilolitre		Kilolitre	Kilolitre		Kilolitre	Kilolitre
955713	2089720	3045433	2166451	168617	2432643	612790

Graph 2



3.2.2 COMMENT ON WATER USE BY SECTOR:

Due to persistent drought, the Municipality continued with water shading for management and storage accumulation for bulk. Serious consideration on bulk water availability was done when considering applications for settlements with high service level.

The following Water Conservation Demand Management actions were prioritized:

- Reduce the level of non- revenue demand
- Reduce pressure in the reticulation system
- Water recycling
- Manage high water demand areas
- Reduce water losses to minimum acceptable levels
- Explore use of Ground water
- Education & awareness
- Replace aged infrastructure

Magalies Water Board was constantly engaged to ascertain its capacity to supply water to the municipality.

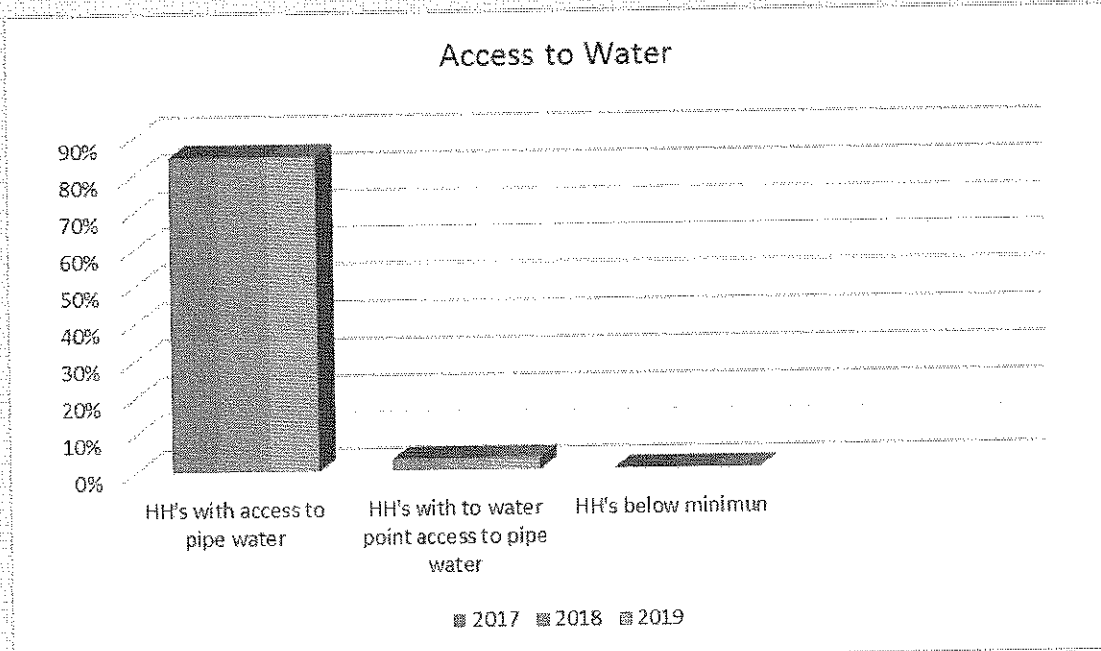
Table: 23

Bela Bela Residential water services delivery access profile [Water]											
Census Category	Description	2015		2016		2017		2018		2019	
		Nr	%	Nr	%	Nr	%	Nr	%	Nr	%
	WATER (ABOVE MIN LEVEL)										
Piped (tap) water inside dwelling/institution	House connections	14 073	78%	14 073	78%	14 073	78%	14 073	78%	14 073	78%
Piped (tap) water inside yard	Yard connections	855	5%	855	5%	855	5%	855	5%	855	5%

Bela Bela : Residential water services delivery access profile [Water]											
Census Category	Description	2015		2016		2017		2018		2019	
		Nr	%	Nr	%	Nr	%	Nr	%	Nr	%
	WATER (ABOVE MIN LEVEL)										
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Standpipe connection < 200 m	3 136	17%	3 136	17%	3 136	17%	3 136	17%	3 136	17%
	Sub-Total: Minimum Service Level and Above	18 064	100%	18 064	100%	18 064	100%	18 064	100%	18 064	100%
* To include informal settlements											

The wording "within/more 200m from dwellings" be replaced with "stand pipes" as it is challenging to measure.

Graph 3



* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute
 # 6,000 liters of potable water supplied to indigent households per formal connection per month

Table: 24

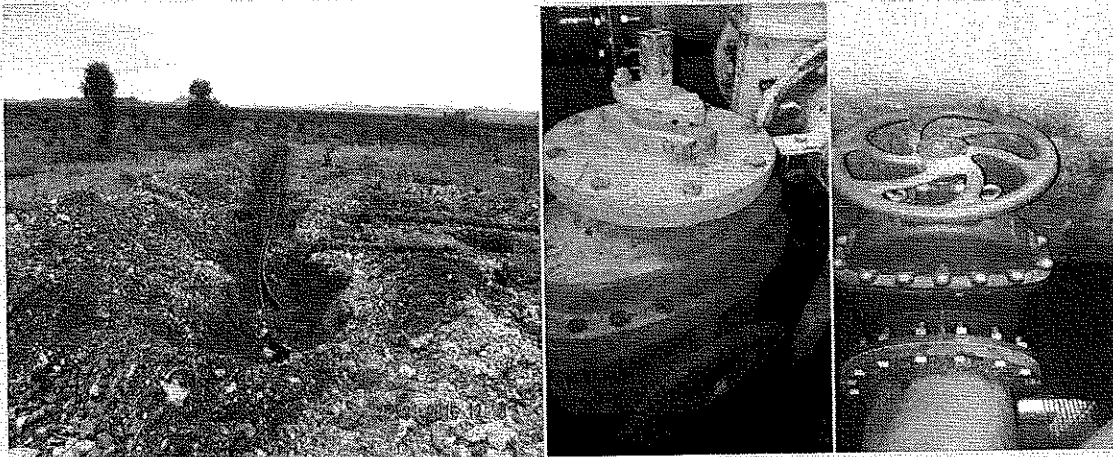
Employees: Water Services: 2018/2019 Financial year				
Job Level	Number of Employees	Number of Posts	Vacancies	% Vacancy
0-3	2	2	0	0
4-6	1	1	0	0
7-9	0	1	1	100%
10-12	3	3	0	0
13-15	17	17	0	0
16-18	10	10	0	0
Total	34	34	1	2.9%

A narrative providing information on the staff critical to service delivery and shortage hereof to accompany the above table on all municipal services. Municipalities should report for employees where cost centers are allocated.

Table: 25

CAPITAL EXPENDITURE 2018/2019					
Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure	Project Status
WATER SERVICES					
Bela-Bela WCDM Project (multi- year) Phase 2.	14 930 342.00	Not Adjusted	Complete	R 13 032 651,15	Not achieved Project not completed
1 Megalitre contact tank WTW	12 566 904.00	Not Adjusted	Complete	R 12 110 278,65	Not achieved Project not completed
Upgrade Raw Water Pump Station And Secure Lapa	3 000 000.00	Not Adjusted	complete	R 2 982 468,88	Achieved Project completed

Figure 2



Vingerkraal pump line.

Replacement of old Valves at 7ML Reservoir

3.2.3 COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The municipality has not performed well in the 2018/2019 blue and green drop assessments. The Blue Drop risk rating remain high in the risk category due to the borehole system posing significant health risks. However the water quality compliance was adequate (within the SANS 2410 summarized as follows:




- a) Chemical Compliance 99.7%
- b) 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.

Below is the Blue Drop Assessment Summary

Table: 26

Water Services Authority		Bela-Bela Local Municipality		
Water Services Provider(s)		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	Rapotokwane	
				
Water Services Provider(s)	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 (Ml/d)	24.0	N/A	N/A	
Operational Capacity (% lta 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%	

The Municipality has currently submitted business plans to Department of Water & Sanitation in an attempt to implement recommendations of the Blue drop regarding Rapotokwane and Masakhane. Other recommendations are already actioned at the water works.

3.3 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

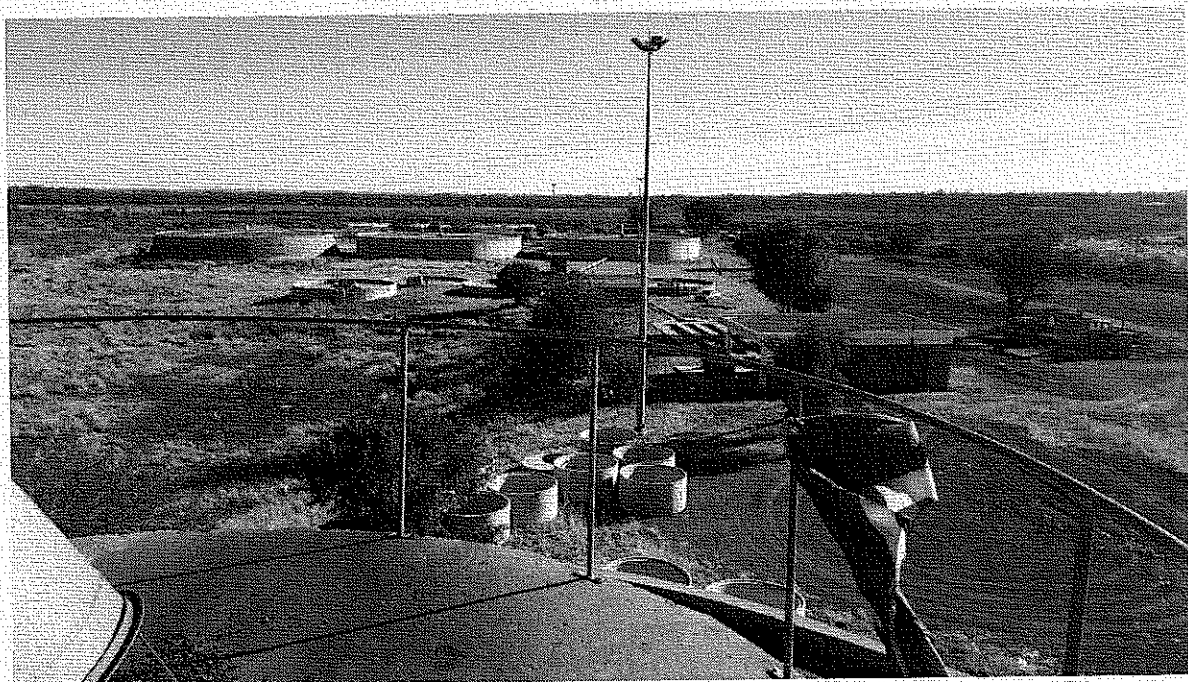
BBLM household predominantly have water borne sanitation system. The biggest challenge in this kind of technology is the continuous spillages of sewerage in the township due to limited understanding on what can and cannot be flushed down the toilet. Another challenge being that the household stormwater is connected to the sewer drains causing high flows during rainy days.

Communities that are not connected in the sewer system have dry sanitation system but mainly this is in the informal settlements and Rapotokwane village.

The municipal backlog on sanitation was 1274 households (7%) as of end of June 2019. In order to address this matter the Municipality is in a process of formalising informal settlements by either moving them to proclaimed townships and or alternatively realign their stands in anticipation of township establishment process.

The three municipal treatment plants are over capacity and need urgent refurbishment and upgrades

Figure 3



Warmbarths Waste Water Treatment Plant

The Municipality received support from Messrs Magalies Water Board and Waterberg District Municipality in construction of 250 Ventilated Improved Pit Latrines in Tsakane. However, it should be mentioned that the area has since mushroomed and more toilets are needed.

The approved township development in Bela-Bela Ext 9 and Ext 25 (Koppewaa) will assist with sanitation backlog reduction but will be placing more strain on the Water Waste Treatment Works (WWTW).

Graph 4

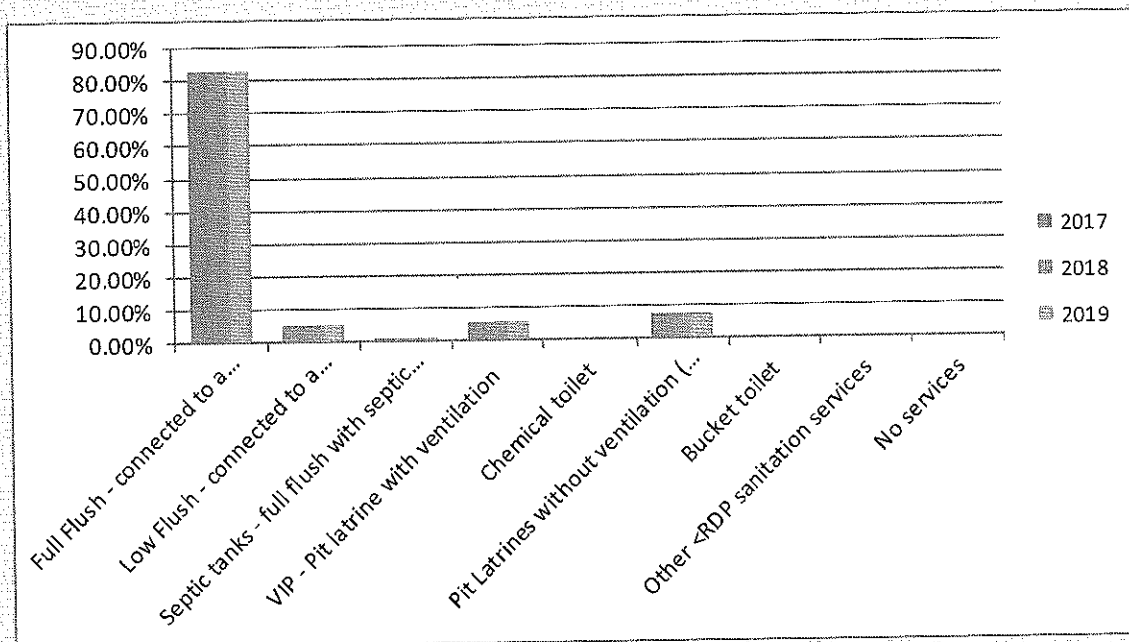


Table: 27

**Residential water services delivery access profile
[Sanitation]**

Actual service levels	2016		2017		2018		2019	
	Actual Nr of HHs	% of total HHs	Actual Nr of HHs	% of total HHs	Actual Nr of HHs	% of total HHs	Actual Nr of HHs	% of total HHs
Full Flush - connected to a sewage system	14928	82.60%	14928	82.60%	14928	82.60%	14928	82.60%

Low Flush - connected to a sewage system	855	4.73%	855	4.73%	855	4.73%	855	4.73%
Septic tanks - full flush with septic tank	20	0.01%	20	0.01%	20	0.01%	20	0.01%
VIP - Pit latrine with ventilation	862	5.47%	962	5.69%	987	5.69%	987	5.69%
Chemical toilet	0	0	0	0	0	0	0	0
Pit Latrines without ventilation (Backlog)	1399	7.19%	1299	7.13%	1274	7.00%	1274	7.00%
Bucket toilet	0	0	0	0	0	0	0	0
Other <RDP sanitation services	0	0	0	0	0	0	0	0
No services	0	0	0	0	0	0	0	0
Total	18064	100	18064	100	18064	100	18064	100

Table: 28

WATR CAPITAL EXPENDITURE 2018/2019					
Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure	Project Status
WATER SERVICES					

WATR CAPITAL EXPENDITURE 2018/2019

Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure	Project Status
Bela -Bela: Pienaarsrivier WWTW (Multi-year)	R6 893 152.00	R7 885 352	Completion	R7 880 186.26	completed
Upgrade Raw Water Pump Station And Secure Lapa	3 000 000.00	Not Adjusted	complete	R 2 982 468,88	completed
Upgrade of Bela- Bela Waste Water Scheme (Multi-year)	9 502 754.00	11 289 072 .14	Complete	R 11 092 039,99	completed

Table: 29 Employees Sanitation Services

Employees: Sanitation Services: 2018/2019 Financial year				
Job Level	Number of Employees	Number of Posts	Vacancies	% Vacancy
0-3	2	2	0	0,00%
4-6	2	2	1	50,00%
7-9	1	2	1	50,00%
10-12	1	1	0	0,00%
13-15	34	37	3	25,00%
Total	40	44	4	9,09%

3.3.1 COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

Table: 30

The 2014 Green drop Assessment produced reports per system as presented in the Table below.

Technology Description	Plenaarwater	Radium	Warmbaths
Technology (Liquid)	Anaerobic ponds/ Facultative ponds	Rotating biological contractors Evaporation ponds (no effluent)	Biological filters and Evaporation ponds (no effluent)
Technology (Sludge)	Sludge pond	lagoon/ Sludge lagoon/pond	Not specified
Key Risk Areas			
A ADWF Design Capacity (Ml/d)	2	1	5
B Operational Flow (% of Design Capacity)	151% (NI)	151% (NI)	96% (NI)
Annual Average Effluent Quality Compliance (2012- 2013			
C 1) Microbiological Compliance (%)			100.0%
2) Physical Compliance (%)			
3) Chemical Compliance (%)			
D Technical skills (Reg 813)	Yes	No	Yes
2014 Wastewater Risk Rating (%CRR/CRRmax)	82.4%		52.9%
2013 Wastewater Risk Rating (%CRR/CRRmax)	88.2%	64.7%	76.5%
Risk Abatement Planning			
Highest Risk Areas based on the CRR	Effluent	Effluent compliance,	Microbial and chemical compliance

	compliance, flow measurement	flow measurement and technical skills	
WW Risk Areas based on the CRR	None	None	None
Capital & Refurbishment expenditure for Fin Year 2012-2013 (Rand)	NI	NI	NI
Description of Projects Expenditure 2012-2013	NI	NI	NI

It is further highlighted that the Warmbaths Waste Water Treatment Works (WWTW) design capacity has exceeded with no budget allocation to upgrade the plant. In order to address the above mentioned challenges the Municipality is currently in a process of applying for funds to upgrade all three WWTW.

3.5 ELECTRICITY

3.5.1 INTRODUCTION TO ELECTRICITY

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

There are two electricity providers in the Bela-Bela municipal area, namely the Bela- Bela Local Municipality and Eskom. The access to electricity is recorded at 14504 households with a backlog of 3 564 households. These backlog is found in areas that are predominately informal.

Bela-Bela Local Municipality supplies areas such as Bela-Bela Town, Bela-Bela Township, Spa Park, Jinnah Park, Feur n Villa, Eu Montagne, Golfbaanpark as well as outer plot areas like Bospoort and Noodhulp / Roodepoort.

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 farms areas.

Bela-Bela 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 17.87 MVA. Current usage throughout the year varies between 14 MVA and 17 MVA, with the higher peak in the winter months.

FIGURE:4 BELA-BELA SUB STATION



GRAPH:5 ELECTRICITY PROVISION

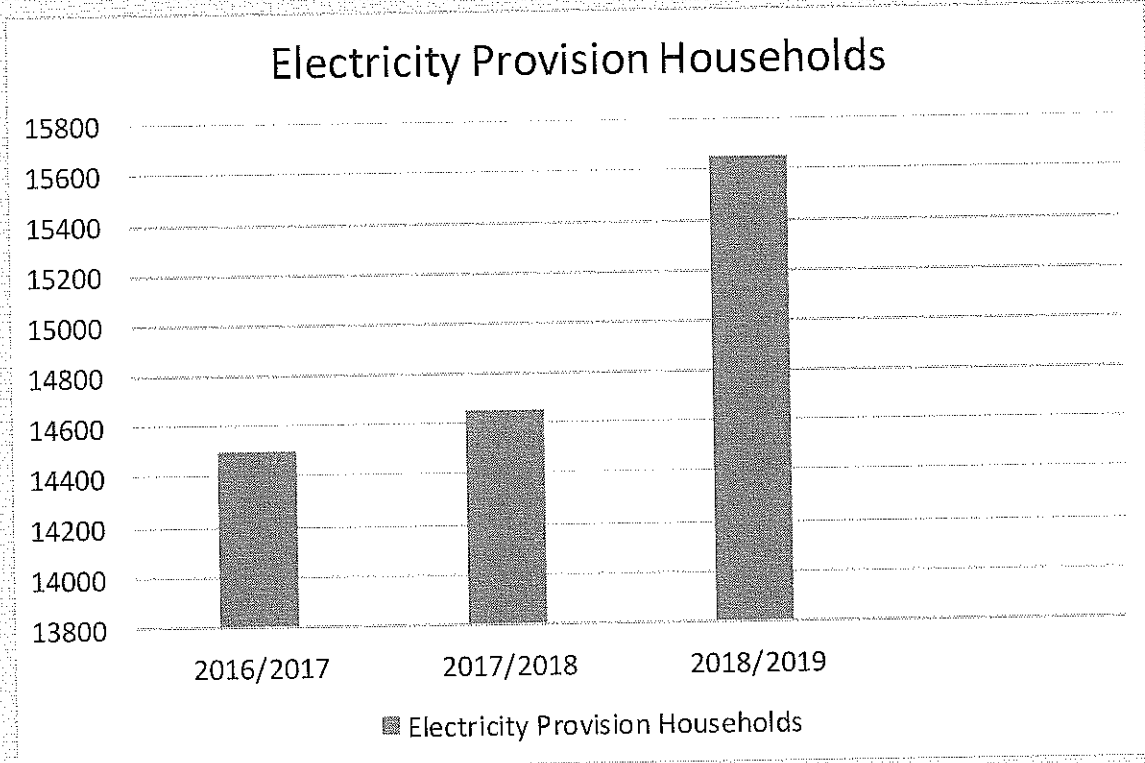


TABLE: 31 ELECTRICITY SERVICES DELIVERY LEVEL

ELECTRICITY SERVICES DELIVERY LEVEL	
ENERGY ABOVE (Above Minimum Level)	2018/19 H/H
ELECTRICITY : (AT LEAST MIN.LEVEL)	599
ELECTRICITY – (AT LEAST MIN.SERVICE LEVEL)	7324
ELECTRICITY –PREPAID (MIN.SERVICE LEVEL)	6581
MINIMUM SERVICE LEVEL AND ABOVE SUB TOTAL	14504

BELOW MINIMUM LEVEL	
OTHER SOURCES	3564

GRAPH:6 BELOW IS A PERCENTAGE BREAKDOWN OF CAPACITY ALLOCATIONS BY CONSUMER CLASS.

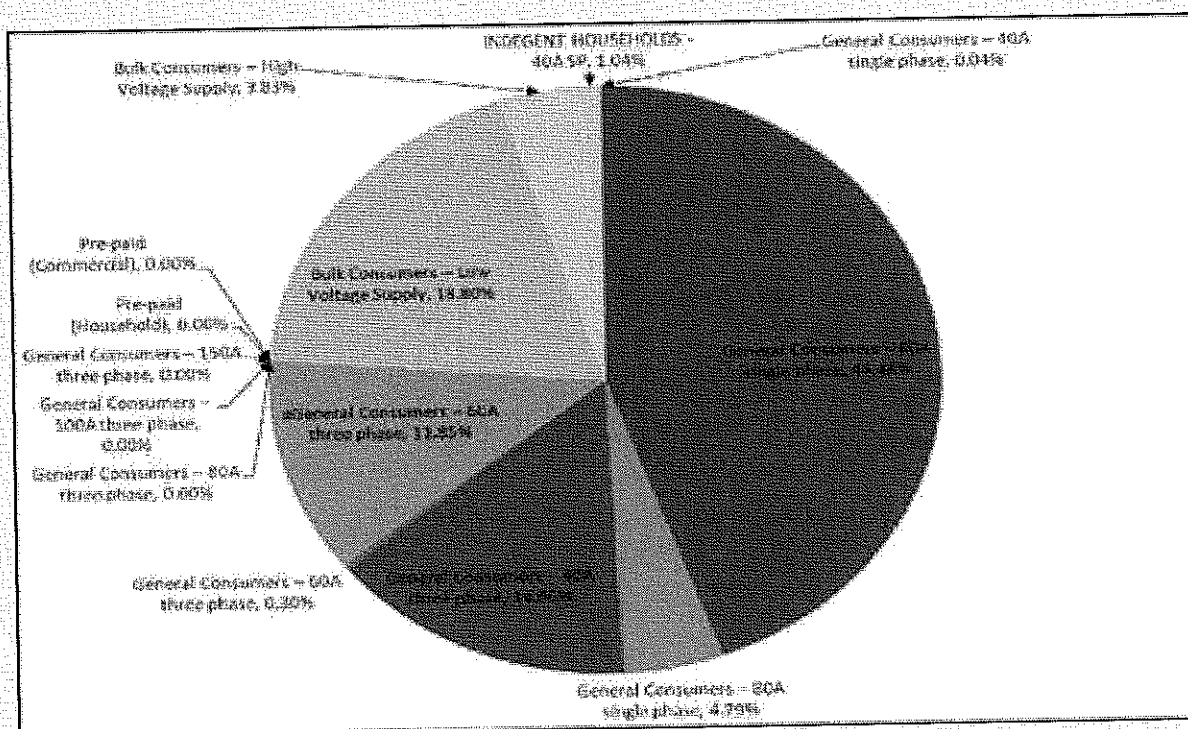


TABLE: 32 CAPITAL ELECTRIFICATION PROGRAMME

Service Objectives	Project Name	2016/2017 Budget	2017/2018 targets	2017/2018 Budget	2018/2019 Budget
Electricity	Integrated Electrification Programme (Build 10MVA Sub-Station)	28 000 000	Construction stage	25 000 000	15 840 000
Electricity	Electrical Asset	500 000	Procure 1 Mini Sub-station and 2 Electrical Transformers	0.00	0.00

TABLE: 33 EMPLOYEES - ELECTRICITY SERVICES

Employees : Electricity Services 2018/2019 Financial Year				
Job level	Number of Employees	Number of Posts	Number of Vacancies	%Vacancy
0-3	0	2	2	100%
4-6	9	10	1	0.00%
7-9	1	3	2	66.67%
10-12	3	4	1	25%
13-15	19	23	4	14.29%
Total	31	42	10	16.22%

4.5.2 COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Based on the 2018/2019 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:

- a) Continuous audits on the large power users.

- b) Continuation of the audits on the streetlights and municipal buildings energy meters.
- c) Continuation of the audits in the plots around the BBLM.
- d) Replacement of identified faulty electrical energy meters.

Some of the emanating challenges reported by the staff are symptomatic to aged cables.

These are:

- a) Inefficient sections of cable that can no longer carry the rated load
- b) Cables that are prone to faults
- c) Repeated faulting on the same length of cable
- d) Cable breakdown i.e. cables that will operate for a long time and then instantly fail. With no gradual deterioration experienced.

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.

3.6 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

3.6.1 INTRODUCTION TO WASTE MANAGEMENT

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-

- o Minimising the consumption of natural resources.
- o Avoiding and minimising the generation of waste
- o Reducing, reusing, recycling and recovering waste.
- o Treating and safely disposing of waste as a last resort.
- o 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 to give effect to section 24 of the constitution in order to secure an environment that is not harmful to health and well-being.

The Municipality has an approved Integrated Waste Management Plan (IWMP) 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 are 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.

3.6.2 ACHIEVEMENTS:

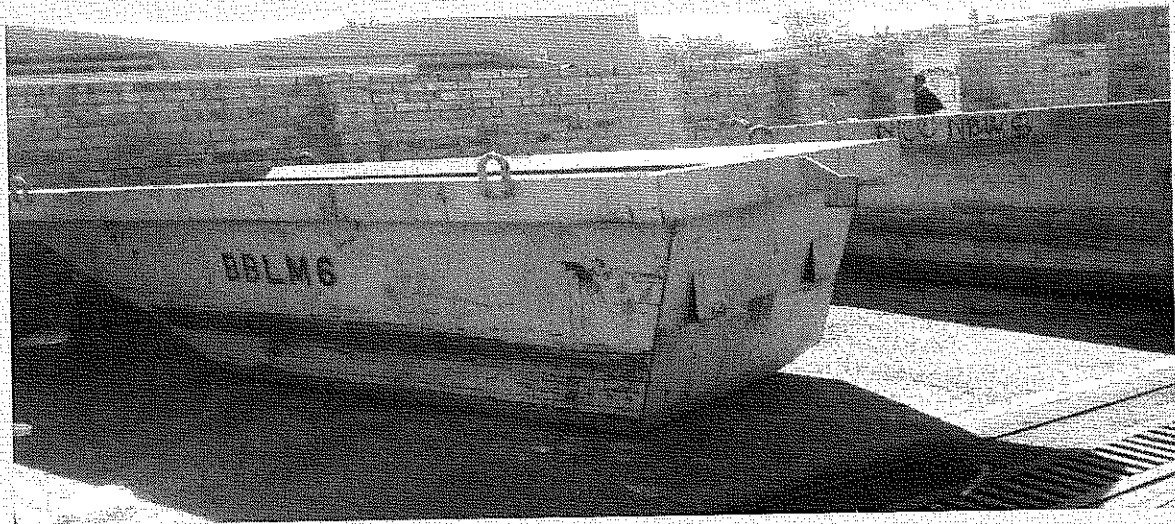
3.6.2.1 WASTE AND REFUSE REMOVAL

In order 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 2018/2019 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 by means of emptying of Mass Refuse Containers placed in different areas of the informal settlements. The Waste collection service in informal settlements covered Zuma, Koppewaai and Ext 8 & 9.

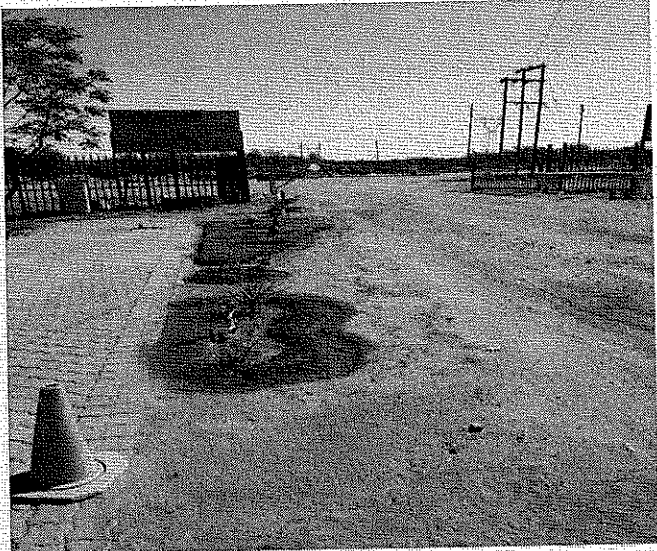
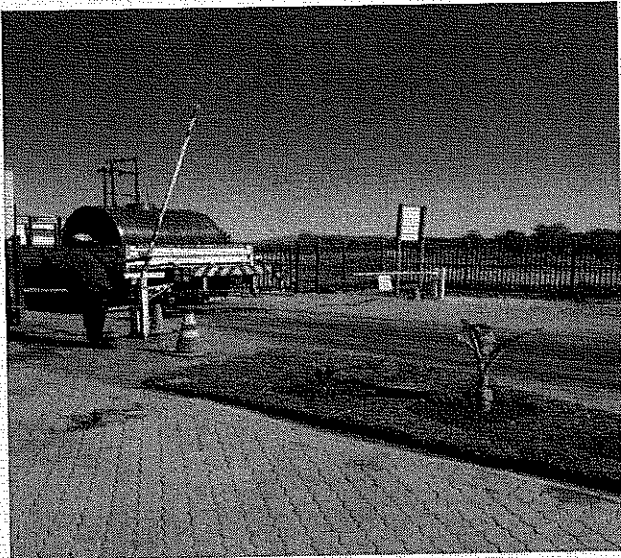
FIGURE:1 KERBSIDE COLLECTION BY COMPACTOR TRUCK



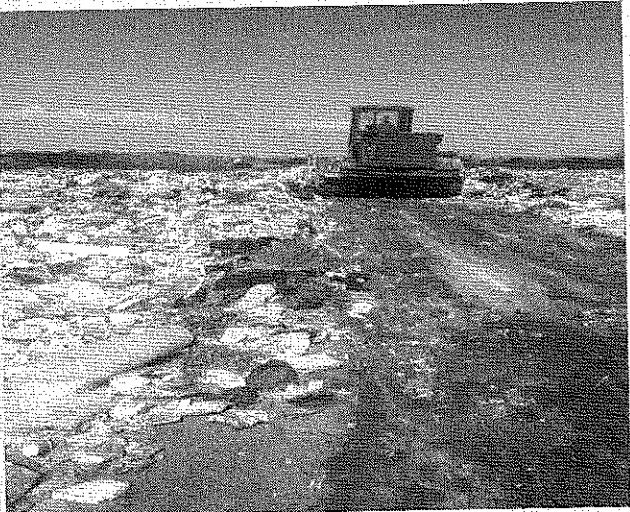
FIGURE:2 MASS REFUSE CONTAINERS AT BOSCHVELD SHOPPING CENTRE.



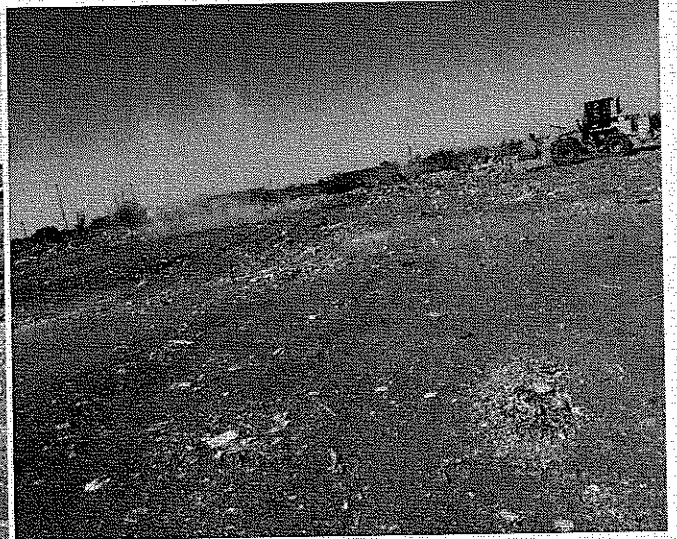
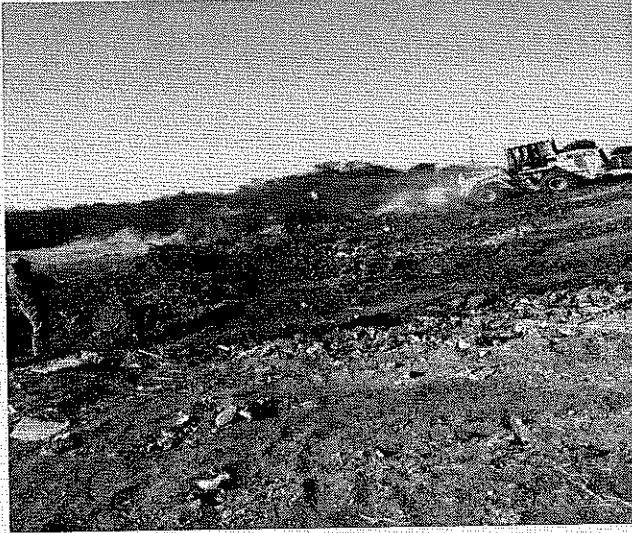
FIGURES:3 & 4 LANDFILL SITE ENTRANCE



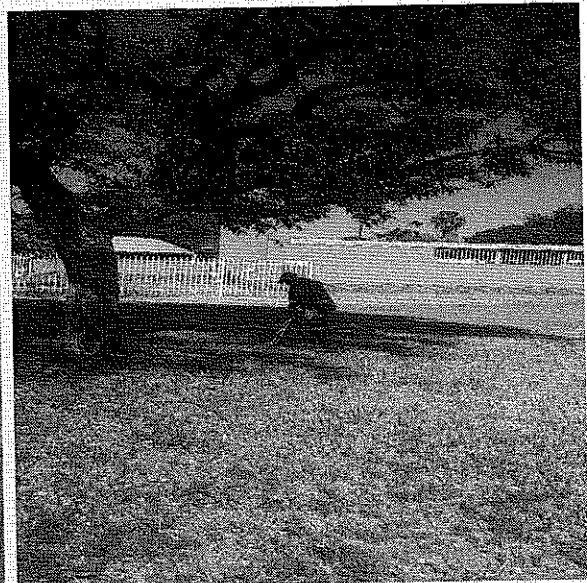
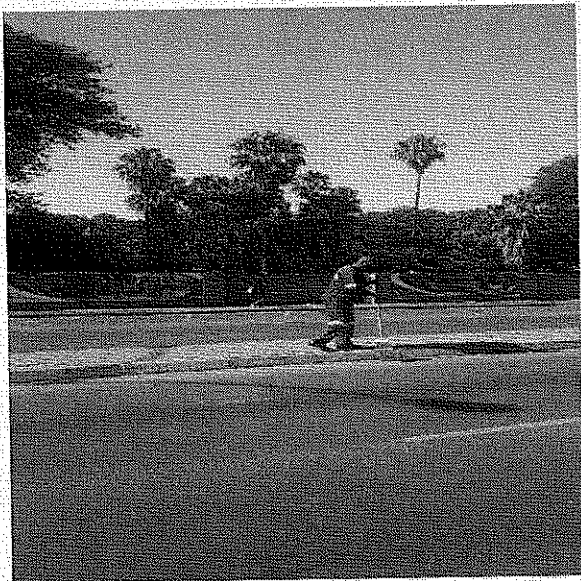
FIGURES:5 & 6 LANDFILL DISPOSAL AREA(BEFORE)

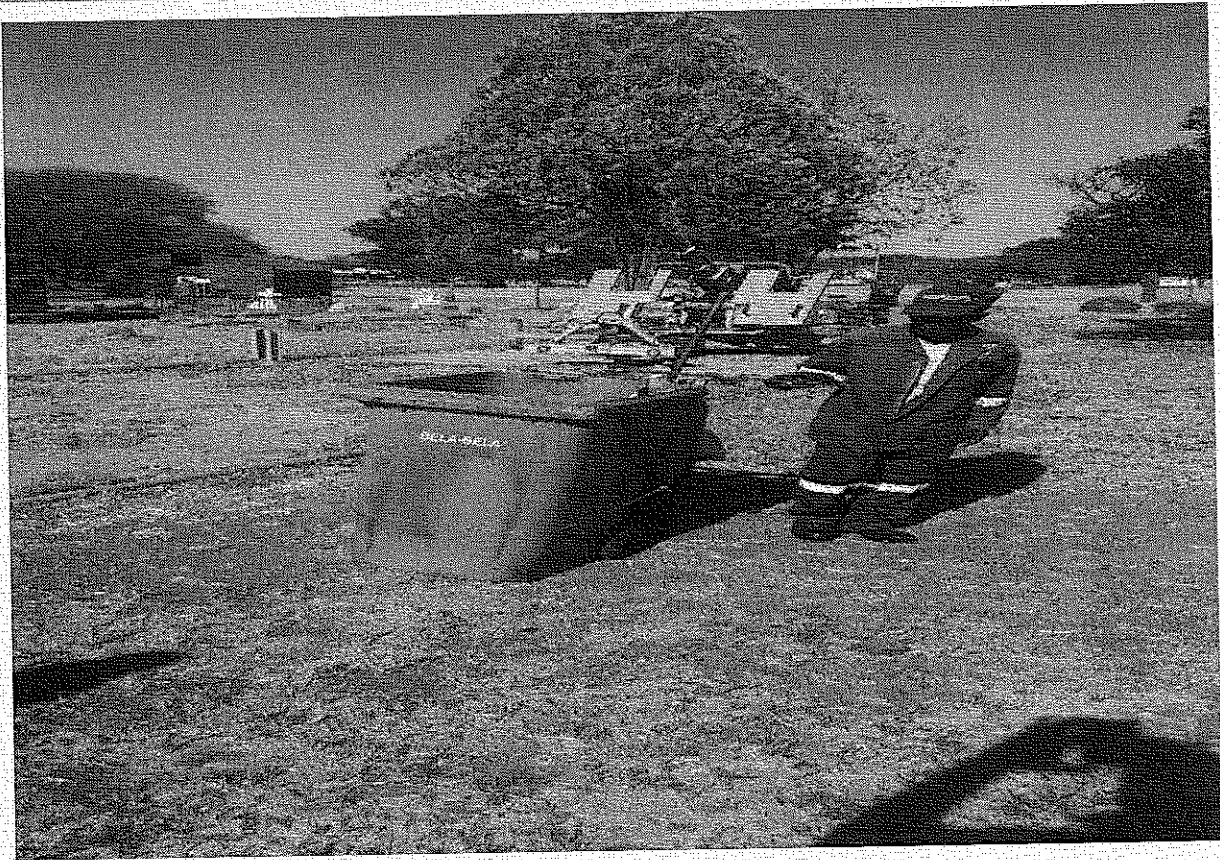


FIGURES:7 &8 LANDFILL DISPOSAL AREA(AFTER)



FIGURES:9 , 10&11 STREET SWEEPING AND LITTER PICKING



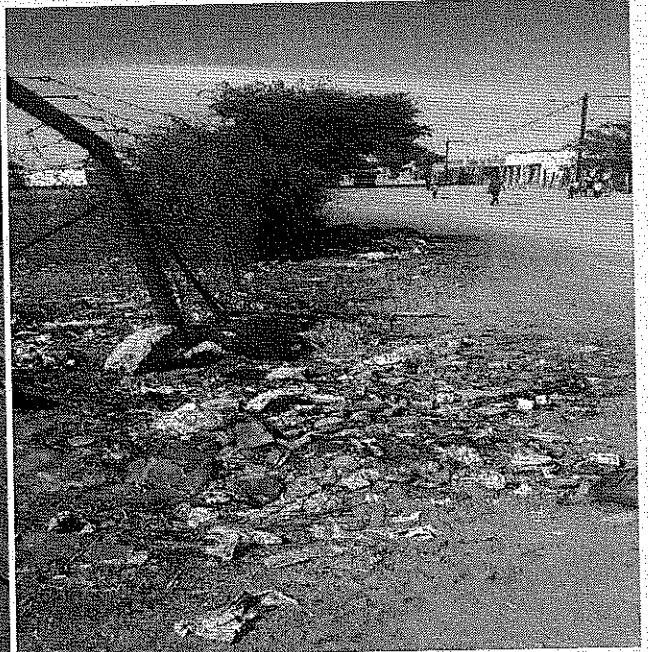
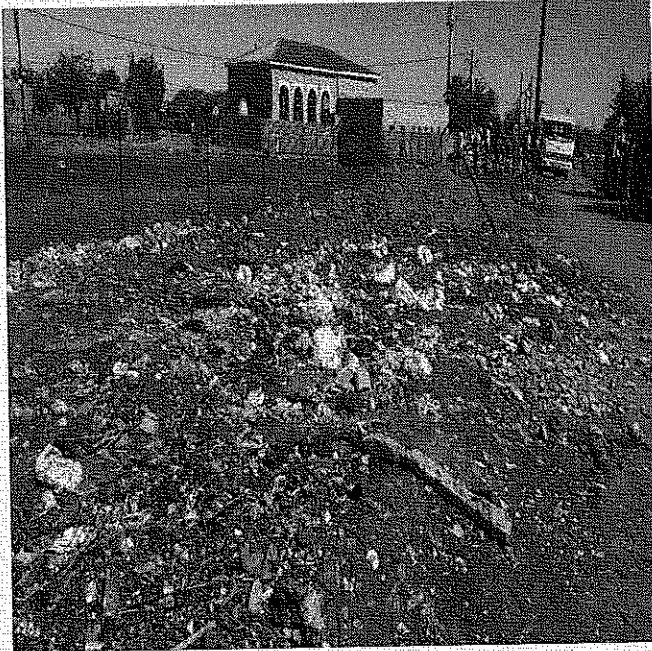


3.6.2.2 ILLEGAL DUMPING

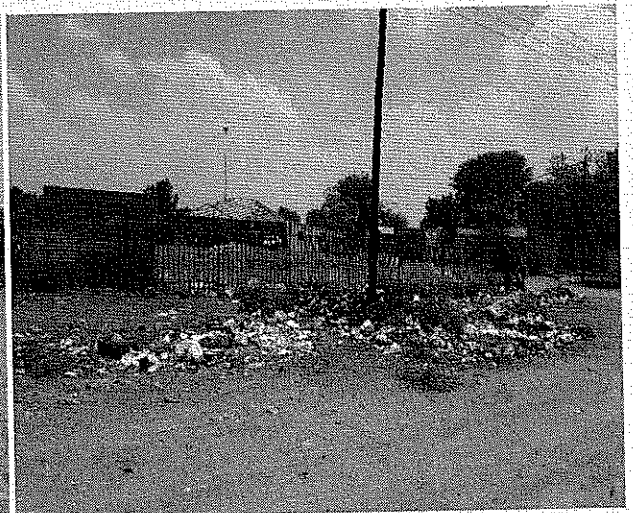
Due to the mushrooming of informal settlements in the municipal area, the municipality is faced with the challenge of illegal dumping in some areas. In order for the municipality to comply with the provisions of Section 24 of the Constitution of RSA the municipality cleared the illegal dumping areas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

In order to eradicate illegal dumping the municipality has put up a plan to transform at least 2 illegal dumping areas every financial year starting from 2018/19 FY. Illegal dumping next to Spa Park community hall and illegal dumping next to Mmamakwa Primary school were transformed.

FIGURES 16 & 17: ILLEGAL DUMPING NEXT TO RAELENG SECONDARY SCHOOL



FIGURES 18 & 19: ILLEGAL DUMPING NEXT TO SEDIBENG BAR



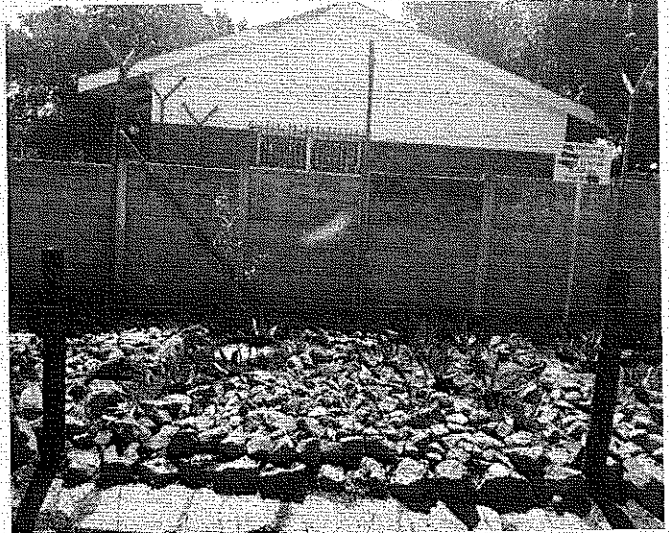
3.6.2.3 AWARENESS CAMPAIGNS

The municipality embarked on the awareness campaigns at schools, government institutions, businesses and communities. The 5 awareness campaigns held were aimed at advising on the best waste management practices such as Reduce, Reuse and Recycle (3RS). Hence the donation of the Recycling bins to Tune up Centre in Bela-Bela.

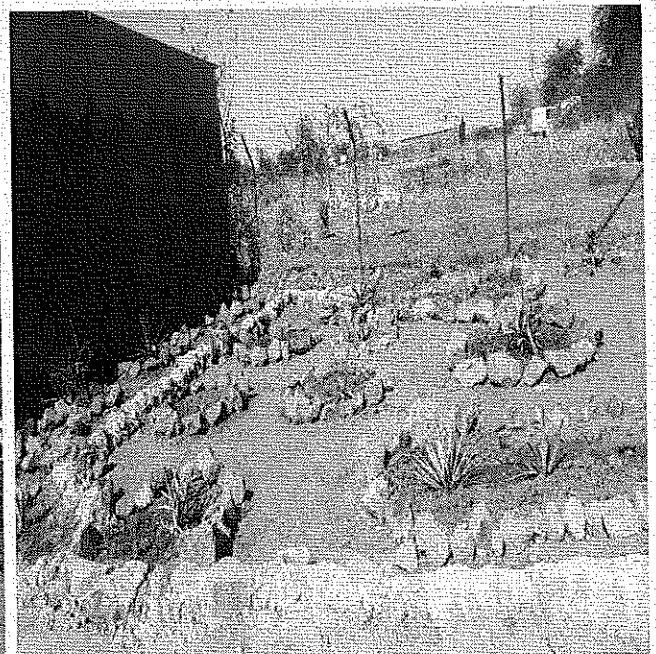
Table: 34

WASTE MANAGEMENT AWARENESS CAMPAIGNS HELD AS FOLLOWS		
DATE	VENUE	NUMBER OF COMMUNITY IN ATTENDANCE
25 September 2018	Madiba Park	47
13 November 2018	Hlokomelanang Care Centre	65
19 February 2019	Pienaarsrivier Community Centre	88
25 March 2019	Old Clinic(Township)	29
18 June 2019	Masakhane(Blaauboschkuil Primary School)	135

FIGURES 12 & 13: ILLEGAL DUMPING AT SPA PARK TRANSFORMED INTO LANDSCAPED AREA



FIGURES 14 & 15: ILLEGAL DUMPING NEXT TO MAMPATILE PRIMARY SCHOOL TRANSFORMED INTO LANDSCAPED AREA.

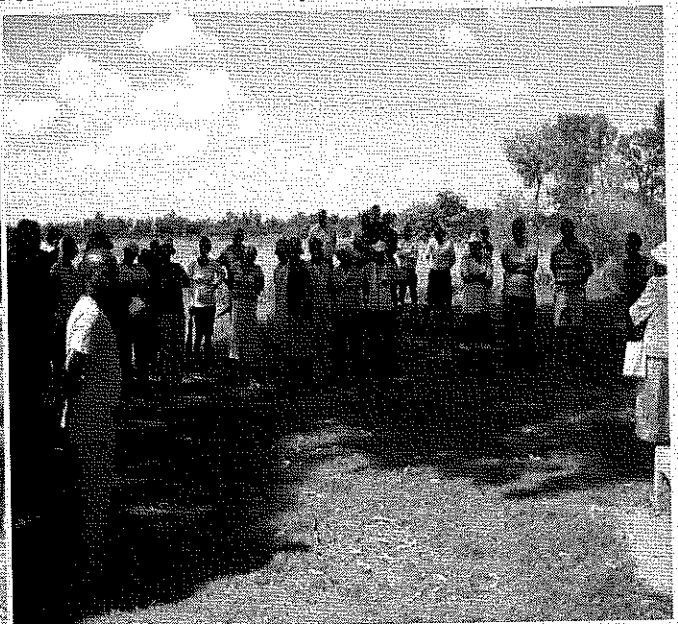


In the financial year 2019/20 we are planning on transforming 2 illegal dumping areas(i.e. illegal dumps next to Raeleng secondary school and Sedibeng bar)

FIGURES 20 & 21: COMMUNITY AWARENESS CAMPAIGN PIENAARSRIVIER



FIGURES 22 & 23: AWARENESS CAMPAIGN (NATIONAL WETLAND CELEBRATION)



3.6.2.4 WASTE COMPLAINTS MANAGEMENT

With regard to waste management complaints 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.

Waste Management Initiatives

In cognizance of the challenges of high rate of unemployment, the municipality came up with waste management initiatives whereby 1x Waste recycling Co-operative namely Morabalomphe primary co-operative.

FIGURE 24: WASTE MANAGEMENT INITIATIVES (WASTE RECYCLING BINS DONATED TO TUNE UP CENTRE).



3.6.2.5 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 the 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 bath tubs and buckets) which pose danger to workers

Due to the new demarcation of boundaries conducted during 2005/2006 Rapotokwane 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 which 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.

Table: 35 SOLID WASTE SERVICE DELIVERY

Solid Waste Service Delivery Levels				
Description	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	9779	9779	9763	9763
Minimum Service Level and Above sub-total	9779	9779	9763	9763
Minimum Service Level and Above percentage	100%	100%	100%	100%
Solid Waste Removal: (Below minimum level)				
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	9779	9779	9763	9763
Below Minimum Service Level	0%	0%	0%	0%
Total number of households	9779	9779	9763	9763
			T 3.4.2	

Table: 36 HOUSEHOLDS - SOLID WASTE SERVICE DELIVERY LEVELS BELOW THE MINIMUM

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2015/16	2016/17	2017/18	2018/19		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
Formal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service						
Proportion of households below minimum	%	%	%	%	%	%
Informal settlements						
Total households						
Households below minimum service level						
Proportion of households below minimum	%	%	%	%	%	%

3.7 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.7.1 INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Bela-Bela Local Municipality has approved 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 household provided with the above mentioned free basic services. According to the statistics in the register Bela-Bela local municipality provide 4 865 houses with free basic services during 2018/2019 financial year.

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

INTRODUCTION TO ROAD TRANSPORT

Bela- 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. Details are in Visual Roads Assessment Report with Council Resolution number MC141/03/2016.

However, it must be emphasised that the routine road maintenance as well as refurbishment and upgrade of roads requires more funds.

3.8 ROADS

3.8.1 INTRODUCTION TO ROADS

Council approved the Standard Road Specification in October 2015, these Standards provide guidance on design, and specification of roads for construction as well as guidance on Routine Roads Maintenance.

The state of the local access roads (internal roads) that require attention of the Municipality due to poor condition can be highlighted as follows:-

Table:37 BELA- BELA LOCAL MUNICIPALITY CURRENTLY HAVE RECORDS OF ROADS AS FOLLOWS:

Settlements	Length of Roads/Street		Total
	Paved	Unpaved	
Bela- Bela Town	105.6km	83.8km	189.4km
Bela- Bela Township			
Radium (Masakhane)	1.03km	3.27km	4.3km
Piennarsrivier	5.1km	3.7km	8.8km
Rapotokwane	1.9km	17.1km	19km
Total	113.63km	107.87km	221.5km

GRAPH1: THE GRAPH BELOW REPRESENT MUNICIPAL ROAD INFRASTRUCTURE

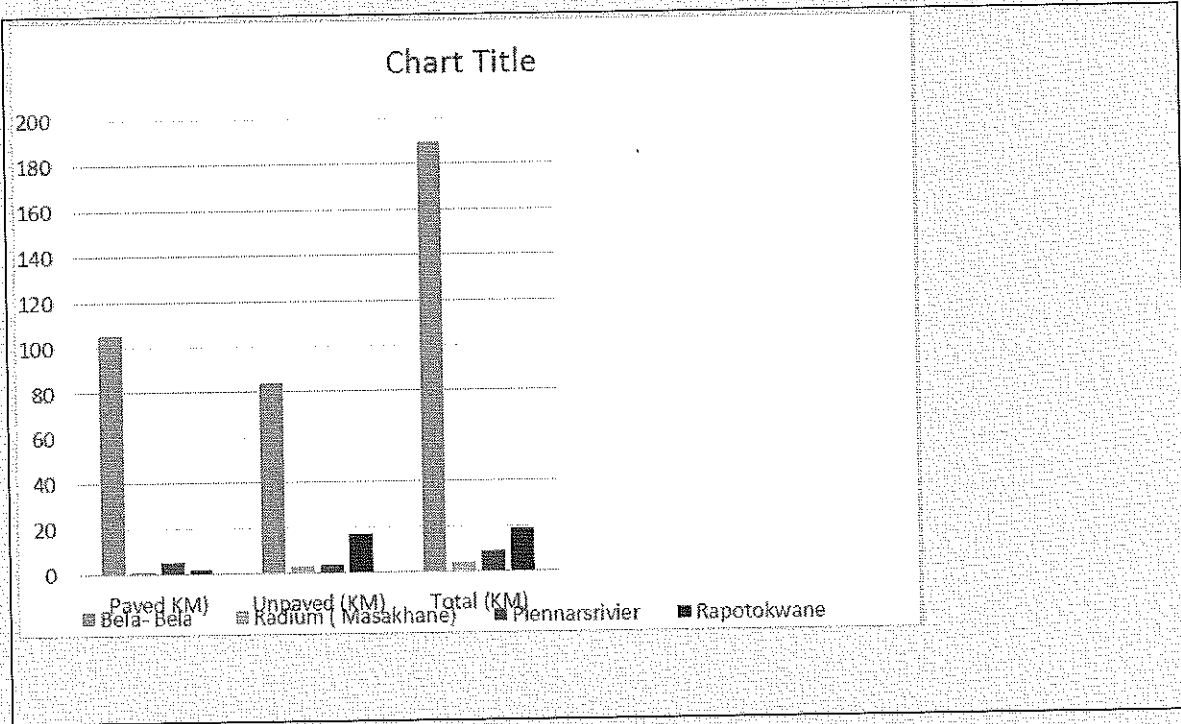
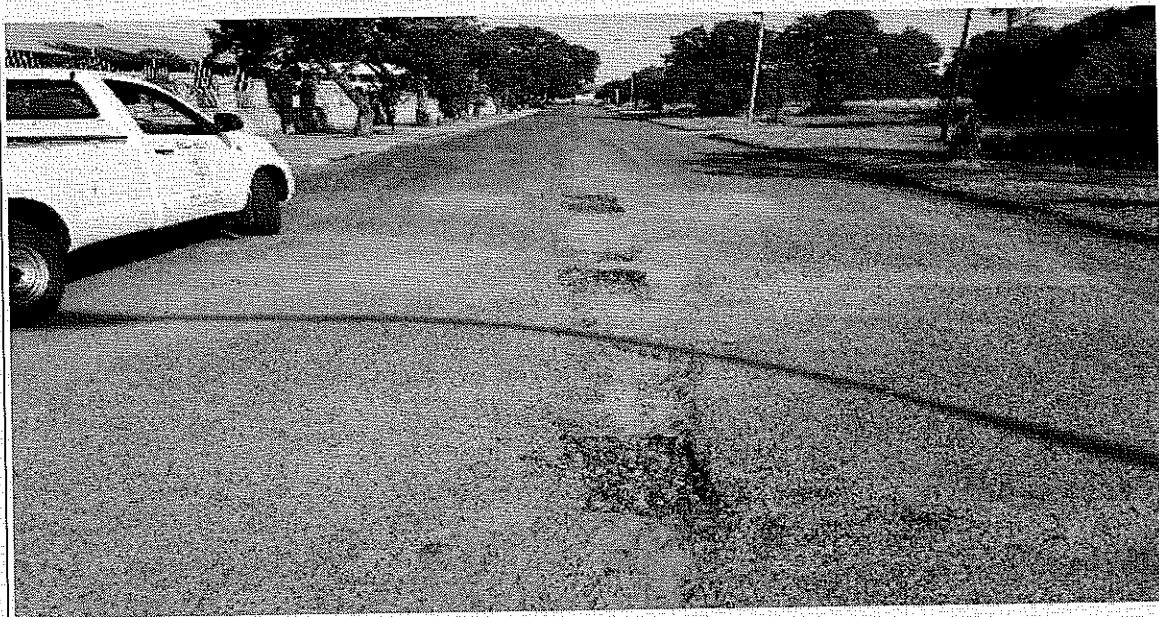


FIGURE:1 ROUTINE ROAD MAINTENANCE WAS DONE AS FOLLOWS:

Damaged road with potholes



Repaired Road



Pavement repairs



Before

After

Table: 38

Institutional Indicator	Work done
Km of roads re-gravelled	8,3km
Km of roads graded	14.81km
Km of storm water channels cleaned	24.98km
m ² of pavement repaired	961.61m ²
#Speed hump erected	18
m ² Potholes patched	4 623.96m ²
#Catch inlets cleaned	182

The municipality further registered projects for funding by MIG and appointed service providers for professional and construction work. Refer to table below.

Table: 39

No	Project Name	Total Project cost	Locality
1.	Widening of Miles street	R5 579 773.55	Bela Bela ward 2
2.	Road paving X4,6,7 & 8	R22 700 000.00	Bela Bela X4,6,7 & 8
3.	Storm water Marikana street	R9 871 287.90	X6

Table: 40 EMPLOYEES: ROADS SERVICES AND STORM WATER

Employees: Roads Services and Storm water				
Job Level	2018/2019			
	Employees #	Posts #	Vacancies#	% Vacancy
0-3	1	1	0	100%
4-6	0	2	2	0%
7-9	1	3	2	25%
10-12	2	12	10	15%
13-15	17	30	13	40%
Total	21	48	27	38,4%

3.8.2 COMMENT ON THE PERFORMANCE OF ROADS OVERALL

Figure: 3



Upgraded road at Mile street

The division of roads and storm water performed very well in its operational maintenance targets sets from the Service Delivery and Budget Implementation Plan. Identified potholes were patched as per the maintenance plan and also when required, open storm water channels cleaned and unblocked, damaged pavement repaired, paved roads cleaned and gravel roads were bladed.

It is evident from the Roads Visual Pavement Assessment that the municipality requires more funds to address roads challenges. Currently the municipality has registered projects to pave the streets and is full at work with the routine road maintenance

3.9 WASTE WATER (STORMWATER DRAINAGE)

3.9.1 INTRODUCTION TO STORMWATER DRAINAGE

The Storm water infrastructure is distributed throughout the jurisdiction of Bela-Bela Local Municipality and forms the backbone of the stormwater network. Amongst others are Bridges and Guardrails, while others are more subdued such as borrow pits, storm water facilities and ditches. There is also infrastructure underground including inlets and pipes. Each plays an important role to Bela-Belas' stormwater network. Below is the stormwater assets in the municipality:

Table: 41

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

Dirty Stormwater Drainage System



Cleaned Stormwater Drainage System



3.9.2 COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

In terms of storm water drainage, there are four parts of Bela-Bela Township which were developed without sufficient infrastructure for stormwater drainage and this prone these areas to the excessive water surface run – off or even flooding during the heavy rains.

These areas are Bela-Bela Township Extension 2 (“Leseding”), 5 (Mandela Village), 6 and 7. These areas accommodate approximately 23% [3 343HH (i.e. Ext. 2 = 836HH, Ext. 5 = 1098HH, Ext. 6 = 1084HH and Ext. 7 = 325HH)] of the total population within Bela-Bela.

The Municipality should also ensure that the future settlements (i.e. Bela-Bela Extension 9) are well provided with sufficient storm water infrastructure at the early stages to avoid future backlogs occurrence.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

3.10.1 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).

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

Table: 42 APPLICATIONS FOR LAND USE DEVELOPMENT

Applications for Land Use Development						
Detail	Formalisation of Township		Rezoning		Built Environment	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Planning Applications Received	0	0	2	6	40	141
Determination made in a year of recipient	0	0	2	0	40	141
Determination made in the following year	0	0	4	0	5	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at a year end	0	0		6	0	0

Table: 43 BUILDING PLANS APPLICATIONS

Building Plans Applications				
2018/2019 Financial Year				
Number of Building Plans received			Number of Building plans approved	Number of Building plans not approved
111			92	19
Month	Building Plans Received	Building Plans Approved	Building Plans not Approved	Reason
July 18	9	9	0	• N/A
August 18	12	11	1	• Awaiting for Municipality Consent and Contracts to be signed
September 18	10	9	1	• Outstanding Documents and pending building line relaxation
October 18	16	14	2	• Outstanding document (Title deed) • To submit Land use rights

November 18	10	7	3	<ul style="list-style-type: none"> Withdrawn
December 18	14	13	1	<ul style="list-style-type: none"> Outstanding Document (Title Deed)
January 19	2	0	2	<ul style="list-style-type: none"> Awaiting for Written Consent Approval Outstanding Document (Title Deed)
February 19	7	6	1	<ul style="list-style-type: none"> Pending Correction by Architect
March 19	10	7	3	<ul style="list-style-type: none"> Circulating at Final Approval Stage
April 19	5	4	1	<ul style="list-style-type: none"> Awaiting for rezoning approval
May 19	9	7	2	<ul style="list-style-type: none"> Awaiting for rezoning approval
June 19	7	5	2	<ul style="list-style-type: none"> Awaiting for rezoning approval Outstanding Document (Title Deed)

Table: 44 EMPLOYEES SERVICES IN TOWN PLANNING DIVISION

Employees Services in Town Planning Division			
Job Level	2018/19		
	Post Number	Employees Number	Vacancy
0-3	2	2	0
4-6	4	3	1
7-9	1	1	0
Total	7	6	1

3.10.2 COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

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

3.10.3 SPA PARK (KOPPEWAAI)

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

FIGURE:1 SPA PARK INFORMAL SETTLEMENT

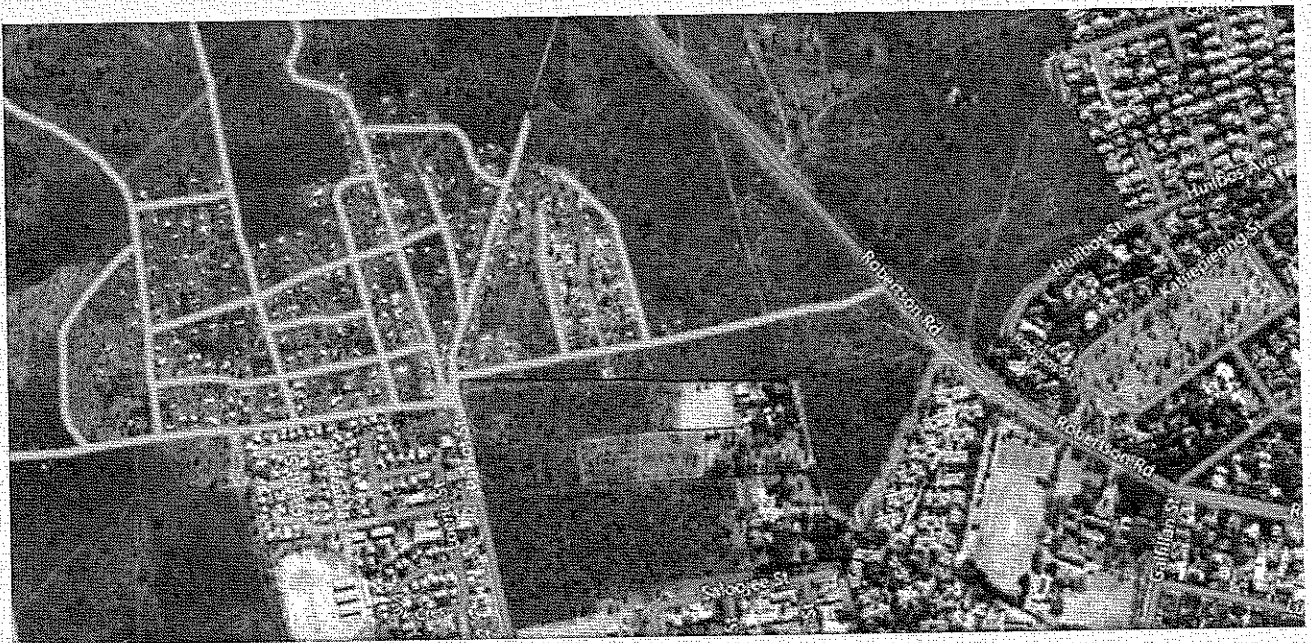


FIGURE: 2 TSAKANE INFORMAL SETTLEMENT

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

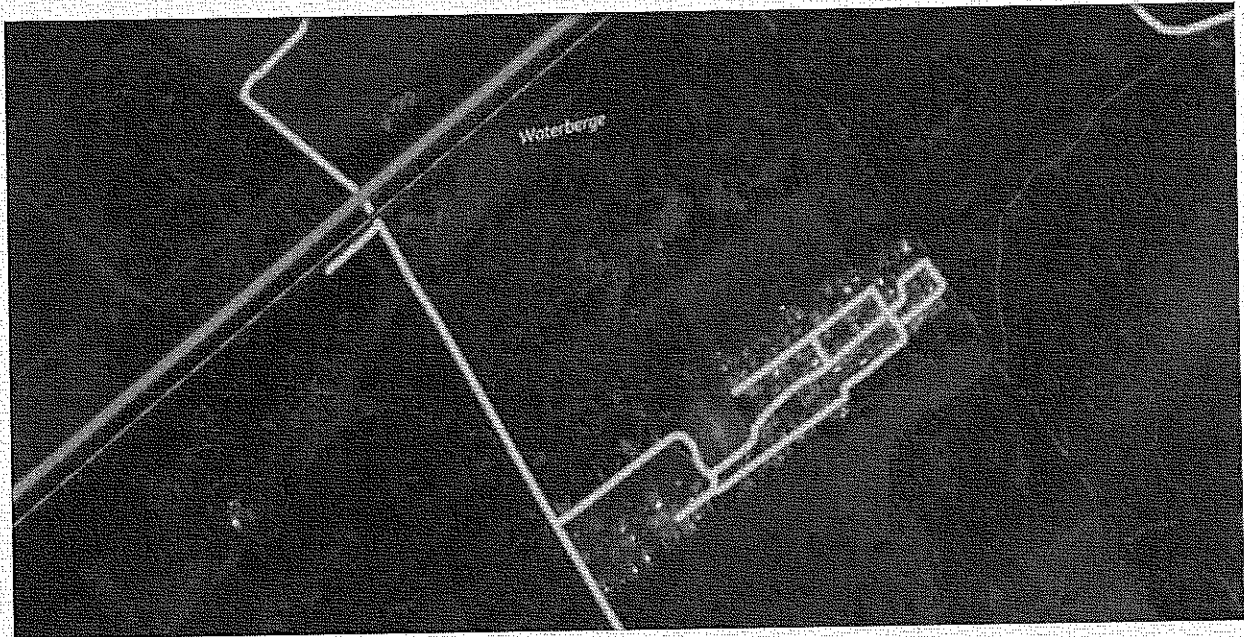


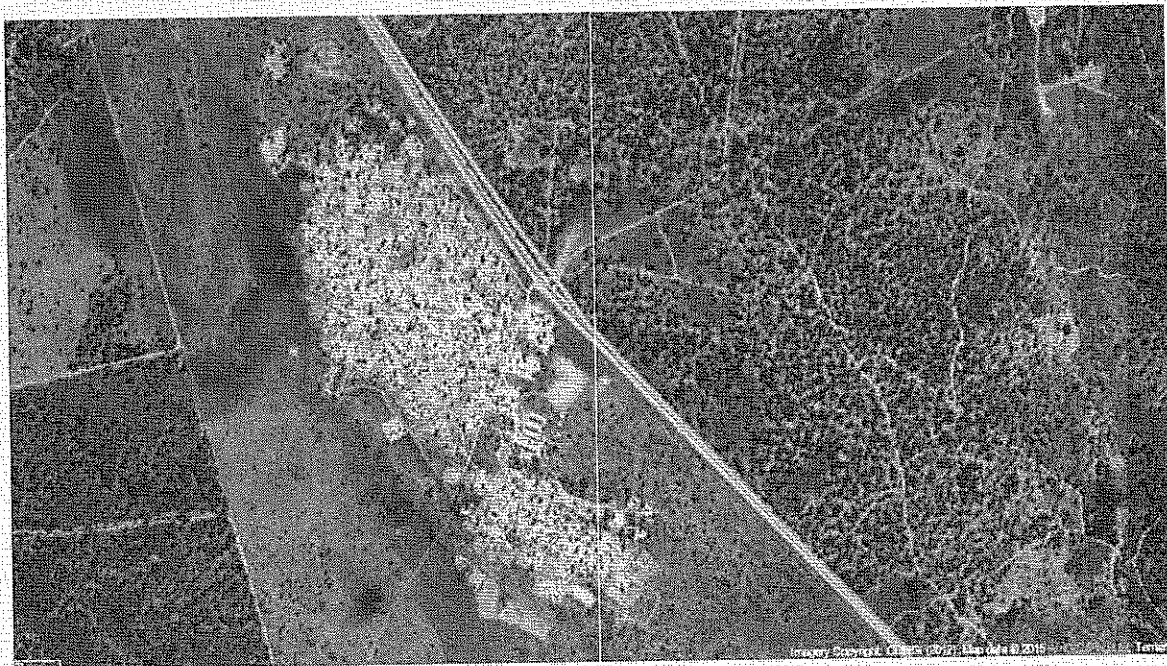
FIGURE: 3 ZUMA INFORMAL SETTLEMENT IS LOCATED WITH THE BELA-BELA TOWNSHIP



FIGURE: 4 HLABA-MPYA SETTLEMENT INFORMAL SETTLEMENT IS LOCATED WITHIN THE BELA-BELA TOWNSHIP



FIGURE: 5 VINGERKRAAL INFORMAL SETTLEMENT LOCATED ON PORTION 05 OF THE FARM VINGERKRAAL 472-KQ THE SETTLEMENT IS OUTSIDE THE URBAN EDGE.



3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

3.11.1 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 of the Intergrated 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.

Economic Activity by Sector			
Financial Year	2016/17	2017/18	2018/19
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%

The priorities of the municipality with regard to service delivery is job creation opportunities, followed by skills development and tourism. The creation of the favourable environment for businesses to operate including the retention and expansion of those businesses that are currently constituting the economy is very important.

Economic Employment by Sector			
	Jobs		
Financial Year	2016/17	2017/18	2018/19
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%

Table: 45

Job creation through EPWP* projects		
Details	EPWP Projects	Number of Jobs created through EPWP projects
Capital Project	Technical	123
CWP	Community Works Program	945
EPWP	EPWP	99
Job opportunities created through LED strategy	Hospitality	47

Employees: Local Economic Development Services			
Job Level	2018/19		
	Number of Posts	Number of Employees	Number of Vacancies
0 - 3	1	1	0
4 - 6	3	2	1
7 - 9	1	1	0
Total	4	4	1

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 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.*

3.11.2 COMMENTS ON LOCAL ECONOMIC DEVELOPMENT

The economy of Bela-Bela is mainly composed of two sectors such as tourism and agriculture. The mining sector is not as prominent. Wholesale and retail trade as a sector is creating jobs in the economy more than other sectors in terms of economic employment by sector. This is a sector that the tourist participate in buy buying items that they need urgently. Agriculture, forestry and fishing is a sector bears testimony to the fact that this is a second biggest sector of the economy in Bela-Bela. There are many game reserves in Bela-Bela to the extent that agricultural land has been converted to game farming. Thus, as a result tourism in Bela-Bela is forever growing making the town a tourists destination.

The flea market opposite Aventura bears testimony to that. Here the tourists are able to buy souvenirs and at the same time contribute and participate in the economy of Bela-Bela.

The property that seems to be doing well is the tourist establishment/property development.

COMPONENT D:

3.12 COMMUNITY & SOCIAL SERVICES

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

3.12.1 INTRODUCTION TO COMMUNITY AND SOCIAL 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 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 were 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 Social and Community Services aim 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.

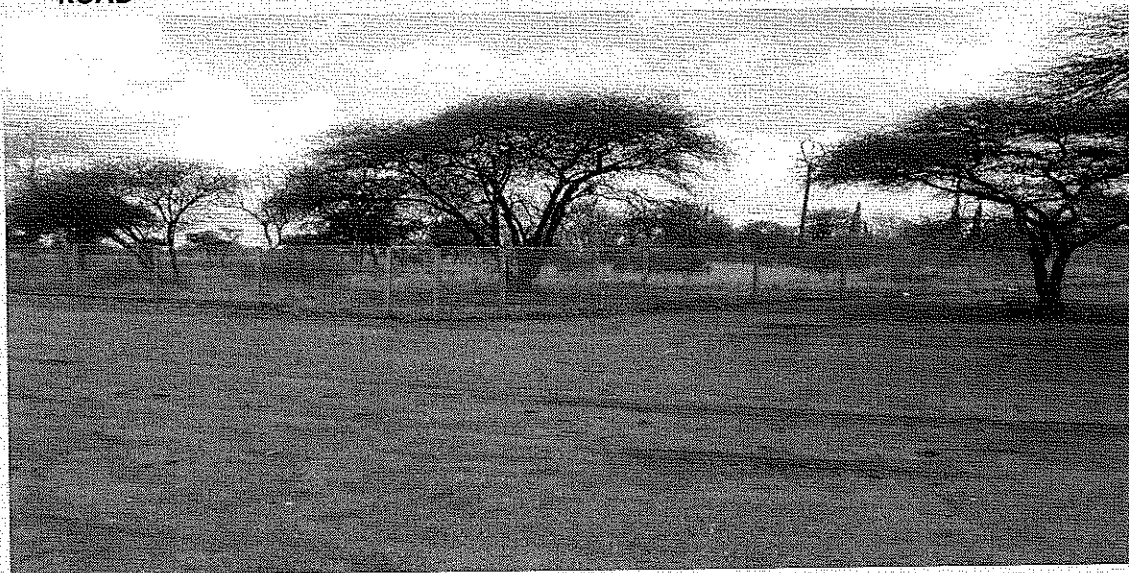
- e. the community with a dignified and responsive cemetery and memorialisation service and consistent maintenance in accordance with acceptable management practices or standards.
- f. promote effective sustainable "Greening initiatives.

3.12.2 CEMETERIES AND CREMATORIUM

Bela-Bela municipality has Four (4) cemeteries, however, only three are consistently maintained. Hereunder are the three (3) cemeteries that the Municipality is maintaining:

- a) Bela-Bela township cemetery which is closed and inactive.
- b) Masakhane cemetery used by the community of both Masakhane and Pienaarsrivier.
- c) The cemetery situated on the R516 road to town used by the community of Bela-Bela Township, those residing in town, Spa Park and Jinnah Park.
- d) The fourth cemetery is in Rapotokwane used by the community of that village, however it is seasonally maintained by the Municipality through the EPWP employees who are placed in that area.

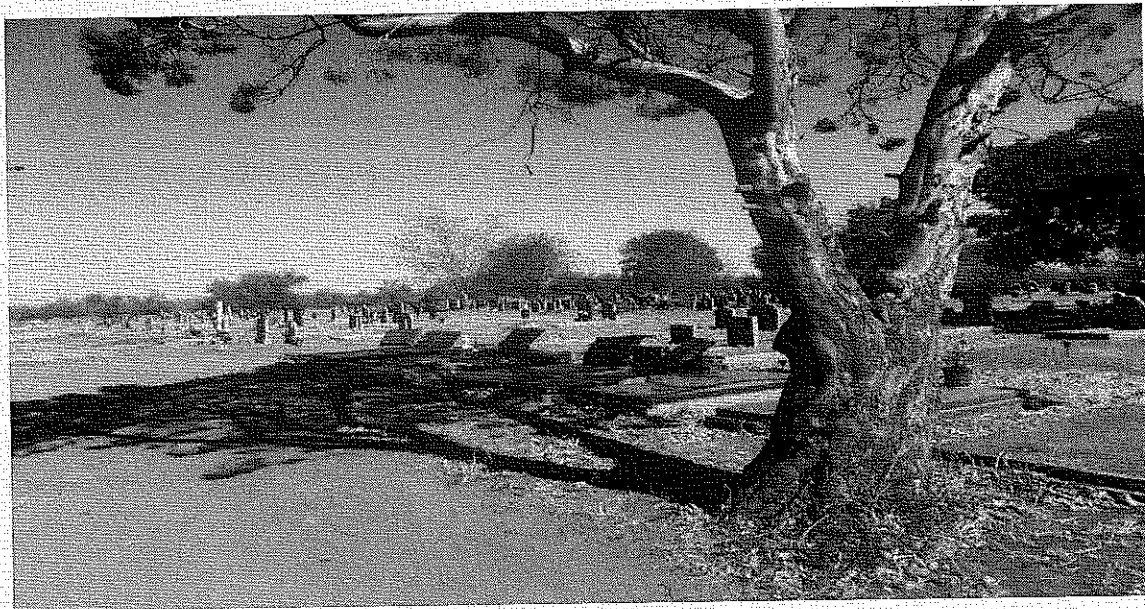
PICTURE: 1 COMPLETED CLEAR VIEW FENCING AT THE CEMETERY ON THE R516 ROAD



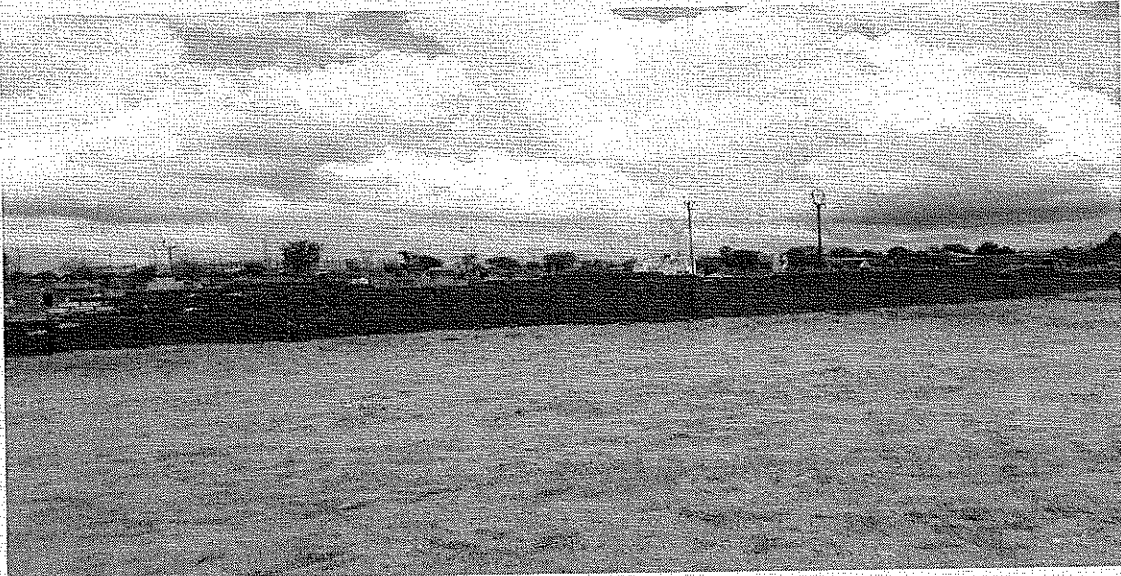
PICTURE: 3 CEMETERY NEXT TO THE R516 ROAD



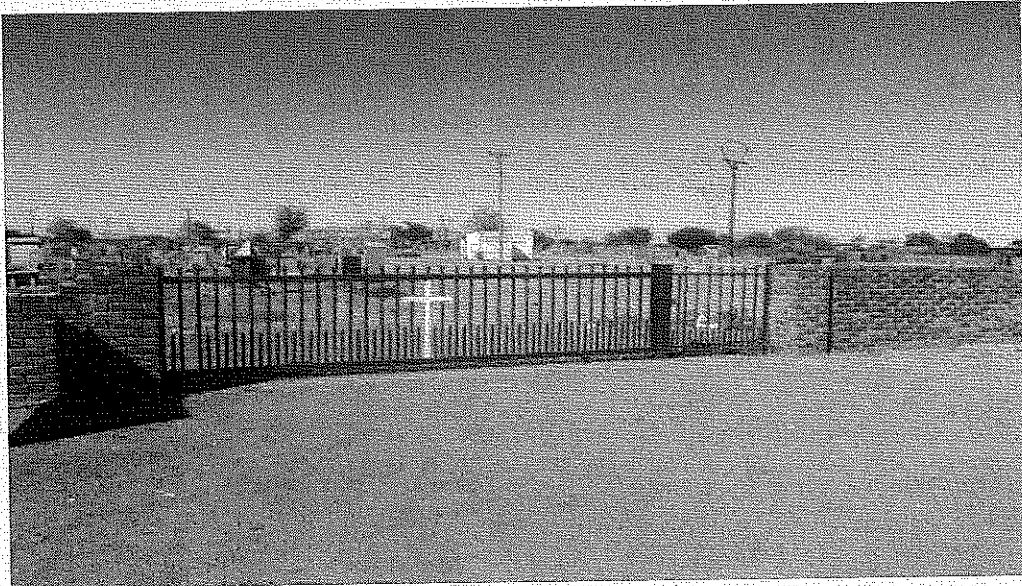
PICTURE: 4 CEMETERY NEXT TO THE R516 ROAD



PICTURE: 5 OLD CEMETERY IN THE TOWNSHIP



PICTURE: 6 ENTRANCE GATE AT THE OLD CEMETERY IN THE TOWNSHIP



3.12.3 MAINTENANCE ACTIVITIES

Maintenance activities that takes place at the cemetery includes the following:

- a) Clearing of space
- b) Mowing/edging/ and blowing grass
- c) Herbicides application
- d) Litter picking
- e) Tree pruning
- f) Digging of graves as per bookings

Challenges

- 1. The cemetery in town is over busy with an interment rate of 318 burials on average per year.
- 2. The rise in paupers' burials is actually exacerbating the situation
- 3. The municipality is gradually running out of burial space,
- 4. Theft and vandalism of tombstones and ablution facilities.

Recommendations

- 1. Public awareness on alternative disposal of bodies or second and third burial in one grave.
- 2. Identification of land for the development of a new cemetery in Pienaarsrivier and Bela-Bela Township.
- 3. Construction of a crematorium.
- 4. Installation of high mast lights.
- 5. Construction of secured ablution facilities which currently are being.
- 6. Availability of physical security guards.

3.12.4 PARKS AND RECREATION

The municipality has six parks that are situated at:

- a) Letlhabile;
- b) Moloto Street;
- c) Leseding (Madiba);
- d) Pienaarsrivier;
- e) Town and
- f) Extension 6B.

The municipality had an obligation of taking care of the parks and hereunder are scheduled maintenance activities:

- a) Cutting and mowing of grass;
- b) Irrigation;
- c) Weeds control;
- d) Litter control;
- e) Pruning of trees;
- f) Laying of soil/compost/fertilizers.

PICTURE: 7 LESEDING (Madiba) PARK



PICTURE: 8 EXTENSION 6 & 7 PARK



PICTURE: 9 LETHLABILE PARK



PICTURE: 10 ABLUTION FACILITIES AT PIENAARSRIVIER PARK



Challenges

- 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

Recommendations

- a) Installation of security fence in all parks.
- b) Access control
- c) Construction of bore holes in each park

3.12.5 COMMUNITY HALLS

Bela-Bela municipality has four community halls situated at:

- a) Bela-Bela township
- b) Spa Park
- c) Jinnah Park
- d) Pienaarsrivier
- e) Multipurpose Centre

Scheduled maintenance activities:

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

PICTURE: 11 MULTI-PURPOSE CENTRE AT EXT 6



3.12.6 SPORTS FIELDS, GROUNDS AND COURTS

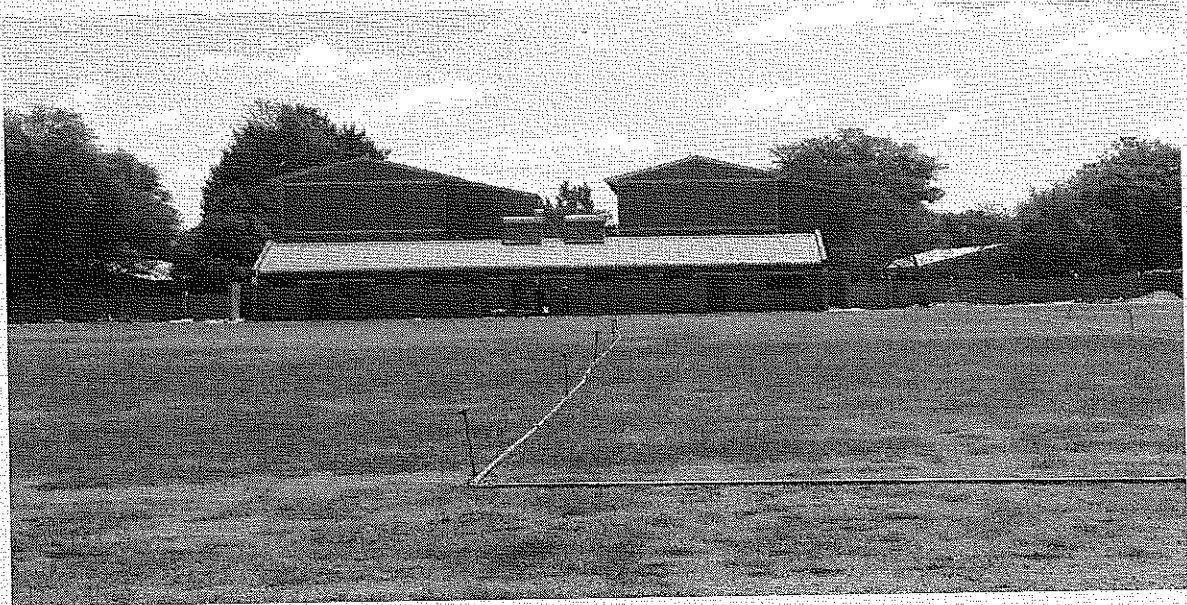
With regard to the Bela-Bela Sports Fields, it should be noted that seven of the ten are just ground sports fields and two with lawn pitches. Furthermore it should be noted that the Municipality has the responsibility of maintaining the sports fields, however there is a challenge of insufficient cleaning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

Scheduled maintenance activities

- 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
- h) Grading of sports grounds

PICTURE: 12 BELABELA HIGH SCHOOL SPORT FIELD



PICTURE: 13 INNER FENCING AT BELA-BELA HIGH SPORTS



FIELD

Table: 47 COMMUNITY FACILITIES

Community Facilities Objectives Taken From IDP							
Service Objectives	OUTPUT	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19
Service Indicators (i)		Target	Actual	Target	Actual	Target	Actual
Community Halls	Cleaning of 5 Com Hall	5	5	5	5	5	5
Maintenance of Parks	Maintenance of 6 Parks	5	5	6	6	6	6
Maintenance of Sports Fields	Maintain 10 sports grounds	10	10	14	14	14	14
Cemeteries	Maintenance of Cemeteries	3	3	3	3	3	3

3.13 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

3.13.1 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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 on the 2017/2018 Bela-Bela Municipality SDBIP. This accountability enables the Institution to align the delivery of ICT services with the strategic and business goals of the Institution.

During 2018/2019 Financial year Bela-Bela 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 on the MFMA.

Table: 48 BELOW INDICATES ICT HUMAN RESOURCE STATISTICS

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

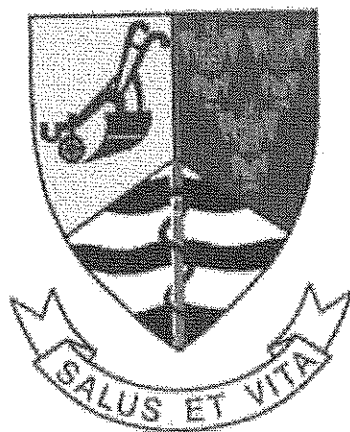
COMPONENT A: ORGANISATIONAL PERFORMANCE SCORECARD (PART I)

ANNUAL PERFORMANCE SCORECARD REPORT FOR THE 2017/2018 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 2018/2019 performance. The set indicators also outlined the outcomes and impact with regard to the Municipality's developmental priorities and objectives as set out in the approved 2018/2019 Integrated Development Plan (IDP).

Emanating from 2018/2019 approved IDP and budget, the Municipality developed an organizational score card providing a strategic direction on how will the organization implement and account for the budget, developmental objectives and priorities approved for the financial under review. The municipality also established the process of regular reporting to Council and to communities, whereby Management, Audit Committee, and the Mayor tabled quarterly performance reports as per the approved organizational score card. The Municipality also complied with the provisions of Section 46 of Local Government Municipal Systems Act by compiling the 2018/2019 Annual Performance Report which was submitted to the Auditor General for 2018/2019 audit as required by the Section 45 of the of the Local Government Municipal Systems Act No 32 of 2000. Below is the detailed audited 2018/2019 Annual Performance Report.

**ANNUAL PERFORMANCE REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2019**



BELA-BELA LOCAL MUNICIPALITY

2018/19 Annual Performance Report

1. ACRONYMS

MFMA	Municipal Finance Management Act No 56 of 2003
MSA	Municipal System Act No 32 of 2000
SDBIP	Service Delivery and Budget Implementation Plan
IDP	Integrated Development Plan
PMS	Performance Management System
NKPA	National Key Performance Areas
KPA	Key Performance Areas
KPI	Key Performance Indicators
UoM	Unit of Measurement
S.M.A.R.T	Specific, Measurable, Attainable, Realistic and Timely
BBLM	Bela-Bela Local Municipality
LED	Local Economic Development
WWTW	Waste Water Treatment Works
SDF	Spatial Development Framework
LUMS	Land Use Management Scheme
AG	Auditor General
MPAC	Municipal Public Account Committee
AFS	Annual Financial Statements
CoGHSTA	Cooperative Governance , Human Settlement and Traditional Affairs
HRM	Human Resource Management
HRD	Human Resource Development
SPLUMA	Spatial Planning and Land Use Management Act No16 of 2013
LFF	Local Labour Forum
ICT	Information and Communication Technology
MIG	Municipal Infrastructure Grant
PED	Planning and Economic Development
FY	Financial Year
LLF	Local Labour Relations
LGSETA	Local Government Sector Education Training Authority
WSP	Work Skills Plan
MVA	Mega Voltage Amps
INEP	Intergrated Network Electrification Plan

2. INTRODUCTION

The Annual Performance Report is hereby submitted to the Bela-Bela Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 on annual reporting.

This report covers the performance information from 01 July 2018 to 30 June 2019 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP) as amended in conjunction with the Budget Adjustment during February 2019, in relation to the objectives and targets as summarized in the Municipality's Integrated Development and Plan (IDP).

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its 2018/19 Integrated Development Plan (IDP), 2018/2019 Annual Budget and Service Delivery and Budget Implementation Plan (SDBIP).

Furthermore, this report takes into account the National Government's Strategic key Performance Areas for local government, which are (1) Basic Service Delivery, (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management, (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. Each KPA has a number of Municipal Programmes which is linked to the Integrated Development Plan of the Bela-Bela Municipality to focus on priority development initiatives in a more coherent and organised manner.

3. LEGISLATIVE REQUIREMENT

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000 as amended; which stipulates the 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.*

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities. The report contain, *inter alia*, performance of municipal programmes and projects from the IDP/Budget/SDBIP and service provider's performance.

4. PERFORMANCE MANAGEMENT OVERVIEW AND PROCESS

Performance management in the municipality is managed through the council approved Performance Management System Framework which clearly defines the process and reporting cycles of the performance information. The reporting cycles in the SDBI are monitored quarterly and early warning indicators are picked up which are there for discussed and corrective measure effected, this is referenced on revised indicators of the SDBIP. The Annual Performance Report contain both performance information from the Original (Initial) SDBIP as well as the revised performance information. Targets indicated as "*withd-awned*" are there ones that will not be applicable for reporting herunder.

5. SUMMARY OF INDICATORS AND THEIR CLASSICATION

Table 01. Summary of KPIs Per KPA

No.	KPAs	Total No. of KPIs	KPIs with drawn
1	Basic Service Delivery and Basic Infrastructure	45	8
2	Local Economic Development	2	1
3	Municipal Institutional Transformation and Development	15	0
4	Municipal Financial Viability and Management	18	1
5	Good Governance and Public Participation	26	1
6	Spatial Rationale	5	0
Total		111	11

There are five legislated KPA and one which was later added after the enacting of the Spatial Planning and Land Use Act. The KPA is called "Spatial Rationale". Given the importance of the KPA the municipality has included indicators that relates to this KPA which its implementation mandate is under the Planning and Economic Development Department. There is a total of 110 KPIs which are inclusive of capital projects, 11 of them were KPIs that were not applicable for reporting which are termed as "withdrawn" and were not considered for performance rating in terms of targets achievements. The total number of applicable KPIs for reporting stands at 100 and these were KPIs considered for performance rating for targets achievements.

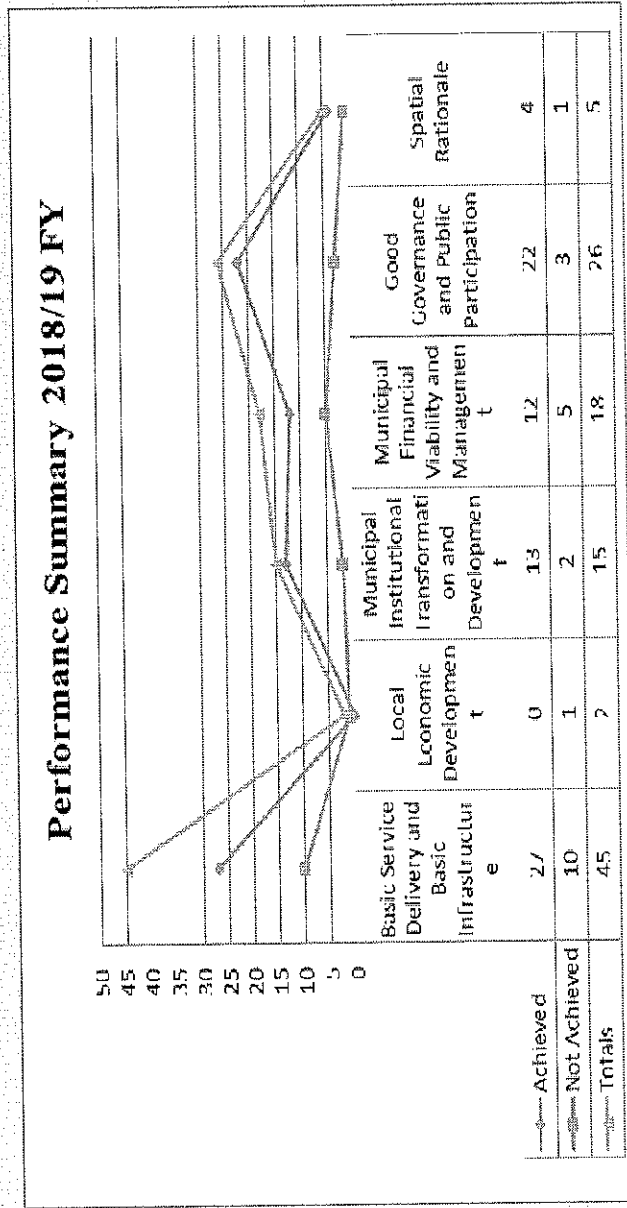
6. OVERVIEW OF THE PERFORMANCE SUMMARY

Table 02. Summary of Performance Rating per KPAs in terms of Targets achievements

No.	KPAs	Achieved
1	Basic Service Delivery and Basic Infrastructure	27
2	Local Economic Development	0
3	Municipal Institutional Transformation and Development	13
4	Municipal Financial Viability and Management	12
5	Good Governance and Public Participation	22
6	Spatial Rationale	4
Totals		78
		100

A total of 78 KPIs were achieved out of 100 applicable indicators which were due for report by end of the financial year. A total of 22 were not achieved of which reasons and corrective measure are indicated on the report. The overall performance of the institution is sitting at 78 which translate to 78 percent 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 2019). The LED KPA has the least KPis due to the fact that most work around the KPI is beyond the control of the municipality, however the municipality only included KPis that are with the control of the municipality.

7. PERFORMANCE COMPARISON OF THE 2018/2019 FINANCIAL YEAR AND THE PRIOR-YEAR (2017/18 FINANCIAL YEAR)

Section 46 (1) (b) requires the Annual Performance Report to include 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 year. The graph and table on the following page present a summary of performance trend based on the two financial years.

Table 03: Performance comparison

No.	KPA's	2017/18 FY		2018/19 FY	
		Achieved	Not Achieved	Achieved	Not Achieved
1	Basic Service Delivery and Basic Infrastructure	27	10	27	10
2	Local Economic Development	1	0	0	1
3	Municipal Institutional Transformation and Development	13	2	13	2
4	Municipal Financial Viability and Management	12	5	12	5
5	Good Governance and Public Participation	22	3	22	3
6	Spatial Rationale	3	2	4	1
Totals		78	22	78	22
		100	100	100	100

The table above presents the a comparism of the overall performance of the institution based on the applicable indicators and targets. In the 2017/8 financial year the municipality had achieved a total of 78 targets which is the same number of targets achieved in the financial year 2018/19. However the total number of indicators applicable for the 2017/18 financial was 107 which is less compared 111 for the 2018/19 financial year. The numbers can be translated as follows: In the 2017/18 financial year the municipality achieved a 79.5 percent of the overall achievements as compared to the 78 percent for the 2018/19 financial year. The difference is as a result of the variation in the number of KPIs planned and withdrawn per financial yaer. Based on the analysis of the total KPIs applicable for reporting in both financial yaers. The 2018/19 had more KPIs as compared to the 2017/18.

Rating Based On Workdone

Overall Rating of the performance of the municipality is done based on the actual work done and considers actual work done. If there has been an over achievement where targets have been reached, the work is recognised and if there is work done and the target has not been achieved, the work done is also recognised. Thereofe the each indicator is rated individually and scored based on the work done or work performed. The rating system is applied on all targets i.e achieved and not achieved on all applicable indicators. The total number of percentage of all indicators is added and divided by the total number of applicable and multiplied by 100 in order derive a percentage rating.

Table 04: Performance comparison

No.	KPAs	Percentage
1	Basic Service Delivery and Basic Infrastructure	2752%
2	Local Economic Development	81%
3	Municipal Institutional Transformation and Development	1924%
4	Municipal Financial Viability and Management	1494%
5	Good Governance and Public Participation	2538%
6	Spatial Rationale	400%
Totals		9209%

Based on the formula presented above for recognition of work done on both achievements the calculated overall institutional performance is 92 percent.

Summary Of Allocated Budget And Expenditure Performance On Capital Projects As At 30 June 2019

Table 05: Summary of Budget allocation and Expenditure by end of June 2019

Grant	Initial Total Allocation	Actual Expenditure by 30 June 2019	Expenditure %
MIG	R 37 530 000.00	R 37 530 000.00	100%
WSIG	R 45 500 000.00	R 42 928 119.34	94%
INEP	R 15 580 000.00	R 6 861 982.00	44%
Total	R 98 610 000.00	R 87 320 101.34	89%

The municipality had a total of R 98 610 000 of total grants allocated to implement basic service delivery projects. A total of R 87 320 101.34 has been spent by end of June 2019 which translate to 89 percent expenditure. A difference of 11 percent has not been spent. The outstanding percentage is explained in the detailed performance report.

8. VALIDATION OF PERFORMANCE INFORMATION

The performance reports (in year and annual) are submitted to internal audit for verification and validation of reported information. The comments and or outcome from the internal audit are reflected on the Internal Audit reports on performance which are then submitted to the Audit Committee. After internal audit comments the report therefore becomes final. Which is therefore taken through council process for approval.

9. DETAILED ANNUAL PERFORMANCE INFORMATION

Table 04 on the following page details the performance information as reported and verified by Internal Audit Unit within the Bela-Bela Local Municipality as at 30 June 2019.

Table 06: Detailed Performance Information

Key Performance Areas		2017/2018 Annual Target		2017/2018 Actual Performance		2018/2019 Annual Target		2018/2019 Actual Performance		Corrective Action/Reason for non achievement or over achievement		Department	KPI Rating	
Key Performance Area	Strategic Goal	2017/2018 Annual Target	2017/2018 Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (MoU)	Baseline 2017/2018	Annual Targets 2018/2019	Annual Actual Performance 2018/2019	Evidence Required	Department	KPI Rating
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	9779	9779	Waste Management and Cleansing	Percentage of formal households with access to Solid Waste Removal by June 2019	N/A	KPI 1	%	100% 9 779	100% 9 779 of formal households with access to Solid Waste Removal		Council Approved Schedule of Collection and billing report	Social and Community Services	96%
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	3 088	3 088	Waste Management and Cleansing	Percentage of informal households with access to waste collection by June 2019	N/A	KPI 2	%	100% 3 088	100% 3 088 of informal households with access to Solid Waste Removal	Achieved 3 088 informal households 100%	Council Approved Schedule of Collection and billing report	Social and Community Services	100%

Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	100%	604	586 Non-residential properties	Waste Management and Cleansing	Percentage of non-residential properties (business, schools & hospital) with access to waste collection by June 2019	N/A	KPI 3	%	586 Non-residential properties	100% 569 Percentage of non-residential properties	Achieved 574 Non-residential properties 101%	N/A	Council Approved Schedule of Collection and billing report	Council Approved Schedule of Collection	101%
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Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	5x Waste Management awareness campaigns	Waste Management and Cleansing	Number of awareness campaigns conducted by June 2019	N/A	KPI 4	#	5x Waste Management awareness campaigns conducted	5x Waste Management awareness campaigns	Achieved 5x Waste Management awareness campaigns held at: 25 September Madiba Park, 13 November 2018 Tlhokomelanaang cat center, Piemarsvie, 19 February, old Clinic 25 March, Blantyre Primary, 18 June 2019	N/A	Attendance Registers and Reports	Social and Community Services	100%
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	Not Applicable	Waste Management and Cleansing	Number of illegal dumping areas transformed into aesthetically landscaped areas by	N/A	KPI 5	#	Not Applicable	2x illegal dumping areas transformed into aesthetically landscaped	Achieved 2x illegal dumping areas transformed into aesthetically landscaped at Next to Mmamphole Primary School and next Spa Park Community hall	N/A	Photos and Reports	Social and Community Services	100%

Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	4x Reports	4x Reports	Waste management and cleansing	Number of Landfill Site Audit conducted by June 2019	N/A	KPI 6	#	4x Reports	5x Reports	Achieved 5x Landfill Audit conducted and supports Reports 13 th September, 05 th November, 08 th December 2018, 04 th April 2019 & 13 th June 2019	N/A	Audit Reports	Social and Community Services	100%
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	2x Waste minimization initiatives	2x Waste minimization initiatives	Waste management and cleansing	Number of Waste Minimization Initiatives implemented by June 2019	N/A	KPI 7	#	2x Waste Minimization Initiatives conducted	2x Waste Minimization Initiatives to be conducted	Achieved 2x Waste Minimization Initiatives conducted with Tinsup (PTY) LTD, and Light of Africa	N/A	Reports	Social and Community Services	100%
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	60x Roadblocks	60x Roadblocks	Protection and Emergency Services	Number of road blocks conducted by June	N/A	KPI 8	#	60x Road Blocks conducted	24x Road blocks to be conducted	Achieved 57x Road blocks conducted	Additional traffic officer have	Staff signed attendance Registers and Reports	Social and Community Services	238%

Infrastructure Development	Community	conducted	2019								been appointed which increased the work output			
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	4x Reports	Protection and Emergency Services	Number of reports on road traffic maintenance tabled to Council by June 2019	<i>Withdrawn due the fact that is not measurable</i>	KPI 9	#	4x Reports	4x reports on road traffic maintenance tabled to Council	<i>Withdrawn due the fact that is not measurable</i>	N/A	Reports with Council Resolutions	Social and Community Services	0%
Basic Service Delivery and Infrastructure Development	Promote the welfare of the community	None	Social and Community Services	Audit number of paying households & Informal Settlement	<i>The target was erroneously included in the 2018/2019 SDBIP, therefore target is withdrawn.</i>	KPI 10	#	0	Audit number of paying households & Informal Settlement Develop and by-laws (i.e. waste collection, animal keeping & Noise	<i>The target was erroneously included in the 2018/2019 SDBIP, therefore target is withdrawn.</i>	N/A	Council resolution to approve by laws	Social and Community Services	0%

Basic Service Delivery and Infrastructure Development	Satisfied communities	48x Reports	48x Reports	Protection and Emergency Services (Licensing)	Number of reports on licensing activities generated by June 2019	N/A	KPI 11	#	48x Reports	48x Reports	pollution)	Achieved 48x Reports	N/A	Reports	Social and Community Services	100%
Basic Service Delivery and Infrastructure Development	Satisfied communities	5x Community Halls to be maintained	5x Community Halls maintained	Parks and community facilities	Number of community halls maintained by June 2019	N/A	KPI 12	#	5x community halls maintained	5x community halls to be maintained	pollution)	Achieved 5x community halls maintained Spa Pak community hall Bima Park Community hall Bela Bela community hall Multi - Purpose Center & Pleurasrevis community hall	N/A	Maintenance Register/schedule	Social and Community Services	100%

Basic Service Delivery and Infrastructure Development	Satisfied communities	3x Cemeteries to be maintained	Parks and community services	Number of cemeteries maintained by June 2019	N/A	KPI 13	#	3x cemeteries maintained	3x cemeteries to be maintained Mazakhela cemetery, Currently use/ R516 cemetery & Masakane cemetery	Achieved 3x cemeteries maintained Mazakhela cemetery, Currently use/ R516 cemetery & Masakane cemetery	N/A	Maintenance Register/ schedule	Social and Community Services	100%
Basic Service Delivery and Infrastructure Development	Satisfied communities	14x sports facilities	Sports and recreation	Number of sports facilities maintained by June 2019	N/A	KPI 14	#	14x sports facilities maintained	14x sports facilities to be maintained. Moloto street, Bela Bela high, SUNFA, Ext 6, Ext 8, Ponto, leseding, Khabele A, Khabele B, Spa Park, Masakhan A, Masakhane	Achieved 14x sports facilities maintained Moloto street, Bela Bela high, SUNFA, Ext 6, Ext 8, Ponto, leseding, Khabele A, Khabele B, Spa Park, Masakhan A, Rapotoxvane	N/A	Maintenance Register/ schedule	Social and Community Services	100%

Basic Service Delivery and Infrastructure Development	Satisfied communities	5x Parks to be maintained	5x Parks maintained	Sports and recreation	Number of parks maintained by June 2019	6x parks maintained Moiooto park, Madiba park, RCC park, Ext 6 park, Piemarsrevier park & Town-Drive park	KPI 15	#	5x parks maintained	6x parks to be maintained Moiooto park, Madiba park, RCC park, Ext 6 park, Piemarsrevier park & Town-Drive park	B, Piemarsrevier & Rapotokwane 100%	Achieved	N/A	Maintenance Register/schedule	Social and Community Services	100%
Basic Service Delivery and Infrastructure Development	Satisfied communities	None	None	sports and recreation	Number of reports submitted to Council on the establishment of sports confederation by June 2019	Target withdrawn due to the fact that it is not within municipality's control to achieve	KPI 16	#	0	2x Reports to be submitted to Council on the establishment of sports confederation	2x Reports to be submitted to Council on the establishment of sports confederation	Target withdrawn due to the fact that it is not within municipality's control to achieve	N/A	Report	Social and Community Services	0%

Basic Service Delivery and Infrastructure Development	Satisfied communities	None	None	None	Sports and recreation	Number of policy on Utilization of sports and recreation developed by June 2019	N/A	KPI 17	#	0	1x Policy on Utilization of sports and recreation		Policy on Utilization of sports and recreation To be approved in the next financial year	Council Resolution Approved policy	Social and Community Services	0%
Basic Service Delivery and Infrastructure Development	Satisfied communities	None	None	None	Arts and Culture	Number of reports submitted to Council on the establishment of Arts and Culture Forum by June 2019	Target withdrawn due to the fact that it is not within municipality's control to achieve	KPI 18	#	0	1x Report	Target withdrawn due to the fact that it is not within municipality's control to achieve	N/A	Council Resolution	Social and Community Services	0%
Good Governance and Public Participation	Plan for the Future	1x 2018/2019 IDP/Budget/PMS Framework approved	1x 2018/2019 IDP/Budget/PMS Framework approved	1x 2018/2019 IDP/Budget/PMS Framework approved	Integrated Development Plan	Number of IDP/PMS/Budget Process Plan approved by Council 30 June 2019	N/A	KPI 19	#	2018/2019 IDP/Budget/PMS Process Plan	1x 2019/2020 IDP/Budget/PMS Framework	Achieved 1x 2019/2020 IDP/Budget/PMS Framework approved by council as per Council Resolution Number 1/C	N/A	2019/2020 Council Approved Process Plan with Council Resolution	Planning & Economic Development	100%

Good Governance and Public Participation	Plan for the Future	4x IDP/LED Representative Forums	4x IDP/LED Representative Forums	Integrated Development Plan	Number of IDP/LED Representative Forums held by 30 June 2019	Number of IDP Representative Forums held by 30 June 2019	KPI 20	#	4x IDP/LED Representative Forums	4x IDP Representative Forums	25/05/2018 Council Resolution Number MC32/07/2017	Achieved	4x IDP Representative Forums were held on the 26 September 2018, 22 November 2018, 25 March 2019 & 23 May 2019	N/A	Signed attendance register	Planning & Economic Development	100%
Good Governance and Public Participation	Plan for the Future	1x 2018/2019 IDP reviewed and approved	1x 2019/2020 IDP reviewed and approved by Council by 30 May 2019	Integrated Development Plan	Number of IDP/LED Representative Forums held by 30 June 2019	Number of IDP Representative Forums held by 30 June 2019	KPI 21	#	1x 2018/2019 IDP reviewed	2019/2020 1x IDP reviewed and approved by Council	Achieved	1x 2019/2020 IDP reviewed and approved by Council on the 27th May 2019	N/A	Council approved IDP and the Council Resolution	Planning & Economic Development	100%	
Good Governance and Public Participation	Clean Governance	Review the PMS Framework	Performance Management	Developments of the detailed	N/A	N/A	KPI 22	#	PMS Framework developed	Review the PMS Framework	Achieved	PMS Framework	N/A	Council approved PMS Methodology	Planning & Economic Development	100%	

Public Participation	Category	Item	Reviewed and approved	Performance System	PMS cascading methodology by 30 June 2019	KPI	Item	Reviewed and approved	Performance System	PMS cascading methodology by 30 June 2019	KPI	Item	Reviewed and approved by Council on the 27 th May 2019	Item	Reviewed and approved by Council on the 27 th May 2019	Item	Completion %
Good Governance and Public Participation	Clean Governance	1x 2016-2017 Oversight Report	2016-2017 Oversight Report approved	Performance Management System	Number of Annual and Oversight reports compiled and tabled to Council for approval by 31 March 2019	KPI 23	2016-2017 Oversight Report	#	2016-2017 Oversight Report	Number of Annual and Oversight reports compiled and tabled to Council for approval by 31 March 2019	N/A	1x 2017/2018 Oversight Report	Achieved 1x 2017/2018 Oversight Report was tabled to council on the 27 th of March 2019 as per council resolution number (SMC 230703/2019)	1x 2017/2018 Oversight Report	Achieved 1x 2017/2018 Oversight Report was tabled to council on the 27 th of March 2019 as per council resolution number (SMC 230703/2019)	100%	
Good Governance and Public Participation	Clean Governance	1x 2017/2018 MFMA Mid-Year reports	1x 2017/2018 MFMA Mid-Year reports compiled and submitted to Council	Performance Management System	Number of MFMA Section 72 Mid-Year reports compiled and submitted to Council for approval by	KPI 24	1x 2017/18 Section 72 MFMA Report	#	1x 2017/18 Section 72 MFMA Report	Number of MFMA Section 72 Mid-Year reports compiled and submitted to Council for approval by	N/A	1x 2018/2019 Section 72 MFMA Report	Achieved 1x 2018/2019 MFMA Section 72 Mid-Year Report was tabled to Council for approval on the 24 th of February 2019 as per council resolution	1x 2018/2019 Section 72 MFMA Report	Achieved 1x 2018/2019 MFMA Section 72 Mid-Year Report was tabled to Council for approval on the 24 th of February 2019 as per council resolution	100%	

Good Governance and Public Participation	Clean Governance	4x Quarterly performance reports	4x Section 52 Quarterly Reports were submitted to Council	Performance Management System	Number of MFMA Section 52 reports compiled and submitted to Council for approval by 30 June 2019	N/A	KPI 25	#	4x Quarterly performance reports	4x Quarterly performance reports	N/A	4 sets of Quarterly performance report	Planning & Economic Development	100%
Good Governance and Public Participation	Clean Governance	4x Reports	4x Back to Basics reports were compiled and submitted to CoGHSTA	Performance Management System	Number of Back to Basics reports compiled and submitted to CoGHSTA by 30 June 2019	N/A	KPI 26	#	4x Reports	4x Back to Basics reports Reports	N/A	4 sets of Quarterly performance report	Planning & Economic Development	100%
Good Governance and Public Participation	Clean Governance	1x approved SDBIP	1x 2018/2019 SDBIP approved by the Mayor	Performance Management System	Number of SDBIPs approved by the Mayor 28 days after	N/A	KPI 27	#	1x Approved SDBIP	1x 2019/2020 approved SDBIP (100%)	N/A	2019/2020 Approved SDBIP and Council resolution	Planning & Economic Development	100%

Good Governance and Public Participation	Clean Governance	6x Signed Performance Agreements	3x Signed Performance Agreements	3x 2017/2018 Performance Agreements for Municipal Manager, Chief Financial Officer and the Manager Copearte Services were signed upon appointment of the above mentioned managers.	Performance Management System	the approval of the budget	N/A	KPI 28	#	3x Signed Performance Agreements	6x Signed Performance Agreements	June 2019	Conclude recruitment process of Planning & Economic Development and Social & Community Services (Performance Agreements to be signed within prescribed timeframe)	Signed Performance Agreements	Planning & Economic Development	83%
Local Economic Development	Promote and Encourage	2008 LED Strategy	2008 LED Strategy	KPI Withdrawn due to financial	Local Economic Development	Number of Municipal Growth and Development	KPI Withdrawn due to financial	KPI 29	Q	2008 LED Strategy	Reviewed and Approve the LED Strategy	Withdrawn due to financial constraints	LED Strategy to be reviewed in	Reviewed LED Strategy with Council Resolution	Planning & Economic Development	0%

	Sustainable Economic Environment	4x Reports	constraint	Local Economic Development	Number of jobs created through Municipal initiatives tabled to Council by 30 June 2019	Number of jobs created through Municipality's local economic development initiatives and including capital projects	KPI 30	#	4x Reports	1 295 jobs to be created through Municipality's local economic development initiatives and including capital projects	Achieved 2019 SDF approved by council on the 24 Jan 2019	the next financial year	4x sets of reports with Council Resolution and contracts of appointed people	Planning & Economic Development	81%
Local Economic Development	Promote and Encourage Sustainable Economic Environment	4x Reports	4x Reports	Local Economic Development	Number of jobs created through Municipal initiatives tabled to Council by 30 June 2019	Number of jobs created through Municipality's local economic development initiatives and including capital projects	KPI 30	#	4x Reports	1 295 jobs to be created through Municipality's local economic development initiatives and including capital projects	Achieved 2019 SDF approved by council on the 24 Jan 2019	N/A	4x sets of reports with Council Resolution and contracts of appointed people	Planning & Economic Development	81%
Spatial Planning and Land Use Management	Liveable and Integrated Communities	SDF and LUS reviewed, approved by Council and proclaimed.	Not achieved Due to non payment of services provider	Land Use	SDF and LUS reviewed and approved by Council by 30 June 2019	SDF reviewed and approved by Council by 30 June 2019	KPI 31	Q	Approved 2016 SDF and LUS	Approved 2019 SDF		N/A	Approved 2019 SDF with council resolution	Planning & Economic Development	100%

Spatial Planning and Land Use Management	Liveable and Integrated Communities	SDF and LUS reviewed, approved by Council and proclaimed.	Not achieved	Land Use	SDF and LUS reviewed and approved by Council by 30 June 2019	LUS reviewed and approved by Council by 30 June 2019	KPI 32	Q	Approved 2016 SDF and LUS	Approved 2019 LUS		LUS to be approved during 2019/2020 financial year	Approved 2019 LUS with council resolution	Planning & Economic Development	0%
Spatial Planning and Land Use Management	Liveable and Integrated Communities	1x finalized township establishment (Bela-Bela Extension 8)	1x finalized township establishment (Bela-Bela Extension 8)	Housing	Number of township establishments finalized by 30 June 2018	N/A	KPI 33	#	1x finalized township establishment (Bela-Bela Extension 8)	1x Finalized township establishment process Extension 7 & 9	Achieved	N/A	Proclamation Notice on Government Gazettes	Planning & Economic Development	100%
Spatial Planning and Land Use Management	Liveable and Integrated Communities	None	None	Housing	Submit a request both Provincial and National Dept for Land purchase for Integrated	N/A	KPI 34	Q	None	1x report submit a request both Provincial and National Dept for Land purchase for Integrated Human Settlement	Achieved	N/A	Proof of submission and acknowledgment letter	Planning & Economic Development	100%

Spatial Planning and Land Use Management	Liveable and Integrated Communities	4x Awareness campaigns	4x Awareness campaigns	Human Settlement	N/A	KPI 35	#	4x Awareness campaigns	4x Awareness Campaigns	Achieved 4x Awareness campaign held from 30 August 2018, 16 November 2018, 25 March 2019 & 04 April 2019	N/A	Attendance register	Planning & Economic Development	100%
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	9 568 HH	9 568 HH	Number of formal households with access to basic level of water by 30 June 2019	N/A	KPI 36	#	9 568 HH were provided with basic level of water	9 501 Formal HH	Achieved 15 835 Formal HH provided with basic level of water	N/A	Billing Report	Technical Services	167%
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	4 269 Informal HH	4 269 Informal HH	Number of informal households with access to basic level of water by 30 June 2019	N/A	KPI 37	#	4 269 Informal HH were provided with relief level of water	4 269 Informal HH to be provided with access	Achieved 4 269 Informal HH were provided with relief level of water	N/A	Monthly Water and sanitation services reports	Technical Services	100%

Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	392 Number of non-residential properties	392 Number of non-residential properties	Water	Number of non-residential properties (business, churches, schools & hospitals) with access to basic level of water by 30 June 2019	N/A	KPI 38	#	392 Number of non-residential properties	421 Number of non-residential properties (business, churches, schools & hospitals) with access to basic level of water	Achieved 666 Number of non-residential properties (business, churches, schools & hospitals) with access to basic level of water	N/A	Billing Report	Technical Services	158%
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	2x Water Meter Audit	2x Water Meter Audit	Water	Number of quarterly Water Meter Audit conducted by 30 June 2019	Number of water meter audited to be replaced by 30 June 2019	KPI 39	#	2x Water Meter Audit	500 reported water meter replaced		A project to replace all faulty water meters funded with from WSIG will be implemented in the new 2019/20 FY (Still to be verified with consolidated P.O.E)	Job card	Technical Services	34%

Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	9 548 formal HH	Sanitation	Number of formal households with access to basic level of Sanitation by 30 June 2019	N/A	KPI 40	#	9 548 formal HH were provided with access to basic level of Sanitation	9 463 formal HH to be provided with access to basic level of Sanitation	Achieved 9 487 formal HH provided with access to basic level of Sanitation 100%	N/A	Billing report	Technical Services	106%
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	100 Informal households had access to basic sanitation with (VIP Toilets)	Sanitation	Number of informal households with access to basic sanitation (VIP Toilets) by 30 June 2019	<i>Withdrawn due the fact that the project was completed during 2017/2018 FY</i>	KPI 41	#	100 Informal households had access to basic sanitation with (VIP Toilets)	100 Informal households with access to basic sanitation	<i>Withdrawn due the fact that the project was completed during 2017/2018 FY</i>	N/A	Magalies close up report	Technical Services	0%
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	747 non-residential properties had access to basic level of Sanitation	Sanitation	Number of non-residential properties (business, churches, schools & hospitals) with access to basic level of	N/A	KPI 42	#	747 Number of non-residential properties (business, churches, schools & hospitals) with access to basic level of sanitation	735x Number of non-residential properties	Achieved 747 of non-residential properties (business, churches, schools & hospitals) with access to basic level of sanitation	N/A	Billing Report	Technical Services	102%

Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	4x Quarterly Assessment Reports	Water & Sanitation	Number of quarterly Water and Waste Treatment Plant performance conducted by 30 June 2019	<i>Withdraw due to the fact that is not measurable</i>	KPI 43	#	4 x Quarterly Assessment Reports	4x Quarterly assessments reports	<i>Withdraw due to the fact that is not measurable</i>	N/A	Quarterly reports with Council Resolutions	Technical Services	0%
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	4x quarterly Reports	Water	Number of Quarterly reports on Water and Waste Quality compiled by 30 June 2019	Number of quarterly assessment on water quality conducted to meet acceptable limits in terms of the standard (SANS 241)	KPI 44	#	4x quarterly Reports	4x quarterly assessment on water quality conducted to meet acceptable limits in terms of the standard (SANS 241)	4x Water quality conducted in accordance with standards (SANS 241)	N/A	Water quality Laboratory reports	Technical Services	100%

Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	4x quarterly Reports	4x quarterly Reports	Sanitation	Number of Quarterly Reports on Water and Waste Water Quality compiled by 30 June 2019	Number of quarterly assessment conducted to meet acceptable limits in terms of the standard (SANS 241) treated effluent	KPI 45	#	4x quarterly Reports	4x quarterly assessment conducted to meet acceptable limits in terms of the standard (SANS 241) treated effluent	Achieved 4x Waste Water quality conducted in accordance with standards (SANS 241)	N/A	Waste Water quality laboratory report	Technical Services	100%
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	17052 household	17052 household	Sanitation	Number of household to be connected to sewer system by 30 June 2019	<i>Withdrawn due to non-allocation in the budget</i>	KPI 46	#	17052 household to be connected to sewer system	700 household to be connected to sewer system	<i>Withdrawn due to non-allocation in the budget</i>	N/A	Technical report from COGHSTA	Technical Services	0%
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	10 405 household	10 405 household	Electricity	Number of households with access to basic level of electricity by 30 June 2019	N/A	KPI 47	#	10 405 HH were provided with access to basic level of Electricity	10 466 HH were provided with access to basic level of Electricity	Achieved 18 998 HH provided with access to basic level of Electricity	N/A	Billing Report for conventional meters and Prepaid reports	Technical Services	182%

Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	872 non-residential properties provided with access to electricity	872 non-residential properties provided with access to electricity	Electricity	Number of non-residential properties (business, churches, schools & hospitals) with access to basic level of electricity by 30 June 2019	Number of non-residential properties (business, schools & hospital) with access to electricity by June 2019	KPI 48	#	872 non-residential properties provided with access to electricity	941 non-residential properties provided with access to electricity	Achieved 1,245 non-residential properties provided with access to electricity	Billing Report for conventional meters and Prepaid reports	Technical Services	132%
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	220 Electricity Meter Audit	220 Electricity Meter Audit	Electricity	Number of Electricity Meter Audit conducted by 30 June 2019	N/A	KPI 49	#	220 Electricity Meter Audit conducted	244 Electricity Meter Audit to be conducted		Quarterly Report and job card	Technical Services	14%

Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	3 KM of roads constructed	111.73 Km of roads constructed	Roads and Storm Water	Number of Kilometres of roads constructed by 30 June 2019	N/A	KPI 50	Km	111.73 Km	Construct 3.5 km roads and storm water	Achieved 4.26 Km roads regavelled with G5 material in Ext 5, 8 & 9. Tsakane and Zama section regavelled.	N/A	Appointment letters of service providers and Completion Certificate	Technical Services	122%
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	4xCouncil meetings	7x Council meetings	Council Administration	Number of Council meetings convened by 30 June 2019	N/A	KPI 51	#	7x Council meetings	4x Council meetings	Achieved 9x Council Meetings convened on the 31 st Jul, 24 Oct 2018, 24 Jan & 27 May 2019 (Special Council meetings held on the 27 Feb, 27 Mar, 30 Apr, 14 May & 05 Jun 2019	5x Special Council meetings held as follows: 27Feb, 27 Mar, 30 Apr, 14 May & 05 Jun 2019. The over achievement is due to special council	Signed Attendance Registers	Corporate Services	225%

Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	32x Section 79 Committee meetings	33x Section 79 Committee meetings	Council Administration	Number of Section 79 Committee meetings convened by 30 June 2019	N/A	KPI 52	#	33x Section 79 Committee meetings convened	33x Section 79 Committee meetings to be convened		meetings.	Signed Attendance Registers	Corporate Service	88%
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	8x ICT Policies	8x ICT Policies	IT and Support	Number of ICT Policies and Standards Procedures developed/ reviewed and approved by Council by 30 June 2019	N/A	KPI 53	#	8x ICT Policies Reviewed	8x ICT Policies to be reviewed/ developed. ICT information security, ICT change management policy, ICT backup policy, ICT firewall	Achieved	8x ICT Policies reviewed/ developed. ICT information security, ICT change management policy, ICT backup policy, ICT firewall	Council Resolution	Corporate Service	100%

Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	4x Steering Committee meetings	4x Steering Committee meetings	IT and Support	Number of ICT Steering Committee meetings held by 30 June 2019	N/A	KPI 54	#	4x Steering Committee meetings	4x Steering Committee meetings	policy, ICT management policy, ICT Patch management policy, ICT Disaster Recovery policy and ICT Help desk policy	Account management policy, ICT Patch management policy, ICT Disaster Recovery policy and ICT Help desk policy	N/A	Signed Attendance Registers	Corporate Service	100%
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	4x By-Laws	7x By-Laws	Legal Services	Number of by-laws reviewed and promulgated by 30 June 2019	N/A	KPI 55	#	7x By-Laws	4x By-Laws	Account management policy, ICT Patch management policy, ICT Disaster Recovery policy and ICT Help desk policy	Achieved 4x Steering Committee meeting held 26 September 2018, 30 th November 2018, 11 th February 2019 and 14 June 2019	Notice of Gazette	Corporate Service	125%	

Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	4x Litigation Reports	Legal Services	Number of Litigation Reports and submitted to Council by 30 June 2019	N/A	KPI 56	#	4x Litigation Reports	4x Litigation Reports	Achieved 4x Litigation Reports	N/A	4 Sets of Litigation Report	Corporate Service	100%
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	1x Labour Relations Training	Human Resources	Number of training in labour relations held by 30 June 2019	N/A	KPI 57	#	5x Labour Relations Training conducted	25x officials to be trained on Labour	Achieved 41x Official	Poor planning tagery and base line to inform new planning	Signed Attendance Register.	Corporate Service	164%
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	1x Employee Wellness Programme	Human Resources	Number of Employee Wellness Programmes held by 30 June 2019	N/A	KPI 58	#	1x Employee Wellness Programme	1x Employee Wellness Programme	Achieved 1x Employee Wellness held on the 28 November 2018	N/A	Signed Attendance Registers	Corporate Service	100%
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	4x Employee Wellness Campaign	Human Resources	Number of Wellness campaigns and	N/A	KPI 59	#	6x Employee Wellness Campaigns	4x Employee Wellness Campaigns	Achieved 8x Employee Wellness	N/A	Signed Attendance Registers	Corporate Service	200%

Municipal Development	Governance Capacity	8 x LLF Meetings	8 x LLF Meetings	Human Resources	Number of LLF meetings held by 30 June 2019	N/A	KPI 60	#	8 x LLF Meetings	8 x LLF Meetings to be held	Campaigns held on the 12-13 July 2018, 28-29 August 2018, 18 & 21 September 2018, 02 November 2018, 28 th March 2019, 13 May & 20 June 2019	1x Special LLF meeting was held on the 26 September 2019	Signed Attendance Registers	Corporate Service	113%
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	8 x LLF Meetings	8 x LLF Meetings	Human Resources	Number of LLF meetings held by 30 June 2019	N/A	KPI 61	#	1x 2018/2019 Approved Organogram	1x 2019/2020 Organogram reviewed and approved	Achieved 9x LLF Meetings 23 July, 20 August, 19 & 26 September, 28 November 2018, 14 th February, 29 April, 20 May & 27 June 2019	N/A	Signed Attendance Registers	Corporate Service	100%
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	1x 2018/2019 Approved Organogram	1x 2018/2019 Approved Organogram	Human Resources	Number of Organograms Reviewed and approved by 30 June 2019	N/A	KPI 62	#	1x Employment Equity	1x Employment Equity	Achieved 1x 2019/2020 Organogram reviewed and approved On the 27 May 2019	N/A	Signed Attendance Registers	Corporate Service	100%
Municipal Transformation and Institutional Development	To Improve, Attract,	1x Employment Equity	1x Employment Equity	Human Resources	Number of Employment Equity	N/A	KPI 62	#	1x Employment Equity	1x Employment Equity	Achieved 1x Employment Equity	N/A	Signed Attendance Registers	Corporate Service	100%

Institutional Development	Develop and Retain Human Capital	Report	Report	Report compiled and submitted to Department of Labour by 30 January 2019				Report	Report	Equity Report and Acknowledgment report dated 15 January 2019				
Municipal Transformation and Institutional Development	Development of HRM AND HRD Strategy	1x 2018/2019 WSP	1x 2018/2019 WSP	Number of WSP developed and submitted to LGSETA by 30 April 2019	N/A	KPI 63	#	2018/2019 WSP	1x 2019/2020 WSP	Achieved 1x 2019/2020 WSP developed and submitted to LGSETA	N/A	A copy of WSP and Proof of submissions	Corporate Service	100%
Municipal Transformation and Institutional Development	Development of HRM and HRD Strategy	97x 89 officials and 8 trained	91x 89 officials and 2 trained	Number of Official and Councilors trained by 30 June 2019	N/A	KPI 64	#	89 officials and 8 trained	73 Train Officials and 17 Councilors (90)	Achieved 64 (156x Officials trained And 8x Councilors trained)	Poor planning tagery and base line to inform new planning	Signed Attendance Registers and Report	Corporate Service	224%

Municipal Transformation and Institutional Development	Development of HRM and HRD Strategy	100%	100%	Human Resources & Development (Training)	100% of the municipal budget allocated to WSP implementation by June 2019	Percentage of the municipal budget (R900 000) allocated to be spent on WSP	KPI 65	%	100%	100% of the municipal budget (R1000 000) allocated to be spent on WSP	Signed Attendance Registers and Report	Corporate Service	85%
Good Governance and Public Participation	Clean Governance and Community Participation	Established Customer Care Unit	Established Customer Care Unit	Customer Care	Number of Customer Satisfaction Surveys conducted by 30 June 2019	<i>Withdrawn due to financial constraint</i>	KPI 66	#	Established Customer Care Unit	1x Customer Satisfaction Survey conducted	Report on the Customer Satisfaction Survey with Council Resolution	Office of the Municipal Manager	0%
Good Governance and Public Participation	Improve Community Participation	Not Applicable	Not Applicable	Customer Care	Number of media statements issued to communities on quarterly basis by 30 June 2019		KPI 67	#	None	4x quarterly media statements to be released in the local news paper	Newspaper articles	Office of the Municipal Manager	100%
Good Governance	Clean Governance	7x special program	1x Forum for special	Special Program	Number of Special	Number of Special	KPI 68	#	7x special program	4x Number of Special	Minutes, and Signed	Office of the Municipal	100%

ce and Public Participation	ce	programmes established and 3 meetings held	Initiative implemented	es	programme s initiatives implemented (e.g. youth; People with disability; elderly women and people) by 30 June 2019	programme s initiatives implemented to be implemented (e.g. Elderly Golden Games, NSFAS outreach programme, Mayoral Matric Awards 18 January 2019 and Career Exhibition 13 June 2019)	4x Number of Special initiatives held as follows: Elderly Golden Games 16 August 2018, NSFAS outreach programme 24 November 2018, Mayoral Matric Awards 18 January 2019 and Career Exhibition 13 June 2019	Registers	Manager
Good Governance and Public Participation	Clean Governance	4 x Ward Committees reports	4 x Ward Committees reports	Ward Committees	Number of Ward Committees reports submitted to Speaker by 30 June 2019	4 x Ward Committees reports	Achieved 4 x Ward Committees reports	4x Sets of Reports	Office of the Municipal Manager
Good Governance and Public Participation	Clean Governance	Reviewed and approved Communication Strategy	(2008 Communication Strategy) Not Achieved	Communication	Number of Communication Strategy reviewed and	2008 Communication Strategy	Reviewed and approved Communication Strategy	Communication Strategy to be approved in the next	Office of the Municipal Manager

Good Governance and Public Participation	Clean Governance	1x Audit Committee Charter	Due to the resignation of ward councillor	Audit	Number of Audit Committee Charter reviewed by 30 June 2019	N/A	KPI 71	#	1x Audit Committee Charter Reviewed	1x Audit Committee Charter to be reviewed	Achieved 1x Audit committee Charter reviewed	N/A	Audit committee minutes and audit report to council	Office of the Municipal Manager	100%
Good Governance and Public Participation	Clean Governance	1x Internal Audit Charter	1x Internal Audit Charter	Audit	Number of Internal Audit Charter reviewed by 30 June 2019	N/A	KPI 72	#	1x Internal Audit Charter Reviewed	1x Internal Audit Charter reviewed	Achieved 1x Internal Audit Charter reviewed	N/A	Attendance Register Audit committee minutes and audit report to council	Office of the Municipal Manager	100%
Good Governance and Public Participation	Clean Governance	Unqualified 2016/2017 Audit Opinion	Qualified 2016/2017 Audit Opinion	Audit	Obtain Unqualified Audit Opinion by 30 June 2019	N/A	KPI 73	Q	2016/2017 Qualified Audit Opinion	Obtain Unqualified 2017/2018 Audit Opinion			Auditor General's Report	Budget and Treasury	0%
Good Governance and Public Participation	Clean Governance	4x Audit Committee Meetings	2x Audit Committee Meetings	Audit	Number of Audit Committee meetings	N/A	KPI 74	#	2x Audit Committee Meetings	4x Audit Committee Meetings	Achieved 6x Audit Committee	The over achievement is due to two special	Signed Attendance Registers and Minutes	Office of the Municipal Manager	150%

Participation	Clean Governance	2x Performance Audit Committee	held on	Audit	held by 30 June 2019	N/A	KPI 75	#	2x Performance Audit Committee	2x Performance Audit Committee	Meetings held on the 16 & 28 August 2018, 30 th November 2018, 25 February 09 & 23 May 2019)	Audit Committee meetings held on the 28 August 2018 and 23 May 2019	Signed Attendance Registers and Minutes	Office of the Municipal Manager	150%
Good Governance and Public Participation	Clean Governance	2x Performance Audit Committee	2x Performance Audit Committee	Audit	Number of Performance Audit Committee meetings held by 30 June 2019	N/A	KPI 75	#	2x Performance Audit Committee	2x Performance Audit Committee	Achieved 3x Performance Audit Committee held on the 17 & 28 August 2018, 25 February 2019	The over achievement is due to one Special Performance Audit Committee meeting held on the 28 August 2018	Signed Attendance Registers and Minutes	Office of the Municipal Manager	150%
Good Governance and Public Participation	Clean Governance	4x Audit Committee Reports	4x Audit Committee report submitted to Council	Audit	Number of Audit Committee Reports tabled to Council by 30 June 2019	N/A	KPI 76	#	4x Audit Committee Reports	4x Audit Committee Reports	Achieved 4x Audit Committee Reports	N/A	4 sets of Audit Reports with Council Resolutions	Office of the Municipal Manager	100%
Good Governance	Clean Governance	1x 2018/201	1x 2018/201	Risk Management	Number of Strategic	N/A	KPI 77	#	1x 2018/2019	1x 2019/2020	Achieved	N/A	Reviewed 2019/2020	Office of the Municipal	100%

ce and Public Participation		9 Strategic Risk Register reviewed	9 Strategic Risk Register reviewed	ent	Risk Management Register Reviewed by 30 June 2019								Strategic Risk Register	Strategic Risk Register reviewed	1x 2019/2020 Strategic Risk Register Reviewed 27 May 2019		Risk Management Register, Signed Attendance Registers.	Manager	
Good Governance and Public Participation	Clean Governance	4x Risk Management Meetings	4x Risk Management Meetings	Risk Management	Number of Risk Management meetings held by 30 June 2019	N/A	KPI 78	#	4x Risk Management meetings	4x Risk Management Meetings	Achieved 4x Risk Management Meetings held 08 August, 15 th March, 09 April & 10 May 2019	N/A	Signed Attendance Registers	Office of the Municipal Manager	100%				
Good Governance and Public Participation	Clean Governance	4x MPAC meetings	4x MPAC meetings	Risk Management	Number of MPAC meetings held by 30 June 2019	N/A	KPI 79	#	4x MPAC meetings	4x MPAC meetings	Achieved A Total of 07 X MPAC meeting held on the 05 July, 18 th of March & 03 June 2019 and 4 X Special MPAC meeting held on the 05 th / 13 th / 19 & 21 February 2019	The over achievement is due to special audit committee meetings	Signed Attendance Registers	Office of the Municipal Manager	175%				

Good Governance and Public Participation	Clean Governance	1 x Number of Fraud and Anti-Corruption Prevention plan reviewed	1 x Number of Fraud and Anti-Corruption Prevention plan reviewed	Risk Management	Number of Fraud and Anti-Corruption Prevention plan reviewed	N/A	KPI 80	#	1 x Number of Anti-Corruption Prevention plan reviewed	1 x Anti-Corruption Prevention plan	Achieved 1 x Anti-Corruption Prevention plan	N/A	Approved plan by council	Office of the Municipal Manager	100%
Good Governance and Public Participation	Clean Governance	1 x Number of Anti-Corruption Prevention plan reviewed	1 x Anti-Corruption and Fraud awareness campaigns to be conducted	Risk Management	Number of Anti-Corruption and Fraud awareness campaigns conducted	N/A	KPI 81	#	1 x Number of Anti-Corruption and Fraud awareness campaigns to be conducted	1 x Anti-Corruption and Fraud awareness campaigns	Achieved 2 x Anti-Corruption and Fraud awareness campaigns held on the 17 & 18 May 2019	N/A	Signed Attendance register	Office of the Municipal Manager	200%
Municipal Financial Viability and Management	Improve Financial Viability	2016/2017 Annual Financial Statements compiled and submitted to the Auditor	2016/2018 Annual Financial Statements compiled and submitted to the Auditor	Budget and Reporting	Number of Annual Financial Statements compiled and submitted to the Auditor General by 30 June	N/A	KPI 82	#	1 x 2016/2017	2017/2018 Annual Financial Statements compiled and submitted to the Auditor General	Achieved 2017/2018 Annual Financial Statements compiled and submitted to the Auditor General	N/A	2017/2018 Annual Financial Statements and Proof of Submissions to the Auditor General	Budget & Treasury	100%

Municipal Financial Viability and Management	General	General	1x 2016/2017 Action Plan	1x 2016/2017 Action Plan	2019	Budgeting & Reporting	Number of Action Plan for 2017/2018 AG Audit Queries developed and submitted to Council by 31 January 2019	Action Plan for 2017/2018 AG Audit Queries developed and submitted with the 2017/2018 Draft Annual Report to Council by 31 January 2019	KPI 83	#	1x 2016/2017 Action Plan	1x Action Plan for 2017/2018 AG audit queries compiled	Achieved 1x AG Action Plan	N/A	2017/2018 Action Plan with Council Resolution	Budget & Treasury	100%
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Municipal Financial Viability and Management	Improve Financial Viability	95% of AG queries to be resolved	Not Achieved 92% (36 out of 39 findings resolved which translates to 92%)	Budgeting & Reporting	Percentage of AG queries resolved as per the Action Plan by 30 June 2019	Number of AG queries resolved as per the Action Plan by 30 June 2019	KPI 84	#	95%	68 of AG queries to be resolved	Achieved	The remaining queries were still being attended as at year end and some of them are continuously re-occurring	Progress Report on the implementation of the Action Plan	Budget & Treasury	90%
Municipal Financial Viability and Management	Improve Financial Viability	1x 2018/2019 Approved Budget	1x 2018/2019 Approved Budget	Budget and Reporting	Number of 2019/2020 Annual Budget approved by Council by 31 May 2019	N/A	KPI 85	#	1x 2018/2019 Approved Budget	1x 2019/2020 Approved Budget	Achieved	N/A	Council Approved 2019/2020 Budget with Council Resolution	Budget & Treasury	100%
Municipal Financial Viability and Management	Improve Financial Viability	12x Monthly Section 71 Reports for 2017/18 FY	12x Monthly Section 71 Reports for 2017/18 FY	Budget and Reporting	Number of MFMA Section 71 Reports submitted to the Mayor, Provincial and National Treasury	N/A	KPI 86	#	12x Monthly Section 71 Reports for 2017/18 FY	12x Monthly Section 71 Reports for 2018/19 FY	Achieved	N/A	Section 71 Reports, Council Resolutions and proof of Submission to the Provincial and National Treasury	Budget & Treasury	100%

Municipal Financial Viability and Management	Improve Financial Viability	1%	1%	Budget and Reporting	by no later than 10 days after the end of each month	N/A	KPI 87	%	1%	1%	Indicator to be re-coined and redefined in the new SDBIP planning	Monthly Report and Bank Statements	Budget & Treasury	0%
Municipal Financial Viability and Management	Improve Financial Viability	100%	98%	Budget and Reporting	Percentage of Maintenance of cost coverage of 100% by 30 June 2019	N/A	KPI 88	%	98%	100%	Poor performance by service providers	Report	Budget & Treasury	89%

Municipal Financial Viability and Management	To improve financial viability	100% MIG & INEP	100% MIG	Budget and Reporting	Percentage MIG payment on the MIG grants approved projects by 30 June 2019	N/A	KPI 89	%	100%	100%	Achieved 100%	N/A	Reports	Budget & Treasury	100%
Municipal Financial Viability and Management	To improve financial viability	100% WSIG & INEP	100% WSIG & INEP	Budget and Reporting	Percentage WSIG & INEP payment on the WSIG grants approved projects by 30 June 2019	N/A	KPI 90	%	100%	100%	Project not completed.	Project not completed.	Reports	Budget & Treasury	82%
Municipal Financial Viability and Management	Improve Financial Viability	4x quarterly asset verification reports	4x quarterly asset verification reports	Asset Management	Number of quarterly asset verification reports compiled - movables (sampling)	Number of Quarterly asset verification conducted -movables (sampling)	KPI 91	#	4x quarterly asset verification reports for 2017/2018 FY	4x quarterly assets verification to be conducted 2018/2019 FY	Achieved 4x quarterly assets verification to be conducted 2018/2019 FY	N/A	4x Sets of Quarterly asset verification reports	Budget & Treasury	100%

Municipal Financial Viability and Management	Improve Financial Viability	45%	48%	Revenue Management	Percentage reduction of Service Debtors Revenue to below 50% (R-value total outstanding service debtors divided by R-value annual revenue actually received for services) by 30 June 2019	N/A	KPI 95	%	48%	45%	Achieved 44%	N/A	Monthly Reports	Budget & Treasury	44%
Municipal Financial Viability and Management	Improve Financial Viability	95%	98%	Revenue Management	Percentage Maintenance of 95% debtors collection rate (Consumer cash	N/A	KPI 96	%	98%	95%		N/A	Monthly Report	Budget & Treasury	89%

Municipal Financial Viability and Management	Financial Stability	3	3	Supply Chain Management	collected / Consumer billing) by 30 June 2019	N/A	KPI 97	#	3	5x Bid Committee Members and other officials trained	Achieved 5x Bid Committee Members and other officials trained 100%	N/A	Signed Attendance Register	Budget & Treasury	100%
Municipal Financial Viability and Management	Financial Stability	4x SCM Reports	4x SCM Reports	Supply Chain Management	Number of reports on the implementation of SCM Policy compiled and tabled to Council by 30 June 2019	N/A	KPI 98	#	4x SCM reports	4x SCM Reports	Achieved 4x SCM Reports	N/A	Council approved policies with council resolution	Budget & Treasury	100%

Municipal Financial Viability and Management	Financial Stability	15x Budget related policies	15x Budget related policies	Supply Chain Management	Number of Budget related policies reviewed by 30 June 2019	N/A	KPI 99	#	15	16x Budget related policies reviewed	Achieved 16x Budget related policies reviewed	N/A	Budget & Treasury	100%
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10. LIST OF SERVICE PROVIDER'S AND THEIR PERFORMANCE ON GRANT FUNDED SERVICE DELIVERY CAPITAL PROJECTS

The section 46 (1) (a) is presented as part of the requirement of Municipal Systems Act 32 of 2011 as amended; which requires the annual performance report to include information on each service external provider during that financial year.

The rating for service provider is based on the current (as at June 2019) appointed service providers and not terminated service providers. The rating of service providers should not be confused with the overall project performance rating.

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2019	Actual Performance By 30 June 2019	Reasons for Variations if any/Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
INEP 1.	Electricity	10MVA Substation. (Multi-year) – phase 2	R15 580 000.00	Not Adjusted	Completion	R 6 861 982		Underperformance of the Service Providers and cash flow challenges/	The Contractor has since submitted a recovery	Quarterly progress report and Copies of Letters and email correspondence	Technical Services	GKB Design Associates	44%

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2019	Actual Performance By 30 June 2019	Reasons for Variations if any/Corrective Measures	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
								mismanagement of funds on the part of the Contractor.	plan proposal session with another Contractor to complete the remainder of the works. The	between the Municipality and GKB.			

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2019	Actual Performance by 30 June 2019	Reasons for Variations if any/Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
									approval is pending the approval of a roll-over request from the National Treasury and the issuing of a				

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2019	Actual Performance By 30 June 2019	Reasons for Variations if any/Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
									budget quote from Eskom.				
MIG													
2.	Roads	Bela Bela: Road Paving X's 4,6,7 & 8 (Multi-year Phase 1 : 1km)	R4 407 803.55	R2 992 696	Completion	R 3 129 980.78		Unrealistic target as project is a Multi-year. Future Targets to be phased based on annual budget allocations	The Contract has been appointed and the project will be completed in the 2019/20	Quarterly progress report and Contractor's appointment letter	Technical Services	ZMC Consulting	105%

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2019	Actual Performance By 30 June 2019	Reasons for Variations if any/Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
3.	Sanitation	Bela -Bela: Pienaarsrivier WWTW (Multi-year)	R6 893 152.00	R7 885 352	Completion	R7 880 186.26	Achieved	N/A	N/A	Quarterly progress report and completion certificate	Technical Services	Risimati Consulting Engineers	100%
4.	Sanitation	Masakhane: WWTW	R6 554 069.00	R6 555 923	Completion	R6 516 330.72	Achieved	N/A	N/A	Quarterly progress report and completion certificate	Technical Services	E-Square Consultants	100%

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2019	Actual Performance By 30 June 2019	Reasons for Variations if any/Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
5.	Sports	Bela Bela: Moloto Street	R12 075 000.000	Not Adjusted	100% construction	R12 075 000.00		1 st Contractor terminated Contract and a new one appointed in March 2019, therefore time was lost with processes to terminate and appoint a new one. Further on; request for	Time of completion extended beyond 28 June 2019, with new completion date of 02 September 2019, which is within the 1 st quarter	Quarterly progress report and Copies of the Letters between the Municipality and Kabeiro Ditshegema Appointment Termination, Pheta Trading	Technical Services	KABE Consulting	100% (The expenditure does translate into work done therefore the work is completed however the budget has been spent,

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2019	Actual Performance By 30 June 2019	Reasons for Variations if any/Corrective Measures	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
								extension of time was submitted and approved, on advice from the supplier of grass that it planting it in the winter season will compromise its quality and growth.	of the new 2019/20 financial year.	Appointment Letter, Approval of extension of time.			due the fact the project is a multi-year project)

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2019	Actual Performance By 30 June 2019	Reasons for Variations if any/Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
6.	Roads & Stormwater	Bela Bela: Stormwater Spa -Park (Multi-year)	R300 000.00	The project was differed to the outer year	0.3m 100% construction	R 0		N/A	N/A	Quarterly progress report and completion certificate	Technical Services	N/A	0%
7.	Roads & Stormwater	Bela Bela: Stormwater Marikana street EXT 6	R1 150 304.25 (Rollover)	R1 150 304.25	Completion	R 1150304.25		Project could be completed due Insufficient. Project merged with the Bela Bela: Road	The Contract or has been appointed and the project will be completed in the	Quarterly progress report and Contractor's appointment letter	Technical Services	Royal Haskoning	100%

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2019	Actual Performance By 30 June 2019	Reasons for Variations if any/Corrective Measures	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
8.	Roads & Stormwater	Bela-Bela: Widening Mile Street Bridge	4 636 848.00	R 5 127 500.52	Completion	R 5 118 679.39	Achieved	Paving X's 4,6,7 & 8 (Multi-year). N/A	2019/20 financial year. Not Applicable	Quarterly progress report and completion certificate	Technical Services	Perozz Consulting Engineers	100%
WSIG													
9.	Water	Bela-Bela WCDM Project (multi-year) Phase 2.	14 930 342.00	Not Adjusted	Complete	R 13 032 651,15		Underperforming Contractor due to cashflow challenges/	Project will be completed by 30 September 2019	Quarterly progress report and Letters written to GKB	Technical Services	GKB Design Associates	87%

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2019	Actual Performance By 30 June 2019	Reasons for Variations if any/Corrective Measures	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
10	Water	1 Megalitre contact tank WTW	12 566 904.00	Not Adjusted	Complete	R 12 110 278,65		mismanagement of finances on the part of the Contractor. A full km of 10,3km of pipe has been laid but connections are outstanding. Additional Scope of works	Project will be complete	Quarterly progress report and	Technical Services	LSO Consulting	96%

No.	Programme	Project Description	Allocated Budget	Adjusted Budget	Annual Milestone	Expenditure by June 2019	Actual Performance By 30 June 2019	Reasons for Variations if any/Corrective Measure	Corrective Measures	Evidence Required	Department	Service Provider's Name	Rating
								necessitated extension of time.	ed by 30 August 2019	Approval of V.O and extension of time.		Engineers	
1	Water	Upgrade Raw Water Pump Station And Secure Lapa	3 000 000.	Not Adjusted	complete	R 2 982 468,88	Achieved Project completed	N/A	Not Applicable	Quarterly progress report and completion certificate	Technical Services	LSO Consulting Engineers	100%
14	Sanitation	Upgrade of Bela-Bela Waste Water Scheme (Multi-year)	9 502 754.00	11 289 072.14	Complete	R 11 092 039,99	Achieved Project completed	N/A	Not Applicable	Quarterly progress report and completion certificate	Technical Services	2MC Consulting	100%

11. ANALYSIS OF AND LESSONS OF THE OVERAL PERFORMANCE

The section 46 (1) (c) of Municipal Systems Act 32 of 2011 as amended requires that the municipality's annual performance report include information on measures taken to improve performance. Under section 10 of the report the table includes a column on reasons for poor and over achievements as well as measures taken or corrective actions to improve performance, this is inclusive of indicators named "withdrawn" and indicators rated as Not Achieved. The municipality conforms that such indicators and its programmes or projects has found its expression in the new SDBIP for the financial year 2019/20. In addition to this the municipality has considered all other necessary technical and strategic inputs stemming from various in year monitoring platforms into the new SDBIP. The reason and corrective measures provided for in the report will also be used as a reference for improving performance planning and management in the municipality moving forward.

12. CONCLUSION

Notwithstanding challenges experienced during the year under review, Bela-Bela Local Municipality strived to serve its constituent Community with distinction during the 2018/2019 financial year. This report clearly demonstrates the commitment of the municipality to ensure that the local community have access to their basic needs, as enshrined in the 1996 The Constitution of 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 socioeconomic needs of the

local community. The Municipality has already put in place corrective actions in response to these unachieved targets for implementation in the 2018/2019 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 become "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.

MR S.M MAKHUBELE
MUNICIPAL MANAGER

DATE

Annexure: A Other- External Service Providers and their ratings

NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	Score (1-5)
OFFICE OF THE MUNICIPAL MANAGER							
1. Innate Group	Unified Communication System	R 46 512.00 pm	01-Sept-15	9/3/1/163	3 years	30-Aug-18	2
CORPORATE SERVICES							
2. NTK	Antennae Network	R857.22 P/M	01-May-2019	N0561769	3 Years	30 Apr 2022	5
3. Pay day	Provision of HIR/Payroll	R 8 800.00 P/M	March 2017	9/3/1/174	3 years	Feb 2020	5
4. Mohale Incorporated	Provision of Legal Services	As and when required	August 2015	9/3/1/172	3 years	July 2018	1
5. Morare Thobajane Incorporated	Provision of Legal Services	As and when required	August 2015	9/3/1/172	3 years	July 2018	1
6. Moloto Attorneys	Provision of Legal Services	As and when required	August 2015	9/3/1/172	3 years	July 2018	5
7. Matuleka Thasi Attorneys	Provision of Legal Services	As and when required	August 2015	9/3/1/172	3 years	July 2018	5
8. Popela Maahe Attorneys	Provision of Legal Services	As and when required	August 2015	9/3/1/172	3 years	July 2018	1
9. Mohale Incorporated	Provision of Legal Services	As and when required	September 2018	9/3/1/250	3 years	31 August 2021	1
10. Moloto Attorneys	Provision of Legal Services	As and when required	September 2018	9/3/1/250	3 years	31 August 2021	5
11. Ransford Mbeve Incorporated	Provision of Legal Services	As and when required	September 2018	9/3/1/250	3 years	31 August 2021	1
12. Mahowa Incorporated Attorneys	Provision of Legal Services	As and when required	September 2018	9/3/1/250	3 years	31 August 2021	1

NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	Score (1-5)
13. Motlane Incorporated	Provision of Legal Services	As and when required	September 2018	9/3/1/250	3 years	31 August 2021	1
14. Sita Internet	Internet Services	R 5 505,48 p/m	December 2017	Sita Contracts	3 years	June 2020	1
15. Nashua	Photocopy Machines	R 55 626,01 p/m	December 2017	Section 32	3 years	November 2021	4
16. Kts Security services	Provision of security	R 569 727,87 p/m	18 January 2018	9/3/1/239	3 years	January 2021	3
BUDGET AND TREASURY							
17. Absa Bank	Banking Services	Per Absa Applicable rates	1-July-15	1330-000-062	5 years	31-June-2020	3
18. Evaluations-Enhanced Property Appraisal	General Valuation Roll	R 3 119 604,87 contract	July 2015	9/3/1/170	5 years	June 2020	1
19. Nashua	Photocopier Machines	As per Lease Machines	April 2017	Sec 32	3 Years	March 2020	5
20. Fidelity Cash Solution	Cash Collection	R 20 854,84 pm inc VAT	01-Aug-17	9/3/1/131	3 years	31-July-2020	5
21. Bertobrite	Provision of FML Pool Vehicles	R 2 154 444,52 p/m	01-Feb-16	9/3/1/182	3 years	30 Jan 2019	4
22. Lateral Unison	Insurance Brokers Risk Assessment	R 21 557 p year R 1 499 785,86	01-July-17	9/3/1/215	3 years	30-June-2020	4
23. Munsoft Consulting	Municipal Financial Solutions	R 145 444,86 p/m	01-July-17	RT25	3years	30-June-2020	4
24. Revenue Consulting	Debt Collection Serv	10%	01-July-17	9/3/1/216	3 years	30-June-2020	4

NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	Score (1-5)
25. Balimi Baru Trading	Debt Collection Serv	10%	01-July-17	9/3/1/216	3 years	30-June-2020	4
26. ARMS	Immovable Register	As and when required	01-July-17	9/3/1/218	3 years	30-June-2020	1
27. @ Consulting	Immovable Register	As and when required	01-July-17	9/3/1/218	3 years	30-June-2020	5
28. Altimax	Immovable Register	As and when required	01-July-17	9/3/1/218	3 years	30-June-2020	1
29. ARMS	Movable Register	As and when required	01-July-17	9/3/1/219	3 years	30-June-2020	5
30. Alkhile Management	Movable Register	As and when required	01-July-17	9/3/1/219	3 years	30-June-2020	1
31. Engnet Solutions	Movable Register	As and when required	01-July-17	9/3/1/219	3 years	30-June-2020	1
32. Moepeng Trading 133	Credit control services	As and when required	01-July-17	9/3/1/222	3 years	30-June-2020	5
33. Letsape Business Management Consulting	Credit control services	As and when required	01-July-17	9/3/1/222	3 years	30-June-2020	5
34. Velahaleka Trading	Credit control services	As and when required	01-July-17	9/3/1/222	3 years	30-June-2020	5
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT							
35. Mokoko Media	Proposal Outdoor Advertising	80/20 split (20 % for Municipality)	Jan-2016	9/3/1/188	3 years	30-Dec-2019	1
36. Innovation Government Software Solutions	Performance management System	R4 320 000.00	September 2018	S32/01/2018	3 years	September 2021	4
SOCIAL & COMMUNITY SERVICES							

NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	Score (1-5)
37. Mascon	Landfill site Management	R199 160.28 P/M	December 2017	9/3/1/224	3 years	December 2020	5
38. Kwenakgwadi Trading & TK Bakwena JV	Soft and Hard Land-Scaping material	As and when require services	Nov-15	9/3/1/189	3 years	Oct-2018	5
39. Onthusa Trading	Soft and Hard Land-Scaping material	As and when require services	Nov-15	9/3/1/189	3 years	Oct-2018	5
40. TMT services and supplies	Traffic law enforcement	As per bid document	1-June-16	9/3/1/199	3 years	30-May-19	5
41. Warmbad Grasnyer dieste	Repair and Maintenance of Grass and tree cutting machinery, including the supply of related consumables and perishables	As per bid document	1-July-17	9/3/1/223	3 years	30-June-2020	5
42. Limpopo Provincial Government (Transport)	Transport	Based on 80/20 commission	1 April 2018		3 Years	31 March 2021	5
TECHNICAL SERVICES DEPARTMENT							
43. Armcoil	Repair and maintenance of Transformers	As and when require services	18/01/2018	9/3/1/231	2 years	18/01/2020	5
44. WaterLab	Laboratory Services	Own Analysis rates per semester	06/03/2017	9/3/1/207	36 months	31/03/2020	5
45. Tshuki Trading	Supply and delivery of Personal Protective Equipment (PPE)	As and when require services	01/12/2018	9/3/1/252	3 years	01/12/2021	5
46. Crystal Sambo Trading	Supply and delivery of Personal	As and when require services	01/12/2018	9/3/1/252	3 years	01/12/2021	5

NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	Score (1-5)
	Protective Equipment (PPE)						
47. Bolelang Trading	Supply and delivery of Personal Protective Equipment (PPE)	As and when require services	01/12/2018	9/3/1/252	3 years	01/12/2021	5
48. Ka-Nite Trading	Supply and Delivery of Road Surfacing and Building Materials	As and when require services	05/12/2019	9/3/1/248	2 years	05/12/2020	5
49. Bakwena Industrial Supplies	Supply and Delivery of Road Surfacing and Building Materials	As and when require services	05/12/2019	9/3/1/248	2 years	05/12/2020	5
50. Mabochem Trading and Projects	Supply and delivery of water purification chemicals	As and when require services	05/12/2019	9/3/1/247	2 years	05/12/2020	5
51. Trirastar	Supply and delivery of water purification chemicals	As and when require services	05/12/2019	9/3/1/247	2 years	05/12/2020	1
52. Ulwazisipho management services	Repair and maintenance of motor pumps	As and when require services	05/12/2019	9/3/1/246	2 years	05/12/2020	5
53. KBS Electrical	Repair and maintenance of motor pumps	As and when require services	05/12/2019	9/3/1/246	2 years	05/12/2020	1
MUNICIPAL INFRASTRUCTURE GRANT (MIG) FUNDED PROJECTS							
54. Rukarani Avansare Development JV	Widening of Mile street	R 4 333 573.75	10/07/2018	9/3/1/254	4 months	29/12/2018	4
55. Perozz Consulting Engineers	Widening of Mile street	R 1 234 699.80	27/06/2017	9/3/1/140	12 months	29/06/2018	5

NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	Score (1-5)
56. LEBP Construction and Projects	Upgrading of Pienaarsrivier Waste Water Treatment	R 6 838 698.27	27/06/2018	9/3/1/220	9 months	30/04/2019	5
57. Ristinathi Engineers	Upgrading of Pienaarsrivier Waste Water Treatment	R 1 468 369.00	06/09/2016	9/3/1/220	32 months	14/05/2019	5
58. Chat Connection/ Thougolo JV	Upgrading of Masakhane Waste Water Treatment	R 5 392 460.98	27/06/2018	9/3/1/240	9 months	30/04/2019	5
59. E-Square Consulting	Upgrading of Masakhane Waste Water Treatment	R 1 415 200.00	30/08/2016	9/3/1/200	33 months	14/05/2019	5
60. Dishimaga Projects and Training	Upgrade Moloto Street Stadium	R 10 123 361.09	11/01/2019	9/3/1/255	6 months	Contract terminated.	1
61. Pheta Trading Enterprise	Upgrade Moloto Street Stadium	R 9 467 330.00	25/02/2019	9/3/1/255	6 months	02/09/2019	5
62. Kabe Consulting Engineers	Upgrade Moloto Street Stadium	R 1 842 105.26	30/07/2012		86 months	16/09/2019	5
63. Blue Dot JV Bolelang	Road Paving X 4,6,7 & 8	R 14 704 309.40	05/06/2019	9/3/1/258	12 months	30/06/2020	5
64. ZMC Consulting	Road Paving X 4,6,7 & 8	R 2 793 859.64	26/06/2017	9/3/1/200	36 months	14/07/2020	5
WATER SERVICES INFRASTRUCTURE GRANT (WSIG) FUNDED PROJECTS							
65. Rishakwa Trading	Upgrade of Bela-Bela Water treatment works	R 9 443 667.75	October 2018	9/3/1/256	8 months	31/07/2019	1

NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	Score (1-5)
66. LSO Consulting Engineers	Upgrade of Bela-Bela Water treatment works	2 608 208.95	October 2018	9/3/1/200	8 months	14/08/2019	2
67. LSO Consulting Engineers	Upgrade of Raw water pump station	3 000 000.00	October 2018	9/3/1/237	6 months	29/03/2019	1
68. GKB Design Associates (Pty) Ltd	Bela-Bela Water Conservation and Demand Management: Replacement of AC Pipelines - Phase 3	14 930 342.00	October 2018	9/3/1/140	12 months	14/08/2019	2
69. 2MC Consulting Engineers	Upgrade of Bela-Bela Waste Water Scheme- Construction of Drying Beds, Construction of Outfall Sewer Line, Refurbishment of Pump station - Phase 2	R9 753 458.00 (Adjustment: R11 289 072.14)	27 July 2017	9/3/1/200	24 months	30/06/2020	4
70. T.I Engineering Services (Pty) Ltd	Refurbish old section of WTW	R371 250.00	10 April 2019	9/3/1/257-1	13 months	14/05/ 2020	5
71. Ayamal Consulting	Water desalination plant - Rapotokwane	R 1 172 610.99	10 April 2019	9/3/1/257-2	15 months	27/07/ 2020	1
72. Phektiso Consulting Engineers	Upgrading Aventura sewer Pump Station	R 1 031 250.00	10 April 2019	9/3/1/257-3	14 months	12/06/2020	1
73. Marungane Projects	Bulk sewer Outfall for X 8 & Future	R 660 000.00	10 April 2019	9/3/1/257-4	12 months	14/04/2020	2
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP) FUNDED PROJECTS							
74. Sebusi Somo Construction	Bela Bela Substation	44 118 207.08 (Both Phase 1 and Phase	07 July 2017	9/3/1/221	24 months	30 June 2019	2

NAME OF THE SERVICE PROVIDER	DESCRIPTION OF WORK	CONTRACT AMOUNT	COMMENCEMENT DATE	TENDER NUMBER	DURATION OF CONTRACT	EXPIRY DATE	Score (1-5)
75 GKB Design Associates (Pty) Ltd	Bela Bela Substation	7 498 616.88	20 May 2015	9/31/140	48 months	30 June 2019	2

Chapter 5

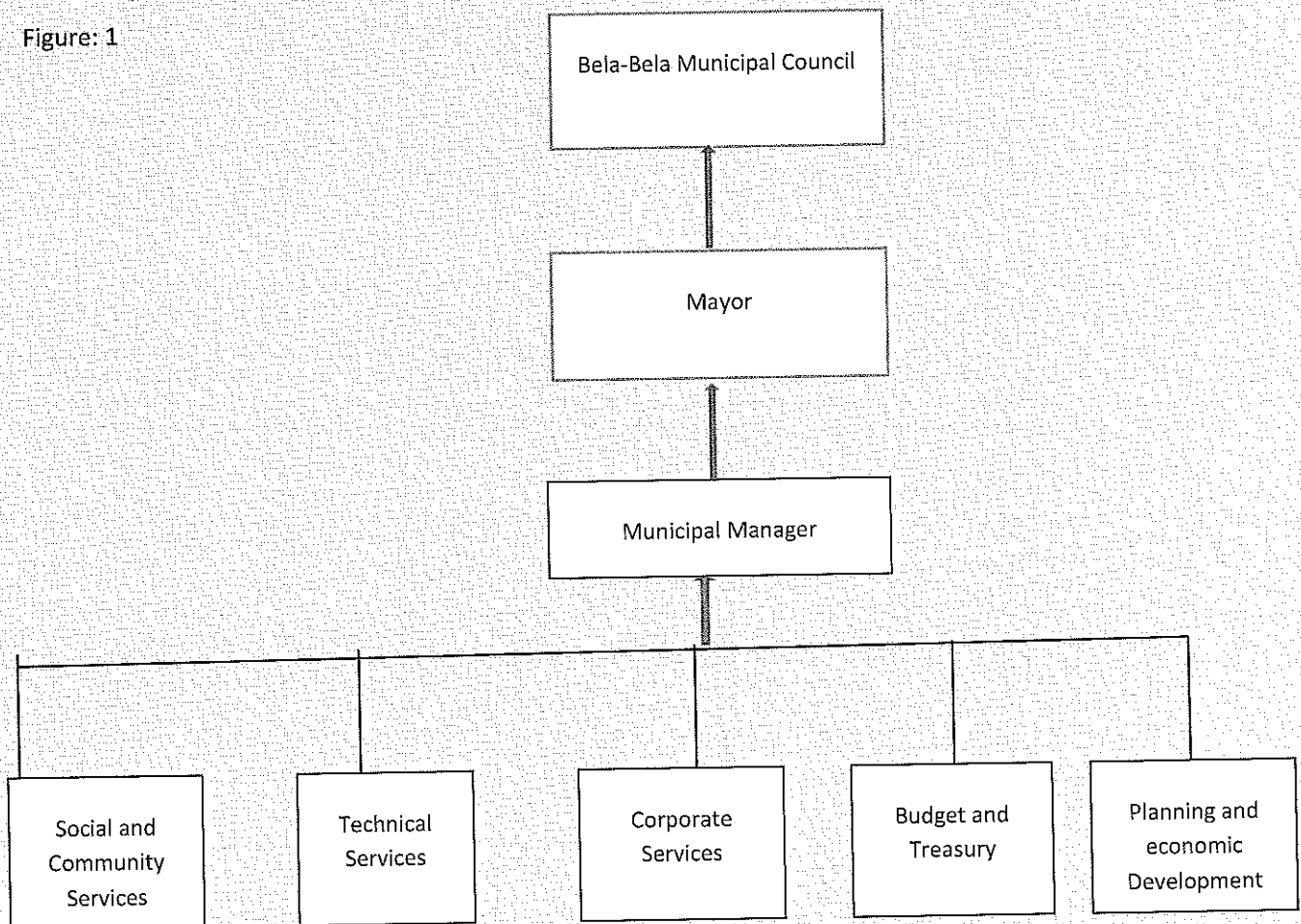
COMPONENT B

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

4.1 INTRODUCTION

The municipality had a staff compliment of 523 as provided in the revised Organogram. The municipal organogram makes provision for a Municipal Manager, five Senior Managers (Head of Departments), and two additional Managers which is the Manager Legal Services and Manager Electrical Services. Furthermore the organogram also make provision for 19 Middle Managers (Divisional Heads)

Figure: 1



COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.2 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Section 66 of the Local Government Municipal Systems Act No 32 of 2000, 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 372 permanent staff members and 8 contract employees during the 2018/2019 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. Even though not the same as the previous year (2018/2019) financial years the Municipality was further confronted with some resignations. The tables below provide details of employee totals, vacancy rate and the staff turnover.

Table: 50 Total Number of Employees

Description	Employees				
	2017/2018	2018/2019		2018/2019	2018/2019
	Approved Posts	Approved Posts	Appointed Employees	Variance	Variance
	No.	No.	No.	No.	%
Water	34	48	32	16	33
Waste Water (Sanitation)	54	41	26	15	36
Electricity	50	51	31	20	39
Waste Management	67	65	48	17	26
Housing	09	7	6	1	14

Employees					
Description	2017/2018	2018/2019			
	Approved Posts	Approved Posts	Appointed Employees	2018/2019 Variance	2018/2019 Variance
	No.	No.	No.	No.	%
Waste Water (Storm water Drainage)	17	26	9	18	69
Roads	30	25	11	14	56
Transport/Fleet Management	04	10	5	5	50
Planning	04	5	3	2	40
Local Economic Development	05	5	4	1	20
Planning (Strategic & Regulatory)	05	6	3	3	50
Community & Social Services	08	7	5	2	29
Protection & Emergency	48	48	38	10	21
Parks, Sport and Recreation	44	70	47	23	33
Corporate, Budget, MM, Audit and Other	119	147	112	35	24%
Totals	498	561	380	181	32%

Table: 51 VACANCY RATE

VACANCY RATE 2018/2019		
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)
	No.	No.
Municipal Manager	1	0
CFO	1	0
Other S56 Managers (excluding Finance Posts)	4	1
Other S56 Managers (Finance posts)	0	0

VACANCY RATE 2018/2019		
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)
Municipal Police	0	0
Fire fighters	0	0
Other Management: Levels 1-3 (excluding Finance Posts)	29	11
Senior Management: Levels 1-3 (Finance posts)	12	5
Highly Skilled Supervision: Levels 4-6 (excluding Finance posts)	62	22
Highly Skilled Supervision: Levels 4-6 (Finance posts)	20	10
Total	129	38%

Table: 52 TURNOVER RATE

Turn-over Rate			
Details	Total appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate%
	No.	No.	
2018/2019	378	31	8.2%

4.3 COMMENT ON VACANCIES AND TURNOVER:

During 2018/2019 financial year the Municipality had 31 termination of services. The terminations were due to the following reasons: 17 reached retirement age, 4 contract expired, and 0 were dismissed, and 2 death case with 8 resignations. With regard to high rate of resignations it is

recommended that the Municipality develop systems to retain staff and should also be able to support the current human capital.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.4 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality managed to develop four policies during the financial year under review which are as follows, EAP Policy, Employment Equity Policy, Long Service and Scarce Skills Policy. The following policies were also reviewed in 2018/2019 financial year Recruitment & Selection, Travel Allowance Policy, Cell-phone Allowance Policy, Long Service Recognition Policy. The table below depicts the details of policies managing human capital within the Municipality.

Table: 53 APPROVED POLICIES

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
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	Funeral Assistance Policy	Approved
13	Employment Equity	Approved

No	Policy Name	Status
14	Disciplinary Code and Procedure Policy	Approved
15	Long service Recognition Policy	Approved
16	Scarce Skills Policy	Approved
17	EAP Policy	Approved

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 5 below depicts the details of the injuries occurred during the financial year under review:

TABLE 54

Number and Cost of Injuries on Duty 2018/2019						
Type of injury	Injury Leave Taken	Employees using injury leave	Average injury leave taken per employee	Average Injury Leave per employee	Total Estimated Cost	
	Days	No.	%	Days	R'000	
Required basic medical attention only	4	1	0.25	0.25	3 590.76	

Temporary total disablement	147	1	0.06	0.06	142 116.49	
Permanent disablement	0	0	0	0	0	
Fatal	0	0	0	0	0	
Total	151	2	0.31	0.31	145 707.25	
Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Senior management (Levels 0-2)	118	0	8	18	6.5	285 184.66
Highly skilled supervision (Levels 3-5)	151	25	21	39	3.8	220 172.30
Highly skilled production (levels 6-8)	628	20	53	61	10.29	508 254.71
Skilled (levels 9-12)	200	5	23	67	2.98	165 402.32
Lower skilled (Levels 13-15)	1065	60	101	190	5.6	604 247.62
MM and S56	4	0	1	5	0.8	18 221.97
Total	2276	110	207	380	5.98	1 801 483.58
* - Number of employees in post at the beginning of the year						
*Average calculated by taking sick leave in column 2 divided by total employees in column 5						

4.5 COMMENT ON INJURY AND SICK LEAVE:

For the financial year under review 151 injury leave days were taken by 2 employees who were injured on duty. Awareness campaigns and employee wellness programmes have been initiated and conducted by the Municipality to alert employees on how to avoid health hazards. The Municipality appointed its own Occupational Doctor from July 2015, when employees get injured at work they are taken to the Doctor for assessment and submit reports to the Municipality. The reports are then kept the employee files for records. Capacity building was also identified as a means of reducing injuries on duty. The table above provide details of injuries on duty and the sick leave days taken during 2018/2019 financial year.

Table: 55 NUMBER OF DISCIPLINARY / MISCONDUCT CASES AND STATUS

NUM BER	NAME	POSITION	NATURE OF THE ALLEGED MISCONDUCT	DATE OF SUSPENSION	DETAILS OF THE DISCIPLINARY HEARING: STATUS OF THE CASE	DATE FINALISED
1.	MR Dan Maimela	General Worker	Misconduct: Intimidation, Sexual Harassment	11 January 2019	Final Written warning issued against the employee	17 April 2019
2.	MR Joseph Managanye	General worker	Intimidation and insults	11 January 2019	Final written warning against the employee	17 April 2019

3.	MR. K Kokopane MS. KF Moraka MS. Radebe MS. ME Tshosi MS. ME Serema MS. MM Koka	Cashiers	Desertion of duty	N/A	Verbal warning against employees	07 February 2019
4.	MR. L. Lesabane	Clerical Assistance	Irregular misappropriation of funds	N/A	Verbal warning	24 June 2019
5.	MR NS Likhovha	General Worker	Misconduct: Irregular allocation of land	N/A	Matter withdrawn	19 March 2019
6.	MR Molefe MM	General Worker	Misconduct: Abscondment	N/A	Matter not finalised	N/A
7.	ST Lebelo	General Worker	Misconduct: Conducting electrical tests without authority	13 March 2019	Parties reached a settlement	To be Finalized in the next FY

4.6 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. There are currently no employee cases related to financial misconduct. The table above depicts only the disciplinary case in place for the year 2018/2019 financial year.

4.7 PERFORMANCE REWARDS

4.7.1 COMMENT ON PERFORMANCE REWARDS

As already indicated in Component K under Organizational Score Card the municipality established a Performance Management Systems (PMS) as per the provisions of 38 and 41 of the Local Government Municipal Systems Act (MSA) No 32 of 2000. As guided by Section 41 (c) (i) (ii) whereby the municipality is required to monitor, measure and review performance at least once in a year. The municipality monitored its performance based on the developmental priorities and objectives as approved in the IDP, Budget and the Organizational Score Card. The monitoring of performance was also done through the compilation and submission of the quarterly reports to Council. And also submitted to other stakeholders as required by different pieces of legislation

Furthermore, it should be noted that during the financial year under review the municipality had experienced high rate of staff turnover especially at Senior Management level. However the council appointed three Senior Managers towards the end 2017/2018 Financial Year which was the Municipal Manager, Manager Corporate Services and the Chief Financial Officer and senior managers were appointed during the 2018/2019 financial year which was Mnager Technical Services abd Manager Planning and Economic Development. The position of the Manager Social and Community Services were vacant hence the appointment of Acting Managers.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.8 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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. In order for the municipality to comply with the above mentioned act, the Municipality had developed the 2018/2019 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 councilors, the Municipality has also focused on initiating training of community members through different groups. Table -----below depicts the details of training programmes offered during the financial year under review.

4.9 Table: 56 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX										
Management level	Gender	Number of skilled employees trained by 30 June 2019								
		Learnership			Skills programmes & other short course		Other forms of training			
		Actual 30 June 2019	Target		Actual 30 June 2019	Target		Actual 30 June 2019	Target	

SKILLS MATRIX

Management level	Gender	Number of skilled employees trained by 30 June 2019									
		Learnership		Skills programmes & other short course		Other forms of training					
		Actual 30 June 2019	Target	Actual 30 June 2019	Target	Actual 30 June 2019	Target				
Mayor and Councilor's	Female	1	1	3	3	0	0				
	Males	1	1	3	3	0	0				
MM and S57	Female	1	1	0	0	0	0				
	Males	1	1	0	0	0	0				
Technicians and trade workers	Female	0	0	9	9	0	0				
	Males	0	0	26	26	0	0				
Professionals	Female	0	0	7	7	0	0				
	Males	0	0	21	21	0	0				
Community	Female	3	3	0	0	0	0				

SKILLS MATRIX

Management level	Gender	Number of skilled employees trained by 30 June 2019											
		Learnership			Skills programmes & other short course			Other forms of training					
			Actual 30 June 2019	Target		Actual 30 June 2019	Target		Actual 30 June 2019	Target			
and personal service workers	Males		4	4		2	2		0	0			
	Females		0	0		1	1		0	0			
Clerical and administrative workers	Males		0	0		3	3		0	0			
	Females		0	5		0	5		0	0			
Machine Operators and Drivers	Males		0	5		0	5		0	0			
	Females		5	5		25	25		0	0			
Labourers	Males		5	5		43	43		0	0			
	Females		55										
Total Trained	Females		55										

SKILLS MATRIX										
Management level	Gender	Number of skilled employees trained by 30 June 2019								
		Learnership			Skills programmes & other short course			Other forms of training		
			Actual 30 June 2019	Target		Actual 30 June 2019	Target		Actual 30 June 2019	Target
as 30 June 2019	Males	109								

3.13 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

3.13.1 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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 on the 2018/2019 Bela-Bela Municipality SDBIP. This accountability enables the Institution to align the delivery of ICT services with the strategic and business goals of the Institution.

During 2018/2019 Financial year, 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 MFMA. The table below depicts details of Steering Committee meetings during 2018/2019 financial year (FY)

Table -----

FOUR ICT STEERING COMMITTEE MEETINGS HELD AS FOLLOWS	
DATE	VENUE
26 September 2018	Committee Room
30 th November 2018	Committee Room
11 th February 2019	Committee Room
14 June 2019	Committee Room

The Information Communication and Technology (ICT) Governance Framework provides guidance on the organizational accountability and responsibilities with regard to the ICT functions and its operations in accordance with the Corporate Governance of ICT Policy Framework implementation and review guidance in terms of Section 16A of the Public Service Act. ICT has to implement and review policies to comply with the ICT Governance Framework, Standards and to adapt to the technological changes of the ICT infrastructure. The lack of ICT governance framework can result in fragmented approach to the implementation of 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 which 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 develop and review its ICT Policies. Below are the details of the ICT Policies developed, reviewed and approved by Council for implementation during the financial year under review (2018/2019 FY).

- ICT Change Management Policy
- ICT Patch Management Policy
- ICT Helpdesk Procedure Policy
- ICT Disaster Recovery Policy
- ICT Information Security Policy
- ICT Firewall Policy
- ICT User Account Management Policy
- ICT Backup Policy

ICT HUMAN RESOURCE STATISTICS

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 an transparent personnel administration amongst others –

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

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

TABLE -----: ICT HUMAN RESOURCE STATISTICS

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	2

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

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 1 below depicts the number of Council and Subcommittee meetings held and the attendance by each Councillor.

Table: 1

NAME OF COUNCILLOR	FULL TIME/PART TIME	PARTY REPRESENTATIVE	NO OF COUNCIL MEETING SCHEDULED	NO OF COUNCIL MEETING ATTENDED	% OF ATTENDANCE	NO OF SUBCOMMITTEE MEETING SCHEDULED	NO OF SUBCOMMITTEE MEETING ATTENDED	% OF ATTENDANCE
CLLR J NGOBENI	Full time	ANC	09	09	100%	09	09	100%
CLLR MOELETSI Z	Full time	ANC	09	09	100%	N/A	N/A	N/A
CLLR H LEDWABA	Full time	ANC	09	09	100%	09	05	56%
CLLR F HLONGWANE	Part time	ANC	09	09	100%	10	08	80%
CLLR S MALULEKA	Part time	ANC	09	09	100%	10	07	70%
CLLR R MASEMOLA	Part time	DA	09	08	89%	10	09	90%
CLLR D SEALE	Part time	EFF	09	09	100%	10	07	70%

NAME OF COUNCILOR	FULL TIME/PART TIME	PARTY REPRESENTATIVE	NO OF COUNCIL MEETING SCHEDULED	NO OF COUNCIL MEETING ATTENDED	% OF ATTENDANCE	NO OF SUBCOMMITTEE MEETING SCHEDULED	NO OF SUBCOMMITTEE MEETING ATTENDED	% OF ATTENDANCE
CLLR MALETE	Part time	ANC	09	09	100%	10	09	90%
CLLR MODIMOLA	Part time	ANC	09	09	100%	N/A	N/A	N/A
CLLR PAPHANE	Part time	ANC	09	09	100%	09	06	67%
CLLR A SHIKA	Part time	ANC	09	09	100%	10	09	90%
CLLR F MOTHOKWA	Part time	DA	09	09	100%	10	09	90%
CLLR SENOSHA	Part time	DA	09	08	89%	N/A	N/A	N/A
CLLR MAKHUBELA	Part time	BRA	09	09	100%	N/A	N/A	N/A
CLLR MOSWEOU	Part time	EFF	09	09	100%	10	08	80%
CLLR RAS	Part time	DA	09	08	90%	09	08	89%
CLLR MANAME	Part time	ANC	09	08	89%	10	06	60%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

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 2 below depicts the details of the Committees established as well as the purpose of such Committees.

Table 2: 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 79 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/Infrastructure Sub-committee	Section 79 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.
Budget and Treasury/Governance Subcommittee	Section 79 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

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
	(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 co-ordinating the financial administration of the Municipality.
Broader Management	Operational management decision making structure established to assist the Top Management in performing its responsibilities.

4.10 DISCLOSURES OF FINANCIAL INTERESTS

During 2018/2019 Financial Year the Municipality complied with the requirements of Schedule (2) subsection (5) of the Municipal Systems Act no 32 of 2000. The table below depict the details of the disclosures made during the financial year under review

Disclosures of Financial Interests		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of interest
Mayor	ClIr J Ngobeni	Nil
Member of MayCo / Exco	ClIr Z Moeletsi	Nil
	ClIr MN Ras	Interest in a trust, directorship an partnerships
Councillors	ClIr P Aphane	Nil
	ClIr M Maletse	Nil
	ClIr R Masemola	Nil
	ClIr F Mothokwa	Nil
	ClIr SE Maluleka	Nil
	ClIr LR Modimola	Nil
	ClIr FS Hlungwane	Funeral undertaker
	ClIr MH Ledwaba	Transportation
	ClIr A Shika	Nil
	ClIr J Makhubela	Nil
	ClIr D Senosha	Nil

Disclosures of Financial Interests		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of interest
	Cllr B Maname	Nil
	Cllr D Seale	Nil
	Cllr A Mosweou	Nil
Municipal Manager	SM Makhubela	Nil
Chief Financial Officer	RM Rarutha	Nil
Other S56	JB Selapyana	Nil
	HB Maswanganyi	Nil
	T Mnisi	Nil
	TJ Mothapo	Nil
Other Managers below	MA Serote	Nil

Chapter 5

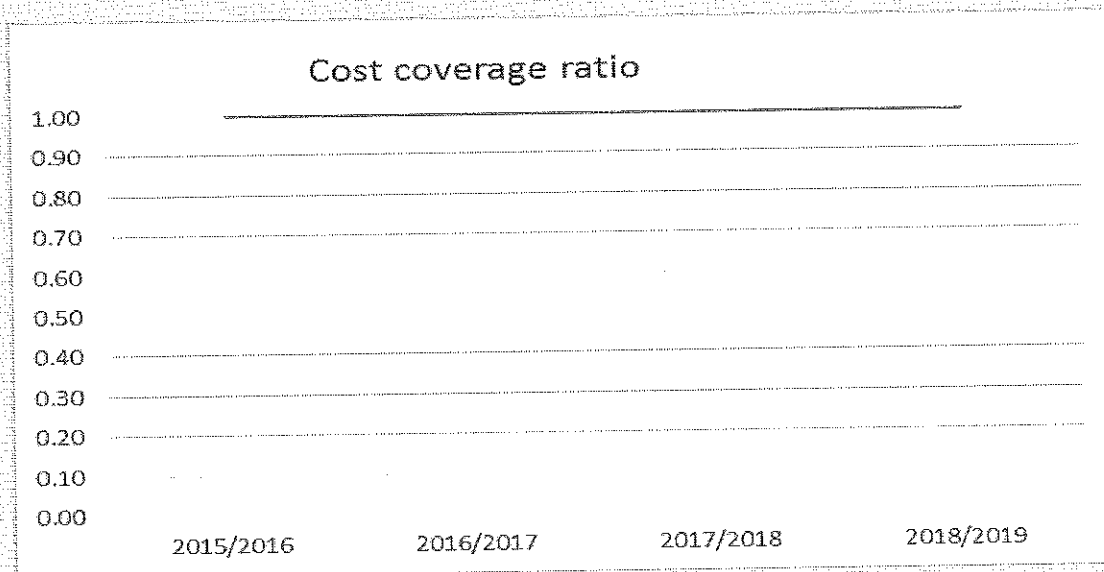
CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

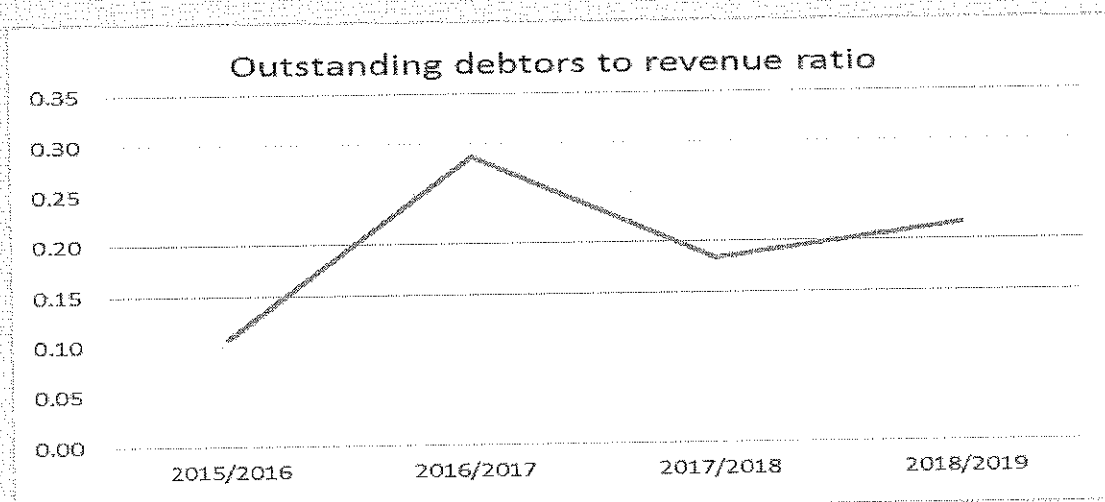
5. INTRODUCTION TO FINANCIAL PERFORMANCE

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

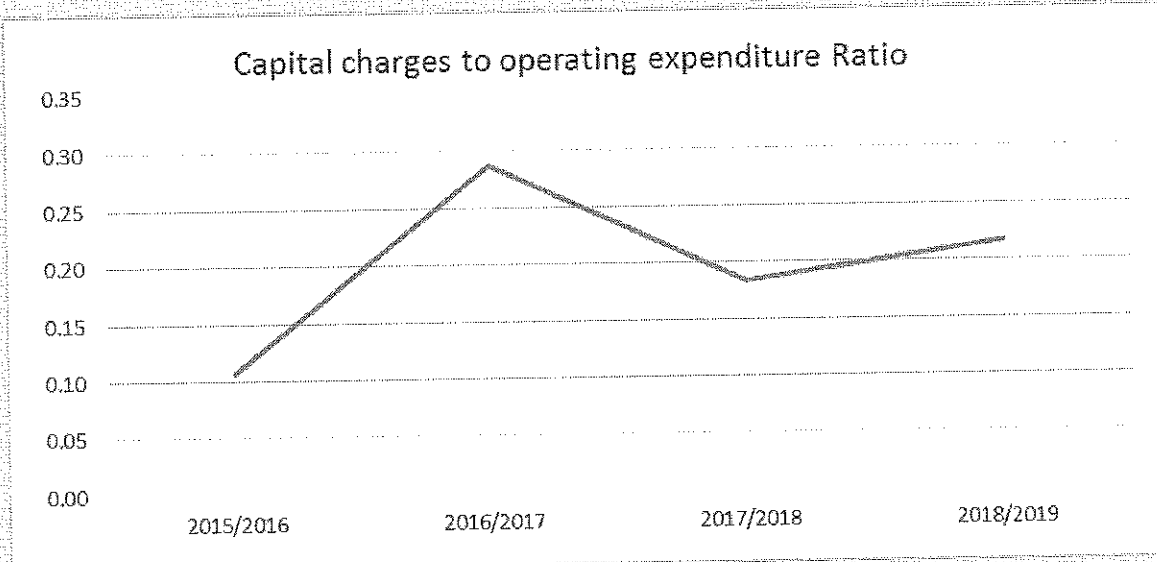
GRAPH 1: COST COVERAGE RATIO



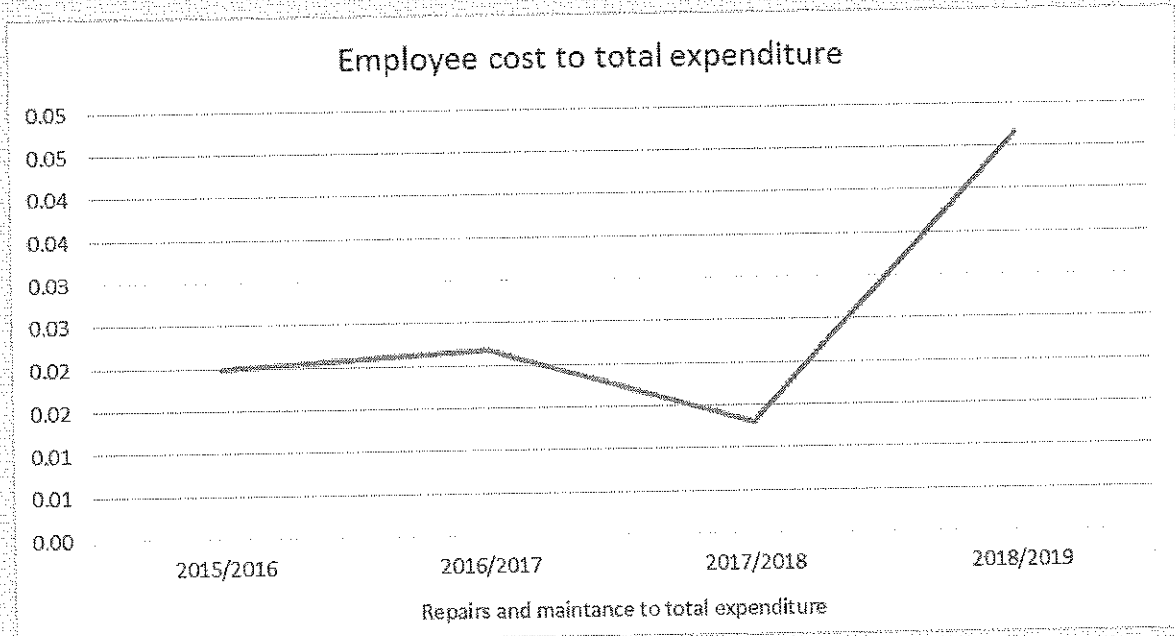
GRAPH 2: OUTSTANDING SERVICE DEBTORS TO REVENUE RATIO



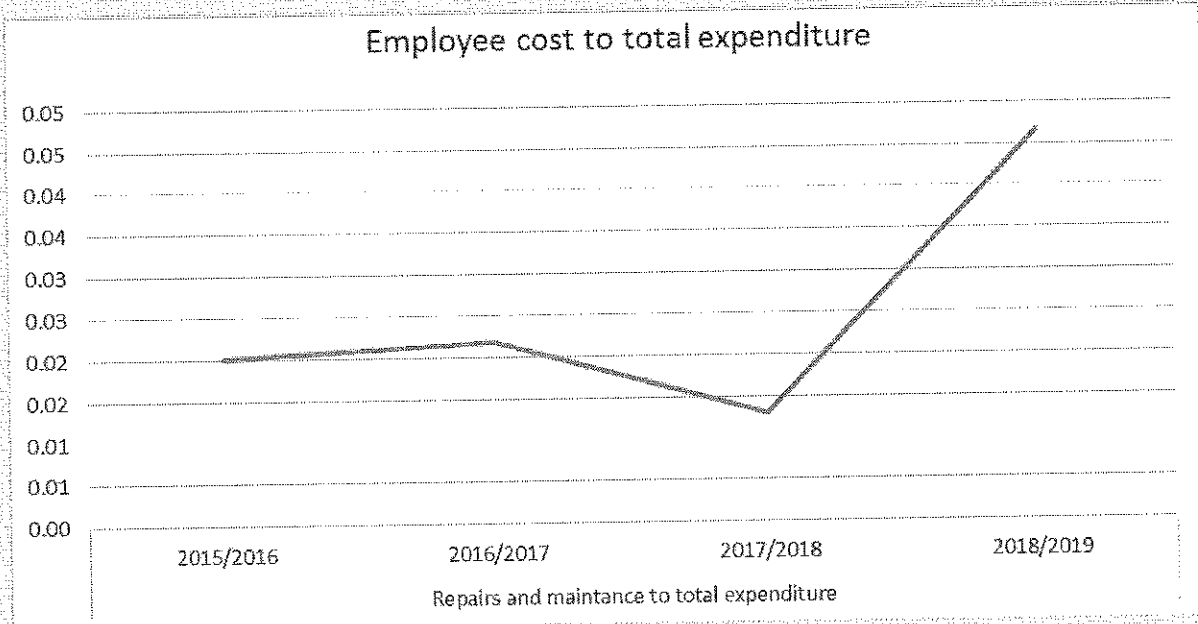
GRAPH 3: CAPITAL CHARGES TO OPERATING EXPENDITURE RATIO



GRAPH 4: EMPLOYEE COST RATIO



GRAPH 5: REPAIRS MAINTANANCE TO OPERATING EXPENDITURE



5.1 STATEMENT OF FINANCIAL PERFORMANCE – TABLE 11

Statement of Financial Performance

Figures in Rand	2019	2018 (Restated)
Revenue		
Revenue from exchange transactions		
Service charges	159 321 887	150 649 448
Sale of goods and rendering of services	276 874	231 792
Rental of facilities and equipment	1 375 575	1 216 348
Agency services	2 496 703	-
Licenses and permits	1 241 209	3 925 789
Cemetery fees	323 554	311 568
Commission received	70 841	56 010
Demand charges	454 263	619 167
Other income	7 371 152	3 419 003
Interest received-investment	12 787 808	9 845 041
Fair value adjustments	2 820 154	3 592 232
Actuarial gains	13 767 173	2 704 246
Total revenue from exchange transactions	202 307 193	176 570 644
Revenue from non-exchange transactions		
Taxation revenue		
Property rates	68 760 593	62 003 315
Transfer revenue		
Government grants and subsidies	172 373 407	163 093 099
Fines	6 090 600	15 526 100
Total revenue from non-exchange transactions	247 244 600	240 622 514
Total revenue	449 531 793	417 193 158
Expenditure		
Employee related costs	(130 726 348)	(125 469 241)
Remuneration of councilors	(7 363 906)	(6 869 374)
Depreciation and amortization	(29 950 597)	(32 291 196)
Impairment loss/ Reversal of impairments	-	(24 776 266)
Finance costs	(11 549 753)	(12 306 342)
Debt impairment	(36 879 735)	(33 484 428)
Bulk purchases	(97 198 509)	(88 576 610)
Contracted services	(2 053 550)	-
Loss on disposal of assets	(76 765)	(50 399 271)

General expenses	<u>(78 836 806)</u>	<u>(84 064 541)</u>
Total expenditure	<u>(394 635 969)</u>	<u>(458 237 269)</u>
(Deficit) surplus for the year	<u>54 895 824</u>	<u>(41 044 111)</u>

7.2 COMMENT ON FINANCIAL PERFORMANCE

The final Audited Financial Statements reflect total revenue of R 449 531 793. 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 458 237 269. Employee related cost and bulk purchases constituted 29% and 19% of total expenditure respectively. Total expenditure decreased by 14%. The decrease is mainly due to a significant decline in impairment loss and loss on disposal of assets.

GRANTS

Operating grants

(Figures in Rand)	<u>2019</u>	<u>2018</u>
Equitable share	81 986 259	74,939,000
Finance Management Grant	1 699 999	1 700 000
Extended Public Works Program	1 154 000	1 000 000
SETA	213 048	152 358
Total Operating grants	85 053 306	77 791 358

Operating grant revenue for the year amounted to R 85 053 306. All the operating grants allocated to the municipality in terms of the Division of Revenue Act for 2018/2019 were received. No operating grants were withheld by National Treasury during the financial year.

5.4 COMMENTS ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES

Finance Management Grant	1 699 999	1 700 000
Extended Public Works Program	1 154 000	1 000 000
SETA	213 048	152 358
Municipal Infrastructure Grant	37 530 000	26 304 000

Municipal Water Infrastructure Grant	42 928 119	34 069 806
Integration National Electrification Programme	6 861 982	24 927 935
Total Conditional Grants	90 387 148	88 154 099

A total of R 90 387 148 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, with the exception of the SETA grant which is received from the Department of Higher Education and Training.

5.5 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. Component B deals with capital spending indicating the source of funding and whether the Municipality was able to spend on its planned and approved capital projects.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

(Figures In Rand)

5.6 SPENDING AGAINST CAPITAL BUDGET – Table 12

Project Name	Funding	Adjusted budget	Expenditure
Upgrade of bela-bela raw water pump station and security of reservoirs	WSIG	R 3 000 000.00	R 2 982 468.88
Bela- Bela Water Conservation and Demand Management	WSIG	R 14 930 342.00	R 13 032 651.15
Upgrade of Bela- Bela Waste Water Scheme-Upgrade of waste water treatment Works	WSIG	R 11 289 072.14	R 11 092 039.99
Upgrade of Bela- Bela water Treatment Works	WSIG	R 12 566 904.00	R 12 110 278.65
Bulk sewer outfall line Bela Bela X 8 and future	WSIG	R 660 000.00	R 659 888.95
Refurbishment of old section of Water Treatment Works	WSIG	R 371 250.00	R 371 250.00
Recycle grey water for parks and sport facilities	WSIG	R 478 570.87	R 475 993.34
Upgrade Aventura Sewer Pump Station	WSIG	R 1 031 250.00	R 1 030 938.23
desalination plant - Rapotokwane	WSIG	R 1 172 610.99	R 1 172 610.15
Electricity MVA Substation	INEP	R 15 580 000.00	R 6 861 982.00
Bela Bela: Waste Water Treatment Masakhane	MIG	R 6 555 923.20	R 6 516 330.72
Bela Bela: Upgrade Pienaarsrivier Waste Water Treatment Works	MIG	R 7 885 352.00	R 7 880 186.26
Bela Bela: widening Mile street bridge	MIG	R 5 127 500.52	R 5 118 679.40
Bela Bela: Road Paving X 4,6,7 78	MIG	R 2 992 696.83	R 3 129 980.78
Bela Bela: Upgrade Moloto Street Sport Stadium	MIG	R 12 075 000.00	R 12 075 000.00
Bela Bela: Stormwater Marikana Street (X6)	MIG	R 1 150 304.25	R 1 150 304.25
		R 96 866 776.80	R 85 660 582.74

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.7 CASH FLOW

Cash Flow Statement

Figures in Rand Note(s)

	2019	2018 Restated
Cash flows from operating activities		
Receipts		
Appropriation (Tax)	73 582 697	70 602 131
Sale of goods and services	132 596 130	154 636 483
Grants	182 661 048	138 592 567
Interest income	1 764 101	742 068
Other receipts	11 771 104	13 754 876
	<u>402 375 080</u>	<u>378 328 125</u>
Payments		
Employee costs	(136 783 873)	(129 560 770)
Suppliers	(171 322 566)	(151 595 759)
Finance costs	(4 031 427)	(4 838 697)
	<u>90 237 214</u>	<u>92 332 899</u>
Net cash flows from operating activities		
Cash flows from investing activities		
Purchase of property, plant and equipment	(73 656 385)	(78 740 331)
Proceeds from sale of investment	-	800 001
Purchase of other intangible assets	-	(657 642)
Net cash flows from investing activities	<u>(73 656 385)</u>	<u>(78 597 972)</u>
Cash flows from financing activities		
Finance lease payments	-	(16 192 693)
Net cash flows from financing activities	<u>-</u>	<u>(16 192 693)</u>
Net increase/ (decrease) in cash and cash equivalents	8 911 467	2 874 184
Cash and cash equivalents at the beginning of the year	4 175 225	1 301 041
Cash and cash equivalents at the end of the year	<u>13 086 692</u>	<u>4 175 225</u>

COMPONENT D: OTHER FINANCIAL MATTERS

5.8 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 that is fair, equitable, transparent, competitive, and cost-effective and comply with the prescribed regulatory framework. As guided by the above mentioned Act, Bela-Bela Local Municipality revises its SCM Policy annually in order to comply and implement the provisions of Sections 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 PIN numbers, the Centralized Supplier Database (CSD) and the e-Tender advertisement platform.

5.9 GRAP COMPLIANCE

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.

CHAPTER: 6

COMPONENT A: AUDITOR – GENERAL OPINION ON FINANCIAL STATEMENTS 2018/2019

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

Qualified opinion

1. I have audited the financial statements of the Bela Bela Local Municipality as set out on pages ... to ..., which comprise the appropriation statement, the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Bela Bela Local Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance and Management Act of South Africa (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa (Act No. 3 of 2016) (Dora).

Basis for qualified opinion

Irregular expenditure

3. The municipality did not include all irregular expenditure and the required information in the notes to the financial statements, in contravention of section 125(2)(d) of the MFMA. The municipality did not implement adequate internal control systems to identify and record all instances of irregular expenditure in the current year. This resulted in the irregular

expenditure disclosure being understated. The full extent of the misstatement identified could not be quantified and I was unable to confirm the amount of irregular expenditure to be disclosed by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the irregular expenditure disclosure stated at R11 126 964 in note 52 to the financial statements.

Context for the opinion

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

5. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

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

Emphasis of matters

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

Material impairments – receivables from non-exchange transactions and consumer debtors

8. As disclosed in note 33 to the financial statements, material losses to the amount of R36 879 735 were incurred as a result of a write-off of irrecoverable traffic fines and consumer debtors.

Material losses – electricity

9. As disclosed in note 34 to the financial statements, material electricity losses to the amount of R17 416 176 (2017-2018: R13 714 631) were incurred which represents 13% (2017-2018: 12%) of total electricity purchased. Technical losses amounted to R1 741 617 (2017-18: R1 371 463) and non-technical losses amounted to R15 674 559 (2017-2018: R13 714 631).

Restatement of corresponding figures

10. As disclosed in note 45 to the financial statements, some corresponding figures for 30 June 2018 have been restated as a result of errors discovered during 2019 in the financial statements of the municipality at, and for the year ended, 30 June 2019.

Uncertainties relating to the future outcome of exceptional litigation

11. With reference to note 42 to the financial statements, the municipality is the defendant in unfair termination of contracts lawsuits. The municipality is opposing the claims, as it believes it has reasonable grounds to defend each claim. The ultimate outcome of the matters cannot currently be determined and no provision for any liability that may result has been made in the financial statements.

Material losses through criminal conduct

12. As disclosed in note 53 to the financial statements, material losses of R5 706 017 (2017-18: R806 679) were incurred as a result of criminal activities, of which R326 880 (2017-18: R693 106) was recovered.

Other matters

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

Unaudited disclosure notes

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

Unaudited supplementary schedules

15. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

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

17. In preparing the financial statements, the accounting officer is responsible for assessing the Bela Bela Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

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

Report on the audit of the annual performance report

Introduction and scope

19. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

20. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to 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.

21. 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 priorities presented in the annual performance report of the municipality for the year ended 30 June 2019:

Development priorities	Pages in the annual performance report
Development priority (01) – Basic service delivery and infrastructure development.	x – x
Development priority (03) – Local economic development.	x – x

22. I performed procedures to determine whether the reported performance information was properly presented and whether performance 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.

23. The material findings in respect of the usefulness and reliability of the selected development priorities are as follows:

Development priority (01) – basic service delivery and infrastructure development

Number of quarterly assessments on water quality conducted to meet acceptable limits in terms of the standard (SANS 241)

24. There was no clear and logical link between the indicator and target of four quarterly assessments on water quality conducted to meet acceptable limits in terms of the standards (SANS 241) and the strategic objective to which it relates. The indicator and related target focused on completing quarterly assessments, while the strategic objective aimed to achieve the quality of water within the municipality.

Number of quarterly assessments conducted to meet acceptable limits in terms of the standard (SANS 241) treated effluent

25. There was no clear and logical link between the indicator and target of four quarterly assessments on water quality conducted to meet acceptable limits in terms of the standards (SANS 241) treated effluent and the strategic objective to which it relates. The indicator and related target focused on completing quarterly assessments, while the strategic objective aimed to achieve the quality of treated effluent within the municipality.

Development priority (03) – local economic development

Number jobs created through the municipality's local economic development initiatives, including capital projects 5

26. The reported achievement of 1 054 jobs created for the target of 1 295 jobs to be created through the municipality's local economic development initiatives, including capital projects, is not reliable as the municipality did not have an adequate performance management system to maintain records to enable reliable reporting on achievement of targets. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances while in other cases the supporting evidence provided did not agree to the reported achievement. Based on the supporting evidence that was provided, the achievement was 498, but I was unable to further confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement.

Other matters

27. I draw attention to the matters below.

Achievement of planned targets

28. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) x to x of this report.

Adjustment of material misstatements

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

Report on the audit of compliance with legislation

Introduction and scope

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

31. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements, performance and annual reports

32. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were corrected and the

supporting records were provided subsequently, but the uncorrected material misstatement resulted in the financial statements receiving a qualified opinion.

Expenditure management

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

34. Reasonable steps were not taken to prevent irregular expenditure amounting to R11 126 964 as disclosed in note 52 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. Most of the irregular expenditure was due to contracts awarded to bidders that did not score the highest points in terms of the Preferential Procurement Regulations.

35. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R3 822 678, as disclosed in note 51 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. Most of the disclosed fruitless and wasteful expenditure was caused by interest and penalties for outstanding amounts.

36. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R14 255 228, as disclosed in note 50 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. Most of the unauthorised expenditure was caused by overspending of the total amount appropriated for various votes in the approved budget.

Consequence management

37. Unauthorised expenditure amounting to R15 130 663 was not authorised through an adjustment budget, as required by section 32(2)(a)(i) of the MFMA.

38. Some of the irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Procurement and contract management.

39. Some of the contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.

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

41. Some of the contracts were awarded to bidders that had not scored the highest points in the evaluation process, in contravention of section 2(1)(f) of the Preferential Procurement Policy Framework Act and Preferential Procurement Regulations. Similar non-compliance was reported in the prior year.

42. Bid documentation for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).

Other information

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

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

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

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

Internal control deficiencies

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

48. The accounting officer and management did not exercise adequate oversight of financial and performance reporting, compliance and related internal controls. The financial statements and annual performance report were not adequately reviewed before submission for audit, which has resulted in material misstatements.

49. The municipality developed a plan to address audit findings, but the appropriate level of management did not monitor adherence to the plan in a timely manner, resulting in material adjustments to the financial statements. Additionally, the numerous material adjustments to the submitted financial statements are indicative of a lack of proper review processes by leadership.

50. The basic accounting principles of daily and monthly accounting and reconciling of transactions have not been adequately implemented and monitored. Internal controls for monitoring compliance with legislation were ineffective as they did not detect and prevent instances of non-compliance with applicable legislation.

Pretoria
30 November 2019

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters

that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

6.1 AUDITOR GENERAL REPORTS FOR 2018/2019 FINANCIAL YEAR

The Municipality has complied with the requirements of the Municipal Finance Management Act No. 56 of 2003 by compiling the 2018/2019 Annual Financial Statements and submitting these to the Auditor-General for Auditing. The Municipality has received a Qualified Audit Opinion. Details of the audit report is attached in chapter one.

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipality to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements/with the exception of those items and for those reasons given at *Appendix S (delete 'I'... if not applicable)*

Signed (Chief Financial Officer).....Dated.....

6.2 2018/19 AUDITOR GENERAL ACTION PLAN

INTRODUCTION

In terms of MFMA Section 131(1) a municipality must address any issues raised by the Auditor-General in an audit report. The mayor of a municipality must ensure compliance by the municipality with this subsection

BACKGROUND

As required by MFMA under section 131 (1), Belabela local municipality has developed audit action plan which will assist in addressing issues raised during the 2018/2019 financial year.

Despite continuance implementation of the action plan from the previous financial year, municipality has received qualified opinion.

Therefore, AGSA action plan was created to address not only the reported non-compliance issues raised, but to also tighten internal control on other issues of concerns.

SUMMARY OF 2018/2019 AUDIT

Overall Summary

2018/2019 Audit				
	No of Finding Raised	Resolved	Unresolved	Resolved in %
Summary	63	4	59	6%

Detail summary per category

Bellow we provide the summary per category followed by details findings which indicate the timeline and the progress made in addressing the issue and the comment by **internal auditor** department

Section/Type	No of Finding Raised	Resolved	Unresolved
Bank	4	1	3
Immovable assets	2		2
Movable assets	4		4
Other disclosure	14	3	11
Expenditure	3		3
Performance Report	15		15
SCM	14		14
Revenue	3		3
Liability	2		2
Record	1		1
HR	1		1
			0
TOTAL	63	4	59

Detail audit finding are available on request

GLOSSARY

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 to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving

	specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

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 1 below depicts the number of Council and Subcommittee meetings held and the attendance by each Councillor.

Table: 1

NAME OF COUNCILLOR	FULL TIME/PART TIME	PARTY REPRESENTATIVE	NO OF COUNCIL MEETING SCHEDULED	NO OF COUNCIL MEETING ATTENDED	% OF ATTENDANCE	NO OF SUBCOMMITTEE MEETING SCHEDULED	NO OF SUBCOMMITTEE MEETING ATTENDED	% OF ATTENDANCE
CLLR J NGOBENI	Full time	ANC	09	09	100%	09	09	100%
CLLR MOELETSI Z	Full time	ANC	09	09	100%	N/A	N/A	N/A
CLLR H LEDWABA	Full time	ANC	09	09	100%	09	05	56%
CLLR F HLONGWANE	Part time	ANC	09	09	100%	10	08	80%
CLLR S MALULEKA	Part time	ANC	09	09	100%	10	07	70%
CLLR R MASEMOLA	Part time	DA	09	08	89%	10	09	90%
CLLR D SEALE	Part time	EFF	09	09	100%	10	07	70%
CLLR MALETE	Part time	ANC	09	09	100%	10	09	90%
CLLR MODIMOLA	Part time	ANC	09	09	100%	N/A	N/A	N/A

NAME OF COUNCILOR	FULL TIME/PART TIME	PARTY REPRESENTATIVE	NO OF COUNCIL MEETING SCHEDULED	NO OF COUNCIL MEETING ATTENDED	% OF ATTENDANCE	NO OF SUBCOMMITTEE MEETING SCHEDULED	NO OF SUBCOMMITTEE MEETING ATTENDED	% OF ATTENDANCE
CLLR PAPHANE	Part time	ANC	09	09	100%	09	06	67%
CLLR A SHIKA	Part time	ANC	09	09	100%	10	09	90%
CLLR F MOTHOKWA	Part time	DA	09	09	100%	10	09	90%
CLLR SENOSHA	Part time	DA	09	08	89%	N/A	N/A	N/A
CLLR MAKHUBELA	Part time	BRA	09	09	100%	N/A	N/A	N/A
CLLR MOSWEOU	Part time	EFF	09	09	100%	10	08	80%
CLLR RAS	Part time	DA	09	08	90%	09	08	89%
CLLR MANAME	Part time	ANC	09	08	89%	10	06	60%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

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 2 below depicts the details of the Committees established as well as the purpose of such Committees.

Table 2: 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/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.
Budget and Treasury/Governance 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

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
	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 co-ordinating 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

Table 3

Third Tier Structure		
Initials & Surname	Title	Directorate/ Department
1. Ramolobeng MN	Human Resources Divisional Manager	Corporate Services
2. Nkuna D	Divisional Manager: Information Technology	Corporate Services
3. Vacant	Divisional Manager: Council Support and Administration	Corporate Services
4. Mahlare K	Divisional Manager: Human Resources Development	Corporate Services
5. Serote A	Manager Legal Services	Corporate Services
6. Vacant	Divisional Manager: Integrated Development & Planning	Planning & Economic Development
7. Mogweemang L	Divisional Manager: Local Economic Development	Planning & Economic Development
8. Vacant	Divisional Manager: Performance Management System	Planning & Economic Development
9. Manzini M	Divisional Manager: Town Planning	Planning & Economic Development

Third Tier Structure		
Initials & Surname	Title	Directorate/ Department
10. Pilane T	Divisional Manager: Roads & Stormwater	Technical Services
11. Moloto MJ	Divisional Manager: Water & Sanitation	Technical Services
12. Vacant	Chief Electrical Engineer	Technical Services
13. Mothapo TJ	Divisional Manager: Parks	Community & Social Services
14. Monare I	Divisional Manager: Protection and Emergency Services	Community & Social Services
15. Mohlala AMS	Divisional Manager: Waste & Cleansing	Community & Social Services
16. Kabe KC	Divisional Manager: Internal Audit	Office of the Municipal Manager
17. Vacant	Divisional Manager: Communications.	Office of the Municipal Manager
18. Vacant	Divisional Manager: Accounting Services	Budget & Treasury Office
19. Vacant	Divisional Manager: Revenue	Budget & Treasury Office
20. Matwalana LT	Divisional Manager: Licensing	Community & Social Services
21. Baartman V	Divisional Manager: Expenditure	Budget & Treasury Office
22. Mohale T	Divisional Manager: SCM	Budget & Treasury Office
23. Motshoane LJ	Divisional Manager: Assets	Budget & Treasury Office

Third Tier Structure		
Initials & Surname	Title	Directorate/ Department
24. Vacant	Specialist Financial Statements	Budget & Treasury Office

APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE (AC) 2018/2019 FINANCIAL YEAR

REPORT OF THE PERFORMANCE AND AUDIT COMMITTEE (“PAAC”)

BELA-BELA LOCAL MUNICIPALITY’S PERFORMANCE AND AUDIT COMMITTEE REPORT TO COUNCIL IN TERMS OF SECTION 166 (2) (C) OF THE MUNICIPAL FINANCE MANAGEMENT ACT OF 2003

1. INTRODUCTION

In terms of Section 166 of the Municipal Finance Management Act (No. 56 of 2003), the Audit Committee must:

- (a) advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff of the municipality on matters relating to:-
 - I. *Internal financial controls and internal audit;*
 - II. *Risk management;*
 - III. *Accounting policies;*
 - IV. *The adequacy, reliability and accuracy of financial reporting and information;*
 - V. *Performance management;*
 - VI. *Effective governance;*
 - VII. *Compliance with the MFMA, the DORA and any other applicable legislation;*
 - VIII. *Performance evaluation; and*
 - IX. *Any other issues referred to it by the municipality*
- (b) review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its effectiveness and its overall level of compliance with the MFMA, the DORA and any other applicable legislation;
- (c) respond to the Council on any issues raised by the Auditor-General in the audit report;
- (d) carry out such investigations into the financial affairs of the municipality as the council of the municipality may request;
- (e) perform such other functions as may be prescribed

The principles of King III Report, customised to municipal environment also advise that the Audit Committee should:

- ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities;
- satisfy itself of the expertise, resources and experience of the municipality’s finance function;
- be responsible for overseeing of internal audit; and
- be an integral component of the risk management process

2. PURPOSE

The purpose of this report is to report to Council in terms of section 166(2) (a) and (b) of the MFMA in respect of the work performed by the AC during the financial year ending.

3. MEMBERS OF THE COMMITTEE

The following are members of the Committee

- Adv. HSRR Nke - Chairperson
- Dr. K.F Netshiombo - Member
- Ms. A K Mabitsela - Member
- Mr. Langa - Langa(CA)

4. ATTENDANCE OF THE MEETINGS

Meeting Description	Date of Meeting	Audit Committee Members			
		Chairperson Mr. Nke	Member Dr. Netshiombo	Member Ms. Mabitsela	Member Mr. Langa(CA)
Performance audit committee	16 August 2018	✓	✓	✓	
Special performance and audit	17 August 2018	✓	✓	✓	
Ordinary Audit Committee	30 November 2018	✓	✓	✓	
Performance audit committee	25 February 2019	✓	✓	✓	
Ordinary Audit Committee	09 May 2019	✓	✓	✓	
Special Audit Committee	25 May 2019	✓	✓	✓	✓

5. REPORTS CONSIDERED

5.1 Internal Audit Reports

The AC interacted and approved the following reports from internal audit:

- Revenue Management audit Report
- Supply Chain Management audit report
- Fleet and asset management audit report
- Water and Electricity loss management audit report
- Three audit reports on Performance Management

It was recommended that management should ensure that all recommendation in the reports be implemented.

5.2 Risk Management System

The AC interacted and approved risk management implementation plan, strategic and operational risk register.

5.3 AG Action plan

The AC interacted with 2017/18 action plan and AFS preparation plan and urged management to ensure that that AFS are submitted in time as required by MFMA and that all findings on the action plan are resolved.

5.4 Section 71 Report

The AC interacted with the section report and noted the report.

5.5 Contingent liabilities report

The AC interacted with the Litigation report and recommended that management should ensure that the amount reflected in the report agrees to the annual financial statements and that measures are put in place to minimize litigations

5.5 Back to Basics Report

The AC interacted with the back and basics report and recommended that the report be audited by internal auditors before being submitted to AC

5.6 Internal Audit Charter

The Audit Committee has interacted with the internal audit charter, and approved internal audit charter

5.7 Appointment of Service Provider for AFS

Members of the audit committee has noted that the municipality has appointed a service provider for preparation of the AFS and reconciliations. Audit committee urge management to ensure proper monitory and review the work done by service provider.

5.8 2018/19 Draft AFS and Annual Performance Report

The AC received a Draft Annual Financial Statements and Annual Performance Report from management.

Audit committee has reviewed the report and recommend that management should ensure that AFS are credible before being submitted to the AG

5.9 Three Year Rolling and One Year Internal Audit Plan

The audit committee has approved the internal audit plan

6. MEETING WITH THE OFFICE OF THE AUDITOR GENERAL

Meeting between the AG and Audit committee members were held and the following key points were discussed

- Audit Strategy
- AG Audit fee

7. CONCERN RAISED BY THE AUDIT COMMITTEE

Upon the receipts of the internal audit reports, we have noted the following two matters:-

6.1 Supply chain management

- Internal audit has raised material findings and weaknesses within the supply chain management processes.
- The audit committee has recommended that all ensures raised by the internal audit be referred to the Financial Misconduct Board

6.2 Progress on substation

- Report of the internal audit indicate that there is a possible wasteful and fruitless expenditure to be incurred on the substation projects as there is no progress on side.

8. RECOMMENDATION TO COUNCIL

- Issues raised by the internal audit unit on supply chain management be referred to Financial misconduct for further investigation
- Municipal Manager should ensure that ensure that *Capital project for "10MVA Substation" funded by INEP is completed and causes for the delay of the project be investigated*

- Management should evaluation the performance of the external service providers who participate or assist with the preparation of Annual financial statement and other components of the AFS

9. CONCLUSION

The Audit Committee strives to add value to strengthen the governance of the municipality with each meeting held, however, the benefit thereof can only be derived through concerted efforts by both Management and Council to implement resolutions and recommendations.

Mr. HRSS Nke

Chairperson: Bela-Bela Local Municipality Audit and Performance Committee

Date: 29 October 2019