

2017/2018 FY

ANNUAL REPORT

Volume I

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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

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

MAYOR'S FOREWORD

The Bela-Bela Local Municipality Draft Annual report together with the Auditor-General's report and related documents for the year 2017 / 2018 financial year was tabled to Council on the 24 of January 2019.

This report present the enormous progress achieved by Council on its second year of its term, affirming its commitment to serving the community of Bela-Bela in particular and South Africa in general better.

We are very conscious of the fact that, ours is still a journey of building a responsive, caring and accountable government, as we continue to work with the citizens and groups of people within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.

In pursuit of realising the vision of developmental local government and deepening democracy, the following are highlights for the period under review:

1. There is much improved public participation and ward committees are established in all wards. Constant ward meetings are held to ensure greater public participation in the development and review of the five year IDP.
2. Introduction of a Face Book page to update the community on instant service delivery interruption(s) and receive immediate feedback.
3. The establishment of a 24 hour customer care service made it further made communication more effectively in particular after hours and in emergencies.

We are fully aware that education is not our constitutional mandate, we are however cognisant of the fact that education is one of the apex priorities of our national government and it is a fundamental driver of personal, national and global development and it is a significant tool that can be used to push back the barriers of poverty. To this end, we continue to play a significant supporting role by:

4. Hosting the annual Career Exhibition Day and establish partnerships with the private sector in implementing Back to School Campaigns at the beginning of the academic year to inculcate a culture of learning and taking into cognisance the importance of education in community development.

In line with the vision of the NDP (2030) of ensuring a long and healthy life for all South Africans, Bela-Bela Municipality participated in:

5. The establishment of the Local AIDS Council and supporting of the Active Ageing Campaigns in

ensuring building of a health community.

Working together for a safer South Africa, Bela-Bela Municipality acknowledges that community safety should be a priority concern for municipalities hence the municipality participates and engages all relevant stakeholders and partners for safety and crime prevention matters, hence:

6. The establishment of strategic partnerships with public and private sector institutions including NGO's/CBO's in striving to eradicate substance abuse amongst young people.

In its continuous pursuit to improve access to basic services for the community of Bela-Bela, the municipality has completed the following projects amongst others:

1. Marikana storm-water channel.
2. Paving of bus route at Rapotokwane village
3. Provision of water boreholes at Tsakani- settlement
4. Road paving at ward 4, 6 and 7 and many other projects which are reported in detail on various sections of this report.

The municipality continuous to implement its multi- year water and sanitation projects, Electrical bulk supply and roads upgrade for the development and renewal of infrastructure. These projects are contained in the 2018/2019 IDP.

Bela-Bela continues to be a water scares area and with that, the municipality implements consumer education campaigns on water saving and continued with water supply agreement with Magalies Water Board for water augmentation.

It took great effort for this municipality to participate in the audit process but unfortunately and regrettably the municipality received qualified audit outcome due to the cash flow related matters. We therefore encourage all role players to work smarter in ensuring that the 2018/19 audit outcome improves. To ensure the envisaged improvement in the forthcoming audit outcomes, the municipality informed by the Municipal Systems Act No.32 of 2000 section 51, finalized the appointment of the Municipal Manager, Chief Financial Officer and Manager Corporate Services appointments in building administrative and financial capacities.

The municipality evidently boasts an immense potential, which if appropriately unlocked will culminate into sustainable livelihoods of our populace. I would therefore wish to sound this clarion call to all grouping, formations and structures therein to rally behind the municipal shared developmental vision.

United together with synchronised thinking we can achieve greater than expected.

Sincerely Yours

CLLR J NGOBENI

MAYOR: BELA-BELA LOCAL MUNICIPALITY

DRAFT

COMPONENT B: EXECUTIVE SUMMARY

Section 121 of the Local Government: MFMA 56 of 2003 requires municipalities to prepare annual reports for each financial year.

Hereunder is the 2017/2018 draft 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.

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”**

Council approved the 2017/18 Reviewed integrated Development Plan accompanied by the Medium Term Expenditure Framework (MTREF) in May 2017. 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).

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 Municipal Manager, Chief Financial Officer and Manager Corporate Services, thus capacitating it administratively and financially.

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 2017/2018 financial year.

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.

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.

Sincerely Yours

.....

SM MAKHUBELA

MUNICIPAL MANAGER

DRAFT

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 as depicted under graph 1 below that seeks to ensure optimal performance of these Functions. The picture correctly painted by the Organizational Structure is that the Departments of Technical Services, Social & Community Services and Planning & Economic Development respectively as the primary Service Delivery oriented Departments in line with the depiction under Table 1 above jointly constitutes more than 60% of the personnel of the entire Municipality.

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.

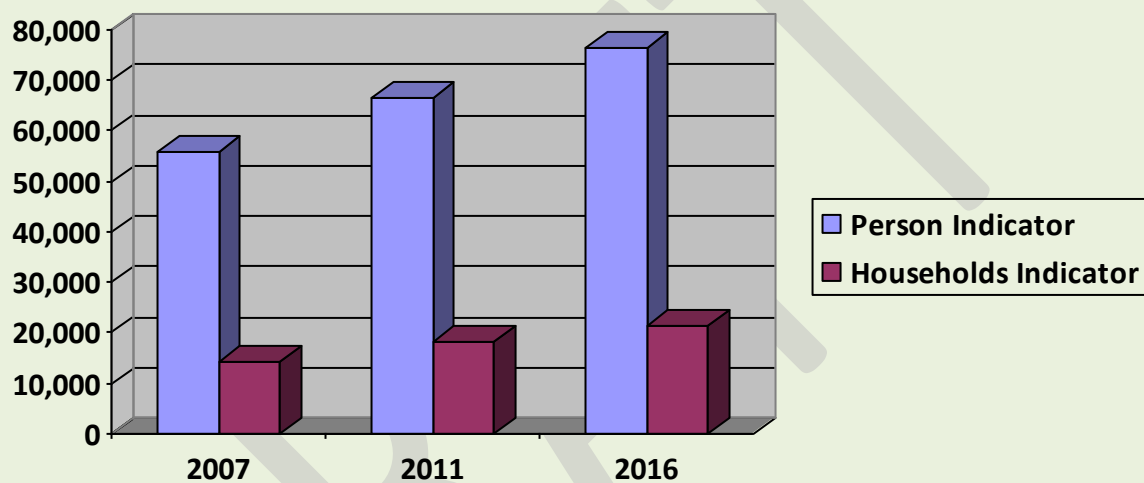
POPULATION DYNAMICS AND GROWTH TRENDS

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

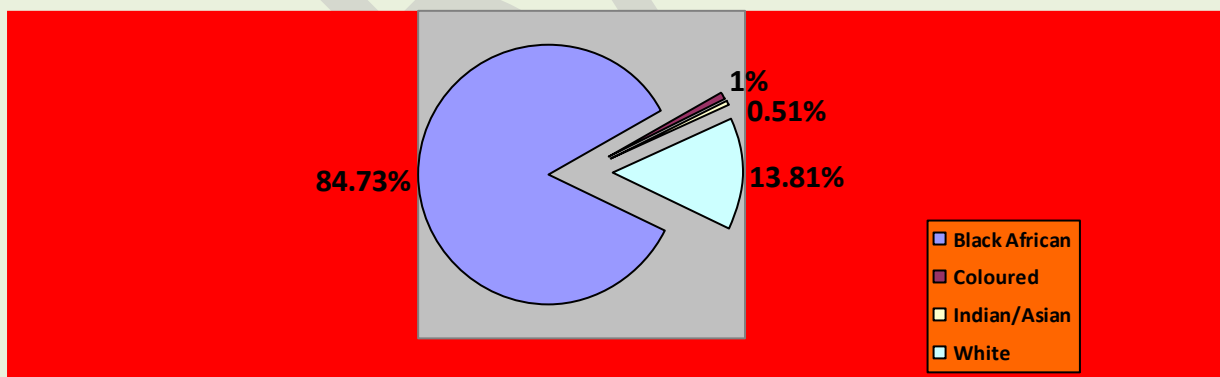
Census 2001		Census 2011		Community Survey 2016	
Households	Ave HH size	Households	Ave HH size	Households	Ave HH size
12 335	3.7	18 068	3.7	21 354	3.6

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
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

Age	Black African	Coloured	Indian or Asian	White	Grand Total
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

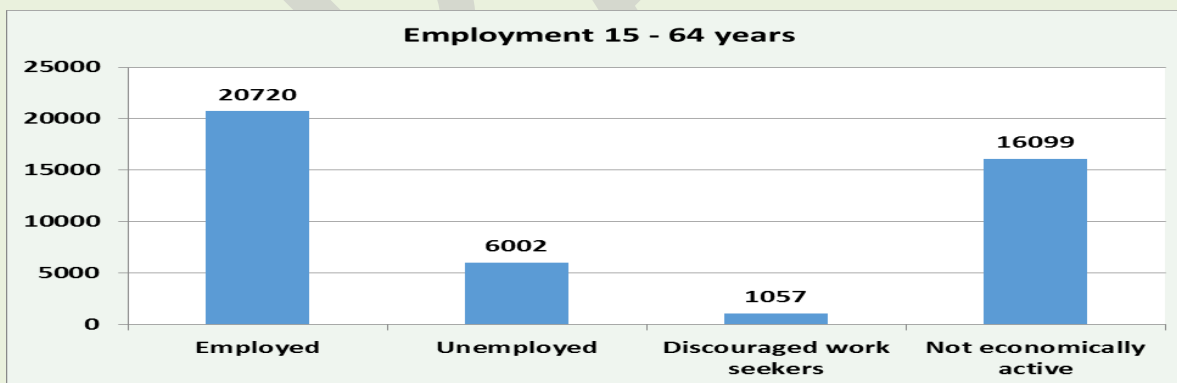
Total Population (2011)			Total Population (2016)		
Male	Female	Total	Male	Female	Total
33 754	32 746	66 500	38 961	37 335	76 296

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: 3 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 98% in the 2017/18 financial year which is the highest in the province and above average nationally.

The Municipality's 2017/18 financial year's total revenue is R417 million. The highest source of revenue is Service Charges (income from Sale of water, electricity, waste collection and sanitation) followed by the grants from other spheres of government and property rates. The Municipality's 2017/18 financial year's total expenditure is R458 million. The highest expenditure is employee costs followed by the bulk purchases (Purchase of water and electricity) and Non-cash items (Depreciation and debt impairment).

The Municipality's financial performance resulted in a deficit of R41 million. The deficit has been arrived at after covering non-cash items amounting to R93 million.

The total consumer debtors book before provision for doubtful debts was R162 million and the provision was R145 million at the end of June 2018. Debt collectors are being utilized to collect long outstanding debts.

Trade payables amounted to R145 million at the end of 2017/2018 financial year. 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 6 BELOW INDICATES AN OVERVIEW OF FINANCIAL PERFORMANCE FOR THE 2017/2018 FINANCIAL YEAR.

Financial Overview 2017/2018			
Description	Original Budget	Adjustment Budget	Actual
Income			
<i>Grants</i>	77 639 000	77 639 000	77 639 000
<i>Taxes and Service charges</i>	258 979 049	257 906 104	212 652 763
<i>Other</i>	58 731 529	58 731 529	41 447 296
Sub total	395 349 578	394 276 633	331 739 059
Less expenditure	-393 653 181	-393 102 432	-458 638 370
Surplus / (Deficit)	1 696 397	1 174 201	-126 899 311

1.2.1 OPERATING RATIOS

Table 7 below depicts the main operating cost ratios in comparison with National treasury norms.

Operating cost ratios 2017/2018	
Details	Value
Decrease in revenue	5%
Employee cost	27%
Repairs and maintenance	1%
Finance charges and depreciation	10%
Increase in expenditure	27%
Interest cover	-2.37
Net loss percentage	-0.28%

In the 2017/2018 financial year revenue decreased by 5%. The decrease in the total revenue is mainly attributable to the decline in the fair value adjustments on the municipality's investment properties and the decrease in the amount of government grants allocated to the municipality for year. 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 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 31% 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 1%. Acquisition and construction of new infrastructure while gradually replacing the old infrastructure and cash flow limitations resulted in lower repairs and maintenance. Depreciation is at 10% of the total operating expenditure.

Total expenditure has increased by 27% which is above the inflation rate mainly because of annual general salaries increases above the inflation rate, non-cash items on accelerated wear and tear from old assets written off and bulk purchases from ESKOM and Magalies water above inflation tariffs hike.

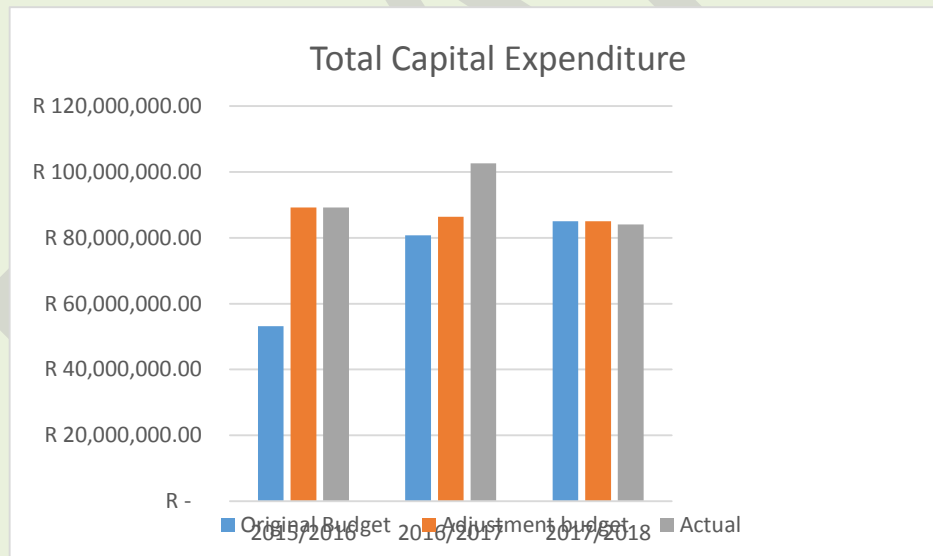
Interest cover is 2.37 times the operating deficit which is an indication of inadequate guarantee of interest payment when due. The net loss constitute 0.28 % of the total revenue. The deficit has been arrived into after taking in to account the non-cash Items amounting to R92 million.

1.2.2 CAPITAL EXPENDITURE

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

Total capital expenditure			
Details	2015/2016	2016/2017	2017/2018
Original Budget	53 182 750	68 183 000	85 030 639
Adjustment budget	89 194 698	80 571 000	85 030 639
Actual	89 194 698	58 495 241	84 028 380

Graph 4 illustration of capital expenditure over the three financial years



Municipal infrastructure grant spending was 100%, Water Services Infrastructure Grant spending was 97% and the Integrated Electrification Programme grant had a spending of 99.9%. The Municipality had spent 98.8% on the capital budget as at 30 June 2018. 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 2017/2018 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 2017/2018 Annual Performance Report and the 2017/18 Annual Financial Statements. Both the 2017/2018 Annual Performance Report and the 2017/2018 Annual Financial Statements were submitted to the Auditor General for auditing by the 31st of August 2018. For the detailed Auditor General Report refer to Chapter 6: Component A

1.4 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft 2017/2018 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 2017/2018 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 2017/2018 Annual Report of the Municipality.

Management commenced with the compilation of the report from July 2018 and the 2017/2018 Draft Annual Report was tabled to the Auditor General during Auditing of the 2017/2018 Annual Financial Statements and the 2017/2018 Annual Performance Report in August 2018. 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 2017/2018 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 2018/2019 Financial Year. The Municipality also compiled the 2017/2018 quarterly performance reports in line with the 2017/2018 Approved IDP, Budget and the Service Delivery and Budget Implementation Plan (SDBIP) which formed the basis of the 2017/2018 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.

The Mayor is the Chairperson of the Budget & Treasury and Transformation Sub-Committee also presides and provide political leadership to the meetings of the Sub- Committee. Councillors in this Sub- Committee advises the Executive Committee on Financial and Budget related issues, Administration, HR and HRD, Legal Services, Occupational Health and Safety matters. The Sub-Committee also plays an oversight role on the performance of Budget & Treasury and of Corporate Services Department

SPEAKER- Cllr RZ Moeletsi

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.



**PR Councillor and member of
Municipal Public Accounts
Committee**

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.

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.

Chiefwhip – Cllr MH Ledwaba

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.



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

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 KJ van der Merwe



**Ward 9 Councillor and member
Planning & Economic Development
and Infrastructure 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.

**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 A Shika



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

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 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

Cllr S Maluleka



Ward 2 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 SA Moswoeu



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 FS Hlongwane



Ward 4 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



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

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

Cllr YSM Maletse



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

Ward 7 Councillor and member of the Social and Community Services Sub-Committee

Cllr KF Mothokoa



**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

Cllr SD Seale



**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

Cllr P Aphane



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.

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

Cllr Ras



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

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 Departments.

Cllr L Modimolla



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



PR Councillor and the member of the Municipal Public Account Committee

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.

Cllr 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 sits are Out of 17 Councillors, 9 are ward councilors and 8 are councilors 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 2017/18 financial year, 4 ordinary Council meetings and 4 Special Council Meetings were held. The Municipal Council took number of resolutions during 2017/2018 financial year of which were forwarded to the relevant departments for implementation.

2.3 ADMINISTRATIVE GOVERNANCE

2.3.1. INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The 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

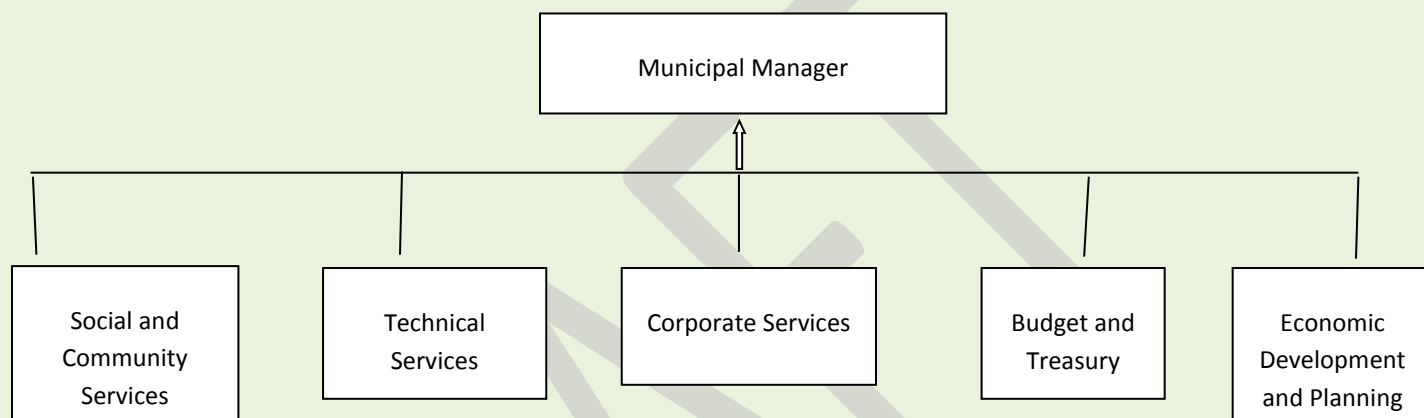


Table 1

TIER 1 TOP ADMINISTRATIVE STRUCTURE	Function
Municipal Manager: SM Makhubela	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;
Acting Manager: Planning & Economic Development - Seleka GM	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.

Manager: Corporate Services Selepyana J	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. 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 Mothapo TJ	Responsible for the maintenance of Parks, Cemeteries and Community Facilities. Protection and Emergency Services Waste Management and Cleansing Services.
Acting Manager Technical Services Pilane T	Technical Services Directorate is responsible for the provision of Water and Sanitation Roads and Storm-water Electrical Services

Chief Financial Officer
Marutha

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 participate 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 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.

2.5.1.3 WARD COMMITTEE MEETINGS

During the 2017/2018 financial year 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 was the review of the existing IDP projects list and identification of new projects.

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 IDP Representative Forum meetings on the 16th September 2016, 25th November 2016 and 02 March 2018.

2.5.1.5 IDP ROAD SHOWS

The Mayor held 2017/2018 IDP/ Budget Mayoral Roadshow in all the wards within the jurisdiction of Bela Bela Local Municipality. The 2017 – 2018 IDP/ Budget Mayoral Roadshows took place during the months of April and May 2017

2.5.1.6 STRATEGIC PLANNING

Strategic planning session was held on the of February 2017 with Senior and Middle Management, Municipal Mayor, Executive Committee Members and the rest of the Council members. 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 2: PUBLIC MEETING

Public Meetings					
Nature and Purpose of Meeting	Date of events	Number of participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and Manner of Feedback given to the community
Distributions of sanitary towel at Moderspruit primary	20 Jul 2017	4	4	109	Distribution of Sanitary to girls in commemoration of Mandela month
Women month event held at Multi-purpose Center	24 Aug 2017	2	3	57	To commemorate women month
Traditional health practitioners HIV/TB awareness campaigns,	09 Nov 2017	3	5	130	To workshop Traditional health practitioners with HIV/TB and launching Traditional health practitioners forum
Back to school campaigns- Bela Bela High & Batho Pele High	17 Jan 2018	MEC of Health, Executive Mayor and 6 councilors	3	1500	MEC of Health, Executive Mayor and 6 councilors encouraged learners to focus and study hard to be good leaders of tomorrow.
Mayoral matric award ceremony- 26 Jan 2018	26 Jan 2018	9	6	154	The Mayor and local Councilors were recognizing top achievers in matric 2017
Back to School campaigns in partnership with capitec bank at Mmapatile primary	09 Feb 2018,	1	6	1258	Capitec bank donated 100 pairs of school shoes and socks. The municipality donated sanitary towels
Careers exhibition day	18 May 2018,	4	10	768	Institutions of higher learning and funding/ bursary institutions encouraged learners to apply on time to be enrolled for the 2019
Local Aids council launch	20 Jun 2018	5	5	59	HIV/TB awareness campaigns and launching of Local Aids

Public Meetings					
Nature and Purpose of Meeting	Date of events	Number of participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and Manner of Feedback given to the community
					Council
Substance abuse workshop in partnership with SA Breweries	23 Jun 2018	1	6	148	Substance abuse workshop, Young people were workshop on the dangers of underage drinking and drugs abuse
IDP/Budget Road Show Ward 2	25 April 2018 Bela Bela Community Hall	10	6	106	Proposed IDP and Budget for 2018/2019 was presented
IDP/Budget Road Show Ward 9	26 April 2018 Spa Park Community hall	4	5	101	Proposed IDP and Budget for 2018/2019 was presented
IDP/Budget Road Show Ward 9	02 May 2018 Blaubosch Primary	4	7	64	Proposed IDP and Budget for 2018/2019 was presented
IDP/Budget Road Show Ward 9	05 May 2018 Pienaarsre vier Cummunity Hall	3	9	57	Proposed IDP and Budget for 2018/2019 was presented
IDP/Budget Road Show Ward 9	05 May 2018 Kwa-Litho Cummunit	3	6	31	Proposed IDP and Budget for 2018/2019 was presented

Public Meetings					
Nature and Purpose of Meeting	Date of events	Number of participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and Manner of Feedback given to the community
	y Hall				
IDP/Budget Road Show Ward 3	06 May 2018 SUNFA Stadium	4	13	61	Proposed IDP and Budget for 2017/2018 was presented
IDP/Budget Road Show Ward 7	09 May 2018	4	13	116	Proposed IDP and Budget for 2017/2018 was presented
IDP/Budget Road Show Laerskool Warmbad	12 May 2018	3	7	67	Proposed IDP and Budget for 2017/2018 was presented

2.6 COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

The municipality commits 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, 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.

The 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 2017/18 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 3 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.

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

The Internal Audit Division is a governance structure. The unit report 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 report quarterly to the Audit Committee.

During the 2017/2018 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 the 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 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 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 Qualified Audit Opinion in the 2016/17 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 2017/18 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 2017/2018 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 4

By-laws Introduced during 2015/2016					
Description	Date Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-laws Gazetted (Yes/No)	Date of Publication
Debt Collection	May 2018	Yes	April – May 2018	Yes	30 June 2018
Credit control	May 2018	Yes	April – May 2018	Yes	30 June 2018
Property Rates	May 2018	Yes	April – May 2018	Yes	30 June 2018
Tariff	May 2018	Yes	April – May 2018	Yes	30 June 2018

4.3 TABLE 4 WEBSITES

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 (2016/2017)	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 2017/2018	N/A

Municipal Website : Content and Currency on Material	
Documents published on the Municipality's Website	Yes/No
All long term borrowing contracts 2017/2018	N/A
All supply chain management contracts above a prescribed value give the value for 2017/2018 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 2017/2018 FY	Y
Contracts agreed in 2017/2018 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 2017/2018 FY	N/A
All quarterly reports tabled in Council in terms of Section 52 of the Municipal Finance Management Act no 56 of 2003 during 2017/2018 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 SATISFACTION LEVELS

The Municipality did not conduct Customer Satisfaction Survey during 2017/2018 financial year however, a Customer Care Unit was established to gather service delivery issues raised by the community. No community protest took place in the 2017/2018 financial year with regard to services delivery issues

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

INTRODUCTION

Bela-Bela Local Municipality is a water services authority and provider. This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services

During the 2017/2018 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.

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 funding from the Department of Water and Sanitation to do some maintenance at the Bela-Bela Waste Water Treatment Plan. Other plants will be covered once 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 services by Eskom.

COMPONENT A: BASIC SERVICES

This component including; water; waste water (sanitation); electricity; waste management and housing service and community of free basic services.

3.1 WATER AND SANITATION

During the 2017/2018 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 3 year funding cycle by the Department of Energy however Eskom also has approve the designs hence the project implementation has commence during the 2016/2017 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

3.2 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.

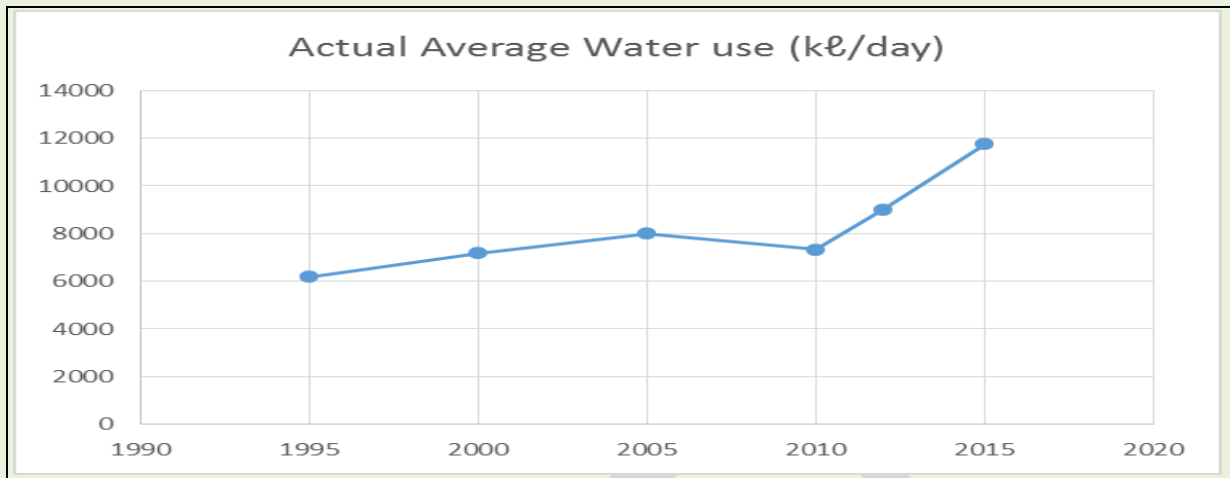
Bela Bela Local Municipality recorded 18.43% water losses in 2017/2018 audited financial year. The Water losses was more often discussed as un-accounted for water which is in two aspects i.e Technical losses (water loss in the system due to infrastructure failure. Non-revenue water (water theft through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

Urban Water Usage in 2017 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



3.2.1 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

TABLE: 1 BULK WATER RESOURCES

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

Picture: 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.

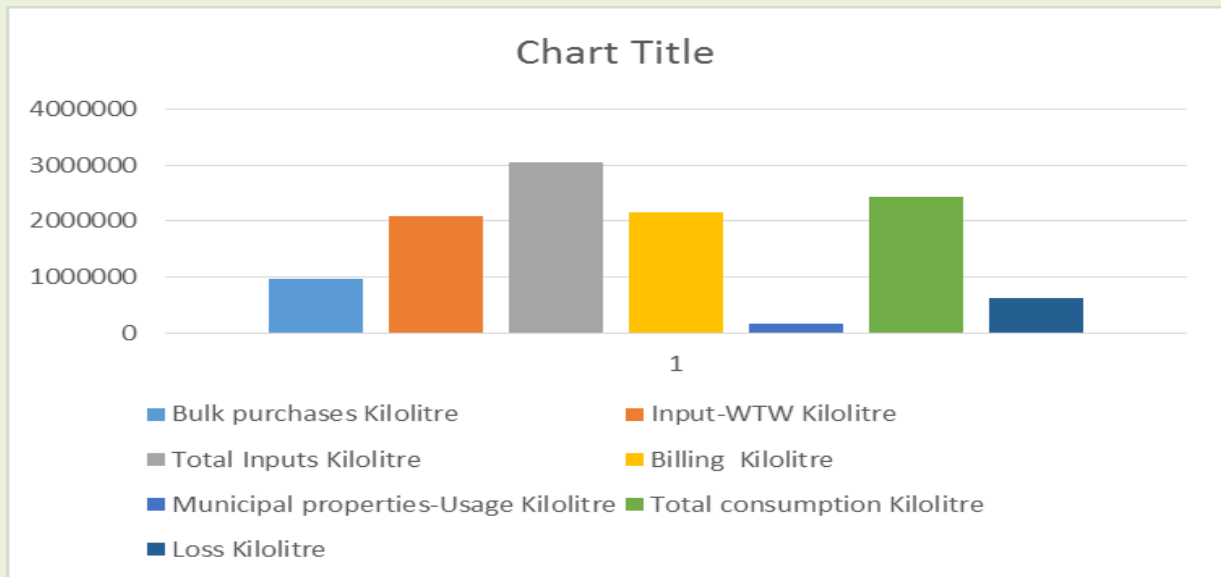
While implementing the austerity measures to reduce water supply challenges the Municipality Water Conservation Demand Management Plan prioritized the following actions:

- 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: 2 WATER USAGE

Water use (quantity) from July 2017 to June 2018						
<i>Bulk purchase</i>	<i>Input-WTW</i>	<i>Total Input</i>	<i>Billing</i>	<i>Municipality properties- use</i>	<i>Total Consumption</i>	<i>loss</i>
<i>Kilolitre</i>	<i>Kilolitre</i>	<i>Kilolitre</i>	<i>Kilolitre</i>	<i>Kilolitre</i>	<i>Kilolitre</i>	<i>Kilolitre</i>
955713	2089720	3045433	2166451	168617	2432643	612790

GRAPH: 2 WATER USAGE



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: 3 BELA BELA RESIDENTIAL WATER SERVICES DELIVERY ACCESS PROFILE

Bela Bela :Residential water services delivery access profile [Water]							
Census Category	Description	2015/16		2016/17		2017/18	
		Nr	%	Nr	%	Nr	%
	WATER (ABOVE MIN LEVEL)						
Piped (tap) water inside dwelling/institution	House connections	14 073	78%	14 073	78%	14 073	78%
Piped (tap) water inside yard	Yard connections	855	5%	855	5%	855	5%
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%
	Sub-Total: Minimum Service Level and Above	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.

* 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 4 EMPLOYEES: WATER SERVICES

Employees: Water Services: 2017/2018 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	1	1	0	0
10-12	3	3	0	0
13-15	17	17	0	0
16-18	10	10	0	0
Total	34	34	0	0

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 5 CAPITAL EXPENDITURE

CAPITAL EXPENDITURE 2017/2018					
WATER SERVICES					
NAME OF PROJECT	BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	VARIANCE	TOTAL VALUE
Bela Bela Re-equip of boreholes	R 800 000,00	R 0,00	R 800 000,00	R 0,00	R 800 000,00
Vingerkraal Water Supply	R 1 700 000,00	R 0,00	R 1 700 000,00	R 0,00	R 1 700 000,00
Upgrading of Tsakane Water Supply	R 2 000 000,00	R 0,00	R 2 000 000,00	R 0,00	R 2 000 000,00

CAPITAL EXPENDITURE 2017/2018					
WATER SERVICES					
Pienaarsrivier Borehole development and Pump Station refurbishment	R 900 000,00	R 0,00	R 900 000,00	R 0,00	R 900 000,00
Water Conservation and Water Demand Management	R 2 600 000,00	R 0,00	R 2 600 000,00	R 0,00	R 2 600 000,00
Upgrading of Masakhane Water Supply	R 2 000 000,00	R 0,00	R 2 000 000,00	R 0,00	R 2 000 000,00
TOTAL	R 10 000 000,00	R 0,00	R 10 000 000,00	R 0,00	R 10 000 000,00

FIGURE 2 VINGERKRAAL PUMP LINE AND REPLACEMENT OF OLD VALVES AT 7ML RESERVOIR



Vingerkraal pump line.

Replacement of old Valves at 7ML Reservoir

3.3 COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The municipality has not performed well in the 2017/2018 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.

TABLE: 6 BELOW IS THE BLUE DROP ASSESSMENT SUMMARY

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 (% Ito 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.

3.4 WASTE WATER (SANITATION) PROVISION

3.4.1 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. 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 in construction of 50 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 (Koppewaai) will assist with sanitation backlog reduction but will be placing more strain on the Water Waste Treatment Works (WWTW).

GRAPH: 4 RESIDENTIAL SANITATION SERVICES DELIVERY ACCESS PROFILE

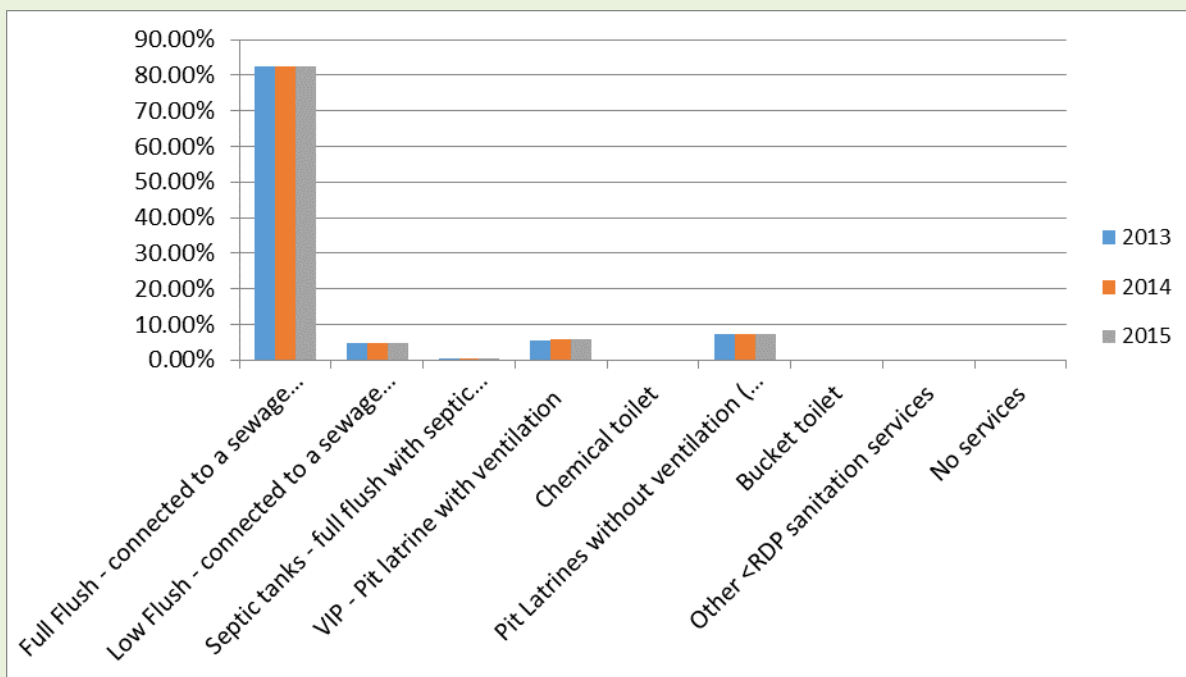


TABLE: 7 RESIDENTIAL WATER SERVICES DELIVERY ACCESS PROFILE [SANITATION]

Actual service levels	2015/16		2016/17		2017/18	
	Actual Nr	% of total	Actual Nr	% of total	Actual Nr of	% of total

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

TABLE: 8 SANITATION CAPITAL PROJECT

Service objective		Project/ Initiative	Funding Source	2015/16 Allocated Budget	2016/201 7 Adjusted Budget	2017/2018 Budget Spent
1. i	Improved access to Sanitation	Bela Bela: Bulk Sewer Infrastructu	MIG	4 145 545	0.00	4 145 545

Service objective	Project/ Initiative	Funding Source	2015/16 Allocated Budget	2016/201 7 Adjusted Budget	2017/2018 Budget Spent
	re X9				

TABLE: 9 EMPLOYEES AT SANITATION SERVICES

Employees: Sanitation Services: 2017/2018 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	25	25	0	0,00%
16-18	9	12	3	25,00%
Total	40	44	4	9,09%

3.4.2 COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

TABLE: 10 THE 2014 GREEN DROP ASSESSMENT PRODUCED REPORTS PER SYSTEM AS PRESENTED IN THE TABLE BELOW:

Technology Description		Pienaarsrivier	Radium	Warmbaths
Technology(Liquid)		Anaerobic ponds/ Facultative ponds	Rotating biological contractors and Evaporation ponds (no effluent)	Biological filters and Evaporation ponds (no effluent)
Technology (Sludge)		Sludge lagoon/ pond	Sludge lagoon/pond	Not specified
Key Risk Areas				
A	ADWF Design Capacity (MI/d)	2	1	5
B	Operational Flow (% of Design Capacity)	151% (NI)	151% (NI)	96% (NI)
C	Annual Average Effluent Quality Compliance (2012- 2013	5.2%	33.3%	57.3%
	1) Microbiological Compliance (%)	0.0%	25.0%	16.7%
	2) Physical Compliance (%)	5.6%	44.4%	100.0%
	3) Chemical Compliance (%)	6.3%	27.1%	35.4%
D	Technical skills (Reg 813)	Yes	No	Yes
2014 Wastewater Risk Rating (%CRR/CRR max)		82.4%	100.0%	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 compliance, flow measurement	Effluent compliance, flow measurement and technical skills	Microbial and chemical compliance
WW Risk Areas based on the CRR	None	None	None
Capital & Refurbishment expenditure for Fin Year 2012-2013 (Rand)	NI	NI	NI
Description of Projects Expenditure 2012- 2013	NI	NI	NI

It is further highlighted that the Warmbath 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

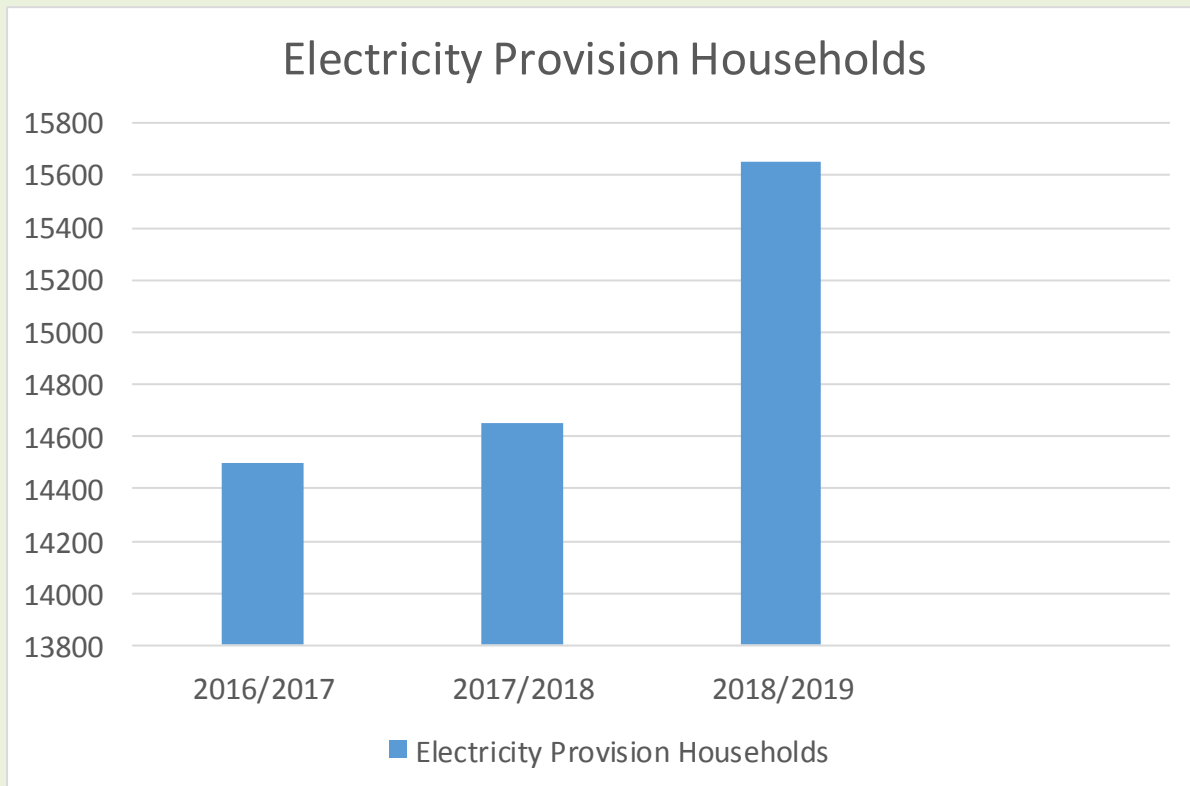


TABLE: 11 ELECTRICITY SERVICES DELIVERY LEVEL

ELECTRICITY SERVICES DELIVERY LEVEL	
ENERGY ABOVE (Above Minimum Level)	2017/18 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.

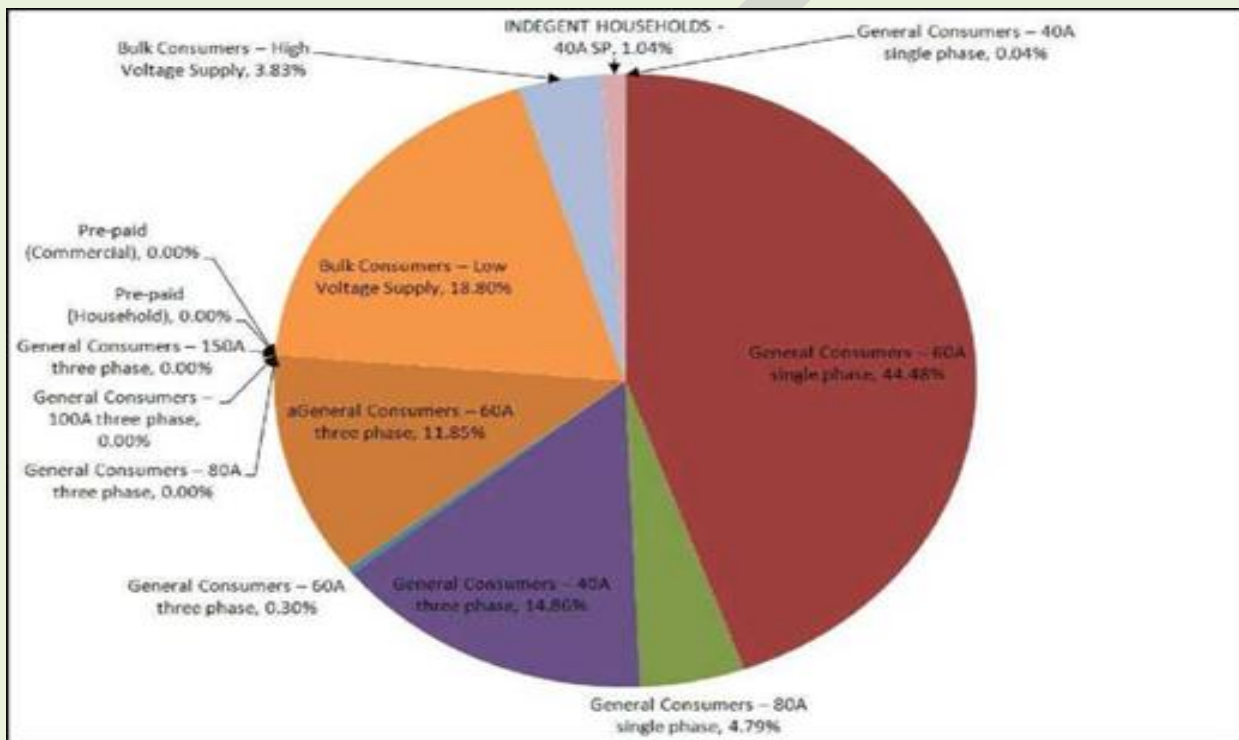


TABLE: 12 CAPITAL ELECTRIFICATION PROGRAMME

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: 13 EMPLOYEES - ELECTRICITY SERVICES

Employees : Electricity Services 2017/2018 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 2017/2018 financial year electrical losses calculations, various reasons could be observed as the average electrical losses was 11 % exclusive of technical electrical losses which is anticipated to be 10%. The 4 % reduction realised during the first, second and third quarters of the current financial year (2017/2018) is maintained from the 2016/2017 electrical losses benchmarking

of 11% (excluding technical electrical losses which is assumed to be 10%) and such improvements is as a results of robust interventions made by the Electrical Division together with revenue division.

Interventions includes:

- a) Continuous audits on the large power users.
- b) Continuous 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.

The following matters relates to the electrical losses versus revenue:

- a) The average bulk purchases (Eskom account) is R 6 679 103.00
- b) During the high season period (June, July and August), the average bulk purchases and revenue collection increases to R 8 181 649 and R 9 206 571 respectively.
- c) The average electrical losses (in KWh) and the value of the losses (in Rands) is 848 304.23 KWh and R 1 055 884.27 respectively per month. Taking away the technical losses, the consumption and value of losses is still significant.

Programmes implemented during 2017/2018

- a) Reduced the Free Basic Electricity (FBE) issued to the indigents from 100 kWh to 50 kwh.

- b) Downgrading of prepaid meters to 30 Amps to all the indigents as well as all RDP houses and informal dwellings (Shacks).
- c) Replacement of old medium voltage cables i.e. From Brandweer switching station to Van Staden miniature substation and Municipal switching station to KFC miniature substation.
- d) Refurbishment and maintenance of identified 23 miniature substations around Bela Bela town.
- e) Developed the Energy Efficiency and Demand Side Management plan for BBLM and submitted the application to DoE in seeking funding.
- f) Construction of a 20 MVA substation to assist backlog eradication as well as to accommodate any future developments around Bela Bela area.

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 :

- a) prevent pollution and ecological degradation;
- b) promote conservation; and
- c) 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:

- a) protect health, wellbeing and the environment by providing reasonable measures for-
 - I. Minimising the consumption of natural resources.
 - II. Avoiding and minimising the generation of waste
 - III. Reducing, reusing, recycling and recovering waste.
 - IV. Treating and safely disposing of waste as a last resort.
 - V. Preventing pollution and ecological degradation.
 - VI. Securing ecologically sustainable development while promoting justifiable economic and social development.
 - VII. Promoting and ensuring the effective delivery of waste services.
 - VIII. Remediating land where contamination presents or may present a significant risk of harm to health or the environment and
 - IX. Achieving integrated waste management reporting and planning.
- b) To ensure that people are aware of the impact of waste on their health, well- being and the environment.
- c) To provide for compliance with the measures set out.
- d) 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 2017/2018 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.

FIGURE1: KERBSIDE COLLECTION BY COMPACTOR TRUCK



FIGURE 2: MASS REFUSE CONTAINERS AT ILLEGAL DUMP SITE.



FIGURE 3: LANDFILL SITE ENTRANCE(AFTER)

Figure 3: Landfill site entrance(Before)



FIGURE 5: LANDFILL DISPOSAL AREA(BEFORE)



FIGURE 6: LANDFILL DISPOSAL AREA(AFTER)



FIGURES 7 & 8: STREET SWEEPING AND LITTER PICKING





FIGURE 9 & 10: STREET CLEANING



3.6.2.1 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.

FIGURE 11: ILLEGAL DUMPING AREA



FIGURE 12: COMMUNITY AWARENESS CAMPAIGN



FIGURE 13: AWARENESS CAMPAIGN (WARD COMMITTEE MEMBERS)



3.6.2.2 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 cognisance of the challenges of high rate of unemployment, the municipality came up with waste management initiatives whereby 1x Waste recycling Co-operative namely MHKC General trading Co-operative was established.

FIGURE 13: WASTE MANAGEMENT INITIATIVES (WASTE RECYCLING BINS DONATED TO THUSANG SPECIAL SCHOOL).



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 Thusanang Special School and Albert Luthuli Primary School in Bela-Bela.

3.6.2.4 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 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 (eg 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 14 SOLID WASTE SERVICE DELIVERY

Solid Waste Service Delivery Levels				
Desc ription	Year -3	Year -2	Year -1	Households Year
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Solid Waste Removal: (Minimum				
Removed at least once a week	9779	9779	9779	9779
Minimum Service Level and	9779	9779	9779	9779
Minimum Service Level and Above	100%	100%	100%	100%
Solid Waste Removal: (Below				
Removed less frequently than once	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	9779	9779	9779	9779
Below Minimum Service Level	0%	0%	0%	0%
Total number of households	9779	9779	9779	9779
				T 3.4.2

TABLE 15 HOUSEHOLDS - SOLID WASTE SERVICE DELIVERY LEVELS BELOW THE MINIMUM

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2014/15	2015/16	2016/17	Households 2017/18		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget No.	Budget No.	No.

Formal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service						
Proportion of households below minimum	%	%	%	%	%	%
Informal Settlements						
Total households						
Households ts below minimum service						
Proportion of households ts 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 4861 houses with free basic services during 2017/2018 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 1 ROAD MAINTENANCE

Ward	Crack sealing, Slurry seal, Rejuvenation	Re- seal	Dilute Emulsion	Rehabilitation	Upgrade to pave
1	R14 660 000	R44 300 000	R1 900 000	R4 900 000	
2				R8 100 000	R1 200 000
3					R15 400 000
4					R30 450 000
5				R850 000	
6					R4 850 000
7					R30 800 000

Ward	Crack sealing, Slurry seal, Rejuvenation	Re- seal	Dilute Emulsion	Rehabilitation	Upgrade to pave
8					R34 150 000
9					R19 300 000
Sub- Total	R 14 660 000	R44 300 000	R1900 000	R13 850 000	R136 150 000
Total	R210 860 000				

TABLE:2 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

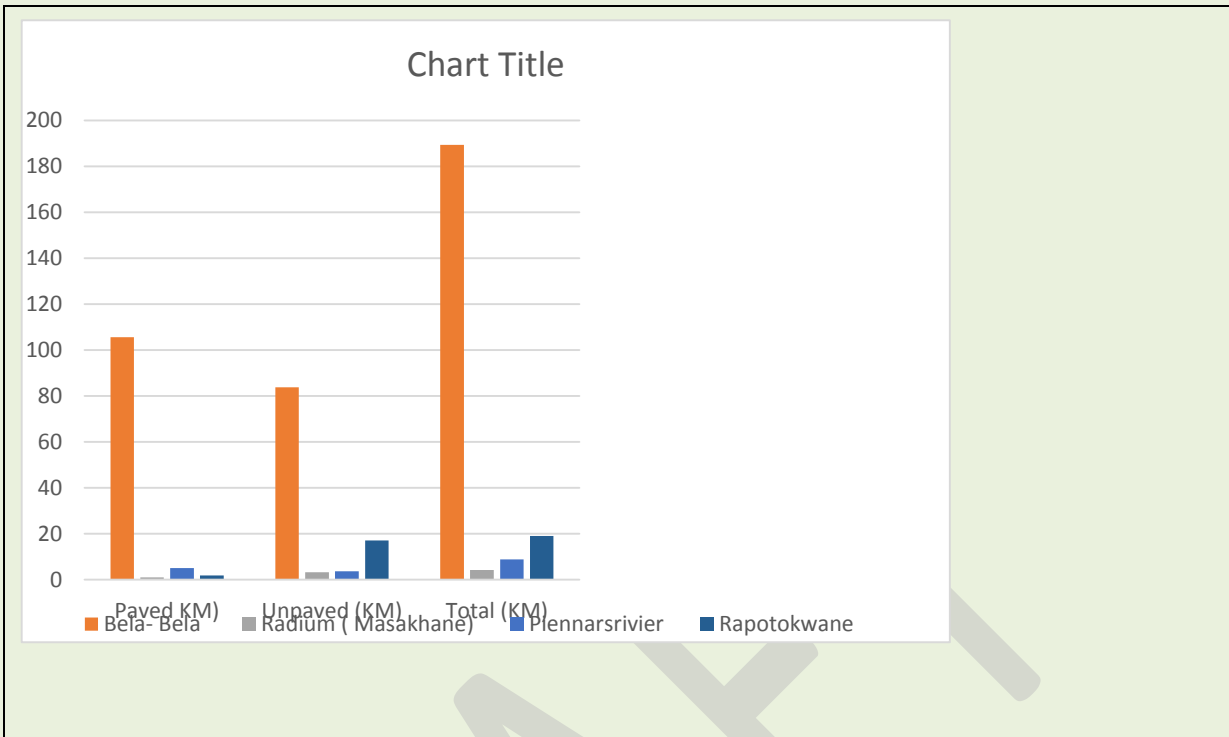


FIGURE:1 ROUTINE ROAD MAINTENANCE WAS DONE AS FOLLOWS:



Cleaning of internal roads

Repair of potholes

Table 3

Institutional Indicator	Work done
Km of roads re-gravelled	8,24km
Km of roads graded	67.7km
Km of storm water channels cleaned	54.85km
m ² of pavement repaired	780.6m ²
M of kerbing replaced	213m
storm water repaired	78m
#Catch inlets cleaned	133

FIGURE 2 ROUTINE ROAD MAINTENANCE



Routine road maintenance



Grading of unpaved roads

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

Table 4

No	Project Name	Budget Allocated	Locality
----	--------------	------------------	----------

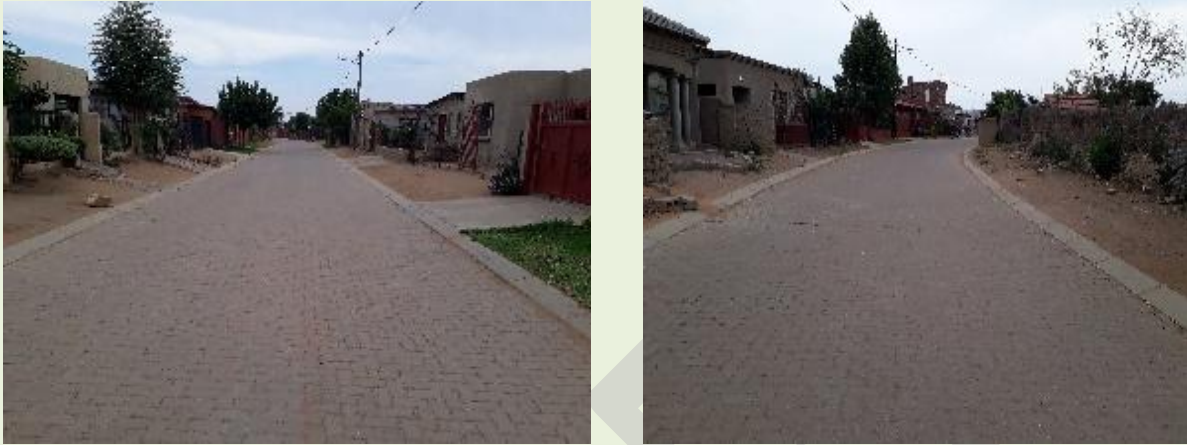
No	Project Name	Budget Allocated	Locality
1.	Storm water Marikana street	R4 048 342.74	Bela Bela X6
2.	Road paving X4,6,7 & 8	R5 580 358.00	Bela Bela X4,6,7 & 8
3.	Paving of bus route- Rapotokwane	R6 588 861.60	Rapotokwane

TABLE: 5 EMPLOYEES: ROADS SERVICES AND STORM WATER

Employees: Roads Services and Storm water				
Job Level	2017/2018			
	Employees #	Posts #	Vacancies#	% Vacancy
0-3	1	2	1	50%
4-6	0	1	1	100%
7-9	1	3	2	25%
10-12	5	12	7	33%
13-15	16	30	14	40%
Total	23	48	25	38,4%

3.8.2 COMMENT ON THE PERFORMANCE OF ROADS OVERALL

Figure: 3



Upgraded roads at Leseding section

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: 6

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

Figure 4



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.

DRAFT

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: 1 APPLICATIONS FOR LAND USE DEVELOPMENT

Applications for Land Use Development						
Detail	Formalisation of Township		Rezoning		Built Environment	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Planning Applications Received	1	0	12	2	48	40
Determination made in a year of recipient	1	0	10	2	46	40
Determination made in the following year	1	0	8	4	0	5
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at a year end	1	0	4		0	0

TABLE: 2 BUILDING PLANS APPLICATIONS

Building Plans Applications		
Number of Building Plans received 2017/18	Number of Building plans approved 2017/18	Number of Building plans not approved 2017/18
137	126	11

TABLE: 3 EMPLOYEES SERVICES IN TOWN PLANNING DIVISION

Employees Services in Town Planning Division					
Job Level	2016/17			2017/18	
	Employees Number	Post Number	Employees Number	Vacancies(Fulltime equivalents	Vacancies(as %of total post) %

0-3	1	0	1	0	100%
4-6	1	3	2	3	
7-9	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Total	2	3	3	3	

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

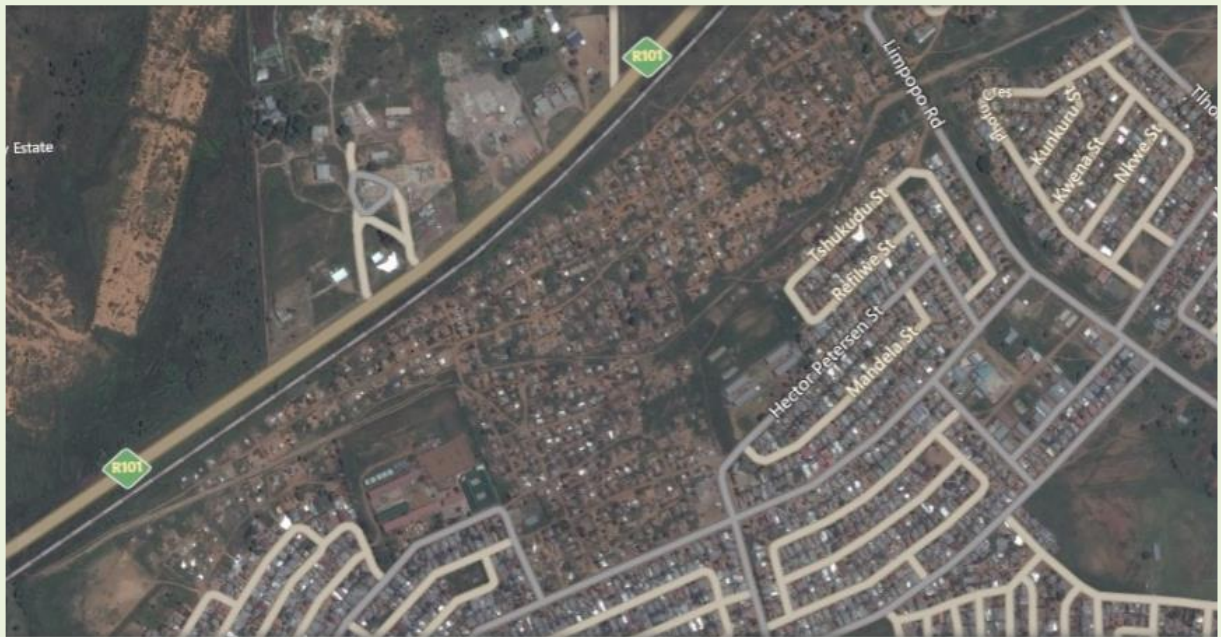


FIGURE: 4 HLALA-MPYA SETTLEMENT INFORMAL SETTLEMENT IS LOCATED WITHIN THE BELA-BELA TOWNSHIP



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 Integrated Development Plan which is the strategic document of the municipality. It is a legislated mandate derived from the objects of the local government as stipulated in the Constitution of the Republic of South Africa. As one of the objects of local government that the municipalities should take care of the social and economic development within the jurisdiction of each municipality.

Economic Activity by Sector			
Financial Year	2015/16	2016/17	2017/18
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.

The economy of Bela-Bela has been handicapped by the number of people who have lower levels of education and therefore the matter of upskilling the population of Bela-Bela, especially the youth is being considered very seriously. This is evident from the fact that youth has been given a chance to have practical knowledge by being placed to different tourism establishment within the jurisdiction of Bela-

Job creation through EPWP* projects									
Details	EPWP Projects		Number of Jobs created through EPWP projects						
Capital Project	Technical	123							
Financial Year	Economic Employment by Sector								
CWP	Community Works Program	2015/16	2016/17		2017/18				
EPWP	EPWP	Year 2	Year -1		Year 0				
Agriculture and fishing		1 533	1 042		8.9%				
Mining and quarrying	Hospitality	420	47 576		5.6%				
Manufacturing		592	518		3.6%				
Wholesale and retail trade		4 690	4 342		36.0%				
Local Economic Development Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Y		Y		Ye	Y		
		Tar	Act	T		Act	T		
		*Previous Year	(	*Previous Year	*Current Year	(	*Current Year	*Current Year	*Following Year
2016/2017									
Service Objective xxx									
Training of people in essential skills: x, y, z	Number of people	x people	x people	x people	x people	x people	x people	x people	x people
Tourism Buddies	40	40	40	40	40	20			
Youth Job in waste	16	20	16	16	20	20			
EPWP : SOCIAL	99	99	99	99	99	99			
Welding & Artisan Learnersh	16	16	16	16	16	16			
Revitalisation BB Sportsground groun	20	20	20	20	20	20			
CWP Storekeepers	19	19	19	19	19	19			
2017/2018									

Youth Mass Skills Training - Chefs	25				25	25			
Youth Mass Skills Training	25				25	25			
Limpopo Hospitality Youth Programme	56				56	56			
Construction - Masonry	20				20	20			
Construction - Painting	20				20	20			
Environment Education Training	20				20	20			
Welding	20				20	20			

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. **

*'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

Bela

Employees: Local Economic Development Services					
Job Level	2016/1	2017/18			
	Employee s	Posts	Emplo yees	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)
0 - 3	1.	1	1	0	100%
4 - 6	2	3	2	1	75%
7 - 9	1	1	1	0	100%
10 - 12					%
13 - 15					%
16 - 18					%
19 - 20					%
Total	4	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*

Capital Expenditure Year 2017/18: Economic Development Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original	Total Project Value
Total All	500 000			%	

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 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.

The fourth cemetery is in Rapotokwane used by the community of that village but the Municipality is currently not maintaining.

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



PICTURE: 2 THEFT OF CLEAR VIEW FENCE AT THE CEMETERY IN THE LOCATION 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 450 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.
- 5. Theft of security fence

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.
- 3. Construction of a crematorium.

4. Installation of high mast lights.
5. Construction of secured ablution facilities.
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
- d) Pienaarsrivier.
- e) Town and
- f) Extension 6

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 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: 1 COMMUNITY FACILITIES

Community Facilities Objectives Taken From IDP							
Service Objectives Service Indicators (i)	OUTPUT	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18
		Target	Actual	Target	Actual	Target	Actual
Community Halls	Cleaning of 4 Com Hall	5	5	5	5	5	5
Maintenance of Parks	Maintenance of 5 Parks	5	5	5	5	7	7
Maintenance of Sports Fields	Maintain 10 sports grounds	10	10	10	10	10	10
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 2017/2018 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: 2 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	2	0	2
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 2017/2018 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 2017/2018 Integrated Development Plan (IDP).

Emanating from 2017/2018 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 2017/2018 Annual Performance Report which was submitted to the Auditor General for 2017/2018 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 2017/2018 Annual Performance Report.

BELA-BELA LOCAL MUNICIPALITY



2017/2018 ANNUAL PERFORMANCE REPORT

1. 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 2017 to 30 June 2018 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP) as amended in conjunction with the Budget Adjustment during January 2018, in relation to the objectives 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 2017/18 Integrated Development Plan (IDP), Annual Budget and Service Delivery and Budget Implementation Plan (SDBIP).

Furthermore, this report will also endeavour to report to Council the Municipality's performance in terms of the five (5) National Government's Strategic key Performance Areas for local government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management, (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 Key Municipal KPA have number of Municipal Programmes/Key Focus Areas (KFA's) which was deliberately designed by the Bela-Bela Municipality to focus its development initiatives in a more coherent and organised manner.

2. LEGISLATIVE REQUIREMENTS

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

(1) A municipality must prepare for each financial year a performance report reflecting—

(a) the performance of the Municipality and each external service provider during that financial year;

(b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and

(c) Measures taken to improve performance.

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

PERFORMANCE MANAGEMENT OVERVIEW AND PROCESS

In order to improve on performance planning, implementation, reporting and measurement, the institution implemented the following actions:

- There has been a reduction in the number of KPI's that the Municipality is reporting on. The reduction on the number of KPIs afforded the institution the opportunity to focus on strategic issues which were well defined, outcome based and not operational in nature. Departmental operational plans were developed for monitoring and reporting operational programmes;
- There is a column in the SDBIP for each KPI to ensure that the portfolio of evidence was populated correctly;
- During the 2017 /2018 Financial Year, the Municipality continued to participate in the National Back to Basics Programme launched by the President on the 18th of September 2015, the Municipality inculcated the approach into its Governance Model thereby enhancing its performance reporting . The Municipality began to receive accolades from National and Provincial Departments on its performance reporting processes.
- The Municipality endeavoured during the development of the Top Layer SDBIP that the "SMART" principle was adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound, thus making them measurable;
- Furthermore, it must be noted that during the 2017/ 2018 financial year the Municipality has once again managed to spend 100% of its allocated Municipal Infrastructure Grant.

3. THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The Organisational Performance is evaluated by means of a Municipal Scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and Annual Budget into measurable operational targets on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to Departments and/or Divisions to deliver the services in terms of the IDP and Budget:

- The MFMA Circular No.13 prescribes that:
- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the Budget /IDP processes.

The SDBIP were prepared as described in the paragraphs below and approved by the Mayor.

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Table 1

Colour Legend	Category	Explanation
	KPI Not Yet Measured	KPIs with no Targets or Actual results for the selected period
	KPI Withdrawn	KPI withdrawn for some reasons
	KPI Not Met	Actual vs Target Less than 75%
	KPI Almost Met	Actual vs Target between 75% and 100%
	KPI Met	Actual vs Target 100% Achieved
	KPI Met Well	Actual vs Target More Than 100% and Less Than 150% Achieved
	KPI Extremely Met Well	Actual vs Target More Than 150%

4. PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2017/2018 FINANCIAL YEAR

This section of the Annual Performance Report will report on the Municipality's actual performance against the planned targets as derived from the Municipality's IDP. Due to the fact that the Municipality has aligned its KPAs to the Six (6) National KPA's the Bela-Bela Local Municipality will report as such. An overview of the Municipality's actual performance in accordance with these KPA's are depicted in Table under section 9 of this report.

5. EXPLANATION ON CALCULATION OF THE ACTUAL PERFORMANCE

The calculations were done in accordance with the following six (6) Departments within the Municipality, viz:

- Office of the Municipal Manager;
 - Internal Audit Unit; and
 - Communications and Public Participation
- Budget and Treasury;
- Corporate Services; Social and Community Services;
- Planning and Economic Development; and
- Technical Services

All the percentages under the Column on 2017/2018 % of Actual Performance Achieved were added together per Department and divided by the number of indicator planned to be performed by that particular Department.

In instances where the 2017/2018 Annual Target was any figure other than 100%, the figure indicated as achievement under the column for Actual Performance was then divided by that under the 2017/2018 Annual Target Column and the multiplied by 100 to get the actual percentage achieved, which is indicated in a bracket in most instances.

The totals from all the Departments were then averaged to arrive at the Organizational Score.

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6. 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	Integrated Network Electrification Plan

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7. Key Performance Indicators

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	2x Waste minimization initiatives	2x Waste minimization initiatives were established	Waste Management and Cleansing	Number of waste minimization initiatives conducted by 30 June 2018		KPI 1	#	2 waste minimization initiatives established	2x Waste minimization initiatives	Achieved 2x Waste minimization initiatives were held on the 17 November 2017- at Thusanang, and the 15 of February 2018- at Albert Luthuli. (100%)		Reviewed and satisfied	Attendance Registers and Reports	Social & Community Services
Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	10 x Waste Management awareness campaigns	10 x Waste Management awareness campaigns held	Waste Management and Cleansing	Number of awareness campaigns on waste management conducted by 30 June 2018		KPI 2	#	10 x Waste Management awareness campaigns	5x Waste Management awareness campaigns	Achieved 5x Waste Management awareness campaigns were held on the 28 Sep 2017- Tsakani , 19 Oct 2017-Ext 6, 08 Feb 2018 – Masakhane, 21 Jun 2018 – Piennarsrevier, 29 Jun 2018- Bela Bela Com		Reviewed and satisfied	Schedule of campaigns, Attendance Registers, Reports with Council Resolutions	Social & Community Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											Hall Council Resolution MC55/10/2017 MC56/10/2017 SMC11/02/2018 MC22/07/2018 MC23/07/2018 (100%)				
Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	100% (10 425) Formalized households were provided with access to basic level of Solid Waste Removal (kerbsite collection)	100% (10 425) Formalized households were provided with access to basic level of Solid Waste Removal (kerbsite collection)	Waste Management and Cleansing	Percentage of formalized households with access to basic level of Solid Waste Removal (kerbside collection once a week		KPI 3	%	100% (10 425) Formalized households were provided with access to basic level of Solid Waste Removal (kerbsite collection)	100% 9779	Not Achieved 99.8% 9762 Formalized households were provided with access to basic level of Solid Waste Removal (kerbsite collection) Council Resolution MC50/10/2017	Anticipating to have more households during the year under review	Audited & not satisfied. Limited simple due to time	Council Approved Schedule of Collection	Social & Community Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											(99%%)				
Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	The target was not applicable during 2016/2017 FY	The target was not applicable during 2016/2017 FY	Waste Management and Cleansing		Percentage of non-residential properties (business, churches, schools & hospitals) with access to basic level of Solid Waste Removal (kerbside collection once a week	KPI 4	%		100% (604)	Not Achieved 97% 586 Non-residential properties (business, churches, schools & hospitals) were provided with access to basic level of Solid Waste Removal (kerbside collection once a week Council Resolution MC50/10/2017 (97%)	Anticipating to have more Non-Residential Properties during the year under review	Audited & not satisfied. Limited simple due to time	Council Approved Schedule of Collection	Social & Community Services
Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	6 183 100%	6 183 100% were provided with access to basic level of	Waste Management and Cleansing	Percentage of informal households with access to basic level of		KPI 5	%	100% (3 088) Informal households were	100% (3 088)	Achieved 100%		Reviewed and satisfied	Council Approved Schedule of Collection	Social & Community Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
			Solid Waste Removal collection once a week		Solid Waste Removal collection once a week				provided with access to basic level of Solid Waste Removal		3 088 Informal households were provided with access to basic level of Solid Waste Removal Council Resolution MC50/10/2017 (100%)				
Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	4x Reports	4x Reports were compiled	Waste Management and Cleansing	Number of quarterly reports on landfill audits compiled and tabled before Council by 30 June 2018		KPI 6	#	4x Reports	4x Reports	Achieved 100% 4x Reports Compiled and tabled to Council as per Council Resolutions Number MC53/10/2017M C170/03/2017M C226/05/2018M C21/07/2018 (100%)		Reviewed and satisfied	Reports with Council Resolutions	Social & Community Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	The target was not applicable during 2016/2017 FY	The target was not applicable during 2016/2017 FY	Community & Social Services	Number of quarterly reports on maintenance of road traffic signs and markings compiled and tabled before Council by 30 June 2018		KPI 7	#	4x Reports	4x Reports	Achieved 4x Reports were compiled and tabled to Council as per Council Resolutions MC54/10/2017M C106/01/2018S MC23/04/2018M C24/07/2018 (100%)		Reviewed and satisfied	Reports with Council Resolutions	Social & Community Services
Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	60x Roadblocks	60x Roadblocks were conducted	Protection and Emergency Services	Number of Roadblocks conducted by 30 June 2018		KPI 8	#	60x Roadblocks	60 x Roadblocks	Achieved 62x Roadblocks were conducted 103%		Reviewed and satisfied	Staff signed attendance Registers and Reports	Social & Community Services
Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	4x Community Halls	4x Community Halls were maintained	Community Facilities (Halls)	Number of Community Halls maintained by 30 June 2018		KPI 9	#	4x Community Halls	5x Community Halls to be maintained	Achieved 5x Community Halls were maintained (100%)		Reviewed and satisfied	Maintenance Register/schedule	Social & Community Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	The target was not applicable during 2016/2017 FY	The target was not applicable during 2016/2017 FY	Community Facilities (Sports Grounds & Courts)	Number of Sports & Recreational facilities maintained by 30 June 2018		KPI 10	#	10x Sports & Recreational facilities were maintained	14x Sports & Recreational facilities maintained	Achieved 14x Sports & Recreational facilities were maintained (100%)		Reviewed and satisfied	Maintenance Register/schedule	Social & Community Services
Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	6x Parks	6x Parks were maintained	Community Facilities (Parks & Gardens)	Number of municipal parks and gardens maintained by 30 June 2018		KPI 11	#	6x Parks were maintained	6x Parks to be maintained	Achieved 6x Parks were maintained (100%)		Reviewed and satisfied	Maintenance Register/schedule	Social & Community Services
Basic Service Delivery and Infrastructure Development	Promote the Welfare of the Community	3x Cemeteries	3x Cemeteries were maintained	Community Facilities (Cemeteries)	Number of cemeteries maintained by 30 June 2018		KPI 12	#	3x Cemeteries were maintained	3x Cemeteries to be maintained	Achieved 3x Cemeteries were maintained at Bela Bela town, Masakhane and Bela Bela township (100%)		Reviewed and satisfied	Maintenance Schedule /Register	Social & Community Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Good Governance and Public Participation	Plan for the Future	1x IDP/PMS/Budget Process Plan to be approved	1x IDP/PMS/Budget Process Plan to was approved	Integrated Development Plan	Number of IDP/PMS/Budget Process Plan approved by Council 30 June 2018		KPI 13	#	2017/2018 IDP/Budget/PMS Process Plan	1x 2018/2019 IDP/Budget/PMS Framework	Achieved 1x 2018/2019 IDP/Budget/PM S Framework by was approved by council as per Council Resolution Number MC 255/05/2018 Council Resolution Number MC32/07/2017 (100%)		Reviewed and satisfied	2018/2019 Council approved Process Plan with Council Resolution	Planning & Economic Development
Good Governance and Public Participation	Plan for the Future	4x IDP/LED Representative Forums	4x IDP/LED Representative Forums held.	Integrated Development Plan	Number of IDP/LED Representative Forums held by 30 June 2018		KPI 14	#	3x IDP/LED Representative Forums	4x IDP/LED Representative Forums	Achieved 4x IDP/LED Representative Forums were held on the 15 th September 2017, 27 th October 2017, 17 November 2017 & 16 March 2018 (100%)		Reviewed and satisfied	Signed attendance register	Planning & Economic Development

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Good Governance and Public Participation	Plan for the Future	1x 2017/2018 IDP to be reviewed and approved	1x 2017/2018 IDP reviewed and approved	Integrated Development Plan	Number of 2018/2019 IDP reviewed and approved by Council by 30 May 2018		KPI 15	#	1x 2017/2018 reviewed IDP	1x 2018/2019 IDP	Achieved 1x 2018/2019 IDP reviewed and approved by council on the 29 May 2018 as per Council Resolution number MC255/05/2018 100%		Reviewed and satisfied	Council approved IDP and the Council Resolution	Planning & Economic Development
Good Governance and Public Participation	Clean Governance	The target was not applicable during 2016/2017 FY	The target was not applicable during 2016/2017 FY	Performance Management System	PMS Framework reviewed by 30 June 2018		KPI 16	Q	PMS Framework developed	Review the PMS Framework	Achieved PMS Framework reviewed and approved by Council on the 29 May 2018 as Council Number 255/05/2018 (100%)		Reviewed and satisfied	Council approved PMS Framework	Planning & Economic Development
Good Governance and Public Participation	Clean Governance	1x 2015-2016 Oversight Report	1x 2015-2016 Oversight Report	Performance Management System	Number of Annual and Oversight reports compiled and tabled to Council for approval		KPI 17	#	2016 -2017 Oversight Report	1x 2016 - 2017 Oversight Report	Achieved 2016 -2017 Oversight Report approved by Council on the 23 rd of March		Reviewed and satisfied	Council Approved Report with Council Resolution	Planning & Economic Development

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
					by 31 March 2018						2018, and was submitted to COGHSTA on the 27 th of March 2018 as per Council Resolution Number MC195/03/2018 (100%)				
Good Governance and Public Participation	Clean Governance	1x Section 72 MFMA Report	1x Section 72 MFMA Report was compiled	Performance Management System	Number of MFMA Section 72 Mid - Year reports compiled and submitted to Council for approval by 30 January 2018		KPI 18	#	1x Section 72 MFMA Report	1x Section 72 MFMA Report	Achieved 1x MFMA Section 72 Mid - Year reports compiled and submitted to Council on the 27 Feb 2018 as per Council Resolution MC98/01/2018 (100%)		Reviewed and satisfied	Council approved Section 72 Mid-Year Report with a Council Resolutions	Planning & Economic Development
Good Governance and Public Participation	Clean Governance	4x MFMA Section 52 reports to be compiled and	4x MFMA Section 52 reports were compiled and	Performance Management System	Number of MFMA Section 52 reports compiled		KPI 19	#	4	4x Quarterly performance reports	Achieved 4x Section 52		Reviewed and satisfied	4 sets of Quarterly performance report	Planning & Economic Development

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
		submitted to Council	submitted to Council		and submitted to Council for approval by 30 June 2018						Quarterly Reports were submitted to Council as per the Resolutions Number MC80/10/2017 MC123/01/2017 SMC15/04/2018 MC54/07/2018 (100%)				
Good Governance and Public Participation	Clean Governance	4x Back to Basics Reports	4x Back to Basics Reports were compiled	Performance Management System	Number of Back to Basics reports compiled and submitted to CoGHSTA by 30 June 2018		KPI 20	#	4	4x Reports	Achieved 4x Back to Basics reports were compiled and submitted to CoGHSTA (100%)		Reviewed and satisfied	4 sets of Back to Basics Reports	Planning & Economic Development
Good Governance and Public Participation	Clean Governance	1x 2017/2018 SDBIP	1x 2017/2018 Approved SDBIP	Performance Management System	Number of SDBIPs approved by the Mayor 28 days after the approval of		KPI 21	#	1	1x 2018/2019 approved SDBIP	Achieved 1x 2018/2019 SDBIP was approved by the Mayor on the 29		Reviewed and satisfied	2018/2019 Approved SDBIP	Planning & Economic Development

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
					the budget						May 2018 (100%)				
Good Governance and Public Participation	Clean Governance	4x Signed Performance	4x Performance agreements signed	Performance Management System	Number of Section 56 Performance Agreements signed by 30 July each year	Number of performance agreements signed upon appointments of Section 54/56 Managers by 30 June 2018	KPI 22	#	4x Signed Performance	6x Signed Performance Agreements	Not Achieved 3x 2017/2018 Performance Agreements for Municipal Manager, Chief Financial Officer and the, Manager Corporate Services were signed upon appointment of the above mentioned managers. (100%)		Reviewed and satisfied	Signed Performance Agreements	Planning & Economic Development

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Local Economic Development	Promote and Encourage Sustainable Economic Environment	1x LED Strategy developed /reviewed	Withdrawn due too financial constraints	Local Economic Development	Number of Municipal Growth and Development 2030 Strategy developed and approved by 30 June 2018	Withdrawn due too financial constraints	KPI 23	Q	2008 LED Strategy	Develop and approve the Municipal Growth and Development 2030 Strategy	KPI Withdrawn due to financial constraints		KPI Withdrawn due to financial constraints	Council approved Municipal Growth and Development 2030 Strategy with Council Resolution	Planning & Economic Development
Local Economic Development	Promote and Encourage Sustainable Economic Environment	4x reports on number of jobs created compiled and tabled to Council	4x reports on number of jobs created were compiled and tabled to Council	Local Economic Development	Number of reports compiled on jobs created through EPWP/Municipal initiatives tabled to Council by 30 June 2018		KPI 24	#	4x Reports	4x Reports	Achieved 4x Reports were compiled on jobs created through EPWP/Municipal initiatives and were tabled to Council as per Council Resolutions Number MC64/10/2017 MC126/01/2018 SMC19/04/2018 MC33/07/2018 (100%)		Audited & not satisfied. Limited simple due to time	4 sets of reports with Council Resolution	Planning & Economic Development

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Spatial Planning and Land Use Management	Liveable and Integrated Communities	The target was not applicable during 2016/2017 FY	The target was not applicable during 2016/2017 FY	Land Use	SDF and LUS reviewed and approved by Council by 30 June 2018		KPI 25	Q	2016 Draft SDF and LUS	SDF and LUS reviewed, approved by Council and proclaimed.	Not achieved Draft SDF and LUS in place, yet to be approved by Council (0%)	To be tabled to Council for approval by November 2018	Reviewed, evidence indicates that the draft SDF and LUS reports were tabled to Council for noting as per Council Resolution Number MC 17/04/2018	Correspondence to the Rural Development, Public Participation on Notice and Signed attendance Registers	Planning & Economic Development
Spatial Planning and Land Use Management	Liveable and Integrated Communities	The target was not applicable during 2016/2017 FY	The target was not applicable during 2016/2017 FY	Housing	Number of township establishment finalized by 30 June 2018		KPI 26	#	1X finalized township establishment (Bela-Bela Extension 8)	1X Finalized township establishment (Spa Park Extension 1)	Not achieved (0%) The Municipality communicated with CoGHSTA requesting assistance with township establishment, currently CoGHSTA requested clearance certificates of which the Municipality has provided, and the Municipality is awaiting the response on the proclamation.	The Municipality will continue to communicate with CoGHSTA with regard to the finalization of the Township establishment.	Reviewed, evidence indicates that the Township was not established.	Proclamation Notice on Government Gazette	Planning & Economic Development
Spatial Planning	Liveable and Integrated	The target was not	The target was not	Housing	Acquire hectares of	Communicate and	KPI	Q	None	Communicate with the	Achieved		Reviewed	Correspondence with	Planning &

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
and Land Use Management	Communities	applicable during 2016/2017 FY	applicable during 2016/2017 FY		land from both Provincial and National Departments for Integrated Human Settlement by 30 June 2018	request the Provincial and National Departments to acquire land for integrated human settlement by 30 June 2018	27			Provincial and National Departments for acquiring land for Integrated Human Settlement	Letter to Communicate with the Provincial and National Departments for acquiring land for Integrated Human Settlement has been issued (100%)		and satisfied	the Provincial and National Department	Economic Development
Spatial Planning and Land Use Management	Liveable and Integrated Communities	4x Awareness Campaigns	Not achieved no Awareness Campaigns were held	Building Control	Number of awareness campaigns on Building Control/LUS/Housing compliance conducted by 30 June 2018		KPI 28	#	3x Awareness campaigns	4x Awareness Campaigns	Achieved 6x Awareness Campaigns on Building Control/LUS/Housing were held as follows Bela Bela Community Hall-25 April 2018, Leseding Park – 24 April 2018, Multi-purpose centre 09 March 2018, Ponto-06 May 2018, Sunfa-06 May 2018,		Reviewed and satisfied	Attendance register	Planning & Economic Development

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											Piennarsrevier 05 May 2018 (150%)				
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	10 003 HH to be provided with basic level of water	7793 HH were provided with basic level of water	Water	Number of formal households with access to basic level of water by 30 June 2018		KPI 29	#	10 003 HH were provided with basic level of water	9568 Formal HH	Achieved 9568 Formal HH were provided with access to basic level of water (100%)		Audited & not satisfied. Limited simple due to tme	Billing Report	Technical Services
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	The target was not applicable during 2016/2017 FY	The target was not applicable during 2016/2017 FY	Water	Number of non-residential properties (business, churches, schools & hospitals) with access to basic level of water by 30 June 2018		KPI 30	#	The target was not applicable during 2016/2017 FY	392	Achieved 392 non-residential properties have access to basic level of water		Audited & not satisfied. Limited simple due to tme residential properties,	Billing Report	Technical Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											(100%)				
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	7 049 Informal HH to be provided with relief level of water	7 807 Informal HH were provided with relief level of water	Water	Number of informal households with access to basic level of water by 30 June 2018		KPI 31	#	4269 Informal HH were provided with relief level of water	4269 Informal HH to be provided with access to	Achieved 4269 informal HH had access to basic level of water (100%)		Reviewed and satisfied	Water and sanitation services Council report and resolution	Technical Services
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	KM of Asbestos Cement pipes to be replaced	7500 m of Asbestos Cement pipes replaced	Water	KM of Asbestos Cement pipes replaced by 30 June 2018		KPI 32	KM	8 KM	Replacement of 8KM of AC pipes in town	Achieved 9.6 KM of AC pipes were replaced by 30 June 2018 (100%)		Reviewed and satisfied	Appointment letters of the service providers, completion Certificates	Technical Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	2 Water Meter Audit	1 Water Meter Audit conducted	Water	Number of quarterly Water Meter Audit conducted by 30 June 2018		KPI 33	#	2 Water Meter Audit	2X Water Meter Audit	Achieved 2X Water Meter Audit was conducted (100%)		Reviewed and satisfied	Quarterly Reports	Technical Services
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	11 104 formal HH to be provided with access to basic level of Sanitation	Not achieved 7 984 formal HH were provided with access to basic level of Sanitation	Sanitation	Number of formal households with access to basic level of Sanitation by 30 June 2018		KPI 34	#	11 104 formal HH were provided with access to basic level of Sanitation	9 548 formal HH to be provided with access to basic level of Sanitation	Not Achieved 9 526 formal HH had access to basic level of Sanitation (99,7%)		Audited & not satisfied. Limited simple due to tme	Billing information or GIS information	Technical Services
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	The target was not applicable during 2016/2017 FY	The target was not applicable during 2016/2017 FY	Sanitation	Number of non-residential properties (business, churches, schools & hospitals) with access		KPI 35	#	Not applicable	747 non-residential properties	Achieved 339 non-residential properties had access to basic level of Sanitation	Anticipating to have more Non-Residential Properties during the year under review	Audited & not satisfied. Limited simple due to tme.	Billing information or GIS information	Technical Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
						to basic level of sanitation by 30 June 2018					(45%)				
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	1 361 Informal households with access to basic sanitation	1 361 Informal households with access to basic sanitation	Sanitation	Number of informal households with access to basic sanitation (VIP toilets) by 30 June 2018	Number of informal households with access to basic sanitation as donated by Magaliues Water Board (VIP Toilets by 30 June 2018)	KPI 36	#	100 Informal households had access to basic sanitation with (VIP's Toilets)	100 Informal households with access to basic sanitation	Achieved 100 Informal households had access to basic sanitation however the Completion Certificates are not signed (100%)		Reviewed and satisfied	Completion Certificates	Technical Services
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	4x Quarterly Assessment Reports	4x Quarterly Assessment Reports	Water & Sanitation	Number of quarterly Water and Waste Water Treatment Plant performance conducted		KPI 37	#	4 Quarterly Assessment Reports	4 Quarterly assessments reports	Achieved 4 Quarterly assessments reports were compiled		Reviewed and satisfied	Quarterly reports with Council Resolutions	Technical Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
					by 30 June 2018						MC83/10/2017M C145/01/2018M C240/05/2018M C43/07/2018 (100%)				
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	4x quarterly Reports	4 Quarterly Water and Waste Water quality reports	Water & Sanitation	Number of Quarterly reports on Water and Waste Water Quality compiled by 30 June 2018		KPI 38	#	4 quarterly Reports	4 Quarterly Water and Waste Water quality reports	Achieved 4 Quarterly Water and Waste Water quality reports were Compiled. MC82/10/2017M C140/01/2018M C241/05/2018M C46/07/2018 (100%)		Reviewed and satisfied	Quarterly reports with Council Resolutions	Technical Services
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	10 894 HH were to be provided with access to basic level of Electricity	14 244 HH were provided with access to basic level of Electricity	Electricity	Number of households with access to basic level of electricity by 30 June 2018		KPI 39	#	10 894 HH were provided with access to basic level of Electricity	10 354 HH will be provided with access to basic level of Electricity	Achieved. 10405 formal HH had access to electricity			Billing Information	Technical Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											(104 %)				
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	The target was not applicable during 2016/2017 FY	The target was not applicable during 2016/2017 FY	Electricity		Number of non-residential properties (business, churches, schools & hospitals) with access to basic level of electricity by 30 June 2018	KPI 40	#	Not applicable	836 non - properties were provided with access to basic level of Electricity	Achieved 872 non – properties had access to basic level of electricity. (104.3%)		Reviewed and satisfied	Billing Information	Technical Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	2x Electricity Meter Audit to be conducted	2x Electricity Meter Audit conducted	Electricity	Number of Electricity Meter Audit conducted by 30 June 2018		KPI 41	#	2x Electricity Meter Audit conducted by 30 June 2018	2x Electricity Meter Audit to be conducted	Achieved 2x Electricity Meter Audit were conducted by the 30 June 2018. MC131/01/2018 MC37/07/2018 (100%)		Reviewed and satisfied	Reports with Council Resolution	Technical Services
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure and Services	7 049 Km Kilometres of roads constructed	7.8 Km of roads constructed	Roads and Storm Water	Number of Kilometres of roads constructed by 30 June 2018		KPI 42	Km	9.4Km	3KM of roads constructed by June 2018	Achieved 3.4 KM of roads constructed by 30 June 2018. (113%)		Reviewed and satisfied	Appointment letters of service providers and Completion Certificate	Technical Services
Basic Service Delivery and Infrastructure Development	Resource Management of Infrastructure	0.7 KM of Storm Water to be constructed	0.7 KM of Storm Water to be constructed	Roads and Storm Water	Metres of Storm water amenities constructed by 30 June		KPI 43	M	1.2KM	0.7KM of Storm - Water constructed	Achived 0.7KM of Storm -Water		Reviewed and satisfied	Appointment letters of service providers and Quarterly	Technical Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Development	and Services				2018						constructed by 30 June 2018 (100%)			reports	
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	4x Council meetings to be held	7x (4x ordinary & 3 special council meeting Council meetings held	Council Administration	Number of Council meetings held by 30 June 2018 held		KPI 44	#	7x Council meetings	4xCouncil meetings	Achieved 10x Council meetings were held (250%)		Reviewed and satisfied	Signed Attendance Registers	Corporate Services
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	15x Section 79 Committee meetings to be convened	Not achieved 12x Section 79 Committee meetings convened	Council Administration	Number of Section 79 Committee meetings convened by 30 June 2018		KPI 45	#	33	32	Achieved 33 Section 79 Committee meetings convened (103%)		Reviewed and satisfied	Signed Attendance Registers	Corporate Service

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	100% to be spent on own source projects	85% was spent on own source projects	Council Administration	Percentage spent on own source projects by 30 June 2018		KPI 46	%	85%	100%	Achieved 100% spent on own source projects (100%)		Reviewed and satisfied	Reports	Corporate Service
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	2x ICT Policies Reviewed	2x ICT policies were reviewed	IT and Support	Number of ICT Policies and Standards Procedures developed/ reviewed and approved by Council by 30 June 2018		KPI 47	#	8x ITC policies	Develop /Review and implement ICT policies and Standard Procedures	Achieved 8x ICT Disaster Recovery Policy, ICT Help Desk Policy, Information Security Policy, Backup Policy, Service Continuity Policy, Management Framework, Policy, Project Management Policy and ICT Usage Policy were approved by Council as per Council Resolutions Numbers MC36/07/2017 MC37/07/2017		Reviewed and satisfied	Reviewed ICT Policies	Corporate Service

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											MC93/10/2017 MC94/10/2017 MC164/03/2018 SMC12/03/2018 SMC13/03/2018 SMC30/06/2018 (100%)				
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	The KPI was not applicable on the 2016/2017 FY	The KPI was not applicable on the 2016/2017 FY	IT and Support	Number of EDMS Systems procured by 30 June 2018	Withdrawn due to financial constraints	KPI 48	#	None	EDMS Systems	KPI Withdrawn due to financial constraints	To be implemented in the next financial year	KPI Withdrawn due to financial constraints	Delivery notes and Invoices	Corporate Service
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	4x ICT Steering Committee meetings to be held	4x ICT Steering Committee meetings held	IT and Support	Number of ICT Steering Committee meetings held by 30 June 2018		KPI 49	#	4x Steering Committee meetings	4x Steering Committee meetings	Achieved 4 x Steering Committee meetings were held on the 27 July 2017, 27 November 2017, 15 February 2018, 15 June 2018		Reviewed and satisfied	Signed Attendance Registers	Corporate Service

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											(100%)				
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	4x By-laws reviewed and promulgated	4x By-laws were reviewed and promulgated	Legal Services	Number of by-laws reviewed and promulgated by 30 June 2018	Number of by-laws developed and reviewed by 30 June 2018	KPI 50	#	7x By-Laws	4x By-Laws	Achieved 4x By-laws were reviewed as follows: Property Rates By-Law, Indigents Support By-Law, Tariffs By-Law, Credit Control and Dept Collection By-Law. MC255/05/2018 (100%)		Reviewed and satisfied	Draft By-Laws	Corporate Service
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	4x Litigation Reports to be compiled	4x Litigation Reports were compiled	Legal Services	Number of Litigation Reports compiled and submitted to Council by 30 June 2018		KPI 51	#	4x Litigation Reports	4x Litigation Reports	Achieved 5 x Litigation Reports MC05/07/2017 MC49/10/2017 MC104/01/2018		Reviewed and satisfied	4 Sets of Litigation Report	Corporate Service

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											MC207/05/2018 MC12/07/2018 (125%)				
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	The KPI was not applicable on the 2016/2017 FY	The KPI was not applicable on the 2016/2017 FY	Human Resources	Number of Employee Wellness Programmes (Wellness Day Event)held by 30 June 2018		KPI 52	#	1x Employee Wellness Programme	1x Employee Wellness Programmes	Achieved 1x Employee Wellness programme/event was conducted on the 17 November 2017 (100%)		Reviewed and satisfied	Signed Attendance Registers	Corporate Service
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	The KPI was not applicable on the 2016/2017 FY	The KPI was not applicable on the 2016/2017 FY	Human Resources	Number of Wellness campaigns held by 30 June 2018		KPI 53	#	4x Employee Wellness Campaigns	4x Employee Wellness Campaigns	Achieved 4x Employee Wellness Campaigns were held.		Reviewed and satisfied	Signed Attendance Registers	Corporate Service

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											(100%)				
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	The KPI was not applicable on the 2016/2017 FY	The KPI was not applicable on the 2016/2017 FY	Human Resources	Number of training in labour relations held by 30 June 2018		KPI 54	#	1X Labour Relations Training was conducted	1x Labour Relations Training	Achieved 2x Labour Relations Training held on the November 2018, 28 June 2018 (200%)		Reviewed and satisfied	Signed Attendance Register, Report with Council Resolution	Corporate Service
Municipal Transformation and Institutional Development	To Improve Administrative and Governance Capacity	4 x LLF Meetings to be convened	4 x LLF Meetings were held	Human Resources	Number of LLF meetings held by 30 June 2018	Number of LLF meetings convened by 30 June 2018	KPI 55	#	8 x LLF Meetings	8 x LLF Meetings	Achieved 8 x LLF Meetings on the 07 July 2017, 29 September 2017, 20 October 2017, 12 January 2018, 13 April 2018, 18 May 2018, 22 May 2018, 28 June 2018		Reviewed and satisfied	Signed Attendance Registers	Corporate Service

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											(100%)				
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	1x 2017/2018 Organogram to be reviewed and approved	1x 2017/2018 Organogram reviewed and approved	Human Resources	2018/2019 Organogram reviewed and approved		KPI 56	#	2017/2018 Approved Organogram	1x 2018/2019 Organogram reviewed and approved	Achieved 2018/2019 Organogram reviewed and approved on the 29 May 2018. MC255/05/2018 (100%)		Reviewed and satisfied	Approved 2018/2019 Organogram	Corporate Service
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	5x Officials to be appointed	No appointments were made	Human Resources	Number of people from Employment Equity Groups employed in the three highest levels of management in compliance with the municipality's approved employment equity		KPI 57	#	2x African males appointed during the 2015/2016 FY	5x Officials to be appointed	Achieved 5x Officials were appointed. (Municipal Manager, Chief Financial Officer, Manager Corporate Services, Deputy Chief Financial Officer, Chief Electrical Engineering)		Reviewed and satisfied	Appointment letters and the Employment Equity Plan	Corporate Service

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
					plan by 30 June 2017						(100%)				
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	1x Employment Equity Report to be compiled and submitted to Department of Labour	Employment Equity Report compiled and submitted to Department of Labour	Human Resources	Number of Employment Equity Report compiled and submitted to Department of Labour by 30 January 2018		KPI58	#	2016/2017 Employment Equity Report	1x Employment Equity Report	Achieved 1x Employment Equity Report compiled and submitted to Department of Labour by 30 January (100%)		Reviewed and satisfied	Copy of the Report and the Proof of Submission	Corporate Service
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	The target was withdrawn due to financial constraints	The target was withdrawn due to financial constraints	Human Resources & Development	Number of HRM & HRD Strategy Developed and approved by 30 June 2018	Withdrawn due to financial constraints	KPI 59	#	None	Develop and approve the HRM & HRD Strategy	KPI Withdrawn due to financial constraints		KPI Withdrawn due to financial constraints	Council Approved Strategy with Council Resolutions	Corporate Service
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	1x WSP developed and submitted to LGSETA 30 April 2017	1x WSP was developed and submitted to LGSETA 30 April 2017	Human Resources & Development	Number of WSP developed and submitted to LGSETA by 30 April		KPI 60	#	2017/2018 WSP	1x 2018/2019 WSP	Achieved 1x 2018/2019 WSP developed and submitted to		Reviewed and satisfied	A copy of WSP and Proof of submissions	Corporate Service

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
					2018						LGSETA by 30 April 2018 (100%)				
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	Number of officials and councillors to be trained	Number of officials and councillors to be trained	Human Resources & Development (Training)	Number of Official and Councillors trained by 30 June 2018		KPI 61	#	Approved workplace skills plan implemented and 94 Officials trained 11 Councillors trained	Train 71 Officials and 10 Councillors (81)	Achieved 115 Officials trained 11 Councillors trained (126) (155%)		Reviewed and satisfied	Signed Attendance Registers and Report	Corporate Service
Municipal Transformation and Institutional Development	To Improve, Attract, Develop and Retain Human Capital	100% (900 000.00)	77% Total of 694 091.07 out of 900 000.00 was spent during the 2016/2017 FY which translates to 77%	Human Resources & Development (Training)	Percentage of the Municipality's budget spent on implementing its WSP by 30 June 2018		KPI 62	%	%	100%	Not Achieved 69.3% Out of 1500 000.00 only 1 040 056.30 was spent which translates to 69.3%	To improve the spending in the new financial year.	Reviewed and satisfied	Expenditure Report	Corporate Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Good Governance and Public Participation	Clean Governance	The target was not applicable on the 2016/2017 FY	The target was not applicable on the 2016/2017 FY	Customer Care	Number of IT Systems compatible with Customer Care Systems procured by 30 June 2018	Withdrawn due to financial constraints	KPI 63	#	MSCOA Customer Care Systems procured	Procurement of IT Systems compatible with Customer Care Systems	KPI Withdrawn due to financial constraints		KPI Withdrawn due to financial constraints	Invoice and Delivery notes	Office of the Municipal Manager
Good Governance and Public Participation	Clean Governance	The target was not applicable on the 2016/2017 FY	The target was not applicable on the 2016/2017 FY	Customer Care	Number of awareness campaigns on Premier and Presidential hotlines conducted by 30 June 2018	Withdrawn due to financial constraints	KPI 64	#	Established Customer Care Unit	1x Awareness Campaign	KPI Withdrawn due to financial constraints		KPI Withdrawn due to financial constraints	Signed Attendance Register	Office of the Municipal Manager
Good Governance and Public Participation	Clean Governance and Community Participation	Number of Customer Satisfaction Survey to be conducted	Withdrawn due to financial constraints	Customer Care	Number of Customer Satisfaction Survey conducted by 30 June 2018	Withdrawn due to financial constraints	KPI 65	#	Established Customer Care Unit	1x Customer Satisfaction Survey conducted	KPI Withdrawn due to financial constraints		KPI Withdrawn due to financial constraints	Report on the Customer Satisfaction Survey with Council Resolution	Office of the Municipal Manager
Good Governance and Public Participation	Improve Community Participation	The target was not applicable on the 2016/2017 FY	The target was not applicable on the 2016/2017 FY	Customer Care	Number of newsletters issued to communities on quarterly basis by 30 June 2018	Withdrawn due to financial constraints	KPI 66	#	None	4x quarterly newsletters	KPI Withdrawn due to financial constraints		KPI Withdrawn due to financial constraints	4 Sets of Newsletters	Office of the Municipal Manager

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Good Governance and Public Participation	Clean Governance	The target was not applicable on the 2016/2017 FY	The target was not applicable on the 2016/2017 FY	Special Programmes	Number of Forums on Special programmes established and convened (e.g. youth; People with disability; women and elderly people) by 30 June 2018		KPI 67	#	None	1x Forum for special programmes established and 6 meetings held	Achieved (7) 1x Forum was established and 6 Events/meetings were held 175%		Reviewed and satisfied	Minutes, and Signed Registers	Office of the Municipal Manager
Good Governance and Public Participation	Clean Governance	The target was not applicable on the 2016/2017 FY	The target was not applicable on the 2016/2017 FY	Ward Committees	Number of Ward Committees reports submitted to Speaker by 30 June 2018		KPI 68	#	None	4 x Ward Committees reports	Achieved 4x Ward Committee Reports were compiled. (100%)		Reviewed and satisfied	4 Sets of Reports	Office of the Municipal Manager

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Good Governance and Public Participation	Clean Governance	Communication Strategy to be Reviewed and approved by council 2016/2017FY	1x Communication Strategy was approved by Council as per Resolution Number SCM 74/05/2017	Communication	Number of Communication Strategy reviewed and approved by Council by 30 June 2018		KPI 69	#	2008 Communication Strategy	Reviewed and approved Communication Strategy	Not Achieved The review of the strategy couldn't be finalised due to the resignation of Ward 9 Councillor which has impact on the contacts of the Strategy. The Municipality had to conduct by-elections which were held on the 17 th of July 2018, and the outcome of the elections must be included in the strategy hence the delays in the reviewed and approval of the strategy. (0%)	The reviewed of the strategy will be finalised during the 2018-2019 FY	Reviewed, Evidence shows that the draft Communication Strategy was not yet approved by Council during the financial year under review.	Communication Strategy with Council Resolution	Office of the Municipal Manager
Good Governance and Public Participation	Clean Governance	To obtain Unqualified Audit Opinion	Unqualified Audit Opinion maintained	Audit	Obtain Unqualified Audit Opinion by 30 June 2018		KPI 70	Q	2015/2016 Unqualified Audit Opinion	Maintain Unqualified Audit Opinion	Not Achieved The Municipality regressed from the Unqualified	Action plan in place. Continues AFS and Action Plan Meetings	Reviewed and confirmed that the Municipality received Qualified	Auditor General's Report	Office of the Municipal Manager

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											to Qualified Audit Opinion for 2016/2017 FY (0%)	and discussion	Audit Opinion		
Good Governance and Public Participation	Clean Governance	4 x Audit Committee meetings held	5x Audit Committee meetings were held	Audit	Number of Audit Committee meetings held by 30 June 2018		KPI 71	#	4x Audit Committee Meetings	4x Audit Committee Meetings	Not achieved 50% 2x Audit Committee Meetings held on the 22 August 2017, 29 November 2017 (50%)	Audit Committee members term had expired, The Municipality had to commence with the appointment of the Audit Committee members. Meetings will be held regularly in the 2018/2019 FY	Reviewed, and confirmed that only 2x audit committee meetings were held.	Signed Attendance Registers and Minutes	Office of the Municipal Manager
Good Governance and Public Participation	Clean Governance	2x Performance Audit Committee meetings held	2x Performance Audit Committee meetings	Audit	Number of Performance Audit Committee meetings held by 30 June 2018		KPI 72	#	2x Performance Audit Committee	2x Performance Audit Committee	Not achieved 1x Performance Audit Committee held on the 29 Aug 2017	The Performance Audit Committee members' term had expired, The Municipality	Reviewed and confirmed that only 1 Performance Audit Committee was held.	Signed Attendance Registers and Minutes	Office of the Municipal Manager

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											(50%)	y had to commence with the appointment of the Audit Committee members. Meetings will be held regularly in the 2018/2019 FY			
Good Governance and Public Participation	Clean Governance	4x Audit Committee Reports tabled to Council	4x Audit Committee Reports tabled to Council	Audit	Number of Audit Committee Reports tabled to Council by 30 June 2018		KPI 73	#	4x Audit Committee Reports	4x Audit Committee Reports	Not achieved 3x Audit Committee report was submitted to Council (75%) Report submitted to Council	Audit Committee members term had expired, The Municipality had to commence with the appointment of the Audit Committee reports will be submitted to Council regularly in the 2018/2019 FY	Reviewed and confirmed that only 3 reports were submitted to Council due to absence of Audit Committee.	4 sets of Audit Reports with Council Resolutions	Office of the Municipal Manager

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Good Governance and Public Participation	Clean Governance	1x Strategic Risk Management Registers Reviewed	1x Strategic Risk Management Register was Reviewed	Risk Management	Number of Strategic Risk Management Registers Reviewed by 30 June 2018		KPI 74	#	1x 2017/2018 Strategic Risk Register	1x 2018/2019 Strategic Risk Register reviewed	Achieved 1x 2018/2019 Strategic Risk Register reviewed 10 May 2018 (100%)		Reviewed and satisfied	Reviewed 2018/2019 Risk Management Register, Signed Attendance Registers.	Office of the Municipal Manager
Good Governance and Public Participation	Clean Governance	4x Risk Management meetings held	4x Risk Management meetings held	Risk Management	Number of Risk Management meetings held by 30 June 2018		KPI 75	#	4x Risk Management meetings	4x Risk Management Meetings	Not Achieved 3x Risk Management Committee Meetings on 08 Aug 2017, 15 Feb 2018, 30 May 2018 (75%)	The meetings will be held as scheduled in the 2018/2019 FY	Reviewed and confirmed that only three meetings were held therefore target was achieved.	Signed Attendance Registers	Office of the Municipal Manager
Good Governance and Public Participation	Clean Governance	4x MPAC to be held meetings	10x MPAC meetings were held	Risk Management	Number of MPAC meetings held by 30 June 2018		KPI 76	#	4x MPAC meetings	4x MPAC meetings	Achieved 5x MPAC meetings held on the 20 October		Reviewed and satisfied	Signed Attendance Registers	Office of the Municipal Manager

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
											2017, 06 February 2018, 14 February 2018, 14 March 2018, 17 May 2018 (125%)				
Municipal Financial Viability and Management	Improve Financial Viability	1x Annual Financial Statements to be compiled and submitted to the Auditor General	1x Annual Financial Statements compiled and submitted to the Auditor General	Budget and Reporting	Number of Annual Financial Statements compiled and submitted to the Auditor General by 30 June 2018		KPI 77	#	1x 2016/2017	1x 2017/2018 AFS	Achieved 1x set of 2017/2018 of AFS were compiled and submitted to the Auditor General (100%)		Reviewed and satisfied	2016/2017 AFS and Proof of Submissions to the Auditor General	Budget & Treasury
Municipal Financial Viability and Management	Improve Financial Viability	1x Action Plan for 2016/2017 AG Audit Queries developed and submitted to Council	Action Plan for 2016/2017 AG Audit Queries developed and submitted to Council	Budgeting & Reporting	Number of Action Plan for 2016/2017 AG Audit Queries developed and submitted to Council by 30 January		KPI 78	#	1x 2016/2017 Action Plan	1x Action Plan for 2017/2018 AG audit queries compiled	Achieved Action Plan for 2016/2017 AG Audit Queries developed and submitted to Council by 24 Jan 2018		Reviewed and satisfied	2016/2017 Action Plan with Council Resolution	Budget & Treasury

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
					2018						MC99/01/2018 (100%)				
Municipal Financial Viability and Management	Improve Financial Viability	(44 AG queries to be resolved)	41 AG queries were resolved which translates to 93%	Budgeting & Reporting	Percentage of AG queries resolved as per the Action Plan by 30 June 2018		KPI 79	%	95%	95% of AG queries to be resolved	Not Achieved 92% (36 out of 39 findings were resolved which translates to 92% (96.8%)	To intensify the internal controls and fast track recruitment processes for the IT positions.	Reviewed and confirmed that only 36 of 39 findings were resolved which translates to 92%	Progress Report on the implementation of the Action Plan	Budget & Treasury
Municipal Financial Viability and Management	Improve Financial Viability	1x 2017/2018 Approved Budget	1x 2017/2018 Approved Budget by Council	Budget and Reporting	Number of 2018/2019 Annual Budget approved by Council by 31 May 2018		KPI 80	#	1x 2017/2018 Approved Budget	1x 2018/2019 Approved Budget	Achieved 1x 2018/2019 Approved Budget by council on the 29 May 2018 MC255/05/2018 (100%)		Reviewed and satisfied	Council Approved 2018/2019 Budget with Council Resolution	Budget & Treasury

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Municipal Financial Viability and Management	Improve Financial Viability	1x MFMA Section 71 Reports to be submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of	1x MFMA Section 71 Reports were submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of	Budget and Reporting	Number of MFMA Section 71 Reports submitted to the Mayor, Provincial and National Treasury by no later than 10 days after the end of each month		KPI 81	#	12 Monthly Section 71 Reports for 2015/16 FY	12 Monthly Section 71 Reports for 2015/16 FY	Achieved 12x Section 71 reports were compiled and submitted to the Mayor. MC38/10/2017 MC39/10/2017 MC40/10/2017 MC95/01/2018 MC96/01/2018 MC97/01/2018 MC159/03/2018 MC160/03/2018 MC201/05/2018 MC202/05/2018 MC01/07/2018 MC02/07/2018 (100%)		Reviewed and satisfied	Section 71 Reports, Council Resolutions and proof of Submission to the Provincial and National Treasury	Budget & Treasury

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Municipal Financial Viability and Management	Improve Financial Viability	100% Percentage of Maintenance of cost coverage	105% Percentage of Maintenance of cost coverage	Budget and Reporting	Percentage of Maintenance of cost coverage of 100% by 30 June 2018		KPI 82	%	105%	100%	100%		Evidence provided reflects 9.4%	Monthly Report and Bank Statements	Budget & Treasury
Municipal Financial Viability and Management	Improve Financial Viability	100% capital budget spent on budgeted capital projects identified	100% capital budget spent on budgeted capital projects identified	Budget and Reporting	Percentage capital budget spent on budgeted capital projects identified for 2017/2018 financial year i.t.o IDP		KPI 83	%	80%	100%	Not Achieved 98 % Actually spent on budgeted capital projects		Reviewed and satisfied	Report	Technical Services
Municipal Financial Viability and Management	To improve financial viability	100% MIG	100% MIG	Budget and Reporting	Percentage MIG spent on the MIG grants approved		KPI 84	%	100%	100%	Achieved 100%		Reviewed and satisfied	Report	Technical Services

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
					projects by 30 June 2018						(100%)				
Municipal Financial Viability and Management	To improve financial viability	100% MWIG	100% MWIG	Budget and Reporting	Percentage WSIG spent on the WSIG grants approved projects by 30 June 2018		KPI 85	%	100%	100%	Achieved 100%		Reviewed and satisfied	Report	Technical Services
											(100%)				
Municipal Financial Viability and Management	Improve Financial Viability	4x quarterly asset verification reports to be complied - movables (sampling)	4x quarterly asset verification reports complied - movables (sampling)	Asset Management	Number of quarterly asset verification reports compiled - movables		KPI 86	#	4x quarterly asset verification reports for 2017/18 F/Y	4x quarterly asset verification reports	Achieved 4x quarterly asset verification reports were		Reviewed and satisfied	4 Sets of Quarterly asset verification reports	Budget & Treasury

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
		compiled	compiled		(sampling) by 30 June 2018						compiled - movables (sampling) (100%)				
Municipal Financial Viability and Management	Improve Financial Viability	1x Revenue Enhancement Strategy to be developed and approved	1x Revenue Enhancement Strategy developed and approved	Revenue Management	Number of Revenue Enhancement Strategy developed and approved by 30 June 2018	Withdrawn due to financial constraints	KPI 87	#	None	1x Approved Revenue Enhancement Strategy	Withdrawn due to financial constraints		Withdrawn due to financial constraints	Council Approved Revenue Enhancement Strategy with Council Resolution	Budget & Treasury
Municipal Financial Viability and Management	Financial Stability	1x Indigent Registers to be developed	1x Indigent Registers developed	Revenue Management	Number of Indigent Registers developed and verified by 30 June 2018		KPI 88	#	1	1x 2017/2018 indigent register	Achieved 1x 2017/2018 indigent register (100%)		Reviewed and satisfied	2017/2018 Indigent Register	Budget & Treasury
Municipal Financial Viability and Management	Improve Financial Viability	100% Registered Indigents with access to Free Basic Services	100% Registered Indigents with access to Free Basic Services	Revenue Management	Percentage of Registered Indigents with access to Free Basic Services by		KPI 89	%	100%	100%	Achieved 100% Registered Indigents were provided with access to Free Basic Services		Reviewed and satisfied	Billing Report	Budget & Treasury

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
					30 June 2018						(100%)				
Municipal Financial Viability and Management	Improve Financial Viability	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) 45%	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) 41%	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 2018		KPI 90	%	48%	45%	Not Achieved 68%	To improve collection rate by enforcing debt collection policy and credit control.	Reviewed and evidence indicate that the, there is underperformance in terms of reducing the debtors revenue.	Monthly Reports	Budget & Treasury
Municipal Financial Viability and Management	Improve Financial Viability	Percentage Maintenance of 95% debtors collection rate (Consumer cash	Percentage Maintenance of 95% debtors collection rate (Consumer cash	Revenue Management	Percentage Maintenance of 95% debtors collection rate (Consumer		KPI 91	%	105% in 2016/17	95%	Achieved 98% of debtors collection rate	None responsiveness of some debtors to the Credit Control Strategies and the	Reviewed and satisfied	Monthly Report	Budget & Treasury

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
		collected / Consumer billing)	collected / Consumer billing)		cash collected / Consumer billing)						(98.9%)	Policy. The Municipality will continue with the implementation of the Credit Control Policy and intensify the internal controls.			

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Municipal Financial Viability and Management	Financial Stability	The target was not applicable on the 2016/2017 FY	The target was not applicable on the 2016/2017 FY	Supply Chain Management	Number of SCM Bid Committee Members and other officials trained by 30 June 2018		KPI 92	#	3	5	Achieved 5x Bid Committee Members and other officials trained (100%)	Reviewed and satisfied		Signed Attendance Register	Budget & Treasury
Municipal Financial Viability and Management	Financial Stability	4x SCM reports to be compiled	4x SCM reports compiled	Supply Chain Management	Number of reports on the implementation of SCM Policy compiled and tabled to Council by 30 June 2018		KPI 93	#	4x SCM reports	4x SCM Reports	Achieved 4x SCM Reports were compiled and tabled to Council as per Council Resolutions numbers MC41/10/2017 MC100/01/2018 SMC16/04/2018 MC61/072018 (100%)		Reviewed and satisfied	Reports with Council Resolutions	Budget & Treasury

Key Performance Area	Strategic Goal	2016/2017 Annual Target	2016/2017 Annual Actual Performance	Programme	Key Performance Indicator (KPI)	Revised Key Performance Indicator (KPI)	KPI Code	Unit of measure (UoM)	Baseline 2016/2017	2017/2018 Annual Targets	2017/2018 Annual Actual Performance	Corrective Action	Internal Audit Review	Evidence Required	Department
Municipal Financial Viability and Management	Financial Stability	16x Budget related policies to be reviewed	16x Budget related policies reviewed	Supply Chain Management	Number of Budget related policies reviewed by 30 June 2018		KPI 94	#	16	15	Achieved 16x Budget related policies reviewed and approved by council as per resolution number 255/05/2018 on the 29 May 2018 (106%)		Reviewed and satisfied	Council Approved Policies with Council Resolution	Budget & Treasury

2.1 2017/2018 Projects

Number	Programme	Project Description	Allocated Budget	Adjusted Budget	Budget Spent	Source	2017/2018 Annual Targets	Actual Performance by 30 June 2018	Reasons for Variation if Any	Corrective Measures	Audit Review	Evidence Required	Department

Number	Programme	Project Description	Allocated Budget	Adjusted Budget	Budget Spent	Source	2017/2018 Annual Targets	Actual Performance by 30 June 2018	Reasons for Variation if Any	Corrective Measures	Audit Review	Evidence Required	Department
1.	Electricity	10MVA Substation. (Multi-year)	25 000 000.00		24 927 934.72	INEP	90% construction progress of the 10MVA Submission	Not Achieved 75% construction progress to date	The project was delayed due to late delivery of long lead material ,hence 2016/17 Roll-over was declined. As a result the budget allocation for 2017/18 FY fully expedited Community unrest. Delayed the project. The Sub-contractor appointed by		Reviewed and satisfied that the performance is at 75%	Appointment letter of contractor and quarterly reports.	Technical Services

Number	Programme	Project Description	Allocated Budget	Adjusted Budget	Budget Spent	Source	2017/2018 Annual Targets	Actual Performance by 30 June 2018	Reasons for Variation if Any	Corrective Measures	Audit Review	Evidence Required	Department
									the Municipality brought the project to halt.				
	MIG												
2.	Roads	Bela Bela: Road Paving X's 4,6,7 & 8 (Multi- year Phase 1	5 764 137.63		5 576 416.92	MIG	100% Constructi on progress (Phase 1)	Achieved 100% Construction progress (Phase 1)			Reviewed and satisfied	Progress reports	Technical Services

Number	Programme	Project Description	Allocated Budget	Adjusted Budget	Budget Spent	Source	2017/2018 Annual Targets	Actual Performance by 30 June 2018	Reasons for Variation if Any	Corrective Measures	Audit Review	Evidence Required	Department
		:1km)											
3.	Roads	Paving Bus Route: Rapotokwane	6 786 482,72 (Rollover)	6 530 347.74	6 588 861.60	MIG	100% construction works of the Paving Bus Route: rapotokwane	Achieved 100% construction progress			Reviewed and satisfied	Completion certificate	Technical Services
4.	Sanitation	Bela - Bela: Pienaarsrivier WWTW (Multi-year)	5 000 000.00	436 848.00	436 848.00	MIG	70% construction progress Bela-Bela Pienaarsrivier WWTW	Achieved 100% Revised: Designs completed Contractor appointed	Scope and budget changed with the denial of our roll-over request.		Reviewed and satisfied	Design report Appointment letter for contractor	Technical Services

Number	Programme	Project Description	Allocated Budget	Adjusted Budget	Budget Spent	Source	2017/2018 Annual Targets	Actual Performance by 30 June 2018	Reasons for Variation if Any	Corrective Measures	Audit Review	Evidence Required	Department
5.	Sports	Bela Bela: Upgrade SUNFA stadium (Phase 2)	5 117 662.37	7 219 767.42	6 828 342.88	MIG	100% Construction progress of Bela-Bela SUNFA Stadium (Phase 2)	Achieved 100% Construction progress			Reviewed and satisfied	Progress reports and completion certificates	Technical Services
6.	Roads & Stormwater	Bela Bela: Stormwater Spa-Park (Multi-year)	4 007 000.00	0	0	MIG	50% construction works of Bela-Bela Stormwater Spa-Park	Withdrawn	Project postponed to outer years	Will be implemented in the outer years. Subject to Council approval		MIG approval letter, tender advert for Contractor, appointment letter and quarterly progress report	Technical Services
7.	Roads & Stormwater	Bela Bela: Stormwater Marikana street EXT 6	4 776 000,00 (Rollover)	4 493 326.40	4 493 326.39	MIG	100% construction works of Bela-Bela Stormwater Marikana Street Ext	Achieved 100% Complete			Reviewed and satisfied	Completion certificate	Technical Services

Number	Programme	Project Description	Allocated Budget	Adjusted Budget	Budget Spent	Source	2017/2018 Annual Targets	Actual Performance by 30 June 2018	Reasons for Variation if Any	Corrective Measures	Audit Review	Evidence Required	Department
							6						
8.	Roads & Stormwater	Bela-Bela: Widening Mile Street Bridge	5 100 000.00	463 152.00	463 152.00	MIG	100% construction of Bela-Bela Widening Mile Street Bridge	Achieved Design developed. Contractor appointed (100%)	Scope and budget changed with the denial of the roll-over request.		Reviewed and evidence shows that the target was not achieved.	Design report Contractor, appointment letter,	Technical Services
9.	Sanitation	Bela-Bela : Waste Water Treatment Masakhanane	6 819 069 .00	265 000.00	263 145.80	MIG	100% construction of Waste Water Treatment Masakhanane	Achieved Design developed. Contractor appointed	Scope and budget changed with the denial of the roll-over request.		No information submitted. Project deferred to the next financial year	Design report Contractor, appointment letter,	Technical Services
Water and Sanitation Infrastructure Grant (WSIG)													

Number	Programme	Project Description	Allocated Budget	Adjusted Budget	Budget Spent	Source	2017/2018 Annual Targets	Actual Performance by 30 June 2018	Reasons for Variation if Any	Corrective Measures	Audit Review	Evidence Required	Department
10.	Water	Bela-Bela WCDM Project (multi-year) Phase 1.	12 069 658,00		11 261 817.66	WSIG	100% Construction of Bela-Bela WCDM Project	Not Achieved 95 % construction progress to date	Labour unrest delayed the completion of the project which led to the contractor under performance		Reviewed and evidence points out that the construction is 95%	Appointment letters of the service provide and quarterly progress reports	Technical Services
11.	Water	Rapotokwane Source Development	3 762 000,00		3 761 999.14	WSIG	100% Construction of the Rapotokwane Source Development	Achieved Project completed			Reviewed and satisfied	Completion certificate	Technical Services
12.	Sanitation	Upgrade of Bela-Bela Waste Water	19 168 342,00		19 045 989.45	WSIG	70% Construction on the upgrade of Bela-Bela	Achieved 96 % construction			Reviewed and satisfied	Progress reports	Technical Services

Number	Programme	Project Description	Allocated Budget	Adjusted Budget	Budget Spent	Source	2017/2018 Annual Targets	Actual Performance by 30 June 2018	Reasons for Variation if Any	Corrective Measures	Audit Review	Evidence Required	Department
		Scheme (Multi-year)					Waste Water Scheme	progress to date					
	Own Source												
13.	Office Furniture	Office Furniture	250 000.	100 000.00		Own	Procurement and delivery of furniture.	Not achieved	The project couldn't be implemented due to financial constraints	To be implemented in the outer years depending on the financial capacity of the Municipality	Reviewed, target is not achieved.	Appointment letter of the service provider and delivery invoices	Corporate Services

Project number 6 & 9 were deferred to outer years due to late disapproval of roll-over of MIG by National Treasury that was not included in the 2017/18 Adjusted SDBIP and Project 8 was adjusted downwards due to the above reasons. The overall performance on the implementation of 2017/18 Financial Year Capital projects is 88%.

8.**REPORT ON THE PERFORMANCE OF EXTERNAL SERVICE PROVIDERS**

This section serves to reflect and evaluate the performance of the external Service Provider's in respect of provisions of the contract and the product that the Service Provider delivered for all aspects of the project scope.

The Evaluation criteria are based on a scale of 1-5 and each of aspects measured relate to the successful completion of the project. The evaluation score guide on the performance of the service providers is as follows:

5	Excellent	Completion of the project before the scheduled time and within budget
4	Good	Completion of project within time frame and budget
3	Average	Completion of project within time frame but outside the allocated budget or vice versa
2	Below Average	Failure to complete the project
1	Unacceptable	Failure to commence with the project

LIST OF CAPITAL PROJECTS PER SERVICE PROVIDER

No	Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Locality	Start Date	End Date	Progress by 30 June 2018	Corrective Action	Score (1-5)	Responsible Department
1.	Hlilani Civils/ Nadzu Trading	Upgrading of SUNFA Stadium	09 May 2017	10 Months	R 7 324 708.57	R 7 219 766.82	Bela- Bela X5	09 May 2017	28 February 2018	100%		5	Technical Services
2.	Phetha Trading	Road Paving in X4 6, 7 & 8	26 September 2017	8 Months	R5 580 358.44	R5 576 416.92	Bela X 4, 6, 7 & 8	01 October 2017	20 April 2018	100%		5	Technical Services
3.	Edlin Civils & Logistics (Pty) Ltd	Upgrade of Rapotokwane Bus Route	28 February 2017	12 Months	R6 530 347.74	R6 588 861.60	Rapotokwane	31 March 2017	28 February 2018	100%		5	Technical Services
4.	Malonza Construction	Storm Water Marikana Street	28 February 2017	12 Months	R4 493 326.40	R4 493 326.39	Ext 6	15 March 2017	15 February 2018	100%		5	Technical Services
5.	Aurecon	Rapotokwane Water Source Development	01 July 2017	10 Months	R3 762 000	R3 761 999	Rapotokwane	01 July 2017	30 April 2018	100%		5	Technical Services
6.	GKB Associates	Water Conservation and Demand Management	01 July 2017	12 Months	R12 069 658	R11 261 818	Bela Bela Town	01 July 2017	31 July 2018	95%	To be completed on the 31	4	Technical Services

No	Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Locality	Start Date	End Date	Progress by 30 June 2018	Corrective Action	Score (1-5)	Responsible Department
		(Phase 2)									July 2018		
7.	2MC Consulting, Banareng Project Managers, Gibb Eng	Waste Water Scheme – Construction of drying beds (Phase 10; Construction of outfall sewer pipeline and refurbishment of pump station	01 July 2018	12 Months	R19 168 342	R19 045 989	Bela Bela Town & Township	01 July 2017	31 July 2018	96%	To be completed on the 31 July 2018	4	Technical Services

No	Service Provider	Project Name	Appointment Date	Contract Period	Budget Allocated	Budget Spent	Locality	Start Date	End Date	Progress by 30 June 2018	Corrective Action	Score (1-5)	Responsible Department
8.	Sebushi Somo Construction	Construction 2x10 MVA Substation (construction of control room, MV equipment, fencing, drainage and access road)	01 August 2017	24 Months	R25 000 000	R24 927 934.72	Bela Bela Town & Township	01 August 2017	31 July 2018	75%	To be completed on the 31 July 2019	3	Technical Services

LIST OF OPERATIONAL PROJECTS PER SERVICE PROVIDERS

SERVICE PROVIDER	PROJECT NAME	AMOUNTS	COMMENCED DATE	TENDER NUMBERS	DURATION OF CONTRACT	EXPIRY DATES	SCORE (1-5)
MUNICIPAL MANAGER							
1. Intuate Group	Unified Communication System	R 46 512.00 pm	01-Sept-15	9/3/1/163	3 years	30-Aug-18	5
CORPORATE SERVICES							
2. Arms	Facilitation of MFMP Training	R 34 998.00 P/P	Dec 2014	9/3/1/141	3 years	Nov 2017	5
3. Sita Internet	Internet Services	R 4 284.72 pm	December 2017	Sita Contracts	3 years	December 2020	5
4. Nashua	Photocopy Machines	R 55 626.01 pm	December 2017	Section 32	3 years	November 2021	5
5. Kts Security services	Provision of security	R 569 727,87 P/M	18 January 2018	9/3/1/239	3 years	January 2021	5
BUDGET AND TREASURY							

SERVICE PROVIDER	PROJECT NAME	AMOUNTS	COMMENCED DATE	TENDER NUMBERS	DURATION OF CONTRACT	EXPIRY DATES	SCORE (1-5)
6. Absa Bank	Banking Services	Per Absa Applicable rates	1-July-15	1330-000-062	5 years	31-June-2020	5
7. Evaluations-Enhanced Property Appraisal	General Valuation Roll	R3 119 604.87 contract	July 2015	9/3/1/170	5 years	June 2020	5
8. Fidelity Cash Solution	Cash Collection	R 20 854.84 pm inc VAT	01-Aug-17	9/3/1/131	3 years	31-July-20	5
9. Crosscheck	Municipal Data Enrichment	R 45 600.00 P/M	01-April-15	9/3/1/157	3 years	31-Mar-18	5
10. Berbobrite	Provision of FML Pool Vehicles	R 2 154 444,52 P/M	01-Feb-16	9/3/1/182	3 years	30 Jan 2019	5
11. Lateral Unison	Insurance Brokers Risk Assessment	R521 557 p year R R1 499 785,86	01-July-17	9/3/1/215	3 years	30-June-2020	5
12. Environmental & Sustainability Solutions	Landfill closure cost valuation	R57 750.12 excl vat p/y	1 Dec 2014	9/3/1/146	3 years	30 Nov 2017 Expired	5
13. Munsoft Consulting	Municipal Financial Solutions	R 52 256 P/M	August 2016	WDM/001	3years	May 2019	5
14. Revenue Consulting	Debt Collection Serv	10%	01-July-17	9/3/1/216	3 years	30-June-20	5

SERVICE PROVIDER	PROJECT NAME	AMOUNTS	COMMENCED DATE	TENDER NUMBERS	DURATION OF CONTRACT	EXPIRY DATES	SCORE (1-5)
15. Balimi Barui Trading	Debt Collection Serv	10%	01-July-17	9/3/1/216	3 years	30-June-20	5
TECHNICAL SERVICES DEPARTMENT							
16. Schindler	Lift Maintenance SLA	R1 459.90 P/M	27 July 2012	Ref 23373	5 Years	26 July 2017	5
SOCIAL & COMMUNITY SERVICES							
17. Daybreak properties	Landfill site Management	R 166 902.26 pm	01-Dec-14	9/3/1/155	3 years	30-Nov-17	5
18. Bertobrite	Voice Communication System	R 198 882.17 P/M	01-Apr-15	9/3/1/159	3 years	31-Mar-18 (Contract cancelled with settlement being reached)	5

Performance

The table below presents the in-depth analysis of organisational performance, which is depicted by means of comparing the performance reported during the End-Year of the 2017/18 financial year versus the Annual performance targets. It should be noted that the analysis presents the performance by all six departments of the Municipality as 2017/18 IDP-Budget Review, 2017/18 SDBIP, 2017/18 Adjustment Budget, 2017/18 Adjusted SDBIP, and 2017/18 IDP Review with amendments.

Department	Total number of KPIs	Total number of KPIs withdrawn or N/A (As reflected in 2017/18 Adjusted SDBIP & Adjusted Budget respectively)	Total number of KPIs applicable by end of 30 June 2018	Total number of KPIs Achieved	Total number of KPIs not Achieved	% of Actual performance achieved by 30 June 2018
Office of the Municipal Manager	14	4	10	4	6	75%
Budget & Treasury Office	15	1	14	12	2	97.77%
Community & Social Services	12	0	12	10	2	99.91%
Planning & Economic Development	16	1	15	12	3	90%
Technical Services	18	0	18	13	5	98%
Corporate	20	2	18	16	2	117.78%

Services						
Total	95	8	87	67	20	Averaged Performance 96.41%

10.

Conclusion

Notwithstanding teething challenges experienced during the year under review, Bela-Bela Local Municipality strived to serve its constituent Community with distinction during the 2017/2018 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.

Due to various challenges, only 20 of the planned targets could not be met. 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.

.....

MUNICIPAL MANAGER

SM MAKHUBELA

.....

DATE

COMPONENT B

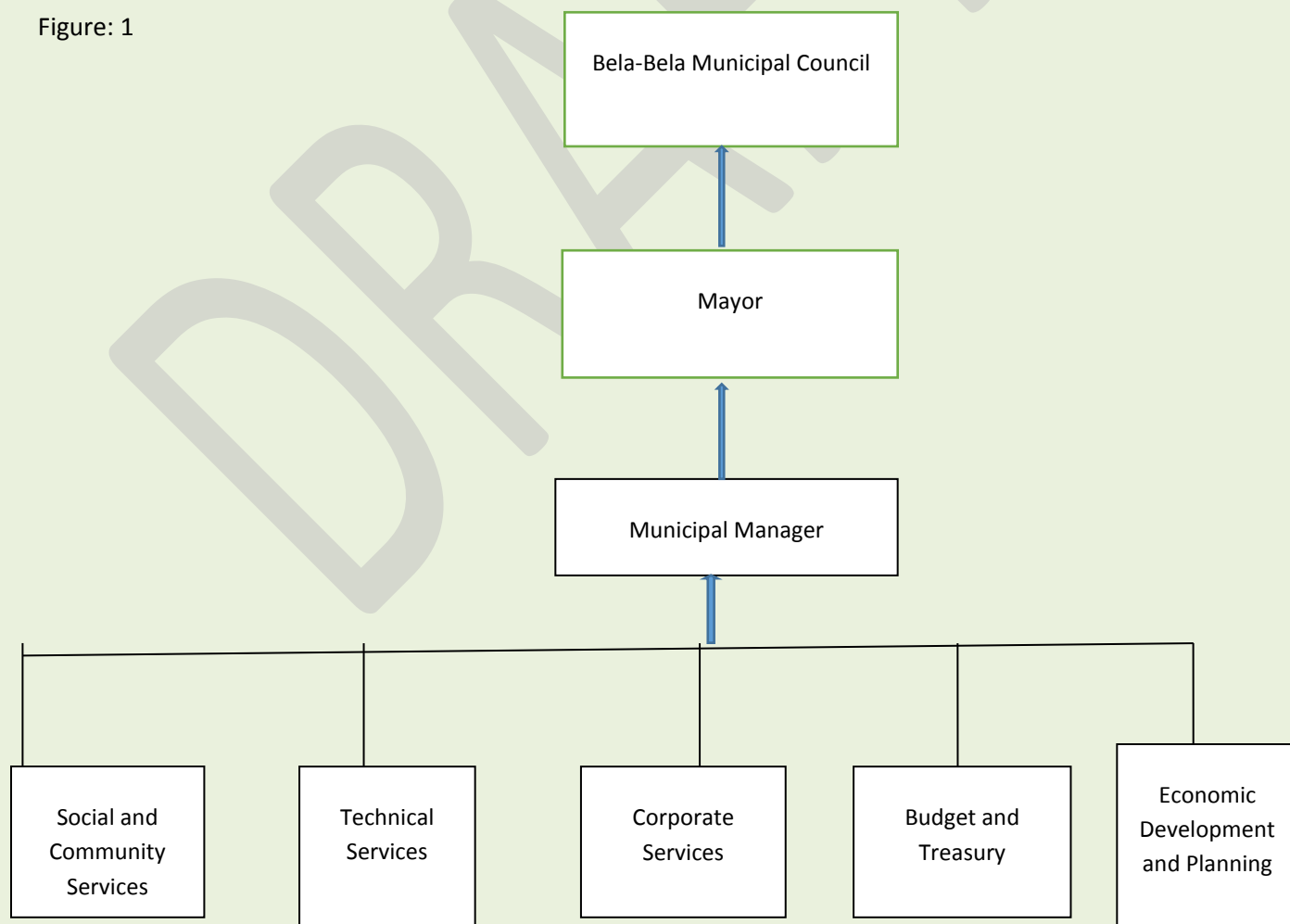
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

4.1 INTRODUCTION

The municipality had a staff complement 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

The Municipality managed to appoint permanent staff members and contract employees during the 2017/18 financial year, although most posts were advertised they could not be filled due to financial constraints. The tables below provide details of employee totals, vacancy rate and the staff turnover.

Table: 1 Total Number of Employees

Description	Employees				
	2016/17	2017/18			
	Approved Posts	Approved Posts	Employees	Variance	Variance
	No.	No.	No.	No.	%
Water	38	34	25	09	26%
Waste Water (Sanitation)	48	54	51	03	0.05%
Electricity	44	50	41	09	18%
Waste Management	51	67	49	18	26.8%
Housing	11	09	07	02	22%
Waste Water (Storm water Drainage)	11	17	08	09	52%
Roads	38	30	21	09	30%
Transport/Fleet Management	3	04	01	03	75%
Planning	4	04	03	01	25%
Local Economic Development	4	05	03	02	40%
Planning (Strategic & Regulatory)	2	05	03	02	40%
Community & Social Services	5	08	06	02	25%
Protection & Emergency	40	48	32	16	33%
Parks, Sport and Recreation	41	44	36	08	18%
Corporate, Budget, MM, Audit and Other	130	119	90	29	24%

Employees					
Description	2016/17	2017/18			
	Approved Posts	Approved Posts	Employees	Variance	Variance
Totals	470	498	376	122	32%

TABLE: 2 VACANCY RATE

VACANCY RATE 2017/2018		
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	2
Other S56 Managers (Finance posts)	0	0
Municipal Police	0	0
Fire fighters	2	1.14
Other management: Levels 1-3 (excluding Finance Posts)	16	0
Senior management: Levels 1-3 (Finance posts)	13	3
Highly skilled supervision: levels 4-6 (excluding Finance posts)	40	19
Highly skilled supervision: levels 4-6 (Finance posts)	13	7
Total	90	35.7%

TABLE 3 TURNOVER RATE

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate%
	No.	No.	
2017/2018	377	17	4.5

4.3 COMMENT ON VACANCIES AND TURNOVER:

During 2017/2018 financial year the Municipality had 16 termination of services. The terminations were due to the following reasons: 6 reached retirement age, 0 contract expired, 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 2017/18 financial year Leave Policy, Overtime and Recruitment and Selection Policy. The table below depicts the details of policies managing human capital within the Municipality

TABLE: 4 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
14	Disciplinary Code and Procedure Policy	Approved
15	Long service Recognition Policy	Approved
16	Scarce Skills Policy	Approved
17	EAP Policy	Approved

TABLE: 5 INJURY ON DUTY AND SICK LEAVES

Number and Cost of Injuries on Duty 2017/2018						
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	17	3	5.6	5.6	7 373.75	
Temporary total disablement	0	0	0	0	0	
Permanent disablement	0	0	0	0	0	
Fatal	0	0	0	0	0	
Total	17	3	5.6	5.6	7 373.75	
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)	96	0	8	19	5.05	194 172.71
Highly skilled supervision (Levels 3-5)	138	28	20	35	0.51	180 730.39
Highly skilled production (levels 6-8)	229	13	31	58	3.94	211 269.83
Skilled (levels 9-12)	200	2	28	61	3.27	125 650.12
Lower skilled (Levels 13-17)	1299	98	126	199	6.52	570 247.07
MM and S56	0	0	0	3	0	0

Total	1 962	141	213	375	19.29	1 282 385.12
* - 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 17 injury leave days were taken by 3 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 2017/2018 financial year.

TABLE: 6 MISCONDUCT

POSITION	NATURE OF THE ALLEGED MISCONDUCT	DATE OF SUSPENSION	DETAILS OF DISCIPLINARY ACTION TAKEN AND STATUS OF CASE	DATE FINALIZED
Council Support Officer	GROSS INSUBORDINATION	The employee was suspended from 30 January 2017.	The employee is charged with gross insubordination	17 May 2018

TABLE: 7 DISCIPLINARY ACTION TAKEN

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT
NONE

TABLE: 8 NUMBER OF DISCIPLINARY CASES

NO	EMPLOYEE NAME	PERIOD OF SUSPENSION	SUMMARY OF THE CASE AND PROGRESS	RESPONSIBLE ATTORNEY
1.	IMATU obo TI Motalane	30 January 2017 to 17 May 2018	The employee is charged with gross insubordination. The employee's suspension was uplifted with immediate effect and subsequently returned to work on 28 May 2018. The employee not found guilty.	Mr K Chuene

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 2017/2018 financial year which has since been successfully finalised on 17 May 2018.

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 three 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. The positions of the Manager Community & Social Services and Manager for Planning and Economic Development and the Technical Services Manager were vacant hence the appointment of Acting Managers. In order to comply with the provisions of Section 38 (a) (i) and 41 (c) (ii) of the MSA the Municipality made budget provisions for performance rewards for 2017/2018 Financial Year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.8 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Section 68 (1) of the 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 2017/2018 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.

4.9 SKILLS DEVELOPMENT AND TRAINING AT TABLE 9 BELOW

SKILLS MATRIX												
Management level	Gender	Number of skilled employees required and actual as at 30 June 2018										
		Learnership			Skills programmes & other short course			Other forms of training				
			Actual 30 June 2018	Target		Actual 30 June 2018	Target		Actual 30 June 2018	Target		

Mayor and Councilor's	Female		1	7		0	0		0	0			
	Males		0	10		0	0		0	0			
MM and S57	Female		0	0		0	0		0	0			
	Males		0	0		0	0		0	0			
Technicians and trade workers	Female		0	0		2	6		0	0			
	Males		0	0		3	6		0	0			
Professionals	Female		1	1		3	15		0	0			
	Males		3	2		2	15		0	0			
Community and personal service workers	Female		4	3		0	3		0	0			
	Males		3	3		0	9		0	0			
Clerical and administrative workers	Females		0	0		4	15		0	0			
	Males		0	0		2	11		0	0			
Machine Operators and Drivers	Females		0	0		0	0		0	0			
	Males		0	0		13	13		0	0			
Labourers	Females		0	0		31	16		0	0			
	Males		0	0		19	54		0	0			
Total Trained	Females		46										

as 30 June 2018	Males		45										
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4.10 DISCLOSURES OF FINANCIAL INTERESTS

During 2017/2018 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

TABLE: 10 DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial		
Period 1 July to 30 June of 2017/2018		
Position	Name	Description of interest
Mayor	Cllr J Ngobeni	Nil
Member of MayCo / Exco	Cllr Z Moeletsi	Nil
	Cllr JF Van Der	Interest in a trust
Councillors	Cllr P Aphané	Nil
	Cllr M Malete	Nil
	Cllr R Masemola	Nil
	Cllr F Mothokwa	Nil
	Cllr SE Maluleka	Nil
	Cllr LR Modimola	Nil
	Cllr FS Hlungwane	Funeral undertaker

Disclosures of Financial		
Period 1 July to 30 June of 2017/2018		
Position	Name	Description of interest
	Cllr MH Ledwaba	Transportation
	Cllr A Shika	Nil
	Cllr J Makhubela	Nil
	Cllr D Senosha	Nil
	Cllr MN Ras	Interest in a trust, directorship an partnerships
	Cllr D Seale	Nil
	Cllr A Mosweou	Nil
Municipal Manager	SM Makhubela	Nil
Chief Financial Officer	RM Rarutha	Nil
Other S56	G Seleka	Nil
	TP Pilane	Nil
	JB Selapyane	Nil
	TJ Mothapo	Nil
Other Managers below	MA Serote	Nil

Chapter 5

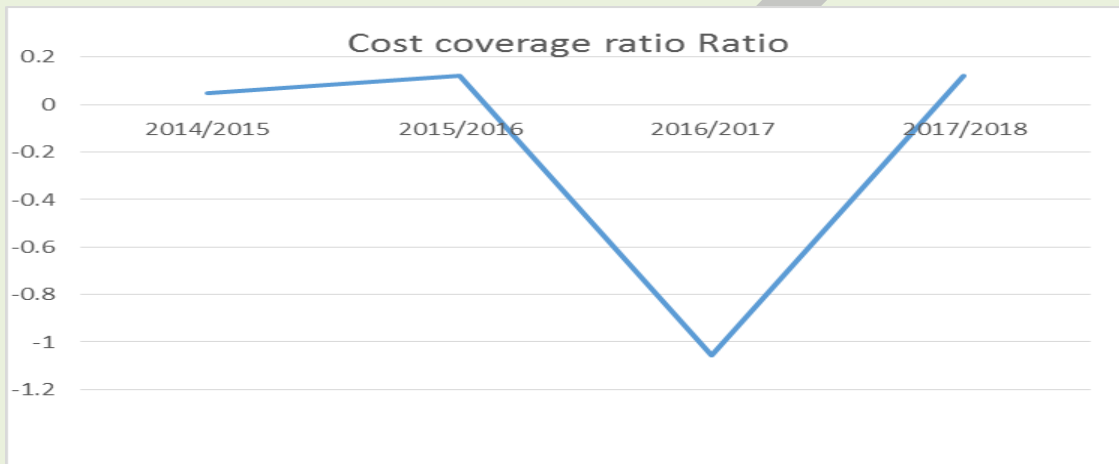
CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

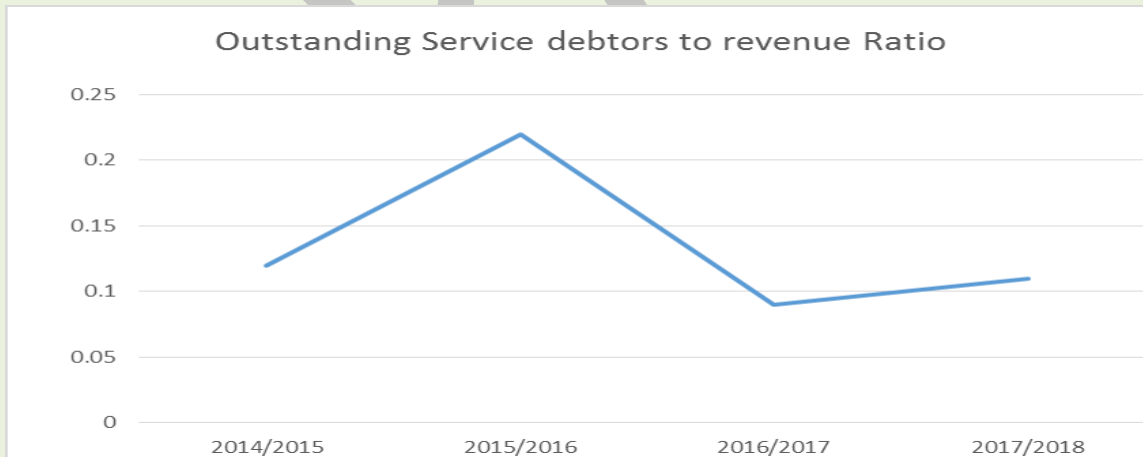
5. INTRODUCTION TO FINANCIAL PERFORMANCE

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

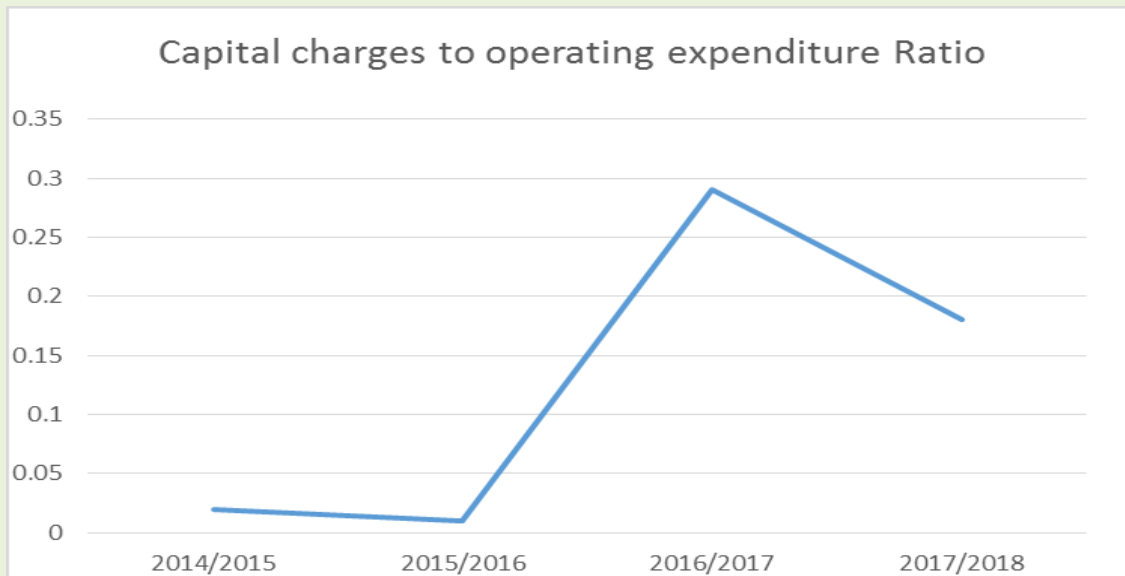
GRAPH 1: COST COVERAGE RATIO



GRAPH 2: OUTSTANDING SERVICE DEBTORS TO REVENUE RATIO



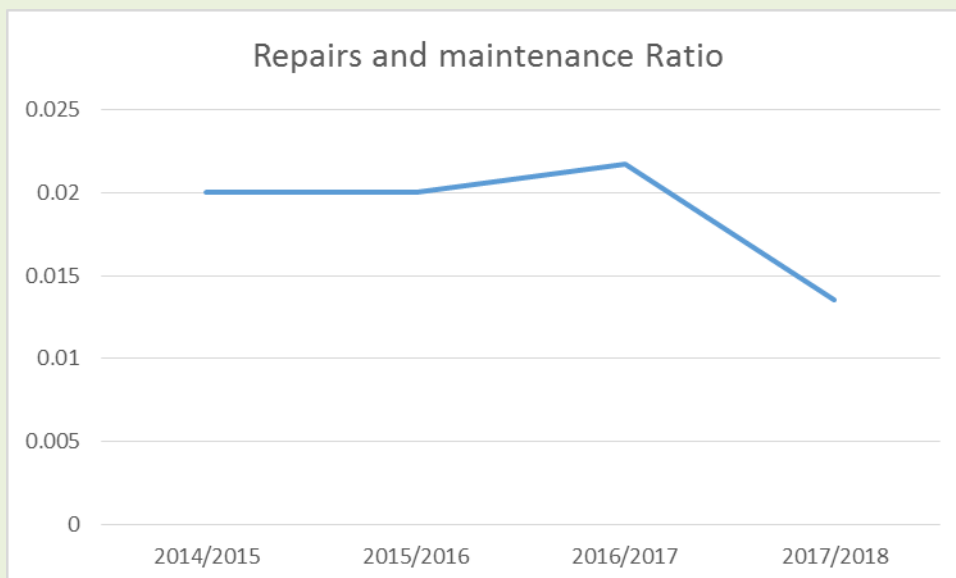
GRAPH 3: CAPITAL CHARGES TO OPERATING EXPENDITURE RATIO



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

2018

2017

Revenue

Revenue from exchange transactions

Service charges	150,649,448	147,043,336
Rental of facilities and equipment	1,216,348	1,099,298
Interest received	9,845,041	10,479,479
Licenses and permits	3,925,789	3,256,242
Administration and management fees	231,792	396,756
Commissions received	56,010	61,098
Demand charges	619,167	210,524
Other income	3,419,003	7,612,504
Town planning scheme	311,568	514,515

Fair value adjustments	3,592,232	12,278,941
Actuarial gains	2,704,246	2,768,924
Total revenue from exchange transactions	176,570,644	185,721,617
Revenue from non-exchange transactions		
Taxation revenue		
Property rates	62,003,315	62,467,982
Transfer revenue		
Government grants and subsidies	163,093,099	175,928,195
Fines	15,526,100	12,756,400
Total revenue from non-exchange transactions	240,622,514	251,152,577
Total revenue	417,193,158	436,874,194
Expenditure		
Employee related costs	(125,469,240)	(109,988,986)
Remuneration of councillors	(6,869,374)	(6,618,101)
Depreciation and amortization	(34,302,689)	(49,036,709)
Impairment loss/ Reversal of impairments	(24,776,266)	(237,576)
Finance costs	(12,295,197)	(10,317,130)
Debt impairment	(33,484,430)	(32,309,464)
Bulk purchases	(88,087,686)	(86,265,805)
Loss on disposal of assets	(50,399,271)	(3,514,272)
General expenses	(82,954,217)	(61,606,882)
Total expenditure	(458,638,370)	(359,894,925)
(Deficit) surplus for the year	(41,445,212)	76,979,269

5.2 COMMENT ON FINANCIAL PERFORMANCE

The final Audited Financial Statements reflect total revenue of R 417 193 158. 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 458 638 370. Employee related cost and bulk purchases constituted 27% and 19% of total expenditure respectively. Total expenditure increased by 27% from R359 894 925, most of the increase arose from employee related costs.

5.3 GRANTS

Operating grants

(Figures in Rand)	2018	2017
Equitable share	74,939,000	68,411,000
Finance Management Grant	1,700,000	1,625,000
Extended Public Works Program	1,000,000	1,082,000
SETA	0	307,956
Total Operating grants	77,639,000	71,425,956

Operating grant revenue for the year amounted to R 77 639 000. All the operating grants allocated to the municipality in terms of the Division of Revenue Act for 2017/2018 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	1,700,000	1,625,000
Extended Public Works Program	1,000,000	1,082,000
SETA	0	307,956
Municipal Infrastructure Grant	26,304,000	58,495,241
Municipal Water Infrastructure Grant	34,069,806	30,000,000
Integration National Electrification Programme	24,927,935	16,006,998
Total Conditional Grants	88,001,741	107,517,195

A total of R 88 001 741 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.

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

DRAFT

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

(Figures in Rand)

5.6 SPENDING AGAINST CAPITAL BUDGET – Table 12

PROJECT NAME	FUNDING	BUDGETED FUNDS	EXPENDITURE	UNSPENT BUDGET
Bela Bela: Upgrade SUNFA stadium	MIG	7 219 767	7 219 767	-
Bela Bela: Upgrade Pienaarsrivier Waste Water Treatment Works	MIG	436 848	436 848	-
Bela Bela: widening Mile street bridge	MIG	463 152	463 152	-
Bela Bela: Road Paving X 4,6,7 78	MIG	5 580 358	5 580 358	-
Bela Bela: Paving of bus route: Rapatokwane	MIG	6 530 348	6 530 348	-
Bela Bela: Stormwater Marikana Street (X6)	MIG	4 493 326	4 493 326	-
Bela Bela: Waste Water Treatment Masakhane	MIG	265 000	265 000	-
Construction of Electricity Sub-Station	INEP	25 000 000	24 927 935	72 065
Rapotokwane Source Development	WSIG	3 762 000	3 761 999	1
Bela-Bela Water Conservation and Demand Management	WSIG	12 069 658	11 261 818	807 840
Upgrade of Bela- Bela Waste Water Scheme- Construction of Drying Beds, Construction of Outfall Sewer Line, Refurbishment of Pumpstation	WSIG	19 168 342	19 045 989	122 353
Own source	OWN	250 000	250 000	-
TOTAL		85 238 800	84 236 541	1 002 259

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.7 CASH FLOW

Cash Flow Statement

Figures in Rand Note(s)

	2018	2017 Restated*
Cash flows from operating activities		
Receipts		
Sale of goods and services	189,927,449	153,772,053
Appropriation	138,592,567	166,996,956
Interest income	9,845,041	10,479,479
Other receipts	29,563,681	31,364,249
	367,928,738	362,612,737
Payments		
Employee costs	(125,512,562)	(115,648,016)
Suppliers	(50,010,236)	(56,981,326)
Other payments	(88,087,686)	(86,265,805)
	(263,610,484)	(258,895,147)
Net cash flows from operating activities	104,318,264	103,717,590
Cash flows from investing activities		
Purchase of property, plant and equipment	(70,527,830)	(110,060,165)
Purchase of other intangible assets	(657,730)	(284,380)
Net cash flows from investing activities	(71,185,560)	(110,344,545)
Cash flows from financing activities		
Finance lease payments	(16,192,693)	(13,861,737)
Net cash flows from financing activities	(16,192,694)	(13,861,737)
Net increase/ (decrease) in cash and cash equivalents	16,940,010	(20,488,692)
Cash and cash equivalents at the beginning of the year	1,301,041	31,381,571
Cash and cash equivalents at the end of the year	18,241,051	10,892,879

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, cost-effective and comply with the prescribed regulatory framework. As guided by the above mentioned Act, Bela-Bela Local Municipality revise 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 new 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 2017/2018

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 set out on pages ... to ..., which comprise the appropriation statement, the statement of financial position as at 30 June 2018, 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 2018, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practise (SA Standards of GRAP) and the requirements of the Municipal Finance and Management Act (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act (Act No. 3 of 2016) (Dora).

Basis for qualified opinion

Prior period errors

3. SA Standards of GRAP 3: *Accounting policies, change in accounting estimates and errors* requires all material prior period errors to be corrected retrospectively by restating the comparative amounts for the periods in which the error occurred by disclosing the nature of the prior period error, the amount, and the financial line item affected. The municipality did not provide sufficient audit evidence to substantiate that all prior period errors have been included in note 44 to the annual financial statements as per the requirements of GRAP 3. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the prior period errors disclosed in the financial statements. There is a consequential impact on the statement of changes in net assets.

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 the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and 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 code.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 34 to the financial statements, material losses to the amount of R33 484 430 were incurred as a result of a write-off of irrecoverable traffic fines and consumer debtors.

Material losses – Electricity

9. As disclosed in note 53 to the financial statements, material electricity losses to the amount of R13 714 632 (2015-2016: R19 269 226) were incurred which represents 12,03% (2016-2017: 15,04%) of total electricity purchased. Technical losses amounted to R1 371 463 (2016-17: R17 900 422) and non-technical losses amounted to R12 343 168 (2016-2017 R942 127).

Restatement of corresponding figures

10. As disclosed in note 44 to the financial statements, some corresponding figures for 30 June 2017 have been restated as a result of errors discovered during 2018 in the financial statements of the municipality at, and for the year ended, 30 June 2018.

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 an 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.

Unauthorised expenditure

12. As disclosed in note 46 to the financial statements, unauthorised expenditure to the amount of R15 005 084 was incurred, as a result of overspending of the budget.

Irregular expenditure

13. As disclosed in note 48 to the financial statements, irregular expenditure to the amount of R6 439 851 was incurred, as a result of spending not in line with the conditions of grants as well as a proper tender process not being followed.

Fruitless and wasteful expenditure

14. As disclosed in note 47 to the financial statements, fruitless and wasteful expenditure to the amount of R2 191 338 was incurred, as a result of interests and penalties.

Material losses through criminal conduct

15. As disclosed in note 49 to the financial statements, material losses through criminal conduct of R806 679 were incurred, as a result of criminal activities.

Other matters

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

Unaudited disclosure notes

17. 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

18. 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 accounting officer for the financial statements

19. 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.
20. 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

21. 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.
22. 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

23. 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.
24. 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.
25. 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 2018:

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

26. 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.

27. 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 reports on maintenance of road traffic signs and markings compiled and tabled before Council by 30 June 2018.

28. There was no clear and logical link between the indicator and target of four quarterly reports and the development priority to which it relates. The indicator and related target focused on compiling reports on a quarterly basis, while the development priority aimed to achieve service delivery through actual maintenance of road traffic signs and markings.

Number of quarterly water meter audit conducted by 30 June 2018

29. There was no clear and logical link between the indicator and target of two water meter audits and the development priority to which it relates. The indicator and related target focused on compiling reports on a quarterly basis, while the development priority aimed to achieve service delivery by ensuring that broken water meters were repaired in a timely manner.

Number of quarterly water and waste water treatment plant performance conducted by 30 June 2018

30. There was no clear and logical link between the indicator and target of four quarterly assessment reports and the development priority to which it relates. The indicator and related target focused on compiling reports on a quarterly basis, while the development priority aimed to achieve service delivery by ensuring that the water and waste treatment plants are functioning effectively.

Number of quarterly reports on water and waste water quality compiled by 30 June 2018.

31. There was no clear and logical link between the indicator and target of four water and waste quality reports and the development priority to which it relates. The indicator and related target focused on compiling reports on a quarterly basis, while the development priority aimed to achieve service delivery by ensuring that the quality of the water and waste treated adheres to the relevant quality standards and regulations.

Number of electricity meter audit conducted by 30 June 2018

32. There was no clear and logical link between the indicator and target of two electricity meter audits and the development priority to which it relates. The indicator and related target focused on reporting on the number of audits conducted, while the development

priority aimed to achieve service delivery by ensuring that broken electricity meters were repaired in a timely manner.

Development priority (03) – Local Economic Development

Number of reports compiled on jobs created through EPWP/municipal initiatives tabled to Council by 30 June 2018

33. There was no clear and logical link between the indicator and target of 4 reports and the development priority to which it relates. The indicator and related target focused on compiling reports on a quarterly basis, while the development priority aimed to achieve service delivery through the actual creation of jobs and employment of local residents.

Other matters

34. I draw attention to the matters below.

Achievement of planned targets

35. Refer to the annual performance report on pages x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs x; x of this report.

Report on the audit of compliance with legislation

Introduction and scope

36. 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.

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

Annual financial statements, performance and annual reports

38. 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.
39. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and/or the supporting records were provided subsequently, but the supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Human resource management

40. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted as required by section 67(1)(d) of the MSA. The municipality did not perform quarterly assessments of performance for senior management during the year under review.

Procurement and contract management

41. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and Preferential Procurement Regulations. Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement process for the upgrading of the Pienaarsrivier waste water treatment.
42. Sufficient appropriate audit evidence could not be obtained that all extensions or modifications to contracts were approved by a properly delegated official, as required by SCM regulation 5.
43. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
44. Awards were made to providers who were in the service of other state institutions or whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44.

Expenditure management

45. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
46. Reasonable steps were not taken to prevent irregular expenditure amounting to R6 439 851 as disclosed in note 48 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority 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.
47. An adequate management, accounting and information system was not in place which recognised expenditure when it was incurred and accounted for creditors, as required by section 65(2)(b) of the MFMA.
48. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R2 191 338, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by interest and penalties for outstanding amounts.
49. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R15 005 084, as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by the overspending of the approved budget.

Other information

50. 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.
51. 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.
52. 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.
53. 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

54. 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.

Leadership

55. The accounting officer and management did not exercise adequate oversight responsibility regarding financial and performance reporting, compliance and related internal controls during the financial year under review. The financial statements and annual performance report were not adequately reviewed before submission for audit, which has resulted in material misstatements.
56. 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.

Financial and performance management

57. 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 laws and regulations are ineffective as they do not detect and prevent instances of non-compliance with applicable laws and regulations.

Governance

58. The accounting officer did not afford the internal audit function and audit committee adequate time to review the annual financial statements and the annual performance report to ensure that they are prepared in terms of the reporting standards and that adequate portfolio of evidence is available for the reported performance.

Auditor General

Bela Bela

30 November 2018



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected 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 continuing 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 2017/2018 FINANCIAL YEAR

The Municipality has complied with the requirements of the Municipal Finance Management Act No. 56 of 2003 by compiling the 2017/2018 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 '/'... if not applicable)*

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

Chapter 5

6.2 2017/18 AUDITOR GENERAL ACTION PLAN

FINANCIAL YEAR		2017/2018							
Municipality Name		Bela Bela				Total finding	68		
Audit Opinion		qualified				Completed	0		
Reporting Period		2017/2018				Progress percentage	0%		
Audit Findings	Category of Finding	0	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress
Other Disclosure	Matters affecting the auditor's report	Cash Flow Statement - Cash Flow Statement differences	Management did not adequately review the annual financial statement for accuracy	Management must adequately review the AFS schedule for accuracy and proof for review should be kept on file. Six month AFS should be compiled and reviewed.	1-Dec-18	31-Mar-19	Mr RM Mautha/ Mr K Ngoman a	CFO/ Deputy CFO	

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2	Procurement	Other important matters	Supply Chain Management- The losing bidder was incorrectly disqualified.	Management did not ensure that processes are in place to ensure compliance with the applicable laws, regulations and Municipality policies	Irregular expenditure should form part of the investigation on all irregular, fruitless and wasteful expenditure and be reported to council for write off	1-Dec-18	31-Mar-19	Tinyiko Mohale	DM-SCM	
	Procurement	Matters affecting the auditor's report	Supply Chain Management- A contract was awarded to suppliers whose member or directors are in service of other state institutions.	Supply chain management did not implement adequate controls to monitor and review compliance with laws and regulations including checking the validity and accuracy of information provided by the bidders.	Irregular expenditure should form part of the investigation on all irregular, fruitless and wasteful expenditure and be reported to council for write off	1-Dec-18	31-Mar-19	Tinyiko Mohale	DM-SCM	
3										

4	Procurement	Matters affecting the auditor's report	Limitation of Scope-Late submission of audit evidence	Management did not ensure that proper internal controls are in place to facilitate proper record keeping and easy location. Evidence was submitted too late and as a result could not be audited.	Management must establish internal controls or mechanisms to facilitate good record keeping and accessibility of accurate information. An electronic as well as hard copy audit files (eg, tender register, PO registers and ect) should be maintained per division, the files must be reviewed weekly to ensure they are properly updated.	1-Dec-18	30-Jun-18	Kulungwana	DCFO	
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5	Predetermined Objectives	Matters affecting the auditor's report	Inconsistencies between what has been reported in the Annual Performance Report (APR) and the Portfolio of Evidence (POE) submitted for audit.	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Management should conduct a thorough review of the performance reports and other evidence received prior to reporting on achievements to ensure that all the information contained in the reports agrees to the original planning document i.e the annual performance plan in terms of the format of the performance reported as well as the level of achievement reported	1-Dec-18	31-Mar-19	Mr Vimba Mhlongo	Acting Manager : Performance	
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				on agrees to the actual substantiating evidence thereon.					
Predetermined Objectives	Matters affecting the auditor's report	Local Economic Development - Indicator is not relevant	Management did not ensure that indicators and their related targets are assessed against the criteria set in the FMPPPI and that they relate logically to the mandate or legislative requirements of the municipality.	Management should structure each indicator and its related target in such a manner that it directly addresses the legislative or mandated responsibilities of the municipality. The indicator and its related target should be service delivery	1-Dec-18	31-Mar-19	Mr Vimba Mhlongo	Acting Manager : Performance	

				driven and should clearly show how management delivered the services to the community. The SDBIP must be reviewed to ensure that indicators and targets are related.					
Information Technology	Matters affecting the auditor's report	Basic Service Delivery - Indicators are not relevant	Management did not ensure that indicators and their related targets are assessed against the criteria set in the FMPPI and that they relate logically to the mandate or legislative requirements of the municipality.	Management should structure each indicator and its related target in such a manner that it directly addresses the legislative or mandated responsibilities of the municipality. The indicator	1-Dec-18	31-Mar-19	Mr Vimba Mhlongo	Acting Manager : Performance	

				and its related target should be service delivery driven and should clearly show how management delivered the services to the community.					
Other Disclosure	Matters affecting the auditor's report	Compliance: Reasonable steps not taken to prevent irregular, unauthorized and fruitless and wasteful expenditure.	Reasonable steps were not taken to prevent irregular, unauthorised and fruitless and wasteful expenditure as these expenditures have increased in the current year compared to prior year.	Management should ensure that adequate controls put in place for monitoring irregular, unauthorised, fruitless and wasteful expenditure and that consequence management is implemented. Establishme	1-Dec-18	31-Mar-19	Tinyik o Mohale	DM-SCM	

				nt of checklist which will assist in detecting non compliance should be introduced.					
Other Disclosure	Matters affecting the auditor's report	Payments to supplier not made within 30 days after receiving the invoice	Management did not ensure that working capital requirements are planned for accordingly this is evident with the inability to meet the payment of short term liabilities.	Management should ensure that their working capital requirements are determined in advance and appropriate measures are put in place to have sufficient cash to pay supplier invoices within 30 days of receipt of the invoice this will lead to compliance	1-Dec-18	31-Mar-19	Mr RM Mautha/ Mr K Ngoman a	CFO/D CFO	

				with the MFMA and unnecessary interests payments will be avoided.					
Other Disclosure	Other important matters	Annual Financial Statements submitted with errors and schedules do not agree with amount in AFS.	Lack of adequate reviews performed to submitted Annual Financial Statements and the supporting schedules. Including the reviews by the Deputy CFO, CFO, internal audit and Audit Committee	Management should ensure that appropriate reviews are done when preparing annual financial statements and related disclosure notes as well as supporting lead schedules. The municipality may use GRAP checklist to perform the reviews. The annual financial statements must be reviewed by	1-Dec-18	31-Mar-19	Mr RM Mautha/ Mr K Ngomana	CFO/D CFO	

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				internal audit and their recommendation must be implemented by management. Interim financial statements should be complied and reviewed.						
	Immovable Assets	Other important matters	Prior year unresolved findings not addressed in the current year	Management did not put control measures in place to ensure that the annual assessment for the impairment of heritage assets and other stagnant infrastructure is performed.	Management should put control measures in place to ensure that annual assessment for the impairment of heritage assets and other stagnant infrastructure assets is performed. Management should thoroughly	1-Dec-18	30-Jun-19	Ms L Motshoaane	Manager: Assets	

				review the Work in Progress schedule/ register to ensure that the balance of Work in Progress at year end is accurate and complete.						
12	Inventory	Other important matters	Inadequate information in the inventories note	Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.	Management should review the inventories note to the AFS and supporting schedule, taking into account the purchases, sales and distribution losses ensure that the note is accurate and complete.	1-Dec-18	30-Jun-19	Ms L Motshoa ne	Manager: Assets	

13	Receivables	Other important matters	Casting errors in the note for receivables from non-exchange transactions	Lack of adequate reviews performed to submitted Annual Financial Statements against the supporting schedules.	Recasting the AFS, agreeing each line item on the financial statements to the supporting schedules, following up and resolving differences. Preparation and review of interim financial statements.	1-Dec-18	30-Jun-19	Mr RM Mautha/ Mr K Ngoman a	CFO/D CFO	
	Receivables	Other important matters	Discrepancies identified during the audit of receivables from non-exchange transactions.	Lack of adequate reviews performed to submitted Annual Financial Statements against the supporting schedules	Management should implement adequate review procedures at year end. Allow independent review to the AFS before submission to AGSA.	1-Dec-18	31-Mar-19	Mr RM Mautha/ Mr K Ngoman a	CFO/D CFO	
14										

15	Other Disclosure	Other important matters	VAT receivable recorded with zero value in the Note	Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.	Management should review the VAT receivable note to the AFS and supporting schedule. Allow independent review to the AFS before submission to AGSA.	1-Dec-18	30-Jun-19	Mr RM Mautha/ Mr K Ngoman a	CFO/D CFO	
	Receivables	Other important matters	Approval of the indigent applications not in accordance with the indigent debtors policy.	Management did not ensure that before the application is approved, it is supported by an accurate affidavit with contains the required documentation. Management did not verify the status of the applicants to ensure that they grant the indigent status to the	Management should ensure that before an application is approved, it is supported by all the required documentation and valid evidence. Management should conduct a CIPC search in order to verify that	1-Dec-18	31-Mar-19	Ms N masia/ Ms V Selatole	Acting manager: Revenue	
16										

				individuals that qualify as per the required criteria in terms of the policy.	the applicant does not have businesses and they are approved as per the policy. Application form/Affidavit should be changed to agree with the indigent policy.					
17	Receivables	Other important matters	Non-current agreements not disclosed on the AFS	Lack of adequate reviews performed to submitted Annual Financial Statements against the supporting schedules	Management should implement adequate review procedures. Allow independent review to the AFS before submission to AGSA.	1-Dec-18	30-Jun-19	Mr RM Mautha/ Mr K Ngomana	CFO/D CFO	
18	Bank	Other important matters	Differences between cash and cash equivalents and cash book balances disclosure	Lack of adequate reviews performed to submitted Annual Financial	Bank reconciliation should be performed monthly and reviewed. A senior	1-Dec-18	31-Mar-19	Mr K Mojela	Acting Manager: Accounting Services	

19				Statements and the supporting schedules.	official should sign-off as evidence of review.					
	Bank	Other important matters	Accounts more than three months, not cleared/matched.	Management did not ensure that reconciling items within the current account are resolved within a reasonable time.	The bank reconciliation must be reviewed monthly to ensure reconciling items are cleared within reasonable time.	1-Dec-18	31-Mar-19	Mr K Mojela	Acting Manager: Accounting Services	
	Immovable Assets	Other important matters	Casting errors in Investment property note	Lack of adequate reviews performed to submitted Annual Financial Statements and the supporting schedules	Management should ensure that appropriate reviews are done when preparing annual financial statements. Allow independent review to the AFS before submission to AGSA.	1-Dec-18	30-Jun-19	Mr RM Mautha/ Mr K Ngomana	CFO/D CFO	
20										

21	Immovable Assets	Other important matters	Misstatements in property, plant and equipment (assets register does not agree with trial balance and AFS)	Lack of adequate reviews performed to submitted Annual Financial Statements and the supporting schedules	Reconciliation of assets register, trial balance and AFS should be done. Implementation of automated assets register to Munsoft will reduce inaccuracies in the disclosure of PPE	1-Dec-18	30-Jun-19	Ms L Motshoa ne	Dm-Assets	
22	Immovable Assets	Other important matters	Incomplete disclosure of the impairment note	This is due to lack of adequate review of financial statements by management against the disclosure requirements of GRAP.	Management should make use of a GRAP disclosure checklist when reviewing the financial statements and a senior official should sign-off on the review.	1-Dec-18	30-Jun-19	Mr RM Mautha/ Mr K Ngoman a	CFO/D CFO	
23	Immovable Assets	Other important matters	Depreciation charged inaccurately and not	Lack of adequate reviews performed to	Reconciliation of assets register, trial balance and	1-Dec-18	31-Mar-19	Ms L Motshoa ne	Dm-Assets	

			consistent with the Accounting Policy	submitted Annual Financial Statements and the supporting schedules	AFS should be done. Implimentation of audtomated assets register to Munsoft will reduce inaccuracies in the disclsoure of PPE					
	Immovabl e Assets	Other importan t matters	Assets derecognized from the Fixed Asset Register without adequate supporting Assets derecognized from the Fixed Asset Register without adequate supporting evidence	Lack of adequate reviews performed to submitted Annual Financial Statements and the supporting schedules	Assets de-recognized should be supported by the audit file which contain all relevant information or which comply with GRAP standard. (Note; All de-recognised assets during 2018 financial should be submitted to council for	1-Dec-18	30-Jun-19	Ms L Motshoa ne	Dm- Assets	

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				approval).						
25	Movable Assets	Other important matters	Assets selected from valuation roll not included in the asset register	Lack of adequate reviews performed to submitted Annual Financial Statements and the supporting schedules	A proper reconciliation file with support should be requested from the service providers for both immovable and property valuations.	1-Dec-18	31-Mar-19	Ms L Motshoa ne	Dm-Assets	
26	Movable Assets	Other important matters	Inaccuracies identified in the amount presented as Intangible Software Systems and Casting errors in Intangible assets note	Lack of adequate reviews performed to submitted Annual Financial Statements against the supporting schedules	Management should implement adequate review procedures. Allow independent review to the AFS before submission to AGSA.	1-Dec-18	30-Jun-19	Ms L Motshoa ne	Manager: Assets	

27	Liabilities	Other important matters	Differences between the Payables from exchange transaction Note 20 and the schedules submitted for audit.	There was no reconciliation done between the schedules submitted for audit and the annual financial statements. Thus, the municipality did not have a proper record to maintain information that supported the reported performance in the annual financial management system statements.	Monthly creditors reconciliation should be implemented and sign off by DM.	1-Dec-18	28-Feb-19	Ms V Baartman	Manager: Expenditure	
	Liabilities	Other important matters	Differences between the retention certificate and what is recorded in retentions register and annual financial statements.	Lack of review by the senior personnel of the invoices and payment certificates captured on the system by the preparer.	A reconciliation of invoices and payments certificates must be performed monthly and a senior personnel must perform a review of those	1-Dec-18	28-Feb-19	Ms V Baartman	Manager: Expenditure	
28										

				reconciliations and authorize the payment certificates and invoices after they have been captured on the system.						
29	Liabilities	Other important matters	Differences between the creditors listing and supplier statements	Management did not use supplier statements when performing the creditors' reconciliation, leading to incorrect amount of payables from exchange transactions being accounted for at year end.	Management must start requesting supplier statements from suppliers and use it to perform the creditors reconciliation and for payment purposes. Monthly creditors reconciliation should be implemented and sign off by DM.	1-Dec-18	28-Feb-19	Ms V Baartman	Manager: Expenditure	

30	Liabilities	Other important matters	Expenses belonging to 2018-19 financial year were included in the 2017/18 annual financial statements.	Management did not adequately review and monitor compliance with legislation this is due to the absence of effective internal controls aimed at ensuring that performance monitoring measures are in place.	Management should ensure that only transactions that transactions are recorded in the correct financial year. All invoices captured towards year-end should be reviewed by the manager for cut-off.	1-Dec-18	30-Jun-19	Ms V Baartman	Manager: Expenditure	
	Liabilities	Other important matters	Differences noted when testing accrued leave obligation	There is a lack of design and implementation of formal controls over IT systems to ensure the accuracy of the information which was captured and used to determine the accrued leave pay obligation. As a result, the	Management should ensure that there are adequate and effective internal controls aimed at ensuring that performance monitoring measures	1-Dec-18	30-Jun-19	Ms V Baartman	Manager: Expenditure	
31										

			system captured leave days for July 2018 in June 2018 which resulted in a misstatement above.	are in place to ensure the accuracy of the information used to determine the accrued leave pay obligation.					
Liabilities	Other important matters	Discrepancies identified during the audit of Consumer deposit transactions.	Inadequate controls over daily and monthly processing and reconciling of transactions.	Management should implement adequate controls over daily and monthly processing and reconciling of transactions which includes a senior official drawing a report receipt notes captured on Munsoft, inspecting the report to identify transactions	1-Dec-18	30-Jun-19	Ms N masia/ Ms V Selatole	Acting manager: Revenue	

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				that were not correctly accounted for and ensuring that correction are made.						
	Liabilities	Other important matters	Differences in the unspent conditional grants and receipts note	Lack of adequate reviews performed to submitted Annual Financial Statements and the supporting schedules.	Management should ensure that appropriate reviews are done when preparing annual financial statements and related disclosure notes as well as supporting lead schedules. The municipality may use GRAP checklist to perform the reviews.	1-Dec-18	30-Jun-19	Mr K Mojela	Acting Mnager: Accoutin g Sevices	

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34	Liabilities	Other important matters	Debit balances in unknown deposits account. Incorrect amount disclosed.	There is lack of adequate reviews performed to submitted Annual Financial Statements and the supporting schedules.	Management should ensure that appropriate reviews are done when preparing annual financial statements and related disclosure notes as well as supporting lead schedules.	1-Dec-18	30-Jun-19	Ms N masia/ Ms V Selatole	Acting manager: Revenue	
	Other Disclosure	Other important matters	Inconsistencies in disclosure note for government grants	This is due to lack of adequate reviews performed to submitted Annual Financial Statements	Management should implement adequate review procedures which includes; Making of use a GRAP checklist when reviewing the financial statements and a senior official should sign-off on the	1-Dec-18	30-Jun-19	Mr K Mojela	Acting Manager: Accounting Services	
35										

36				review. Recasting the AFS, agreeing each line item on the financial statements to the supporting schedules, following up and resolving differences..						
	Revenue	Other important matters	Differences identified between interest received as per AFS compared to bank confirmations	Lack of adequate reviews performed to submitted Annual Financial Statements and the supporting schedules.	Management should compare the interest received as per bank statements to the amounts recorded in the accounting records on a monthly basis.	1-Dec-18	28-Feb-19	Mr K Mojela	Acting Mnager: Accoutin g Sevices	
	Other Disclosure	Other important matters	Payday/Payrol l report not agreeing to the AFS – Disclosure note 30 and	Financial Management Division did not implement proper record keeping in a	Management should ensure that the amounts per the disclosure	1-Dec-18	31-Mar-19	Ms V Baartman	Manag er: Expendit ure	
37										

		31	timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.	notes that are in the financial statements agree to the amount as per reconciliations substantiating and supporting annual financial statements and these should further agree to the listings/schedules/reports.					
Other Disclosure	Other important matters	Overpayment of the Remuneration of Councilors	Management did not implement daily and/or monthly internal controls to ensure that the remuneration paid to councillors is not above the upper limits as prescribed by	The accounting officer should ensure that amounts remunerated to councillors (all including contributions made on behalf of councillors)	1-Dec-18	31-Mar-19	Mr RM Mautha/ Mr K Ngomana	CFO/D CFO	

39				legislation.	are within the upper limits as determined by the gazette.					
	Human Resources	Other important matters	Leave paid out exceeding 48 days capped.	Management did not ensure that leave payouts are done in compliance with the requirements of the leave policy.	Management to review leave policy to include section 56/57 managers on how they leave pay out should be handled on the day of termination.	1-Dec-18	31-Mar-19	Jamela Selapyan	HOD - Corporate services	
	Payments	Other important matters	Bulk Purchases Invoice Recorded VAT inclusive	Management did not adequately review the transactions processed under general bulk purchases. As a result, capturing errors from incorrect invoice amounts and the incorrect classification of	Transactions incorrectly captured should be investigated and the entire population should be revisited to identify further incorrect transactions for corrections	1-Dec-18	28-Feb-19	Ms V Baartman	Manager: Expenditure	
40										

				transactions were not detected and corrected						
41	Payments	Other important matters	Expenditure: General Expenses findings (Cut off, In-accurate recording)	Errors from incorrect invoice amounts and the incorrect classification of transactions were not detected and corrected. Management did not apply the smoothing principle of accounting per the requirements of GRAP 13	Transactions incorrectly captured should be investigated and where necessary the entire population should be revisited to identify further incorrect transactions for corrections	1-Dec-18	30-Jun-19	Ms V Baartman	Manager: Expenditure	
42	Other Disclosure	Other important matters	Differences identified during the recalculation of statement of changes in Net Assets	Lack of adequate reviews performed to submitted Annual Financial Statements and	Six month AFS should be prepared and management should perform review to	1-Dec-18	30-Jun-19	Kulungwana	DCFO	

			the supporting schedules	the six month AFS and use GRAP checklist to ensure all transaction are disclosed in terms of GRAP.						
43	Other Disclosure	Other important matters	Recorded amount for commitments in AFS differs with amount per schedules	Management did not ensure that there are adequate controls in place to review of the commitment schedule against supporting evidence	Six month AFS should be prepared and management should perform review to the six month AFS and ensure the commitment register is accurate and supported by valid contract	1-Dec-18	30-Jun-19	Kulungwana	DCFO	
44	Other Disclosure	Other important matters	Contracts amount in the schedule does not agree to the contract amount as per	Management did not ensure that there are adequate controls in place to review	Six month AFS should be prepared and management should	1-Dec-18	30-Jun-19	Tinyiko Mohale	DM-SCM	

			appointment letter	of the commitment schedule against supporting evidence	perform review to the six month AFS and ensure the commitment register is accurate and supported by valid contract					
45	Other Disclosure	Other important matters	Incorrect accounting policy and disclosure for commitments	Management did not ensure that there are adequate controls in place to review of the commitment schedule against supporting evidence	Six month AFS should be prepared and management should perform review to the six month AFS and use GRAP checklist to ensure all transaction are disclosed in terms of GRAP.	1-Dec-18	30-Jun-19	Kulungwana	DCFO	

46	Other Disclosure	Other important matters	Related Parties Note 44: Differences noted on comparative amounts as per note 30 and 31	Management did not put measures in place to ensure that they disclose accurate and complete related parties note in the Annual Financial Statements which is supported and evidenced by reliable information	Six month AFS should be prepared and management should perform review to the six month AFS and use GRAP checklist to ensure all transaction are disclosed in terms of GRAP.	1-Dec-18	30-Jun-19	Kulungwana	DCFO	
	Other Disclosure	Other important matters	Inaccuracies in related party relationships as per note 44	Management did not put measures in place to ensure that they disclose accurate and complete related parties note in the Annual Financial Statements which is supported and evidenced by reliable	Six month AFS should be prepared and management should perform review to the six month AFS and use GRAP checklist to ensure all transaction are disclosed in	1-Dec-18	30-Jun-19	Kulungwana	DCFO	
47										

48				information	terms of GRAP.					
	Liabilities	Other important matters	Contingencies disclosed does not agree to the confirmation obtained from the legal representation	Management did not put measures in place to ensure that they disclose accurate and complete related parties note in the Annual Financial Statements which is supported and evidenced by reliable information	Once final AFS is complete during August 2019, confirmation letter should be reviewed and agreed to the disclosure and the letter to be kept on audit file	1-Dec-18	30-Jun-19	Kulungwana	DCFO	
	Procurement	Other important matters	Unauthorised expenditure incurred during the year but was not disclosed as per Note 47 to the Annual Financial Statements (AFS)	There are no adequate review processes in preparation of the annual financial statements by management to verify accuracy and	Unauthorised expenditure raised during the year should be investigated and reported to council in terms of SCM	1-Dec-18	31-Mar-19	Tinyiko Mohale	DM-SCM	
49										

				completeness of amounts disclosed in the financial statements	regulation. During month of May before compilation of AFS, Municipality should check all procurement s transactions to identify UIF and disclose them accordingly.					
50	Procurement	Other important matters	Fruitless and wasteful expenditure incurred during the year but not disclosed in Note 48 to the Annual Financial Statements (AFS)	There are no adequate review processes in preparation of the annual financial statements by management to verify accuracy and completeness of amounts disclosed in the financial statements	Fruitless and wasteful expenditure raised during the year should be investigated and reported to council in terms of SCM regulation. During month of May before compilation of AFS, Municipality	1-Dec-18	31-Mar-19	Tinyik o Mohale	DM-SCM	

				should check all procurement transactions to identify UIF and disclosure them accordingly.						
51	Procurement	Other important matters	Incorrect disclosure of irregular expenditure as per note 49 to the Annual Financial Statements	There are no adequate review processes in preparation of the annual financial statements by management to verify accuracy and completeness of amounts disclosed in the financial statements	Once final AFS is complete during August 2019, irregular expenditure or UIF disclosure should be reviewed and agreed to the supporting document and keep the evidence on audit file.	1-Dec-18	30-Jun-19	Tinyiko Mohale	DM-SCM	
52	Procurement	Other important matters	VAT treatment on irregular expenditure	Lack of review and monitoring of compliance with applicable legislation	Once final AFS is complete during August 2019, irregular	1-Dec-18		Tinyiko Mohale	DM-SCM	

				expedintirur e or UIF disclosure should be reviewed to ensure the amount of irregular is not VAT inclusive and agreed to the supporting document and keep the evidence on audit file.						
53	Other Disclosure	Other important matters	Distribution Losses: Material Losses and Differences	Management did not review the disclosure note to ensure that the formulae used in the calculation are correct and acceptable	Once final AFS is complete during August 2019, ditribution losses disclosure should be reviewed and agreed to the supporting document and keep the evidence on audit file.	1-Dec-18	30-Jun-19		Techni cal manager	

54		Other important matters	No External assessments of the Internal Audit cluster performed	The internal audit officials were not paying their annual fees for a period of more than five years before 2016. This meant that they were not eligible for review by the IIA. · Management did not budget for review of internal audit function for the past five years.	Internal audit to include on the 2019/2020 budget year necessary cost for the annual review. Procurement plan should be in place with timeframe for the review to be conducted.	1-Dec-18	30-Jun-19	C Kabe	DM - Internal Audit	
	55	Other important matters	Second acting term of the municipal manager not approved by the MEC	Municipal council did not apply for extension of acting appointment for the municipal manager's position	Filling of senior manager should be prioritise by the Municipality and any acting should be submitted to MEC in terms of section 54A(2A) (b) of the	1-Dec-18	28-Feb-19	Jamel a Selapyan e	HOD - Corporate services	

				Municipal Systems Act						
56		Other important matters	Acting allowance non-compliant to Municipal System Act	Municipal council did not apply for extension of acting appointment for the municipal manager's position	Filling of senior manager should be prioritise by the Municipality and any acting should be submitted to MEC in terms of section 54A(2A) (b) of the Municipal Systems Act	1-Dec-18	28-Feb-19	Jamela Selapyan e	HOD - Corporate services	
57		Other important matters	Non-compliance with MFMA 56 OF 2003 (No regular meetings were held by audit committee during the year)	No regular meetings were held to ensure that there is sufficient monitoring of the compliance with the legislation	Draft audit committee annual plan which will assist Municipality to monitor and enforce compliance with section 56 of the the	1-Dec-18	28-Feb-19	C Kabe	DM - Internal Audit	

				MFMA					
58		Other important matters	Investigation Report of alleged fraudulent debit orders against the municipality not tabled at the First Council meeting after the completion of the investigation	Leadership did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	ON GOING: compliance with Municipal regulation on financial misconduct procedures and criminal proceedings should be followed in case where fraudulent activities are identified.	1-Dec-18	28-Feb-19	C Kabe	DM - Internal Audit
59	Predetermined Objectives	Other important matters	Quarterly Performance Assessments/Evaluations not conducted for senior managers	Leadership of the municipalities did not implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	Performance of all senior managers that are reporting directly to municipal manager in terms of Municipal Systems Act, should be assessed per the signed performance	1-Dec-18	28-Feb-19	V Mhlongo	Acting planning manager

				e agreements and the relevant legislation on qurtely basis.						
60	Information Technology	Other important matters	High rate of vacancies within the IT department structure (Repeat finding 2015/2016)	The positions were not filled due to budget constraints	Corporate services management should ensure that critical IT positions are filled with appropriatel y skilled staff as soon as possible	1-Dec-18	28-Feb-19	V Mhlongo	Acting planning manager	
61	Information Technology	Other important matters	Disaster Recovery Policy does not address key elements	IT Management did not realize the exclusion of the above aspects on the policy	IT Managemen t should review and update the DRP. The DRP should be part of the wider business continuity plan and IT should have input to the business continuity	1-Dec-18	31-Mar-19	Jamel a Selapyan e	HOD - Corporate services	

				plan. An impact assessment has to be done first to identify the critical business functions and the systems that support these functions					
Information Technology	Other important matters	Data backup management controls for Payday and Munsoft are not consistently implemented	The responsibility to perform back-ups was not assigned to a designated official and there is insufficient capacity to perform IT operations	Appoint IT personnel who will be responsible for overseeing the backup processes. Furthermore, management should ensure that backup processing forms part of the IT department daily operations.	1-Dec-18	31-Mar-19	Jamela Selapyan	HOD - Corporate services	

63	Information Technology	Other important matters	Information Security Policy was not comprehensive	IT Management did not realize the exclusion of the above aspects on the policy	Information Security Policy should be amended to include all relevant information as per ICT requirement .	1-Dec-18	31-Mar-19	Jamela Selapyan e	HOD - Corporate services	
64	Information Technology	Other important matters	Key firewall controls were not implemented	Some of the firewall rules activities were not performed due to insufficient capacity and the real time alerts functionality was not operational due to insufficient licenses	Corporate services management should ensure that critical IT positions are filled with appropriately skilled staff as soon as possible	1-Dec-18	31-Mar-19	Jamela Selapyan e	HOD - Corporate services	
65	Information Technology	Other important matters	Inadequate physical access and environmental controls	Some of the server room controls were not serviced due to financial constraints	Server room equipment should be serviced and maintained as per vendors recommended maintenance schedule	1-Dec-18	31-Mar-19	Jamela Selapyan e	HOD - Corporate services	

66	Information Technology	Other important matters	Change logs were not provided for Munsoft and Payday system	System logs could not be retrieved due to system functionality limitations	Enhancements to the systems functionality should be implemented or alternative manual logging process should be considered	1-Dec-18	31-Mar-19	Jamela Selapyan	HOD - Corporate services	
	Information Technology	Other important matters	User Access Management procedure and ICT Usage policy did not address all key elements	IT Management did not realize the exclusion of the above aspects on the policy	Information Security Policy should be amended to include ensure that controls are adequately designed and implemented within the financial systems (Munsoft and Payday) for user access management	1-Dec-18	31-Mar-19	Jamela Selapyan	HOD - Corporate services	
67										

68	Information Technology	Other important matters	Inadequate user access management controls on Munsoft and Payday system	The weaknesses above were due to system challenges when reports were generated and noncompliance to the ICT User access management policy	Information Security Policy should be amended to include ensure that controls are adequately designed and implemented within the financial systems (Munsoft and Payday) for user access management	1-Dec-18	31-Mar-19	Jamel a Selapyan e	HOD - Corporate services	
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COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities 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.

Signed (Chief financial Officer)..... Dated.....

APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE (AC) 2017/2018 FINANCIAL YEAR

6.3 AUDIT COMMITTEE REPORT

BELA-BELA LOCAL MUNICIPALITY AUDIT AND PERFORMANCE COMMITTEE ANNUAL REPORT 2017/2018

We are pleased to present our report for the financial year ended 30 June 2018.

Audit Committee Responsibility

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

Audit Committee members and attendance

The Audit Committee, consisting of independent outside members listed below, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

Name of Member	Number of meetings attended
SAB Ngobeni (Chairperson)	2
MA Mashego	2
KTE Kgomo	1

The above mentioned Audit Committee members term of office ended on the 31 January 2018. The following Audi Committee members were appointed with effect from 29 June 2019

Name of Members

R Nke (Chairperson)
K Netshiombo (Member)
A Mabitsela (Member)

Evaluation of Financial Statements

The Audit Committee has:

1. Reviewed and discussed the Annual Financial Statements.
2. Reviewed the Audit General's management letter and the managements' responses thereto
3. Reviewed significant adjustments resulting from the audit

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

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the municipality revealed certain weaknesses, which were then raised with the municipality.

There has been an improvement in the system of internal control of the municipality and reducing qualification issues of previous year. There are several deficiencies in the system of internal control and/or deviations there were reported by the internal auditors and the Auditor-General. In certain instances, the matters reported previously have not been fully and satisfactorily addressed. The Audit Committee notes management's commitment to correct the deficiencies. During the year under review there was consistent monitoring of action plans and progress.

In-Year Management and Monthly/Quarterly Report

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

Performance Management

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

Risk Management

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

Compliance with laws and regulations

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

Internal Audit

The AC is satisfied with the effectiveness of Internal Audit, and commends Management and Council for supporting and capacitating this unit.

Performance Management system

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

Conclusion

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

A handwritten signature in black ink, appearing to read 'SAB', enclosed within a hand-drawn oval.

SAB Ngobeni (Mr)

Chairperson of the Audit Committee

Bela Bela Local Municipality

31 January 2018

Municipal Audit Committee Recommendations for 2017/2018

The Audit Committee issued a total number of 09 recommendations. Out of the 09 recommendations 08 were implemented, only one which was not implemented, of which is beyond municipality's control to implement.

DRAFT

Chapter 5

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	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving

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

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	10	10	100%	6	6	100%
CLLR MOELETSI Z	Full time	ANC	10	10	100%	N/A	1	10%
CLLR H LEDWABA	Full time	ANC	10	6	60%	6	5	90%
CLLR F HLONGWANE	Part time	ANC	10	9	90%	10	9	90%
CLLR S MALULEKA	Part time	ANC	10	8	80%	9	9	100%
CLLR R MASEMOLA	Part time	ANC	10	8	80%	10	9	90%
CLLR D SEALE	Part time	EFF	10	8	80%	10	6	60%
CLLR MALETE	Part time	ANC	10	10	100%	10	8	80%
CLLR MODIMOLA	Part time	ANC	10	10	100%	N/A	N/A	N/A
CLLR P APHANE	Part time	ANC	10	9	90%	6	5	90%
CLLR A SHIKA	Part time	ANC	10	7	70%	9	9	100%
CLLR F MOTHOKWA	Part time	DA	10	9	90%	10	10	100%
CLLR SENOSHA	Part time	DA	10	9	90%	N/A	N/A	N/A

CLLR MAKHUBELA	Part time	BRA	10	10	100%	N/A	N/A	N/A
CLLR MOSWEOU	Part time	EFF	10	7	70%	9	4	40%
CLLR RAS	Part time	DA	10	8	80%	6	6	100%
CLLR VAN DER MERWE	Part time	DA	6	5	90%	6	4	80%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Table: 2

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Social and Community Services Sub-committee	Section 79 Committee
Planning/Infrastructure Sub-committee	Section 79 Committee
Budget and Treasury/Governance Subcommittee	Section 79 Committee
Municipal Public Account Committee (MPAC)	Oversight Committee
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
Broader Management	Operational management decision making structure

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. Seleka GM	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. Mashishi L	Divisional Manager: Integrated Development & Planning	Planning & Economic Development
7. Mogweemang L	Divisional Manager: Local Economic Development	Planning & Economic Development
8. J Selepyana	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. Phasha LJ	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. Vacant	Divisional Manager: SCM	Budget & Treasury Office
23. Motshoane LJ	Divisional Manager: Assets	Budget & Treasury Office

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

APPENDIX D – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE (AC) 2017/2018 FINANCIAL YEAR

6.4 AUDIT COMMITTEE REPORT

BELA-BELA LOCAL MUNICIPALITY AUDIT AND PERFORMANCE COMMITTEE ANNUAL REPORT 2017/2018

We are pleased to present our report for the financial year ended 30 June 2018.

Audit Committee Responsibility

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

Audit Committee members and attendance

The Audit Committee, consisting of independent outside members listed below, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

Name of Member

Number of meetings attended

(Chairperson)

APENDIX E MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

Municipal Audit Committee Recommendations			
Date of Committee	Committee Recommendations during the year	Recommendations adopted (Enter yes) if not adopted (Provide explanation)	Implementation progress
29 August 2017	Finance department to make the following changes in the Annual Financial Statements: - Expand on the nature of business on the draft AFS. - On the Accounting Officer, remove the former Municipal Manager to the one who is acting now. The name of the former Municipal manager will be reflected at a later stage on the AFS. - Page 2, the word “<i>Extended</i>” to change to “<i>Expanded</i>”. - Page 4; add a paragraph that talks to Accounting Policies. - Information on page 10 should be put on page 11 instead. - Page 82; with regard to contingent liability, try to explain as less as possible. Also try to explain comparatives. - Note 44; try to come up with a more concise note. - Page 56; take MSCOA into account when disclosing the intangible assets. - Page 9 and 53; the amount on the financial statements and the notes, do not correlate. - Assets; Check and ensure the correct useful lives of the assets is used. - Page 53; investment properties - there must be a relationship between the valuation roll and the consultants valuation. - Work in Progress - look at the previous year’s amount together with the present values. - Page 58; the actuary gains should be under Employee Related costs, and also include the assumptions of the actuary but not in detail. - Page 62; look into the implications of not keeping stock. - Page 7; enquired as to how the municipality raised a debt of R4 million? - Page 66; re-look the cashbook balance and the bank balance.	Yes	Implemented

Municipal Audit Committee Recommendations			
Date of Committee	Committee Recommendations during the year	Recommendations adopted (Enter yes) if not adopted (Provide explanation)	Implementation progress
	- Remove the word “bonus” and replace it with the word “13th cheque”. - Page 71 include the summary of the valuation roll as it is - Relook into the irregular, fruitless and wasteful expenditure.		
	Management to ensure that all information relating to performance management be submitted to internal audit unit by end of business.	Yes	Implemented
29 November 2017	It was recommended that Auditor General audit additional information as it was submitted within the time frame	No. The Auditors refused to take on additional information	Not implemented
28 August 2018	Municipality to ensure that the final AFS for 2017/2018 be prepared and complete by Thursday and submitted to AGSA on the 31 st August 2018.	Yes.	Implemented
	It was recommended that management should discuss the process of rollover of grants with Treasury representatives.	Yes	Implemented
	It was recommended that supporting evidence on grants should be submitted to internal audit for review.	Yes	Implemented
	It was recommended that cash flow statement	Yes	Implemented

Municipal Audit Committee Recommendations			
Date of Committee	Committee Recommendations during the year	Recommendations adopted (Enter yes) if not adopted (Provide explanation)	Implementation progress
	shouldn't be what the municipality is qualified on. Municipality to ensure that the correct cash flow is provided to AG for the 2017/2018 financial year.		
	It was recommended that management should disclose property rates on its own and grants on its own in the AFS.	Yes	Implemented
	It was recommended that if there are any amounts to be restated, municipality should have the supporting documents to justify to AG that everything was done accordingly. Management should ensure that they manage a good relationship with AG, and satisfy them by giving them the information they request.	Yes.	Implemented

