

LEPHALALE LOCAL MUNICIPALITY

Draft Annual Report 2018-19



LEPHALALE

MUNICIPALITY

TABLE OF CONTENTS

ACCRONYMS	8
CHAPTER 1 - MAYOR'S FOREWORD AND EXECUTIVE SUMMARY	10
COMPONENT A: MAYOR'S FOREWORD	10
COMPONENT B: EXECUTIVE SUMMARY- by municipal manager	14
MUNICIPAL MANAGER'S OVERVIEW	14
MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	17
SERVICE DELIVERY OVERVIEW	22
1. Detailed Performance per Department or Vote	29
1.1. Office of the Municipal Manager (Strategic Scorecard)	29
ORGANISATIONAL DEVELOPMENT OVERVIEW	33
FINANCIAL HEALTH OVERVIEW	33
AUDITOR GENERAL REPORT	34
RISK ASSESMENT	35
CHANGE MANAGEMENT	36
CHAPTER 2 – GOVERNANCE	38
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	38
POLITICAL GOVERNANCE	38
ADMINISTRATIVE GOVERNANCE	43
COMPONENT B: INTERGOVERNMENTAL RELATIONS	43
INTERGOVERNMENTAL RELATIONS	43
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	44
OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION	44
PUBLIC MEETINGS	44
COMPONENT D: CORPORATE GOVERNANCE	49
RISK MANAGEMENT	49
SUPPLY CHAIN MANAGEMENT	51
BY-LAWS	52
WEBSITES	52
CHAPTER 3- SERVICE DELIVERY PERFORMANCE (Performance report part 1)	54
COMPONENT A: BASIC SERVICES	54
INTRODUCTION	54
WATER PROVISION	55

BULK WATER INFRASTRUCTURE.....	56
WATER AVAILABILITY IN RURAL AREAS.	58
WASTE WATER (SANITATION) PROVISION.....	59
CURRENT STATUS OF SANITATION IN RURAL AREAS.	60
SANITATION RESOURCES IN RURAL AREAS.....	60
AGE, CONDITION AND REMAINING USEFUL LIFE OF SANITATION ASSETS IN THE MUNICIPALITY.....	61
ELECTRICITY	63
WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING).....	65
WASTE INFORMATION.....	67
HUMAN SETTLEMENTS/ HOUSING	69
LEPHALALE DEVELOPMENT NODES.....	69
DEVELOPMENT OUTSIDE THE URBAN CORE AREA.....	71
FREE BASIC SERVICES AND INDIGENT SUPPORT.....	71
COMPONENT B: ROAD TRANSPORT 72	
ROADS.....	72
TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION).....	75
WASTE WATER (STORMWATER DRAINAGE)	78
COMPONENT C: PLANNING AND DEVELOPMENT 79	
THE SDF WITHIN THE CONTEXT OF MUNICIPAL PLANNING.....	79
LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)	81
EPWP IMPLEMENTATION PROGRAMME, CWP, ETC.	81
COMPONENT D: COMMUNITY & SOCIAL SERVICES 84	
LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)	88
CEMETORIES AND CREMATORIALS	89
CHILD CARE; AGED CARE; SOCIAL PROGRAMMES.....	89
COMPONENT E: ENVIRONMENTAL PROTECTION 90	
POLLUTION CONTROL.....	90
AIR QUALITY.....	90
WATER QUALITY.....	91
BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION).....	91
COMPONENT F: HEALTH 93	

CLINICS	93
AMBULANCE SERVICES.....	93
HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC	94
COMPONENT G: SECURITY AND SAFETY	94
POLICE	94
FIRE	94
OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)	95
COMPONENT H: SPORT AND RECREATION	96
SPORT AND RECREATION	96
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	97
EXECUTIVE AND COUNCIL	97
FINANCIAL SERVICES	98
HUMAN RESOURCE SERVICES	98
INSTITUTIONAL STUDY CONDUCTED.....	99
CAREER PLANNING SUCCESSION AND RETENTION POLICY	100
INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES.....	100
PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES	100
PROPERTY& LEGALSERVICES.....	101
RISK MANAGEMENT	101
SUPPLY CHAIN COMMITTEES.....	101
COMPONENT K: Organisational performance score card	101
SDBIP SERVICE DELIVERY AND PERFORMANCE INDICATORS.....	102
2. Detailed Performance per Department or Vote.....	104
2.1. Office of the Municipal Manager (Strategic Scorecard)	104
5.2 Strategic Support Services	109
5.4 Development Planning	117
5.5 Budget and Treasury	123
5.3 Corporate Support Services	131
5.6 Social Services	139
5.7 Infrastructure Services	145
CHAPTER 4 ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)	152

COMPONENT A	152
INTRODUCTION TO THE MUNICIPAL PERSONNEL.....	152
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	154
PERFORMANCE REWARDS.....	157
CONSLUSION.....	157
COMPONENT C	159
CAPACITATING THE MUNICIPAL WORKFORCE.....	159
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE	161
EMPLOYEE EXPENDITURE.....	161
CHAPTER 5: FINANCIAL PERFORMANCE.....	164
COMPONENT A	164
STATEMENTS OF FINANCIAL PERFORMANCE.....	164
GRANTS.....	165
ASSET MANAGEMENT.....	166
ASSET MANAGEMENT, (Repairs and maintainance.).....	166
FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS.....	169
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	170
CAPITAL EXPENDITURE.....	170
SOURCES OF FINANCE.....	171
CAPITAL SPENDING ON 5 LARGEST PROJECTS.....	173
BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW.....	173
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	174
CASH FLOW.....	174
BORROWING AND INVESTMENTS.....	174
PUBLIC PRIVATE PARTNERSHIPS.....	175
COMPONENT D: OTHER FINANCIAL MATTERS	175
SUPPLY CHAIN MANAGEMENT.....	175
GRAP COMPLIANCE.....	175
CHAPTER 6: Auditor general audit findings.....	176
COMPONENT A	177
AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2017-18.....	177
AUDITOR GENERAL REPORTS 2017-18.....	178
OPINION: QUALIFIED.....	178

BASIS FOR OPINION	178
EMPHASIS OF MATTERS.....	178
OTHER MATTER	179
REMEDIAL ACTIONS	179
COMPONENT B 179	
AUDITOR-GENERAL OPINION 2018-19	179
Qualified opinion.....	179
Basis for qualified opinion	180
Context for the opinion	180
Emphasis of matters.....	180
Material allowance for impairment	180
Significant uncertainty	180
Restatement of corresponding figures	180
Irregular expenditure	181
Other matters	181
Unaudited disclosure notes 181	
Responsibilities of the accounting officer for the financial statements	181
Auditor-general's responsibilities for the audit of the financial statements	181
Report on the audit of the annual performance report	181
Introduction and scope	181
Key Performance Area (KPA) 1: Spatial Rationale	182
Key Performance Area (KPA) 2: Service Delivery and Infrastructure Development	183
Key Performance Area (KPA) 4: Local Economic Development	183
Other matters	184
Report on the audit of compliance with legislation	184
Introduction and scope	184
Other information	185
Internal control deficiencies	186
ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT	187
FINANCIAL STATEMENTS	187
COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE	187
GLOSSARY APPENDICES	187

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	188
APPENDIX B COUNCIL dates	189
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE	192
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	193
APPENDIX E – WARD REPORTING.....	194
APPENDIX F – WARD INFORMATION	194
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018-19	195
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	198
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE	198
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS	198
APPENDIX K – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE.....	198
APPENDIX K(i) – REVENUE COLLECTION PERFORMANCE BY VOTE	199
APPENDIX K(ii) – REVENUE COLLECTION PERFORMANCE BY SOURCE	200
APPENDIX L – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	201
APPENDIX M – CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES	202
APPENDIX M(i) – CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME	202
APPENDIX M(ii) – CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME.....	202
APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2018-19.....	203
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2018-19.....	203
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS.....	203
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION	203
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY	203
APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71	203
ANNUAL FINANCIAL STATEMENTS	204

ACCRONYMS

ACRONYM / ABBREVIATION	MEANING
AFS	Annual Financial Statements
AG	Auditor General
AVG	Average
BAC	Bid Adjudication Committee
BSC	Bid Specification Committee
BTO	Budget and Treasury Office
CDW	Community Development Workers
CoGHSTA	Department of Cooperative Government, Human Settlements and Traditional Affairs
CSS	Corporate Support Services Department
Dec	December
Dev. Plan	Development Planning Department
DWS	Department of Water and Sanitation
EAP	Employee Assistance Programme
EM	Executive Manager
EPWP	Expanded Public Works Programme
HR	Human Resources
i.t.o	In Terms Of
IDP	Integrated Development Plan
ID	Infrastructure Department
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LDF	Local Development Forum
LLF	Local Labour Forum
LLM	Lephalale Local Municipality
LUMS	Land Use Management System
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MWIG	Municipal Water Infrastructure Grant
N/A	Not applicable
PMU	Project Management Unit
POE	Portfolio of Evidence
Rep	Representative
R-value	Rand value
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
Sept	September

ACRONYM / ABBREVIATION	MEANING
SLA	Service Level Agreement
SS	Social Services Department
SIP 01	Strategic
UOM	Unit of Measure, for example: # is number of, % is percentage
WSA	Water Services Authority
VIP	Ventilated Improved Pit Latrine
YTD	Year To Date
SPLUMA	Spatial Planning and Land Use Management Act

CHAPTER 1

CHAPTER 1 - MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



Vision

Lephalale Local Municipality is currently one of the fastest growing municipalities in the country and governs a town that has the potential to become the future hub of power generation in South Africa. The municipality is working hand in hand with several stakeholders to build a vibrant city situated at the heart of the Waterberg coalfield. This coalfield is estimated to contain between 40 and 50% of SA's remaining coal reserves. Conventional wisdom is that the future of SA coal mining depends on the development of this extensive deposit of coal surrounding the town of Lephalale. There is no doubt that Lephalale will soon be a forerunner in the mining sector and energy production.

It is against this background that the vision of the Lephalale Local Municipality shows our dedication to the improvement and empowerment of local communities through the many opportunities for economic growth afforded to it.

Our vision is ***"a vibrant city and energy hub of Africa"***.

We have made it our mission to be ***committed to rural development, provision of quality, sustainable and affordable services, financial viability and good governance, local economic development and job creation"***.

We endeavour to do this by being:

- **Community orientated:** Provide and deliver sustainable services and activities for the whole community
- **Transparent:** Invite and encourage democratic public participation in council's activities
- **Committed:** Focus and concentrate on council's core activities in a consistent manner
- **Business orientated:** Subscribe to, and comply with, the best business practices

- **Full of integrity:** Conduct council's business in a fair, responsible, flexible, equitable and honest manner
- **Accountable:** Report regularly to all stakeholders regarding council's actual performance
- **Environmentally friendly:** with all the development in Lephalale, the municipality will focus on taking care of the environment
- **Able to empower:** to be seen empowering our people economically
- **Performance Management:** Continually evaluate and monitor performance against predetermined objectives and set targets.

In recent years the development of the Waterberg has been designated a priority in the National Development Plan with road, rail and water infrastructure development taking precedence to ensure that power stations in South Africa are in future supplied with enough coal. The financial year 2018 -19 have come and gone with its share of triumphs and tribulations, this is a year where the serious down scaling of the Medupi project started in terms of the workforce as the projects nears its completion. The commissioning of a Solar Plant at Tomburke by Enel ensured the first production of renewable energy from Lephalale Municipality

Some of the key projects are

- ❖ Eskom's Medupi Power Station 95% completed
- ❖ Enel Solar Power from Tom- Burke completed and contributing to national power grid
- ❖ Proposed Sekoko coal mine at Steenbokpan
- ❖ Mokolo Crocodile River Water Augmentation Project
- ❖ Opening of New Coal Mines - Waterberg Coal is planning to build a mine that will supply 10Mt/year to Eskom over a 30-year period. Resource Generation (Resgen), have also announced ambitious projects for the Waterberg and construction of the Boikarabelo mine started earlier this year. The mine will produce 6Mt/year when completed. Feasibility studies are ongoing
- ❖ Exxaro Expansion - Exxaro's open-cast Grootegeeluk multiproduct mine is being expanded to supply coal to Eskom's Medupi power station, to which it will eventually supply 14, 6 Mt/year. The mining company is also endeavouring to develop a new mine, Thabametsi, which could supply up to 17Mt/year to power stations and 2,8Mt/year to other markets. The group has proposed construction of a privately owned 600MW power station in partnership with independent power producer GDF Suez, which would be supplied by coal from Thabametsi.
- ❖ Agricultural Corridor – The municipality is working with several stakeholders in establishing agricultural projects which transfer skills to local farmers to create sustainable farming enterprises through the selling of produce to local markets.
- ❖ SIP 1 From National Government (Special Infrastructure Project 1)
- ❖ Rail - Transnet has committed to a phase 1 upgrade of the existing railway line from Lephalale to Mpumalanga via Thabazimbi, Rustenburg and Pyramid, from its current capacity of 4Mt/year to 23Mt/year by 2021 at a cost of around R5bn. Phase 2 calls for the construction of a new heavy-haul rail line from Thabazimbi to Orgies at a cost of around R32bn, which would eventually push coal volumes railed to more than 100Mt/year.
- ❖ The Construction of asphalt roads on roads in the rural villages through the public private partnership between Road Agency Limpopo (RAL) and Exxaro mining company.

Key Policy Developments

Two by-laws were adopted by Council and gazetted in 2018-19 financial year namely the by-law on council standing order and rules and a by law on parks and cemeteries management. The IDP is aligned to the outcomes based delivery approach.

Key Service Delivery Improvements

At the heart of any local municipality are the services it renders to the community. It is also by the amount and quality of these services that it is often evaluated. Looking at the Annual Performance report for 2018-19, it is clear that the Lephalale Municipality is committed to providing the best possible delivery of services to all residents residing within the Municipal boundaries. Despite many challenges, the level of service

delivery is improving year by year and the amount of residents who have access to basic services continues to grow.

The Annual Performance Report shows that the WSA managed to eradicate the back log on all formal settlements. About 32050 households have access to basic level of water, this amount to 74% of the total households in Lephalale.

This means that in terms of national standards, the majority of people residing in formal or proclaimed settlements have access to basic and high level water supply. In some instances the Municipality has provided tankers and boreholes to ensure that all households have water at least within 200m of each dwelling. There are however still many challenges as the town grows at a rapid pace and informal settlements mushroom around town. New extensions and farm dwellers on private land also pose a challenge when it comes to water supply.

Of the total households, 8232 urban households are receiving waste removal services on monthly basis and about 3537 households at rural villages and 9171 houses from informal settlements has access to Waste removal services. This equates to a total of 20941 households receiving basic level waste removal. To ensure that weekly refuse removal services are also rendered in rural areas the municipality acquired two Roll-on Roll-off trucks and 30 roll on Roll off bins for 14 villages

About 36869 households have access to basic level of electricity and 578 new households were connected which is 86.8%. The mandate to provide electricity in rural areas currently lies with Eskom.

A total of 21185 households have at least basic level of sanitation i.e. Ventilated Improved Pit latrines (VIP) or better.

The Lephalale Municipality remains committed to rural development and the provision of quality, sustainable and affordable services and will continue to do so with the aim to more effectively serve the Lephalale community.

Public Participation: Our Municipality follows a development-communication approach, which means that our public participation programmes are responsive to the needs of the community within the context of government's mandated programme to improve lives of all community members.

Future Actions

It is estimated that Lephalale will grow between four and five times its current size by 2030, if all foreseen developments take place within the projected time frames. This has necessitated the drafting of a CBD development plan to coordinate future developments.

The CBD proposes the construction of both a northern and a southern bypass route to direct regional traffic around Lephalale town. The bypass routes are extensions of the regional road network. The bypass will likely stimulate the northwards expansion of Lephalale CBD and the Onverwacht light industrial area.

The main objective of the Lephalale CBD Development Plan is to revitalizes the Central Business Districts and thereby also upgrades the living conditions of people within the Lephalale and Marapong areas; creating an integrated and functional urban environment and rehabilitating the dysfunctional components of the CBD areas with economic development

The municipality is embarking on consultation process with communities about their needs and Ward committees are to be closely monitored. The municipal planning processes always involve the communities in accordance with chapter 4 of the Municipal Systems Act. The Municipality has plans to involve the local communities to build the new city and the first city to be built in the democratic dispensation.

Agreements and Partnerships


Under the banner of Local Economic Development the Lephalale Municipality, Exxaro, Anglo and Shanduka Black Umbrellas launched an Enterprise Development Incubator and Hub with the aim to accelerate the development, sustainability and ultimate independence of Small, Medium and Micro suppliers and enterprises in Lephalale. The aim is to collaborate with partners in the private sector, government and civil society to address low levels of entrepreneurship and high failure rate of black owned and emerging businesses. The Municipality continues to partner with Exxaro, Eskom, Waterberg coal, Boikarabelo and Resgen in improving infrastructure in Lephalale. Through the Lephalale Development

Forum, the Municipality in partnership with strategic stakeholders coordinates infrastructure related initiatives. Furthermore there has been a major agreement between Roads Agency Limpopo, Exxaro mining company and Lephalale Municipality for construction of 2 roads through the rural villages, from Sefitlhogo to Letlora and a road from Tshethlong to Motswedding. These projects will cover three wards within the Municipality and benefit 13 rural communities, the first part of this road is completed from Sefitlhogo to Letlora.

Conclusion

Growing a town into a major city and eventually into South Africa's energy hub, takes a collective effort and in Lephalale major role-players are working together to do just that. The year 2018-19 has been a year of improvement and lives have been bettered through this collective effort. We have seen economic growth projects improve the GDP and the earning ability of the community however delays in operationalizing Boikarabelo mine and the down scaling of Medupi are turning in a negative direction. The social standards have improved, and infrastructure development has improved. Lephalale Municipality will continue its mandate of delivering quality services to its community. This financial year has a share of challenges as compared to previous years the down scaling of Medupi increased the levels of unemployment

(Signed by :) Cllr MAEKO M.J
Mayor



COMPONENT B: EXECUTIVE SUMMARY- BY MUNICIPAL MANAGER

MUNICIPAL MANAGER'S OVERVIEW

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

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

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

Section 153 of the Constitution sets out the Developmental duties of municipalities as follows:

A Municipality – must:

- (a) Structure and manage its administrative and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community, and
- (b) Participate in national and provincial development programs.

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

Our municipality is one of the fastest economically growing Municipality in the country, if not in the continent. The economic boom brought some challenges to us. Administratively, we oiled our service delivery machinery to meet both the infrastructure and human resources challenges. The report will outline projects undertaken to meet water, sanitation and other infrastructure challenges. There has been better strides and successes achieved in the delivery of electricity and refuse removal.

This report will reflect on our actual performance, identifies our key successes and some of the challenges faced during the 2018-19 financial year in terms of the strategic (SDBIP and IDP) performance.

The five year long term plan is contained in the Integrated Development Plan (IDP) which is the Master Plan for service delivery within local government sphere. From the IDP we derive the Service Delivery and Budget Implementation Plan (SDBIP) and similarly the Performance Plans for Management are derived from the SDBIP. These strategic documents are fully aligned. The annual report looks back at the SDBIP and IDP for a period of one year and the outcomes help with the Annual Planning and results in the review of the five year Master Plan (IDP).

This annual report provides feedback in terms of our actual performance against the milestones and targets as set for the period under review, being the 2017-18 financial year.

The current national government measures itself against the following priority areas in terms of the National Development Plan:

- Transition to a low-carbon economy
- An inclusive and integrated rural economy
- Reversing the spatial effects of apartheid
- Improving the quality of education, training and innovation

- Quality health care for all
- Social protection
- Building safer communities
- Reforming the public services
- Fighting corruption
- Transforming society and uniting the country

As a Municipality, we acknowledge the National priorities and as far as it applies to the mandate of the Municipality, our priorities are aligned thereto.

The following tabular matrix plots how the strategic objectives of the municipality align to the different objectives and priorities developed from various spheres of government:

Table 1: Alignment of Lephalale Strategic Objectives to National and Provincial development plans.

NATIONAL DEVELOPMENT PLAN	NATIONAL OUTCOMES	OUTCOME 9 OUTPUTS	LIMPOPO ECONOMIC GROWTH AND DEVELOPMENT PLAN	LEPHALALE STRATEGIC OBJECTIVES	LEPHALALE DESIRED IMPACTS
Improving infrastructure	6 An efficient, competitive and responsive economic infrastructure network	Improved access to Basic Services	Public infrastructure investment programme Water Resource Development and Demand Management	Provide quality and well maintained infrastructural services in all municipal areas	Satisfied community members
An economy that will create more jobs	4 Decent employment through inclusive economic growth	Implement the Community work programme and Co-operatives supported Deepen democracy through a refined ward committee model	Regional economic development and integration programme Enterprise development (SMMEs and cooperatives development)	Create a conducive environment for businesses to invest and prosper	Sustainable economy
An inclusive and integrated rural economy	7 Vibrant, equitable and sustainable rural communities with food security for all		Agriculture and rural development Industrial development programme		
Reversing the spatial effect of apartheid	8 Sustainable human settlements and improved quality of household life	Actions supportive of the Human Settlement outcomes		Rational planning to bridge first and second economies and provide adequate land for development	Sustainable development
Transition to a low-carbon economy	10 Environment assets and natural resources that are well protected and		Environmental and natural resources development programme	Protect the environment and improve community well-	Safe, healthy and clean living conditions

NATIONAL DEVELOPMENT PLAN	NATIONAL OUTCOMES	OUTCOME OUTPUTS 9	LIMPOPO ECONOMIC GROWTH AND DEVELOPMENT PLAN	LEPHALALE STRATEGIC OBJECTIVES	LEPHALALE DESIRED IMPACTS
	continually enhanced		Green economy and creation of green jobs	being	
Quality health care for all	2 A long and healthy life for all South Africans		Health care development programme		
Social protection	11 Create a better South Africa and contribute to a better and safer Africa and World		Safety and security	Capacitate disadvantaged groups	Quality life for disadvantaged groups
Transforming society and uniting the country					
Building safer communities	3 All people in South Africa feel and are safe				
Improving quality of education, training and innovation	1 Improved quality of basic education		Education and skills development programme		
Fighting corruption		Implement a differentiated approach to municipal financing, planning and support	Corporate Governance	Enhance revenue and financial management	Financial Viability and Prosperous institution
	9 - A responsive, accountable, effective and efficient local government system	Single Window of co-ordination	Corporate Governance	Responsible, accountable, effective and efficient corporate governance	Public confidence
Reforming the public service	12 - An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Improved municipal financial and administrative capacity	Corporate Governance	Improve functionality, performance and professionalism	Best Governance ethos
	5- Skilled and capable workforce to support an inclusive growth path	Improved municipal financial and administrative capacity	Corporate Governance	Improve functionality, performance and professionalism	Best Governance ethos

During the Financial Year 2018-19, standard operating procedures and management resolutions as well as recommendations by the Audit committee were applied. Employee Performance Management Policy was adopted by Council to regulate municipal employee performance.

There are one hundred and twenty-six (**126**) measurable Indicators in the Adjusted SDBIP for 20/18-19 and further to that each Department must report on its audit findings as well as risks identified. Of the one hundred and twenty-six (**126**) indicators, fifty six (**56**) indicators achieved target as predetermined, fifteen (**15**) indicators exceeded target, eleven (**11**) indicators over exceeded target, twenty-nine(**29**) indicators below target and fifteen (**15**) indicators depicted poor performance.

The institutional performance score is at 2.85 and 3.20 for project implementation, with the overall average scoring of 3,05 as per Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Manager, Regulation 805 of 2006, adapted to comply with the Lephalale Local Municipality's performance management requirements.

The baseline for access to services in the adjusted SDBIP is informed by number of households with access to basic services as confirmed by STATS SA 2016 Community Survey. For service delivery performance statistics the total number of households in Lephalale is 43002 from the STATS SA 2016 Community Survey.

For the purpose of this report, some of the indicators were non-cumulative in nature during the in-year reporting; however in the last quarter aggregated cumulative achievements were reported.

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1. Background:

Lephalale Municipality is authorized to exercise and perform the following powers and functions as set out in schedule 4, part A and B of the Constitution of the Republic of South Africa, act 108 of 1996:

Table 2: Assessment of powers and functions

Service	Authority for the service		Description of function performed by Municipality
	Local Municipality	District Municipality	
Air pollution	Yes		Air pollution control by monitoring the institutions that are more likely to pollute the air
Building regulation	Yes		Enforcing the national building regulations
Bulk supply of Electricity	Yes		Supply maintain all electricity functions
Fire fighting		Yes	Provide fire fighting services
Local tourism & LED	Yes		Provide LED and Tourism enhancement support
Municipal planning	Yes		Forward planning; Land use control; Policy development; GIS
Municipal health services		Yes	Provision of municipal health services through inspections, investigations and control
Municipal public transport	Yes		Ensure that accessible, safe, adequate and affordable public transport is provided
Municipal roads and storm water	Yes		Provision, upgrading and maintenance of roads and storm water systems
Trading regulation	Yes		By-law and regulation enforcement
Bulk supply of water	Yes		Provision of potable water
Sanitation	Yes		Provision of hygienic sanitation systems

Service	Authority for the service		Description of function performed by Municipality
	Local Municipality	District Municipality	
Billboards & the display	Yes		Regulation, control and display of advertisement and billboards
Cemetery, funeral parlours & crematoria	Yes		Provision of graves to the community for internment of deceased
Street cleansing	Yes		Sweeping streets, picking litter, and emptying of street bins
Noise pollution	Yes		Control of noise pollution
Control of public nuisance	Yes		Control of public nuisance and inspection thereof issuing of notices
Control of undertakings that sell liquor to the public		Yes	Regulated by liquor Act – custodian SAPS and liquor board
Street trading	Yes		By-law and regulation enforcement
Licensing & undertakings to sell food to the public	Yes		Quality control, Safety and hygiene regulation
Refuse removal, refuse dump & solid waste disposal	Yes		Waste collection; waste transport and Landfill management
Public places	Yes		Maintaining and provision of sports facilities
Traffic and parking	Yes		Enforcement of Road Traffic Act
Occupational health & safety	No		Competency of the Department of labour
Municipal parks & recreation	Yes		Establishment and maintenance of parks
Additional Functions Performed			
Housing	No	No	Department of Cooperative Governance, Housing and Traditional Affairs as per agreement with the Municipality
Library, Arts & Culture	No	No	Department of Sports, Arts and Culture with the Municipality as per agreement
Registering Authority	No	No	Department of Transport with the Municipality as per agreement

This section describes the geographical area within which Lephalale Municipality is located within Waterberg District and Limpopo Province at large. In addition this section provides information on demographic profile and the status of service delivery covering the following key performance areas: Spatial Development, Environmental issues, Infrastructure investment (service delivery) Local Economic Development, Financial Management, Institutional Management and Public Participation.

2. Executive Summary:

The Municipality is located in the North Western part of Waterberg District of Limpopo Province of the Republic of South Africa. It borders with four local municipalities (Blouberg, Modimolle, Mogalakwena and Thabazimbi). Its north-western border is also part of the International Border between South Africa and Botswana. The Lephalale Municipality is the biggest Municipality in the Limpopo province (covering 14 000km²). The town of Lephalale is located 280 km from Tshwane and a recognized gateway to Botswana and other Southern African Countries.

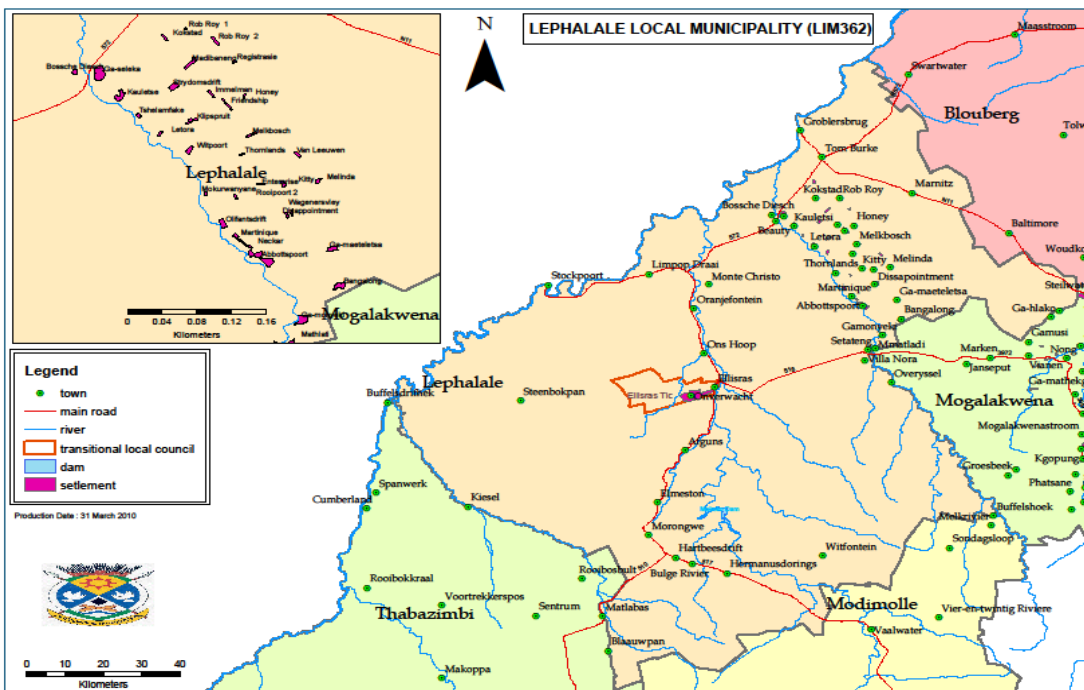
The town Lephalale (Ellisras/Onverwacht/Marapong) is located approximately 40 km from the border of Botswana. It is situated between 23°30' and 24°00' South latitude 27°30' and 28°00' East longitude. Lephalale Municipal area's contribution of mining to GDP is significant at 59.21%. Electricity contributes 11.33% to the GDP and its contribution to the Waterberg electricity sector is at 69.65%. Other sectors that

have a significant contribution to the Waterberg GDP per sector include Agriculture, Mining, and Manufacturing. Agriculture (38.85%) is the sector that employs the largest part of the workforce and is followed by community services (15.71%).

Nestled at the spur of the Waterberg Mountains, Lephalale is a place of peace and breath-taking beauty. Discover why Lephalale is called “the heartland of the Waterberg bushveld”. As part of the Waterberg biosphere, Lephalale area is richly blessed with pristine natural beauty and an abundance of fauna and flora. Lephalale offers an infinite variety of scenic contrasts and encompass the unique Waterberg wilderness with its extraordinary beauty which boasts superb vistas, mountain gorges, clear streams and rolling hills. Rich in geological sites and rock art is a strong draw-card for the region, suggesting its links to many previous generations.

Hence, the importance of tourism industry to the economy of the area is likely to continue to grow into the future. This is likely to be related to the hunting and ecotourism industries, but could also be linked to any expansion of the industrial operations and the related business tourism. Agriculture especially red meat is one the potential economic activity which is likely to grow in the municipal area. Lephalale Local Municipality has been blessed with natural resources that give it a competitive and comparative advantage in Mining, Energy, Tourism and Agriculture. Both social infrastructure and economic infrastructure indicators show that much must still be done to improve the quality of life of the people of Lephalale.

Figure 1: Lephalale Municipality geographic location



3. Demographics

The community survey of 2016 projected a 21.8% in male population compared to 13.5% of females with the overall increase of 18% against 35.8% in 2011. The increase in population may be linked to the skills development centres and job opportunities in the Municipality as a result of the Waterberg coalfield. The community survey suggested a population increase, considerably higher than the provincial growth rate of 0.84% per year for the last five years. The household size has declined from 3.9 in 2011 census to 3.2 in the 2016 community survey. Almost 58.4% of the population is economically active in terms of age. The youth represent 40.7% of the population.

Table 3: Age and gender profile.

Age	0-4	5-9	10-14	15-19	20-24	25-29	30-	35-	40-	45-	50-54	55-	60-64	65-69	70-74	75+	Total
Male	851	585	5991	6618	8389	12019	786	585	444	419	3013	223	1494	847	399	500	78320
Fem	793	612	5948	5288	6920	6357	536	413	293	266	2200	177	1355	918	834	118	61919
Tota	164	119	11939	11906	15308	18376	132	998	737	685	5213	400	2849	1765	1233	168	14024
%	11.9 %	8.7	8.6%	8.7%	10.9%	11.4%	9.7	7.2	5.3	4.9	3.8%	3.0	2.2%	1.3%	1.0%	1.2	100%

Source: Statssa

.Population Trends**Table 4: Key population statistics**

Total Household	43 002	100%
Total Population	140 240	100%
Young (0 – 14)	40 358	29.2%
Working Age	95 103	54.8%
Elderly (65+)	5 403	3.5%
Dependency ratio	35 136	33.2%
Sex ratio	121 -5. 6	21-1
Growth rate	2011 - 2016	13.5%
Population density	8 person per km ²	
Unemployment rate	2016	22.2%
Youth unemployment rate	2016	27%
No schooling aged 20+	3 769	6.2%
Higher education aged 20+	12 615	16.4%
Matric aged 20+	16 579	23.5%
Number of households	43 0002	
Number of agricultural households	6 757	22.6%
Average household size	3.2	
Female headed households	16 443	39.1%
Formal dwellings	34 610	82.3%
Flush toilet connected to sewer	17 536	41.6%
Piped water inside dwelling	17 390	41.3%
Electricity for lighting	37 602	89.4%

Source: Stats SA

4. Education profile.

The table below depicts the number of people who had reached each level of education as presented in the 2011 census. Over the years there has been a remarkable decline in the number of people who have not received formal education. The number of people with no schooling has also decreased since 2001 to 2011, whilst those with education higher than grade 12 have increased from 2001 to 2011.

Table 5: Levels of educational attainment.

YEAR	1996	2001	2011
No schooling	10 479	10 905	6 684
Some Primary	6 860	9 661	8 650
Completed Primary	2 666	3 228	3 391
Some Secondary	10 063	12 111	24 951
Grade12/Grade 10	4 477	6 159	16 579
Higher	2 059	2 764	7 160

Source: Statssa

Table 6: People with disability

State of health	Number
No difficulty	116 584
Some difficulty	6 500
A lot of difficulty	774
Cannot do at all	251
Do not know	69
Cannot yet be determined	4 651
Unspecified	3 166
Not applicable	8 245
Total	140 240

5. Income Categories.

In order to determine the people's living standards as well as their ability to pay for basic services such as water and sanitation, the income levels of the population are analysed and compared to the income level in the province in general. The table below presents distribution of the household income per household group within the Municipality.

Table 7: Annual Household Income (2011).

Income category in R'	Mid-point of int	No of households	Cum no of households	Cum no of HH as % of total HH	Total income in category	Cumulative income
No income	0	3 745	3 745	12.53%	0	0
1 – 4800	2400.5	958	4 703	15.74%	2299679	2299679
4801 -9600	7200.5	1 876	6 579	22.02%	13508138	15807817
9601 – 19600	14600.5	4 876	11 455	38.34%	71192038	86999855
19601 – 38200	28900.5	6 046	17 501	58.58%	174732423	261732278
38201 – 76400	57300.5	4 608	22 109	74.00%	264040704	525772982
76401 – 153800	115100.5	3 354	25 463	85.23%	386047077	911820059
153801 – 307600	230700.5	2 358	27 821	93.12%	543991779	1455811838
307601 – 614400	461000.5	1 417	29238	97.86%	6532377085	2109049547
614401– 1 228800	921400.5	445	29 683	99.35%	4100232225	2519072769
1228801–2 457600	1843200.5	126	29809	99.77%	232243263	2751316032
2 457601 or more	3686401.0	68	29877	100.00%	250675268	3001991300
Unspecified		3				

Source: Statssa

SERVICE DELIVERY OVERVIEW

During the Financial Year 2018-19, standard operating procedures and management resolutions as well as recommendations by the Audit committee were applied. Employee Performance Management Policy was adopted by Council to regulate municipal employee performance.

There are one hundred and twenty-six (**126**) measurable Indicators in the Adjusted SDBIP for 20/18-19 and further to that each Department must report on its audit findings as well as risks identified. Of the one hundred and twenty-six (**126**) indicators, fifty six (**56**) indicators achieved target as predetermined, fourteen (**14**) indicators exceeded target, ten (**10**) indicators over exceeded target, thirty one (**31**) indicators below target and fifteen (**15**) indicators depicted poor performance.

The institutional performance score is at 2.85 and 3.20 for project implementation, with the overall average scoring of 3,05 as per Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Manager, Regulation 805 of 2006, adapted to comply with the Lephalale Local Municipality's performance management requirements.

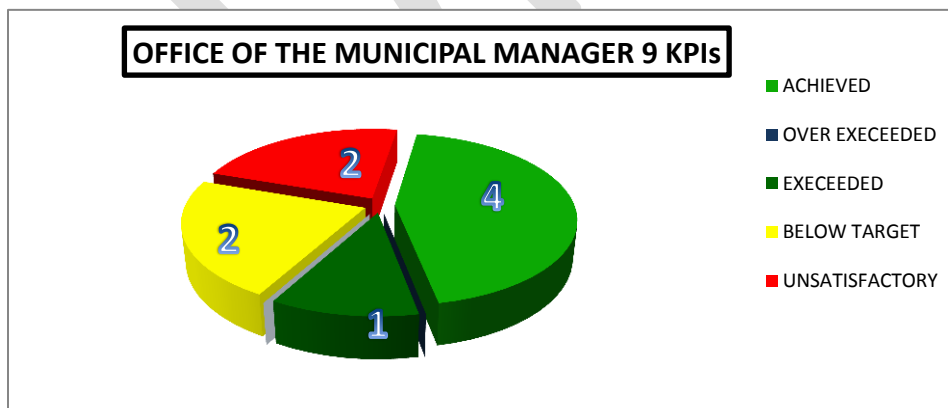
Office of the Municipal Manager has nine (**9**) indicators. The Municipal Manager is equally responsible for all the indicators in other Departments. All performance Indicators directly linked to the Municipal Manager's office are applicable for the Financial Year.

Out of the nine (**9**) indicators, one (**1**) exceeded target, four (**4**) achieved target, two (**2**) performed below target and two (**2**) performed poorly.

Table 2

Indicators	Total number 9
Achieved Target	4
Exceeded Target	1
Over exceeded Target	0
Below Target	2
Unsatisfactory	2

The Departmental performance is depicted on the below colour coded pie chart:



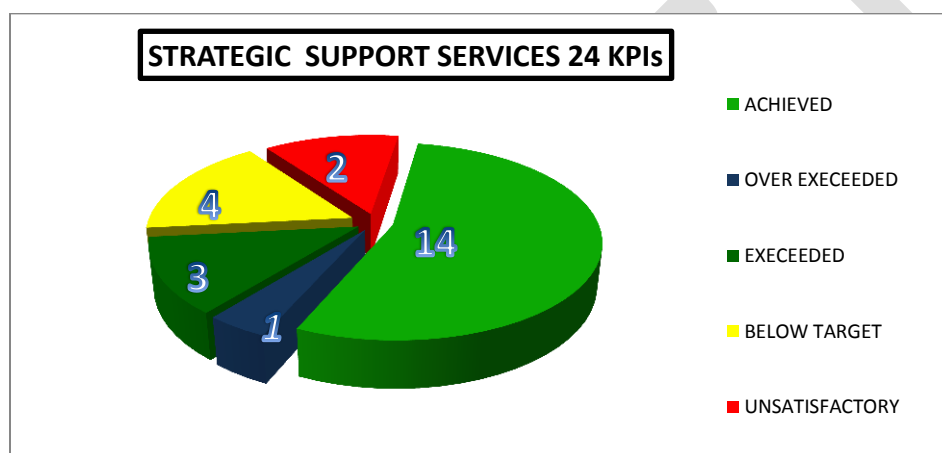
Strategic Support Services has twenty-four (24) indicators.

Out of the twenty-four (24) indicators, one (1) over exceeded target, three (3) exceeded target, fourteen (14) achieved target, four (4) performed below target, and two (2) performed unsatisfactory.

Table 3

Indicators	Total number 24
Achieved Target	14
Exceeded Target	3
Over Exceeded Target	1
Below Target	4
Unsatisfactory	2

The Departmental performance is depicted on the below colour coded pie chart:



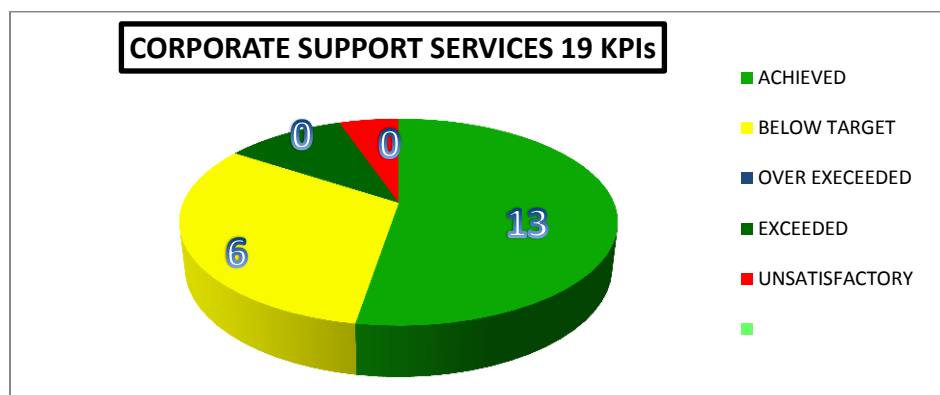
Corporate Support Services has nineteen (19) indicators.

Out of the nineteen (19) indicators, no indicators over exceeded target, thirteen (13) achieved targets, and six (6) performed below target, and none performed unsatisfactory.

Table 4

Indicators	Total number 19
Achieve Target	13
Exceeded Target	0
Over exceeded Target	0
Below Target	6
Unsatisfactory	0

The Departmental performance is depicted on the below colour coded pie chart:



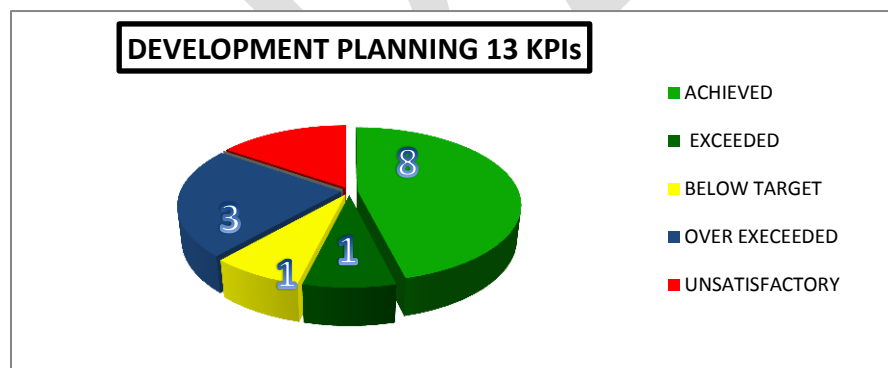
Development Planning has thirteen (13) indicators.

Out of the thirteen (13) indicators, three (3) over exceeded target, eight (8) achieved target, one (1) exceeded target and one (1) performed below target.

Table 5

Indicators	Total number 13
Achieved Target	8
Exceeded	1
Over exceeded Target	3
Below Target	1
Unsatisfactory	

The Departmental performance is depicted on the below colour coded pie chart:



Budget and Treasury Department has twenty-two (22) indicators.

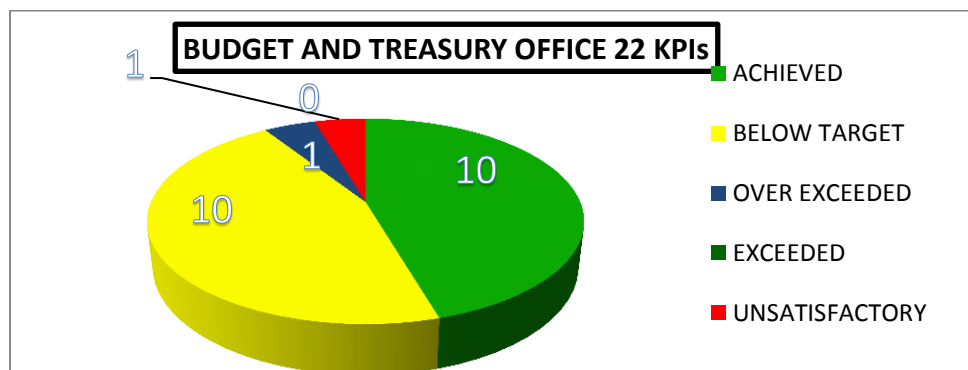
Out of the twenty-two (22) indicators, one (1) over exceeded target, ten (10) achieved target, eight (10) performed below targets and one (1) performed unsatisfactory.

Table 6

Indicators	Total number 22
Achieved Target	10
Exceeded Target	0
Over exceeded Target	1

Below Target	10
Unsatisfactory	1

The Departmental performance is depicted on the below colour coded pie chart:



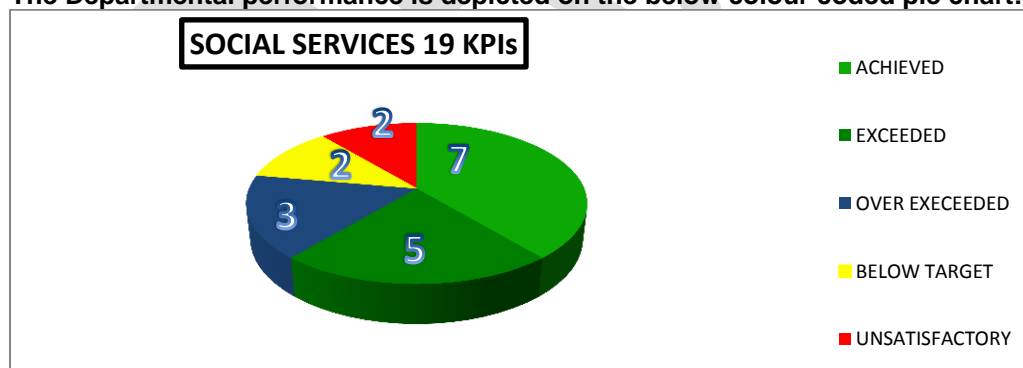
Social Services Department has eighteen (19) indicators.

Out of the eighteen (19) indicators, three (3) over exceeded target, five (5) exceeded target, seven (7) achieved target, two (2) performed below target and two (2) performed unsatisfactory.

Table 7

Indicators	Total number 19
Achieved Target	7
Exceeded Target	5
Over Exceeded Target	3
Below Target	2
Unsatisfactory	2

The Departmental performance is depicted on the below colour coded pie chart:



Infrastructure Services have twenty (20) indicators.

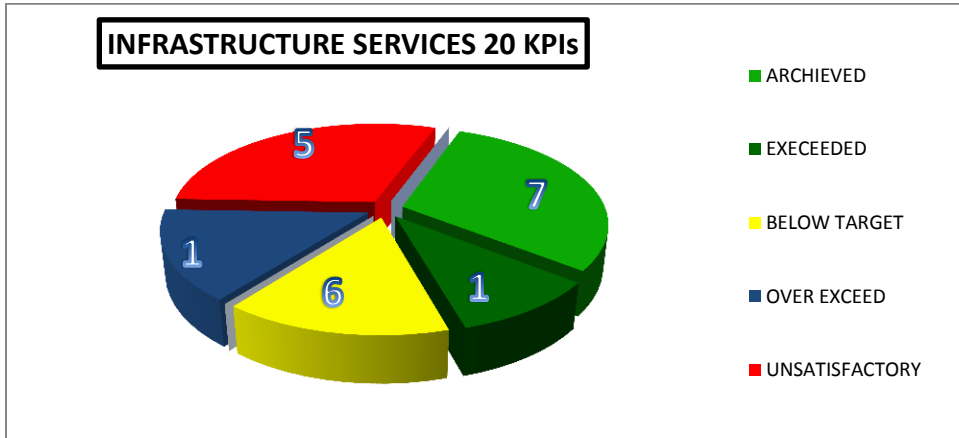
Out of the twenty (20) indicators, one (1) over exceeded target, one (1) exceeded target, seven (7) achieved target, six (6) performed below targets and five (5) performed unsatisfactory.

Table 8

Indicators	Total number 20
Achieved Target	7
Exceeded Target	1

Over Exceeded Target	1
Below Target	6
Unsatisfactory	5

The Departmental performance is depicted on the below colour coded pie chart:



SDBIP SERVICE DELIVERY AND PERFORMANCE INDICATORS

There are one hundred and twenty-six (**126**) measurable Indicators in the Adjusted SDBIP for 20/18-19 and further to that each Department must report on its audit findings as well as risks identified. Of the one hundred and twenty-six (**126**) indicators, fifty six (**56**) indicators achieved target as predetermined, fifteen (**15**) indicators exceeded target, eleven (**11**) indicators over exceeded target, twenty-nine(**29**) indicators below target and fifteen (**15**) indicators depicted poor performance.

The institutional performance score is at 2.85 and 3.20 for project implementation, with the overall average scoring of 3,05 as per Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Manager, Regulation 805 of 2006, adapted to comply with the Lephalale Local Municipality's performance management requirements.

The baseline for access to services in the adjusted SDBIP is informed by number of households with access to basic services as confirmed by the previous Annual Performance Report. For service delivery performance statistics the total number of households in Lephalale is 43002 from the STATS SA 2016 Community Survey.

For the purpose of this report, some of the indicators were non-cumulative in nature during the in-year reporting; however in the last quarter aggregated cumulative achievements were reported.

The outcomes of the average performance per department and per KPA for 2018/19 FY are indicated in the table below:

Table 9

Overall SDBIP	Number of KPIs	Qtr. 1			Overall Score	Qtr. 2			Overall Score	Qtr. 3			Overall Score	Qtr. 4			Overall Score
		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG	
SDBIP Overall Average Percentage Achieved		81%	46%	64%	64%	64%	68%	66%	66%	70%	70%	70%	70%	80%	78%	79%	79%
Office of the Municipal Manager	8			3,2	75%	2,6		2,6	64%	3,5	3,5	3,5	77%	72			72%
Strategic Services	24	4		4	81%	3		3	70%	2,6		2,6	66%	4,2		4,2	83%
Corporate and Support Services	17	4		4	80%	3,2		3,2	75%	3,7		3,7	78%	4,2		4,2	84%
Overall SDBIP	Number of KPIs	Qtr. 1			Overall Score	Qtr. 2			Overall Score	Qtr. 3			Overall Score	Qtr. 4			Overall Score
		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG	
Development Planning	11	4,2		4,2	85%	4		4	80%	3		3	70%	4,8		4,8	94%
Budget and Treasury	21	3,1		3,1	72%	1,96		1,96	48%	2,8		2,8	68%	4	3,8	4,1	81%
Social Services	17	4,7		4,7	92%	3,1		3,1	73%	3,1	3,1		72%	4,2		4,2	83%
Infrastructure Services	13	4,3		4,3	88%	1,64		1,64	40%			2,7	60%			2,6	65%
Overall Capital Projects	11		2	2	46%	2,7		2,7	68	3		3	70%	3,6		3,6	78%

The scoring method utilised is in line with the assessment rating calculator prescribed by the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation 805 of 2006 (Table 1)

The outcomes of the average performance per department and per KPAs from the previous financial year are indicated in the table below for comparisons to 2018-19 Performance summaries:
Table10 – 2017-18 FY Performance

In comparing the two (2) Financial Years, the 2018-19 FY reflects a decline performance of the Municipality by 2% overall

Overall SDBIP	Number of KPIs	Qtr. 1			Overall Score	Qtr. 2			Overall Score	Qtr. 3			Overall Score	Qtr. 4			Overall Score
		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG	
SDBIP Overall Average Percentage Achieved		81%	46%	64%	64%	90%	88%	89%	89%	85%	88%	87%	87%	84%	78%	81%	81%
Office of the Municipal Manager	8			3,4	75%	4,6		4,6	94%	4	4	4	80%			4,2	88%
Overall SDBIP	Number of KPIs	Qtr. 1			Overall Score	Qtr. 2			Overall Score	Qtr. 3			Overall Score	Qtr. 4			Overall Score
		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG	
Strategic Services	24	4		4	81%	4,3		4,3	85%	3,5		3,5	75%	4,2		4,2	88%
Corporate and Support Services	17	4		4	80%	4		4	80%	4,6		4,6	92%	4,2	4	4	80%
Development Planning	11	4,5		4,5	85%	5		5	100%	4,1		4,1	83%	4,2	4,6		90%
Budget and Treasury	21	3,2		3,2	72%	4,6		4,6	88%	3,5		4	80%	4	3,8	4,1	85%
Social Services	17	4,7		4,7	92%	4,7		4,7	93%	4,2		4,2	86%	4	3,9	3,9	80%
Infrastructure Services	13	4,4		4,4	88%	4,4		4,4	88%			2,7	65%			3	71%
Overall SDBIP	Number of KPIs	Qtr. 1			Overall Score	Qtr. 2			Overall Score	Qtr. 3			Overall Score	Qtr. 4			Overall Score
		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG	
Overall Capital Projects	11		2	2	46%	4		4	88%	4		4	88%		3,8		78%

1. DETAILED PERFORMANCE PER DEPARTMENT OR VOTE

All Departments were allocated Indicators M26 and M659

1.1. OFFICE OF THE MUNICIPAL MANAGER (STRATEGIC SCORECARD)

Office of the Municipal Manager has nine (9) indicators. The Municipal Manager is equally responsible for all the indicators in other departments. All performance indicators directly linked to the Municipal Manager's office are applicable for the Financial Year.

Out of the nine (9) indicators, one (1) exceeded, four (4) achieved target, two (2) performed below target and two (2) performed poorly.

Office of the Municipal Manager is responsible for the following Functions in addition to the overall municipal administration.

- Internal Auditing
- Risk Management

The following highlights were noted:

- There is a functional Audit and Performance Committee. Quarterly reports were tabled to Council and the Audit Charter was reviewed and approved by Council.
- Six (6) Audit and Performance Committee meetings were held.
- Back to Basics monthly and quarterly reports are submitted to Department of Cooperative Governance and Traditional Affairs (CoGTA) and Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA).
- Risk Management Committee has been established and is functional. Four (4) meetings were held.
- The Annual Performance Report for 2017-18 was submitted to the Auditor-General, CoGHSTA, National and Provincial Treasury by 31st August 2018.
- Four 2017/18 Audit findings linked to the Office of the Municipal Manager were addressed by the end of the financial year.
- The municipality regressed to a Qualified Audit opinion for the past year on AFS but the performance report audit opinion improved from Adverse to Qualified.
- No fraud and corruption cases were reported
- The internal audit on predetermined objectives was conducted on quarterly reports and the Annual performance report

Challenges experienced in the Municipal Manager's Office

- Only 36% of identified risks in the Municipal Manager's office were mitigated.
- Only 89 % of findings from auditor general were resolved and 7 out 55 internal audit findings resolved.
- The implementation of Municipal standard charter of Twenty nine point thirty four percent (29.34%) of water losses.

Strategic Support Services has twenty-four (24) indicators.

Out of the twenty-four (24) indicators, one (1) over exceeded target, three (3) exceeded, fourteen (14) achieved target, four (4) performed below target, and two (2) performed unsatisfactory.

The Department comprises of the following divisions:

- Performance Management
- Integrated Development Planning (IDP)
- Public Participation & Special Programs
- Communications
- Local Economic Development (LED)

The following highlights were noted:

- A total of sixteen (16) special programmes were implemented successfully as planned.
- A total of thirty eight 38 media releases were issued.
- Face book was utilised as media platform to keep the stakeholders and community abreast with matters of civil interest.
- Four (4) IDP Rep. Forum meetings were held successfully.
- The SDBIP for 2019/20 Financial Year was signed by the Mayor within the prescribed time frame.
- Communication Strategy is implemented and monthly and quarterly newsletters are produced and circulated.
- A total of 3013 jobs were created through EPWP, CWP programmes and Municipal Capital Projects.
- About two (2) Public Private Partnerships were established; which are Youth Entrepreneurship Project and Nzabele Mobile Computer Lab
- A total of eighteen (18) meetings were held with strategic partners
- The Oversight report on the 2017/18 Annual Report was approved by Council within the prescribed timeframe.
- The IDP for 2019/20 Financial Year was approved by Council within the prescribed timeframe.
- The 2017/18 Annual Performance Report was submitted to the Auditor-General, CoGHSTA, National and Provincial Treasury by 31st August 2018.
- All the 13 Ward Committees in the Municipal area are functional however there are reporting challenges.

Challenges experienced in the department and non-achieved indicators.

- Only (1) HIV/AIDS campaigns conducted against the planned four (4).
- Three (3) Performance assessments were conducted on quarterly basis against a target of four (4).
- As the Medupi power station project gets to completion, jobs were lost and unemployment increased and along with it social ills like crime and drug abuse manifested an exponential growth.

Development Planning has thirteen (13) indicators.

Out of the thirteen (13) indicators, three (3) over exceeded target, and eight (8) indicators achieved target, one indicator (1) exceeded target and one (1) performed below target.

The Department comprises of the following divisions:

- Building Control
- Spatial Planning and Land Use Management
- Human Settlements

The following highlights were noted:

- Reviewed Spatial Development Framework (SDF) which is aligned to Spatial Planning Land Use Management Act (SPLUMA).
- Local SDFs developed for rural areas.
- Land Use Scheme (LUS) developed, adopted by Council and promulgated.
- Improved turnaround time in terms of assessment and conclusion of Land Use applications and building plans.
- Geographic Information System is functional.
- The housing beneficiary register updated and enquiries on the list about new developments addressed.
- Marapong Community Residential Units project implemented by CoGHSTA progressing well.
- Rural Housing Programme also implemented by CoGHSTA.
- In a process of developing Human settlement development plans.
- In the process of establishing Municipal Planning Tribunal.

- Turnaround times for issuing building contravention, assessment of building plans have improved to one day and less than 16 days respectively.
- Approval of land development application improved to less than 11 weeks

Challenges

- No Human settlement plan is developed as planned

Budget and Treasury Office has twenty-two (22) indicators.

Out of the twenty-two (22) indicators, two (2) over exceeded target, one (1) exceeded, ten (10) achieved targets, eight (8) performed below target and one (1) performed unsatisfactory.

The Department comprises of the following divisions:

- Budget and Reporting
- Expenditure
- Revenue
- Supply Chain Management

The following highlights were noted:

- Asset verification was conducted as planned.
- Liquidity ratio (R-value assets / R-value liabilities as %) is 184%.
- Quarterly Financial Reports were submitted to council.
- The Interim Financial Statement was prepared and submitted to Audit Committee and Auditor General.
- Percentage Cost coverage (R-value all cash at a particular time plus R-value investments, divided by R-value monthly fixed operating expenditure is 141%.
- Percentage Capital budget actually spent on capital projects identified for financial year i.t.o. IDP is 45% after the budget was adjusted.
- MIG capital expenditure is 87,5%
- Debt coverage (total R-value operating revenue received minus R-value Operating grants, divided by R-value debt service payments (i.e. interest + redemption) due within financial year is at 1754%.
- Percentage debtors collection rate YTD is at 91%.
- Percentage outstanding service debtors to revenue (R-value total outstanding service debtors divided by R-value annual revenue actually received for services are 9%.
- All the indigents for basic services received their free basic services;
- Two awareness campaigns on payment of services and registration of indigents were done in Marapong.
- The indigent Register is updated

Corporate Support Services has nineteen (19) indicators.

Out of the nineteen (19) indicators, no indicators over exceeded target, thirteen (10) indicators achieved targets, two (2) indicators exceeded targets, six (6) performed below target, and One (1) indicator performed unsatisfactory.

The Department comprises of the following Divisions:

- Administration and Secretariat
- Human Resources

- Legal Services and Property Management
- Information Communications Technology (ICT)

The following highlights were noted:

- Number of people from employment equity groups employed in the three highest levels of management in compliance with the Municipality's approved Employment Equity plan.
- Council meetings held as planned and including Special Council meetings.
- On skills development about 0.94 % was spend from the operational budget to improve the work skill development in the municipality.
- Eight (8) LLF meetings were held in the Financial Year as planned.
- Thirteen(13) ICT Policies were reviewed and tabled to council for adoption
- The employee satisfaction is 51.7%.
- Four (4) Employee assistant policies were taken to LLF and three were presented to council for approval.
- Two (2) By-laws were submitted for vetting and gazetting.
- Percentage of staff members who has financial competencies as required is 100
- 83% of the service level agreements are drafted within two weeks as scheduled.
- Mayoral bursary scheme in partnership with: ABSA, Temo Mine, Enel Solar Plant, Exxaro, Boikarabelo and Afrimat Aggregates.

Social Services have eighteen **(18)** indicators.

Out of the eighteen **(18)** indicators, three **(3)** over exceeded target, four **(4)** exceeded, Seven **(7)** achieved target, two **(2)** indicator performed below target and two **(2)** performed unsatisfactory.

The Department comprises of the following divisions:

- Traffic
- Registration Authority and Licensing
- Waste Management
- Parks
- Libraries and Thusong Centres

The following highlights were noted:

- The number of trees planted 509.
- 20941 households have access to refuse removal.
- Forty eight per cent (48, 6 %) households have access to basic level of solid waste removal.
- Environmental education programmes on waste awareness implemented.
- Library campaigns held as planned.
- Improvement on turnaround time for learner and driving licenses.
- Reports on education activities and public transport were sent to council as planned
- Number of joint law enforcement operations with other law enforcement agencies undertaken.
- Three (3) functional Safety and Security Forum.
- Eight (8) Services rendered at the Thusong centres.
- Fourteen (14) villages receive solid waste removal.

Infrastructure Services have twenty **(20)** indicators.

Out of the twenty **(20)** indicators, three **(3)** over exceeded target, two **(2)** exceeded target, six **(6)** achieved target, three **(3)** performed below targets and five **(6)** performed unsatisfactory.

The Department comprises of the following Divisions:

- Water
- Sanitation
- Project Management Unit
- Electrical and Mechanical
- Public Works

The following highlights were noted:

- The progress of upgrading 8,53km of gravel access road to tar at Lerupurupung, Mmaletswai and Mokuruanyane is completed.
- A percentage household with access to basic level of electricity is 86.8. About 36869 households have access and 578 new households were connected which is 86.8%
- Access roads bladed throughout 36 villages.
- The number of households with access to sanitation is 36592 which are 85. % have access to basic level of sanitation; only 13 households were connected this financial year
- The number of households with access to water is 32050 which translate to seventy four per cent (74%) of households with access to basic level of water.
- Thirty point ninety nine per cent (30.99%) of water losses.

Challenges.

- No transformer was upgraded 2018/19 FY
- No energy efficiency audit done
- Water is above the set standard norm

ORGANISATIONAL DEVELOPMENT OVERVIEW

In the light of the actual and potential development challenges the Municipality reviews its organizational structure in order that the structure should reflect how the municipality has organized its resources and competencies for the purpose of delivering on core responsibilities. The political structure consists of Council and the Executive Committee. The administration consists of the office of the Municipal Manager and six Departments: Corporate Service, Budget & Treasury Office, Development Planning, Infrastructure Services, Social Services and Strategic Support Services,

Current institutional capacity constraints within Lephalale municipality will impede the achievement of development targets for the Limpopo Coal and Petrochemical cluster. The most critical constraints in the context of the cluster are in planning and technical services.

The turnover rate is 3.3 % from an organizational structure of 524; the total number of filled post was 453 which include interns. 0, 77% of the total budget was spent on work skills development. All HR policies were reviewed and updated for council to adopt in the financial year.

Performance Evaluations for the financial year 2016-17 were conducted successfully and bonuses were not declared.

FINANCIAL HEALTH OVERVIEW

The excellent performance in relation to the main financial ratios that measures the financial viability of a municipality shows that the municipality's is not financially healthy. The Municipality's liquidity ratio stood at 184%, cost coverage at 141%, debt coverage at 1754% as well the debt collection rate that stood at 91% at the end of the financial year.

We closed the year with outstanding service debtors to revenue at 9%.

Table 8: Operating Ratios

Operating Ratios	
Detail	%
Employee cost	37%
Repairs & maintenance	3%
Finance charge & impairment	3%

COMMENT ON OPERATING RATIOS:

Employee cost is inclusive of Councillors remunerations is equal to R190 327 698 versus the total operating expenditure of R511 497 991. Repairs and maintenance total cost is R14 525 151 and the finances charges are R17 028 115 from the total operating expenditure of R511 497 991.

Table 18: Total Capital Expenditure

Total Capital Expenditure:Year-2 To Year	2018/19	2017/18	2016/17
		R'000	
Detail	Year-2	Year-1	Year0
Original budget	56 523000	R106 452 000	R68 080 000
Adjustment budget	117 840 000	R133 959 000	R150 468 000
Actual	53 438 000	R111 675 775	R95 098 065
	45%	83%	63%

AUDITOR GENERAL REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

1. I have audited the financial statements of the Lephalale Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No.3 of 2017) (DoRA).

STATUTORY ANNUAL REPORT PROCESS

Table 19:

No.	Activity	Timeframe
1	Council adopts Oversight report	March
2	Oversight report is made public	
3	Oversight report is submitted to relevant provincial Council s	
4	Annual Performance Evaluation	April
5	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	April/ May

No.	Activity	Timeframe
6	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
8	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
9	Finalise the 4th quarter Report for previous financial year	
10	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
11	Municipal Manager tables the unaudited Annual Performance Report	
12	Municipality submits draft Annual Performance Report including consolidated annual financial statements and performance report to Auditor General	
13	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	September - October
14	Auditor General audits Annual Performance Report including consolidated Annual Financial Statements and Performance data	
15	Municipalities receive and start to address the Auditor General's comments	November
16		
17	Audited Annual Report is made public and representation is invited	
18	Oversight Committee assesses Annual Report	December
19	Municipal entities submit draft annual reports to MM	
20	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	
21	Municipal entities submit draft annual reports to MM	January
22	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report Mayor tables the unaudited Annual Report	

RISK ASSESMENT

Table 9: Risk Assessment

RISKS	ROOT CAUSES	TREATMENT PLANS
Failure to comply with the required regulation	1. New regulation 2. Resistance from employee changes in system and the whole Municipal operation.	1. Conducted awareness on MSCOA implementation.
	3. Improper monitoring of project implementation plan.	3.1. Appointed the MSCOA steering committee members and the Project Manager. 3.2. Monthly MSCOA meetings are being held.
	4. Possible errors in the migration of the current financial information to the new chart.	4.1. Key officials were offered a training on MSCOA implementation 4.2 Developed and updating the MSCOA risk register monthly.
		5. Currently running the parallel system
		• Conducted awareness on MSCOA implementation.
Financial unsustainability	1. Non collection of revenue, 2. Poor implementation of credit control and debt collection policy,	Effective Budget control and monitoring. A debt collector has been appointed to assist with the collection of long outstanding debtors

RISKS	ROOT CAUSES	TREATMENT PLANS
	Inaccurate billing of accounts.	
	3. Lack of skills and capacity.	Training of key finance officials on GRAP.
	4. Unauthorised expenditure.	Developed and implement the compliance checklist.
	5. Non-compliance to laws and regulations (statutory controls).	Enforcement of consequence management
	6. Poor costing modelling.	Performing monthly/quarterly budget meetings and reconciliations
	7. Lack of budget control.	
Fraud and corruption	1. Mal-administration	Implementation of Human resource Policy.
	2. Lack of awareness and campaigns on fraud and corruption policies and code of conduct.	Conduct workshops on code of conduct and HR policy to all employees.
	3. Ignorance	
	4. Non-compliance to laws and regulations	Continue with regular audits to review the effectiveness and efficiency of existing Internal controls. Implementation of Fraud Policy and prevention strategy and investigation of all fraud allegations
	5. Ill-discipline.	Functional Anti-corruption hotline
Ineffective implementation of performance management system (refined)	6. Unethical behaviour.	Enforcement of disciplinary actions and consequence management
	1. Inaccurate and Inconsistence Reporting	Quarterly performance review meetings
	2. Performance Management System not cascaded to lower level officials	3. Performance management evaluation for only executive managers.
		4. One official was assigned to assist the PMS Manager on a full time basis and the PA's of the executive managers were trained to assists with the gathering of POE' of Executive Managers.
	3. Lack staff capacity 4. Lack of verification of evidence due to late submission of information	5. Performance information is projected manually on excel spread sheet.
Unreliable provision of sanitation services.	1. Sewer system capacity is not responsive to population growth.	1. Implementation of phase 2 (sewerage engineering)
	2. Improper maintenance of sanitation infrastructure.	2. Monitoring and repairs of the existing sewer system.
	3. Outdated technology to monitor and detect faults in the sewer system.	1. Regular maintenance of Paarl waste water treatment plant and sewer pump station 1.
	4. Aging infrastructure.	4. Improve mentation of Sewer network at the villages.

CHANGE MANAGEMENT

The 2018-19 Annual Performance Report represents the overall non-financial performance of the municipality. The data provided was as a result of the collaboration of various departments within the institution and informed by the Key Performance Indicators and targets as set in the Service Delivery and Budget Implementation Plan of 2018-19 Financial Year and the Integrated Development Plan of the Municipality.

Achievements reflected in this Annual Report are a symbol of good governance and administration as displayed by both the Council and Administration Management. Both the Annual Performance Report and Annual Financial Statement were prepared in-house by the Performance Management and Budget and Treasury Teams and the arrangement contributed on costs saving that would have been

incurred in outsourcing the Annual Financial Statement preparations. APR and AFS were reviewed by Internal Audit, Audit and Performance Committee and an Independent Reviewer

The management team of Lephalale Municipality has been re aligned to achieve the municipal vision and provide an outcome based service delivery mission.

DRAFT

CHAPTER 2

CHAPTER 2 - GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

POLITICAL GOVERNANCE

The Constitution S151 (3) states that the Council of a municipality has the right to govern on its own initiative, the local government affairs of its community subject to national and provincial legislation.

The Municipality complies with the Municipal Structures Act, in terms of category B. The municipality has established its Executive Committee chaired by the Mayor, section 79 and 80 committees to ensure effective execution of its functions. The municipal Council has political clusters with chairpersons. The head of administration is the Municipal Manager as an Accounting Officer.

MFMA S52 (a) states: The Mayor must provide general political guidance over the fiscal and financial affairs of the Municipality.

The EXCO is established to assist Mayor with his/her functions. Each member of the EXCO is also a chairperson of a cluster committee. The following are the different clusters: Finance and Economic Development, Administration and Governance, Municipal Services and Community Development.

The Oversight committee and the Performance Audit Committee have also been established. This committee is highly functional and held 7 seven meetings in the previous financial year 2017/18, the details of the functions are outlined in the report of audit committee chairperson which is appendix G of this report.

The Municipal Public Accounts Committee (MPAC) has been established and held regular meetings. MPAC held 7 seven meetings and site visits in the 2018/19 financial year.

Four Portfolio committees have been established; Governance, Administration and BTO, Development Planning services, and Infrastructure services, Social Services all this committees are functional and considered reports before council.

A committee on Geographical names change, Radical Socio and Economic Transformation and the Ethics Committee for Council were established and functional in the financial year under review.

Figure 2: Political Structure

Photos

POLITICAL STRUCTURE
MAYOR MJ Maeko



SPEAKER
KR Molokomme



CHIEF WHIP
A THULARE



Executive Committee:

Cllr. MJ Maeko (Mayor), Chairperson, EXCO

Cllr. M. M Semanya (Cluster: Social Services)

Cllr. W. M Motlokwa (Cluster: Governance, Administration and BTO)

Cllr. R.M Shongwe (Cluster : Municipal Infrastructure Services)

Cllr. A.E Basson (Cluster: Planning and Development)

Table 21: Councillors

<u>Ward Councillors:</u>	<u>PR Councillors:</u>
Ward 1 Mr WM MOTLOKWA (ANC)	PR1 Mr MJ MAEKO(ANC)
Ward 2 Mr FL MONARE(ANC)	PR 2Ms KR MOLOKOMME (ANC)
Ward 3 Mr F PIENAAR (DA)	PR 3Ms MM MADIBANA (ANC)
Ward 4 Ms S.M NIEWOUDT (DA)	PR 4 Ms SHONGWE LM(ANC)
Ward 5 Mr K MOGOHLOANA(ANC)	PR 5Mr MJ MARAKALALA (ANC)
Ward 6 Mr MM Makgae (ANC)	PR 6Ms R T MODISE (ANC)
Ward 7 Ms ME MAISELA(ANC)	PR 7Ms SL SEABI(ANC)
Ward 8 Ms MJ SELOKELA(ANC)	PR 8 MR MM SEMENYA(EFF)
Ward 9 A. THULARE (ANC)	PR 9Ms MF MABASO (EFF)
Ward 10 Ms M R MODIBA (ANC)	PR 10 Ms MF MASHITA(EFF)
Ward 11 Mr NJ MOTEBELE(ANC)	PR 11 Mr N G MBHEDZI(EFF)
Ward 12 Ms P MOLEKWA(ANC)	PR 12 Mr R MAROPENG (EFF)
Ward 13 Ms AE BASSON(DA)	PR 13 Mr LS MANAMELA (DA)

COUNCILLORS:

The total number of Councillors is 26, half of whom are ward Councillors and the others are party proportional representatives. The names and distinctions are mentioned in the above table 15. The speaker Ms KR Molokomme is the chairperson of Council. Elections were held on the 03rd of August 2016 and the constitution of council changed to a 26 seat council and a new political party in the form of Economic Freedom Fighters (EFF) formed part of the new council , the allocation of seats per political party were 17 for ANC, 5 for EFF and 4 for the DA.

POLITICAL DECISION- MAKING

Council is scheduled to meet at least four times per year and it is the highest decision making body in terms of governance in the municipal area. In this financial year 13 Council meetings were held of which 9 were ordinary and 4 were special Council meetings. The executive committee meets on monthly basis and it delegates' part of its authority to certain committees and to the Accounting Officer.

The Council has established section 79 and 80 committees, for the effective and efficient functioning of the Council.

A functional Mayoral Planning Committee was established by the Council, four executive clusters were

Dates for 2018/19 Financial Year	Ordinary EXCO	Ordinary Council Meeting	Special EXCO	Special Council
31 July 2018	1	1	0	0
31 August 2018	1	1	0	0
06 September 2018	0	0	1	1
30 October 2018	1	1	0	0
19 November 2018	0	0	1	1
27 November 2018	1	1	0	0
30 November 2018	0	0	1	1

established namely, Budget and Economic Development, Governance and Administration; Planning and development; Municipal Infrastructure Services and Social Services.

Table 10: EXCO and Council meetings

06 December 2018	0	0	1	1
10 December 2018	0	0	1	1
01 January 2019	0	0	1	1
25 January 2019	1	1	0	0
30 January 2019	0	0	1	1
26 February 2019	1	1	0	0
08 March 2019	0	0	1	1
15 March 2019	0	0	1	1
26 March 2019	1	1	0	0
08 April 2019	0	0	1	1
06 May 2019	0	0	1	1
28 May 2019	1	1	0	0
28 June 2019	0	0	1	1
Total	8	8	12	12

ADMINISTRATIVE GOVERNANCE

The table below illustrates the Senior Management and the summary of their function as per their Departments:

Table 11: Top Administrative Structure

TIERS	FUNCTION
TIER 1	
MUNICIPAL MANAGER (Ms .E.M TUKAKGOMO)	Strategic Support, Liaise and advice Political Structures, Internal Audit, risk management and manage Administration.
TIER 2	
STRATEGIC SERVICES (vacant)	Overall management of offices for Mayor, Speaker and Chief whip, Responsible for correspondences from these offices. Deals with Public participation, intergovernmental co-operative governance, IDP, Communication and Performance Management
CHIEF FINANCIAL OFFICER MR MS LANGA	Budget compilation and control, Debtor management (Credit Control, Debt collection), Accounting Services (Cash flow management, Cost, etc.), Treasury management (Loans, Investments), Inventory (Procurement & Provisioning).
EXECUTIVE MANAGER: SOCIAL SERVICES Ms Maria Cocquyt	Recreational facilities; Solid Waste Management; Environmental Management; Library, Arts and Culture; Safety and Security; Fire and Rescue Services; Disaster Management; Traffic Control; Licensing Authority.
EXECUTIVE MANAGER: CORPORATE SUPPORT SERVICES Mr M G MAKGAMATHA	Administrative Support; Legal and Secretariat; Human Resources and ICT.
EXECUTIVE MANAGER: INFRASTRUCTURE SERVICES (vacant)	Water services; Electrical services; Sanitation services; Public Works; Roads and Storm water; Municipal Workshop and Project Management Unit.
EXECUTIVE MANAGER: DEVELOPMENT PLANNING SERVICES MS. B.C. RADIPABE	LED, Spatial and Land Use Management; Human Settlements Tourism, Marketing and International Relations and Building Control.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Lephalale Local Municipality participates in the following forums for intergovernmental relations, the Premier/ Mayor's forum and the Municipal Manager's forum. The IDP and PMS Units are participating in the Provincial forum and District municipality's forum, these forums includes sector departments operating at the grass roots and at community level.

NATIONAL INTERGOVERNMENTAL STRUCTURES

Besides Provincial forums attended by both officials and politicians, there are formal intergovernmental structures dealing directly with the National Government. Interaction between National Government and Municipality is done through the Provincial forums. These are: the Provincial IDP forum, Premier's *Lekgotla*, Premier's Monitoring and Evaluation forum and the Monitoring and Evaluation Forum by CoGHSTA Department.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Provincial IDP forum, Premier's *Lekgotla*, Premier's Monitoring and Evaluation forum and the Monitoring and Evaluation Forum by CoGHSTA Department. The department assisted the municipality with the implementation of the PMS at municipal level and the establishment of credible IDP and SDBIP. The department further established municipal manager's forum and cascaded to district level. Provincial Treasury established a forum for Chief Financial Officers (CFO's Forum) where budgeting and financial reporting is streamlined hence developments such as MSCOA for the future. The Internal Auditor and Risk Officers' forum are also platforms where spheres of government interact to improve and align services.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Waterberg District Municipality co-ordinates service delivery in local municipalities the similar forums attended at provincial level are hosted at district level. Lephalale municipality is benefitting from attending the District Monitoring and Evaluation forum. The Mayor's forum and the Municipal Managers forum are also beneficial in terms of planning and execution of the functions of the municipality.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The MSA S17 (2) requires a municipality to establish and organise its administration to facilitate and a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

The municipality has established the Municipal Public Accounts Committee (MPAC) and this committee meets regularly to scrutinize reports and make recommendations to Council. The Committee reviews the annual report, AG action plan; oversee the implementation of the projects and matters referred by Council.

PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Lephalale Local Municipality has an internal newsletter which is published from the Office of the Municipal Manager. In the 2018-19 financial year the Communication strategy was adopted by Council. The Office of the Mayor through the communications and public participation units outlined how communication and dissemination of government information is to be accomplished.

Apart from the formal administrative meetings like the IDP/PMS forums, the Mayor and Councillors engagements on community outreach programs, like Imbizo and commemoration of significant dates on the calendar.

The table below shows the list of the public participation engagements throughout the 2018-19 financial year.

Table 12: Public Meetings

Public Meetings							
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Mayoral Stakeholders Engagement	19 September 2016	13	14	200	Involvement of Stakeholders in decision making		
Mayoral Traditional House Indaba	22 September 2017	18	6	300	Strengthen the role of traditional leaders in Government		
Community consultation meeting (Marapong)	04 August 2017	16	10	1250	Service delivery issues	Yes	N/A
Community consultative Meeting (Shongoane)	01 August 2017	14	12	1100	Access to housing and basis services	Yes	N/A
Handing over of electrification	02 February 2018	18	16	1400	Water and Roads services	No	N/A
Handing over of electrification	13 February 2018	16	14	800	Access to housing and basis services	Not All issues	N/A
Handing over of contractor	14 February 2018	19	16	700	Electricity and Water Services	Yes	N/A
Handing over of electrification	15 February 2018	16	20	1050	Water and roads	Yes	N/A
Handing over of electrification	23 February	13	6	780	Access to housing and basis services		
Handing over of contractor at Kgobagodimo	23 February 2019	22	10	180	Access to housing and basis services		
Handing over of contractor Magadimela	23 February 2019	Handing over of contractor	Handing over of contractor	Handing over of contractor	Handing over of contractor		
Community consultation at Lebu	05 March 2019	18	5	1200	Access to housing and basis services		

Public Meetings							
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Community consultation at Letlora village	24 March 2019	16	10	300	Access to housing and basis services	No	N/A
Community meeting at Mohlasedi	10 April 2019	18	7	840	Access to housing and basis services	N/A	
IDP/BUDGET ROADSHOW (Phahladira)	22/04/2019	20	26	1080	Service delivery issues.	Yes	N/A
IDP/BUDGET ROADSHOW (Thabo Mbeki)	30/04/2019	19	34	1050	Service delivery issues	Yes	N/A
IDP/BUDGET ROADSHOW (Steenbokpan)	03/05/2019	22	26	960	Service delivery issues	Yes	N/A
Community meeting at Gaphahladira	10 May 2019	15	11	800	Access to housing and basis services	N/A	N/A
Community consultation at Kopanong Village	05 June 2019	16	8	750	Access to housing and basis services	N/A	N/A

From the entire public participation engagement held, the municipality was able to identify and prioritize the projects to address the identified community needs which led to the development of key performance strategies and objectives with targets. This was also done through the IDP/Budget, PMS forums and road shows.

WARD COMMITTEES

Ward committees are community coordinating structures and are assisting the ward Councillors in their functions in their respective wards. Ward committees are the key structures to community participation and representation. These are legislatively chaired by the ward Councillors and serves as the link between Councillors and Community.

Thirteen Ward committees were established in the financial year 2015/16 at the beginning of the 5year political circle of Council and for previous financial year 2018-19. All the 13 ward committees were functional. Most of the committees managed to hold monthly meetings every month and quarterly public meetings were held successfully.

IDP PARTICIPATION AND ALIGNMENT

The Lephalale Municipality process plan is seen as a document that describes how the institution will develop and implement the integrated development plan through budget in its area of jurisdiction. Therefore it will have meaningful bearing on the current IDP document once completed and/ or most importantly, it may lead to the process of the development of a new and all-inclusive integrated development planning methodology to plan and actualize future development in Lephalale through our budgetary allocations. The process plan is thus similar to business plan and deals with the allocation of Municipality capacity and resources in support of and serve as a guideline in terms of which council will carry out its mandate through integrated development planning.

Table 13: IDP/Budget process plan for 2017/2018 financial year

IDP PHASE	DELIVERABLES AND PROCESS MANAGEMENT	RESPONSIBLE	OUTPUT	PLANNED DATE	ACTUAL DATE OF DELIVERY
Preparation Phase	Develop Draft IDP/Budget 2018/19 process plan	Budget & Treasury, Office of MM	Approved IDP and Budget process plan	August 2018 Last week	20 Sept 2018
	First IDP steering committee meeting	Municipal Manager		July 2018	26 July 2018
	Tabling of Draft IDP/Budget 2019/20 process plan before Executive committee	Municipal Manager		30 July 2018 Week 4	30 July 2018
	Presentation of Draft/Budget 2019/20 process plan before Rep forum	Mayor		August 2018 Week 4	21 August 2018
Analysis Phase	Quarterly assessment of IDP implementation for 2018/19	All departments/Municipal Manager	<ul style="list-style-type: none"> Assessment of the existing level of development Priority issues/problems Understanding of causes of priority issues/problems Information on available resources 	October 2018	18 October 2019
	Second IDP steering committee meeting	Municipal Manager		October 2018	October 2018
	Community consultation forums on tariffs, indigent credit, credit control and free basic services	Budget & Treasury		21 August 2018 - 20 September 2018	21 August 2018 - 20 September 2018
	Revisit community needs, consult, and assess	Office of MM		September 2018	25 Sept 2018
	Third steering committee meeting	Office of MM		November 2018	21&22 January 2019
	Second IDP Rep forum	Mayor		October 2018	18 October 2018
Strategy Phase	Fourth IDP Steering committee	Office of MM	<ul style="list-style-type: none"> Vision (for Municipality) Objective (for each priority issue) Strategic options and choice of strategy 	November 2018	13 January 2019
	Consultative Forum on Vision, Mission, Objectives, and Localized strategic objectives	Office of MM		February 2019	15 February 2019
	2019/20 Projects progress evaluation	Office of MM		January 2019	29 January 2019
	Mid-Year and Annual report	All Departments/MM		February 2019	6 February 2019
Projects	Five IDP Steering committee	Mayor/Municipal	• Tentative financial	March	13 March

IDP PHASE	DELIVERABLES AND PROCESS MANAGEMENT	RESPONSIBLE	OUTPUT	PLANNED DATE	ACTUAL DATE OF DELIVERY
Phase		Manager	framework for projects <ul style="list-style-type: none"> • Identification of projects • Projects output, targets, locations • Projects related activities and time schedule • Cost and budget estimates 	2018	2019
Projects Phase	Tabling of draft IDP/Budget 2019/20 for council approval	Mayor	<ul style="list-style-type: none"> • Public comments on the draft IDP/Budget 2018-19 	March 2019	24 March 2019
	IDP/Budget road shows	Mayor		April 2019	9-30 April 2019
	Advertisement of draft IDP/Budget 2019/20	Office of MM		April 2019	30 April 2019
	Submission of draft IDP/Budget 2019/20 to National Treasury and CoGHSTA	Office MM		April 2019	23 April 2019
Approval Phase	Sixth IDP Steering committee meeting	Office of MM	<ul style="list-style-type: none"> • Public comments • Approved IDP/Budget 2018-19 	May 2019	15 May 2019
	Fourth IDP Rep Forum	Mayor		19 May 2019	19 May 2019
	Tabling of 2019/20 IDP/Budget before council	Mayor		26 May 2019	26 May 2019
	Publish approved IDP/Budget 2019/20	Office of MM		June 2019	17 June 2019
	Submission of approved IDP/Budget 2018/19 to National Treasury and CoGHSTA	Municipal Manager		June 2019	28 June 2019
	Approval of Service Delivery Budget Implementation Plan (SDBIP)	Municipal Manager		June 2019	20 June 2019
	Signing of Annual Performance Agreements for section 57 Managers	Mayor/Municipal Manager		Jul 2019	14 Jul 2019

Source: Lephalale municipality

The current IDP document, which reviewed for the next financial year 2019/20, is aligned to strategic objectives towards the vision of Lephalale Municipality. The SDBIP is derived from the IDP and all the Performance plans for Sec 57 contracts with Key Performance Indicators.

The final IDP 2019/20 and the budget was approved by Council on the 30th May 2019.

Table 14: IDP Participation

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

COMPONENT D: CORPORATE GOVERNANCE

RISK MANAGEMENT

Municipality Finance Management Act, SECTION 62(1) (c) (i) states that the Accounting Officer must ensure that department has and maintains effective, efficient and transparent systems of financial and risk management and internal control and that risk assessment are conducted regularly to identify emerging risks of the institution.

The Municipality has established the Risk Management Committee as per the King III Report on corporate governance and the Public Sector Risk Management framework to adequately review, assess and monitor the effectiveness of controls managing the risks involved in both strategic and operational directions. The Committee held 4 quarterly meetings as per its roles and responsibilities and one special meeting to review and recommend for the approval of the Risk Management policies and strategy in the 2017/18 financial year.

The following are the top identified 5 risks for Lephalale for Lephalale Municipality. The table below illustrates the top 5 risks, the root causes and mitigating factors.

Table 15: Top 5 Risks

RISKS	ROOT CAUSES	TREATMENT PLANS
Failure to comply with the required regulation	1. New regulation 2. Resistance from employee changes in system and the whole Municipal operation.	1. Conducted awareness on MSCOA implementation.
	3. Improper monitoring of project implementation plan.	3.1. Appointed the MSCOA steering committee members and the Project Manager. 3.2. Monthly MSCOA meetings are being held.
	4. Possible errors in the migration of the current financial information to the new chart.	4.1. Key officials were offered a training on MSCOA implementation 4.2 Developed and updating the MSCOA risk register monthly.

RISKS	ROOT CAUSES	TREATMENT PLANS
		5. Currently running the parallel system
		<ul style="list-style-type: none"> Conducted awareness on MSCOA implementation.
Financial unsustainability	1. Non collection of revenue, 2. Poor implementation of credit control and debt collection policy, Inaccurate billing of accounts.	Effective Budget control and monitoring. A debt collector has been appointed to assist with the collection of long outstanding debtors
	3. Lack of skills and capacity.	Training of key finance officials on GRAP.
	4. Unauthorised expenditure.	Developed and implement the compliance checklist.
	5. Non-compliance to laws and regulations (statutory controls).	Enforcement of consequence management Performing monthly/quarterly budget meetings and reconciliations
	6. Poor costing modelling.	
	7. Lack of budget control.	
Fraud and corruption	1. Mal-administration	Implementation of Human resource Policy.
	2. Lack of awareness and campaigns on fraud and corruption policies and code of conduct. 3. Ignorance	Conduct workshops on code of conduct and HR policy to all employees.
	4. Non-compliance to laws and regulations	Continue with regular audits to review the effectiveness and efficiency of existing Internal controls. Implementation of Fraud Policy and prevention strategy and investigation of all fraud allegations
	5. ill-discipline. 6. Unethical behaviour.	Functional Anti-corruption hotline Enforcement of disciplinary actions and consequence management
Ineffective implementation of performance management system (refined)	1. Inaccurate and Inconsistence Reporting	Quarterly performance review meetings
	2. Performance Management System not cascaded to lower level officials	3. Performance management evaluation for only executive managers.
		4. One official was assigned to assist the PMS Manager on a full time basis and the PA's of the executive managers were trained to assist with the gathering of POE' of Executive Managers.
	3. Lack staff capacity 4. Lack of verification of evidence due to late submission of information	5. Performance information is projected manually on excel spread sheet.
Unreliable provision of sanitation services.	1. Sewer system capacity is not responsive to population growth.	1. Implementation of phase 2 (sewerage engineering)
	2. Improper maintenance of	2. Monitoring and repairs of the existing sewer system.

RISKS	ROOT CAUSES	TREATMENT PLANS
	sanitation infrastructure. 3. Outdated technology to monitor and detect faults in the sewer system.	2. Regular maintenance of Paarl waste water treatment plant and sewer pump station 1.
	4. Aging infrastructure.	4. Improve mentation of Sewer network at the villages.

ANTI-CORRUPTION AND FRAUD

The Local Municipality has adopted the Fraud Prevention Plan and the Fraud Prevention Policy as the strategies to prevent fraud and corruption.

The Fraud/corruption risk areas include:

FRAUD AND ANTI-CORRUPTION STRATEGY

- Procurement, including urgent/emergency matters, sole suppliers and
- Vetting of suppliers and other trading partners;
- Travel claims;
- Conflicts of interest and private work declarations;
- Compliance to delegations of authority;
- Payroll; and
- Revenue collection –both from individuals and businesses

The Municipality has implemented the following controls measures to prevent fraud and corruption:

- Anti-corruption hotline
- Fraud awareness and campaigns
- Financial policies and procedures;
- Human Resources policies and procedures;
- Segregation of duties;
- Code of Conduct for Municipal Officials and Councillors
- Physical and Information Security; and
- Exclusion of Councillors from the procurement processes.

The Municipality has also implemented controls to detect fraud and corruption:

- Periodic Internal Audit reviews;
- Annual External Audit reviews; and
- Regular management reviews.

All employees and other stakeholders are expected to comply with the applicable policies and procedures. A fundamental risk in this area is the lack of knowledge, awareness, effective communication and training relating to Fraud, Theft and Corruption. The Municipality has a number of systems, policies and procedures designed to ensure compliance with specific laws and regulations and basic internal control.

Notes: See Chapter 4 of these report details of Disciplinary Action taken on cases of financial mismanagement.

SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

The Bid Specification, Bid Evaluation and Bid Adjudication Committees have been established. Advertised tenders are being evaluated, adjudicated and appointments are made for tenders in terms of the Supply Chain Management Policy. It takes an average of 87 days to make adjudication on a tender from a date of closing. Quarterly reports on the tenders are submitted to Council.

BY-LAWS

MSA S11 (3) (m) provides municipal Council s with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

The table below outlines the by-laws processed during the financial year 2018/19.

Table 16: By-laws

By-laws Introduced during 2017/18 and Adopted in 2018/19				
Newly Developed	Date Revised	Public Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	Date of Publication
Parks & Public Open Spaces By-Law	September 2018	Yes	October 2018	Gazetted 08 March 2019
Standing Orders By-Law	September 2018	Yes	October 2018	Gazetted 08 March 2019

COMMENT ON BY-LAWS:

MSA S11 (3) (m) provides Municipal Council s with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

The by-laws for Lephalale Municipality were adopted in the 2018-19 financial year, 3 by-laws were established during the 2017-18 financial year, Out of the 3 established two by-laws were not gazetted in the 2018/19 financial year but only one SPLUMA by –law was gazetted.

WEBSITES

Table 17: web site updates

Municipal Website : Content and Currency of Material		
Documents published on the Municipal website	<Yes / No>	Publishing Date
Current annual and adjustments budgets and all budget-related policies	Yes	16/01/2019 17/06/2019
All current budget-related policies	Yes	04/05/ 2018 18/06/2018
The annual report (2017/18) published/to be published	Yes	03/ 2019
<i>The annual report (2018/19) published/to be published</i>	Yes	03/ 2020
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2018/19) and resulting scorecards	Yes	28 /07/2018
All service delivery agreements (2018/19)	Yes	27/06/2018
All long-term borrowing contracts (2018/19)	Yes	13/01/2019
All supply chain management contracts above a prescribed value (give value) for 2017/18	Yes	22/11/2019
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2018/19	Yes	22/03/2019
Contracts agreed in 2017/18 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	29/7/2018

Public-private partnership agreements referred to in section 120 made in 2017/18	Yes	29/7/2018
Two quarterly reports tabled in the Council in terms of section 52 (d) during 2018/19 (Mid-Year and APR 2018/19)	Yes	23/4/2019

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS:

The table above depicts the dates and the types of municipal documents posted on the website for the public to view.

The Lephalale Municipality has established a web site. The website is maintained by SITA.

PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Customer satisfaction survey was not conducted for the financial 2018/19 due to lack of capacity and budget; there were sporadic incidences of service delivery protests from communities in rural villages. There were engagements between WDM, Stats SA and Lephalale Municipality for possible assistance on the customer satisfaction survey by the district and provincial government.

Lephalale Municipality has established municipal oversight committees such the Municipal Public Accounts committee (MPAC), Audit and Performance Committee, and the Executive Committee (EXCO), this committees are fully functional and meet as scheduled or on ad-hoc basis.

CHAPTER 3- SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

COMPONENT A: BASIC SERVICES

INTRODUCTION

This chapter in the annual report is in compliance with section 46 of the Municipal Systems Act No 32 of 2003. The information contained within this report will be used to populate the annual report. Section 46 of the Municipal Systems Act requires reporting on the following in the annual performance report:

- Performance of the Municipality and each external service provider
 - External Service Provider is defined in Section 1 of the Municipal Systems Act as: an external mechanism referred to in section 76 (b) which provides a municipal service on behalf of a Municipality. The meaning of 'external service provider' is synonymous as Entity. Lephalale Local Municipality does not currently have any entity that provides municipal services on behalf of the Municipality; therefore it is not required to include such a report in the report.
- Section 41(2) of MSA states: *The system applied by a Municipality in compliance with subsection (1) (c) must be devised in such a way that it may serve as an early warning indicator of under-performance.*

Each institution needs to collect a wide range of performance information for management purposes, however not all information is relevant in accountability documents. The institution should specify in its planning documents a set of performance targets it will report against in its accountability documents.

The set of indicators selected for accountability reporting ought to provide a holistic view of the institution's performance.

In the case of concurrent functions, national departments need to identify a core set of indicators that need to be reported by provincial and local governments to ensure comparability.
- Performance information is only useful if it is consolidated and reported back into planning, budgeting and implementation processes where it can be used for management decisions, particularly for taking corrective action.

This means getting the right information in the right format to the right people at the right time. Institutions need to find out what information the various users of performance information need, and develop formats and systems
- Comparison of performance against set targets and performance in previous financial year
 - Quarterly and annual performance against quarterly and annual targets as per the Adjustment Service Delivery and Budget Implementation Plan (SDBIP) is reported on. The Adjusted SDBIP contains the objectives and indicators as per the Municipal Integrated Development Plan (IDP) as well as General Key Performance Indicators as prescribed in terms of Section 43 of the Municipal Systems Act and Regulation 796 of 2001. The SDBIP for 2017/18 was developed to reflect **cumulative performance**, therefore the **status of indicators are also cumulative** and reflection of the overall performance level achieved year to date.
 - The format to calculate the variance between actual annual performance and annual targets are included for each Key Performance Indicator (KPI).
 - The baseline (previous financial year) performance are included for each KPI to reflect progress made from the previous financial year to the reporting financial year.
 - Comparisons of performance against targets are highlighted in the form of colours based on scores which were calculated using Municipal Performance Regulations for Municipal Managers and Managers directly accountable Municipal Managers, Regulation 805 of 2006, adapted to comply with the Lephalale Local Municipality's performance management requirements. The scoring method utilised is in line with the assessment rating calculator prescribed by the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation 805 of 2006.

- An explanation is as per the table below:

Table 18: Rating Scales

Colour code	Scoring	% Target achieved	
Rating	Score	Low	High
Unsatisfactory	1-1.99	0.0%	49.99%
Below target	2 -2.99	50%	69.9%
Achieved target	3 -3.99	70%	79.99%
Exceeded target	4 -4.99	80%	99.9%
Over exceeded target	5+	100.0%	+

- Measures taken to improve performance
 - Corrective action is included for underperforming targets

Section on improvement from challenges in previous financial year's Annual Report as per the Annual Performance Report from the previous financial year

WATER PROVISION

Lephalale Municipality as Water Service Authority has a duty to all customers and potential customers within its area of jurisdiction to progressively ensure efficient, affordable, economic and sustainable access to water in terms of section 11 [Water Services Act of 1997]. The Municipality has a duty to provide water to a population estimated at 140 240 living within urban, peri-urban and rural areas of jurisdiction.

The Lephalale Municipality is designated as Water Service Authority and Water Service Provider. All the water for the urban area of the Lephalale Municipality originates from Mokolo Dam. Grootegeluk Coal Mine originally built the main supply lines, pump station, balancing dam and water purification works in the urban area. The supply, as well as maintenance of the dam (as agent of DWA) is still done by Grootegeluk coal mine. In the case of Marapong township, which is situated near the mine/power station, purified water to the Municipality is supplied by Matimba Power Station. Even though the municipality has benefited to date from the investments made by Exxaro and Matimba in the past there is a concern that as water service authority, and considering long term development implications, the Municipality should have ownership of infrastructure required to provide water and sanitation services to Marapong area.

The Municipality has a Water Service Development Plan which was adopted by council in 2009 and reviewed regularly. The current reviewed plan has been populated into a new template and presented to council for adoption in August 2014.

The Department of Water Affairs (DWA) appointed consultants to investigate alternative solutions for provision of water to the Lephalale node area 1 as a result of the development potential of the Municipality. Based on water infrastructure, the current water availability and water use allows only limited spare yield existing for future allocations for the anticipated surge in economic development in the area. DWA commissioned the Mokolo- Crocodile (West) Water Augmentation project (MCWAP) to analyse the options for transferring water from the Crocodile River (West) with the intention to implement the project in two phases.

Augmentation of the supply from Mokolo Dam, and transfer of water from the Crocodile River (West) to the Lephalale area. The Department of Water Affairs (DWAF) has allocated 2.1 billion for the past financial year to phase in the project on a three year basis. It is imperative to note that the outcome of the MCWAP project need to be implemented to address expected water shortages before any development in node area 1 will be viable, as currently the area does not have sufficient water resources to sustain any new development. Furthermore the municipality will need to obtain an appropriate license to abstract water from MCWAP scheme to provide water to node area 1.

BULK WATER INFRASTRUCTURE.

Water is pumped from the Mokolo dam to the Wolfefontein storage dam, from where it gravitates down to Zeeland water purification plant and the purification plant at Matimba power station. Bulk raw water gravitates down to the Grootegeeluk mine and Eskom's Matimba power station.

Lephalale and Onverwacht are supplied with water that gets purified at the Zeeland Water Treatment Works (owned and operated by Exxaro resources). The effluent gets treated at Paarl Waste Water Treatment Works. Currently, the Matimba Power Station at 7.1 million m³/a, Grootegeeluk Mine at 10.1 million m³/a, (Lephalale Municipality at 5.0 million m³/a of the Exxaro/Matimba allocation) and the Irrigation Sector at 10.4 million m³/a account for the 27.6 million m³/a of water allocated from the Mokolo Dam. Based on the estimated current water use, the catchment yield versus demand is in balance; however, this makes no allowance for the Ecological Reserve. Future expansions for power generation as well as the coal requirement for such development require additional volume of water which cannot be supplied from the resources within the Mokolo Water Management Area.

Table 19: Water Infrastructure.

Asset Type	Unit Measured	Quantity	Remarks
Boreholes	Number	138	
Reticulation Pipelines	Length(m)	424,973	286,311m of uPVC pipes and 136,702m of AC pipes 1,960m of HDPE pipes
Bulk pipelines	Length(m)	34,693	28,593m of uPVC pipes and 6,046m of AC pipes
Reservoirs	Number	121	
Water Treatment works	Number	2	Witpoort and Maletswai
Pump Stations	Number	38	

Source: Lephalale Municipality

Figure 3: Bulk water infrastructure linked to Mokolo dam as ground source

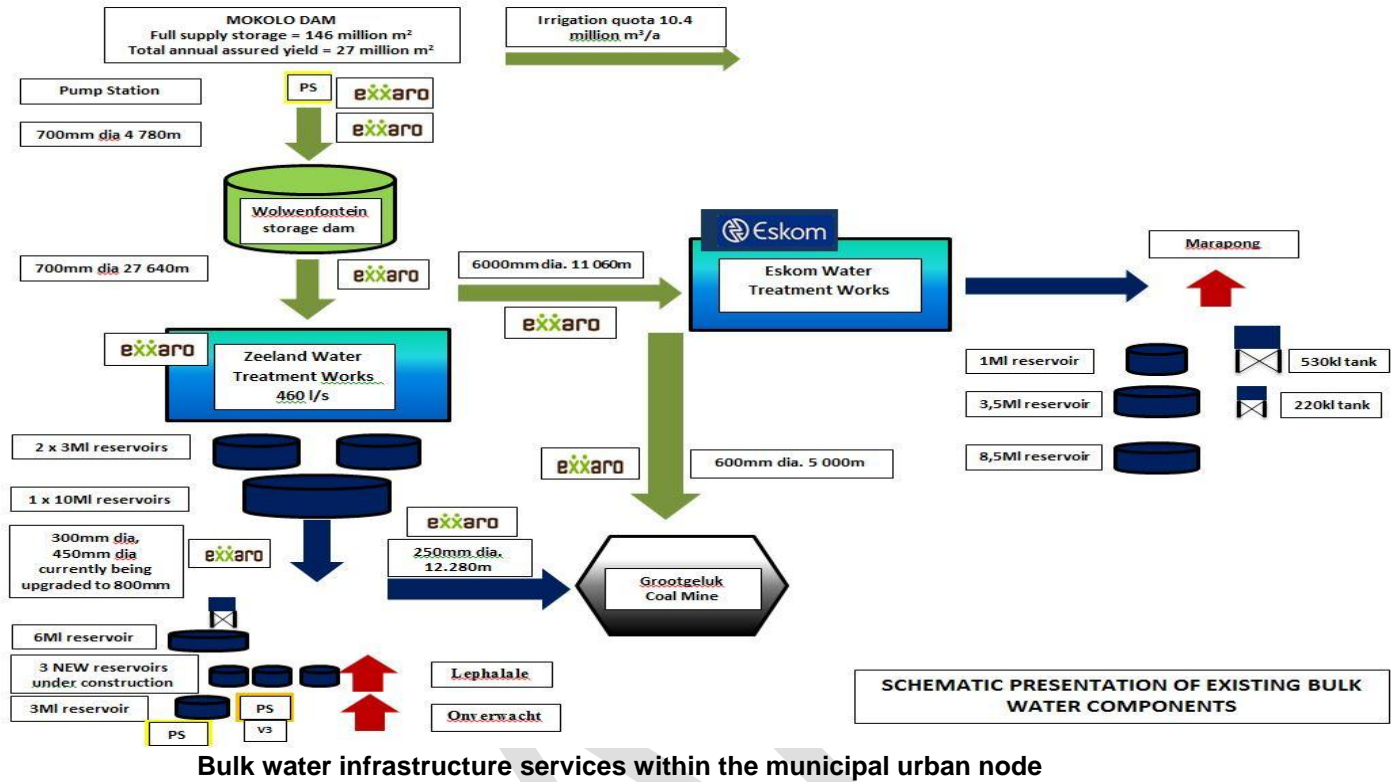
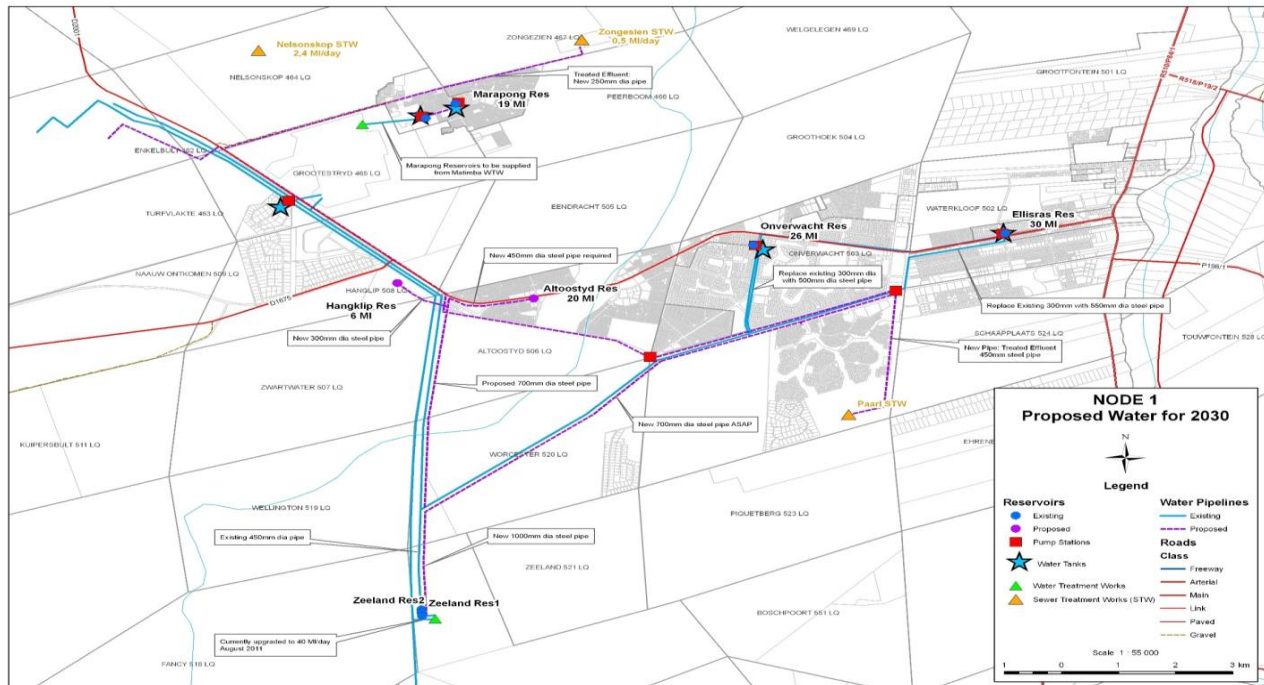


Figure 4: Water infrastructure in the urban area



Source: Municipal scoping report

Current and envisaged water and sanitation infrastructure plan in the urban nodal area as a result of anticipated economic development.

Table 20: Potential Bulk water supply abstracted from boreholes for scheme areas.

Scheme Number	Supply Area	Potential Supply
NW 100	Mokuruanyane RWS	1.950MI/day
NW 114	Witpoort RWS	0.930MI/day
NW 115	Ga-Seleka WS	0.820MI/day
NW 116	Ga-Shongoane WS	0.300MI/day
Total		4.00MI/day

The rural area is currently divided into four different water services scheme.

The potential bulk water supply, according to DWS, abstracted from boreholes in the Lephalale rural area for the four water schemes is as indicated above.

WATER AVAILABILITY IN RURAL AREAS.

The rural areas all obtain their water from groundwater sources (about 85% from boreholes and 15% from well field type boreholes in the riverbed alluvium). The four water sub schemes serve approximately 38 villages through a network of approximately 138 boreholes, which are all owned and operated by the Municipality. The water is pumped to storage reservoirs and then distributed to the consumers. Chlorine dosing tanks were installed in the storage reservoir but the Municipality is experiencing difficulty in maintaining the dosing equipment due to budgetary constraints and not enough resources. The ground water from the boreholes is generally low due to poor yields and unacceptable water quality (class 3 or 4); however this does not necessarily pose a health risk to communities. Water from the well field type boreholes has however higher yields and acceptable quality. The surety of the current water supply from boreholes is not known. It is also not known what the actual volume of water is provided to the community. The Municipality has commissioned a study on water volumes provided to rural villages.

Based on a RDP level of service for the existing community, an allocated water use of an average of 9kl/month per household in the rural areas and 36kl/month per household for Thabo-Mbeki & Thabo-Mbeki Ext 1 is proposed, the total theoretical current water demand calculated for development focus area 2 amounts to 5,992kl/d and 1,692kl/d for Thabo-Mbeki and Thabo-Mbeki Ext 1, all inclusive of a water loss of 15%.

A detailed study is required to determine if the current supply from boreholes and wells are sufficient to meet this demand. According to data on the sizes of the reservoirs collected in the Municipality water asset register, the existing reservoirs have a capacity of 8,317kl/d but it is not clear whether the groundwater sources meets demand. The available groundwater yield and quality and storage capacity needs to be investigated as it is unsure if this resource can be expanded and to what degree.

According to the water service development plan “starter requirements” approximately 22.6% of the rural population has access to water that have to be carried/carted 0-200m, while 20.5% of the population has access to water that is 200-500m away from the point of use. This implies that 35.6% of the rural population does not have water that falls within RDP standard of maximum cartage distance of 200m from point of use (i.e. resident/house).

In Lephalale, one-third of households do not have access to water in the dwelling or yard, but have to make use of community stand pipes. In Marapong this figure is somewhat lower (20% of households make use of community stand pipes) more than half of the households have access to water inside their dwelling. In ward 3 and town Lephalale, approximately 75% of households have access to water inside their dwelling, while 20% have a tap in the yard. The remainder makes use of community stand pipes.

Table 21: Household by level of access to water

Piped water inside dwelling	Piped water inside yard	Piped water on community stand	Borehole in the yard	Rain water tank in yard	Neighbour's tap	Public /communal tap	Water-carrier /tanker	Borehole outside yard	Flowing water / stream /river	Other
18390	3868	770	1801	15	672	10229	4185	546	2075	451

Table 22: EMPLOYEE STATISTICS FOR WATER SERVICES

Employees: Water Services					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3		5	5	0	0%
4 - 6		10	9	1	10%
7 - 9		3	2	1	33%
10 - 12		7	6	1	14%
13 - 14		27	24	3	11%
Total		52	46	6	12%

Employees and Posts numbers are as at 30 June 2019.

Table 23: Financial Performance Water Services

Financial Performance 2018/19: Water Services					
Details	R'000				
	2017/2018	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	75,025,038	71,792,322	83,482,837	83,804,660	-321,823
Expenditure:					0
Employees	17,660,675	14,654,754	16,636,600	18,820,986	-2,184,386
Repairs and Maintenance	2,561,146	2,721,812	2,606,716	2,172,456	434,260
Other	53,335,407	51,370,409	54,067,265	50,379,002	3,688,263
Total Operational Expenditure	73,557,228	68,746,975	73,310,581	71,372,444	1,938,137
Net Operational (Service) Expenditure	1,467,810	3,045,347	10,172,256	12,432,216	-2,259,960

WASTE WATER (SANITATION) PROVISION

Sanitation is about dignity. The availability of sanitation facilities does not only improve the dignity of people, but also promotes their health. Areas without proper sanitation systems give rise to water borne diseases like cholera, diarrhoea, typhoid etc.

It is therefore important that as a Municipality, priority should be given to this service, particularly taking into account the backlog (rural sanitation) and the national target.

The land on which Lephalale town situated is relatively flat. Sewers are installed at slopes exceeding the slope of the natural ground level and over relatively short distances, become so deep that it must be pumped. Presently there are 38 pump stations in Onverwacht and Ellisras. All land around the developed

areas is privately owned. The township layouts will be prepared by or on behalf of the land owners and the design of sewerage infrastructure will be carried out by their consultants. The requirements with regard to the placement and sizing of pump stations will be the product of the planning and design work undertaken by these developers. For these reasons it is believed that each developer should be responsible for the installation of any sewage pump station(s) and pump line(s) that he may require.

Where feasible, when developments take place at the same time in the same area, these developers should be encouraged, if practical to construct infrastructure that they share. Sewage discharged from Onverwacht/Ellisras area is treated at the Paarl sewage treatment works. The treatment works has been expanded to treat 7.25ML sewage per day and presently has spare capacity of 3ML.

Sewage from Marapong is discharged to an oxidation pond system with a reported capacity of 300kl/day. Theoretically the volume of sewage discharged to this treatment works exceeds its capacity and immediate upgrading of this treatment works is also required. The municipality is currently busy with the upgrading to a 1.5 ML/day for a conventional waste water treatment plant. A capacity of 4.5ML will be required by 2026. An oxidation pond will no longer suffice. Resgen and its BEE partners, through its operating company Ledjadja coal (PTY) LTD which is currently developing Boikarabelo mine about 60km west of Lephalale town has offered the Municipality a phase-in expansion of the oxidation pond to a 16ML/d waste water treatment plant for Marapong area on a 30 year; built, maintain and transfer contract. An agreement has been reached and a consulting engineering firm was appointed to do feasibility study.

Table 24: Sanitation Infrastructure in municipal area.

Number of treatment woks	Capacity of treatment works	Capacity currently utilized	Length of bulk sewer pipelines	Number of pump stations	Length of reticulation pipelines
3	10,73m/l	6,73m/l	105km	38	66,4km

CURRENT STATUS OF SANITATION IN RURAL AREAS.

Sanitation in the rural areas consists of informal pit latrine structures or Ventilated Improved Pit Latrine. It is estimated that 5% of the households have no sanitation service. There is no waterborne sanitation in the rural area. The sanitation level of service varies from no service to basic level of service.

Approximately 15381 households will require an improved sanitation system. The sanitation in Thabo-Mbeki and Thabo-Mbeki Ext 1 is mostly septic tanks with French drains. The Central Business District has access to full waterborne sanitation system that drains into oxidation ponds which has currently reached maximum capacity.

SANITATION RESOURCES IN RURAL AREAS.

As indicated in the section covering the water infrastructure, the area does not have sufficient water resources to accommodate a waterborne sanitation system for the entire nodal area 2. The pit latrines and VIPs in the rural area will need to be replaced with a more appropriate environmentally acceptable sanitation system once a more detailed study on what the most suitable technical solution for the existing ground conditions has been completed.

Based on RDP level of service for the existing community, an allocated sanitation demand of an average 30kl/month per household for Thabo-Mbeki and Thabo-Mbeki Ext 1 is used. The total theoretical current waste water treatment capacity requirement calculated for population concentration point amounts to 1,424kl/d inclusive of a factor of 15% for infiltration. The estimated capacity of the oxidation ponds is 297kl/d. The oxidation ponds have therefore insufficient capacity to receive all the waste water from Thabo-Mbeki town. It is estimated that the capacity requirements will increase to 1,715kl/d by 2030 thus an additional 287kl/d.

The development nodal area 2 is a relatively large area characterized by mostly informal settlements with a current population estimated at 76 300 people. Approximately 50.4% of the households are below the basic RDP level of service. The scenario is premised on the provision of more appropriate sanitation system in the rural areas and full level service to residential areas of Thabo-Mbeki and Thabo-Mbeki Ext 1 and the business area in Thabo-Mbeki.

AGE, CONDITION AND REMAINING USEFUL LIFE OF SANITATION ASSETS IN THE MUNICIPALITY.

The majority of the waterborne sanitation infrastructure in the Municipality is over 20 years old (94%). Approximately 15% of the sanitation network has been identified as being in a poor to very poor condition. These assets will have experienced significant deterioration and may be experiencing impairment in functionality and will require renewal or upgrading.

Table 25: Household access to sanitation

Flush toilet connected to public sewer system	Flush toilet connected to a septic tank or conservancy tank	Chemical toilet	Pit latrine toilet with ventilation pipe	Pit latrine/toilet without ventilation pipe	Ecological toilet(e.g. urine diversion; enviroloo; ect)	Bucket toilet	Bucket toilet(emptied by household	Other	None
18536	859	952	8326	10054	99	-	74	520	3582

Table 26: Water Service Authority: Lephalale Municipality.

Assessment Areas	Paarl	Witpoort	Zongesien
Technology	NI	NI	NI
Design Capacity (Ml/d)	4	0.37	0.5
Operational % i.t.o. Design Capacity	NI	NI	NI
xxv) Microbiological Compliance	NI	NI	NI
xxvi) Chemical Compliance	NI	NI	NI
xxvii) Physical Compliance	NI	NI	NI
Annual Average Effluent Quality Compliance	NI	NI	NI
Wastewater Risk Rating (%CRR/CRRmax)	88.2% (↓)	82.4% (↑)	76.5% (↓)
Highest Risk Area	No monitoring	No monitoring, technical skill	No monitoring
Risk Abatement Process	Draft W ₂ RAP	Draft W ₂ RAP	Draft W ₂ RAP
Capital & Refurbishment expenditure in 2010/2011	NI	NI	NI
Description of Projects' Expenditure	NI	NI	NI
Waste water Risk Abatement planning	CRR-based W ₂ RAP is in place, although its potential is limited by the lack of information pertaining to the plant		
Additional Notes	Green Drop Improvement Plan (GDIP) in place – well compiled to present practical tasks, responsible persons and timeframes with intention to improve the Green Drop 2013/14 score		

Source: DWA

Table 27: Employees: Sanitation Services

Employees: Sanitation Services					
Job Level	2017/18	2018/19			
	Employee es	Posts	Employee s	Vacancies (fulltime equivalent s) No.	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 – 3		2	1	1	50%
4 – 6		7	6	1	14%
7 – 9		6	3	3	50%
10 – 12					
13 – 14		30	26	4	7%
Total		45	36	9	20%
Employees and Posts numbers are as at 30 June 2019.					

Table 28: Financial Performance sanitation

Financial Performance 2018/19: Sanitation					
R'000					
Details	2017/2018	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	35,765,033	34,671,160	41,495,861	41,757,152	-261,291
Expenditure:					0
Employees	11,240,283	11,754,242	12,222,403	12,555,011	-332,608
Repairs and Maintenance	3,640,188	3,850,000	3,499,712	3,783,828	-284,116
Other	6,109,194	6,909,325	6,974,796	7,295,093	-320,297
Total Operational Expenditure	20,989,665	22,513,567	22,696,911	23,633,932	-937,021
Net Operational (Service) Expenditure	14,775,368	12,157,593	18,798,950	18,123,220	675,730

Table 29: Capital projects for Sanitation

Capital Expenditure 2018/19			
Project	Annual Budget	Actual Expenditure	Variance from Annual Budget
Thabo Mbeki sewer network sanitation	1275230	0	1217937
Provide VIP toilet for indigents	2 500 000	2124272	000
Replace existing AC pipes with u PVC pipes	10000 000	8489029	000

ELECTRICITY

Lephalale Municipality is an electricity provider and has an electrical reticulation network supplying electricity to Onverwacht and the eastern region of Lephalale. The Lephalale electricity network is supplied from Eskom at 11kV via the Lephalale Main Substation next to the Onverwacht area. The Eskom supply is generated at Matimba Power Station and fed via the Matimba Substation at 132kV. The Matimba Substation feeds the Eskom Waterberg Substation (Lephalale) where it is stepped down from 132kV to 33kV. Waterberg Substation has two 20 MVA 132kV/33kV transformers. From Waterberg Substation the power is fed via two Wolf conductor lines (approximately 8km each) to the main substation, at Lephalale. The substation has both an Eskom section with three 33kV/11kV 10MVA transformers and a 5 MVA substation from where the primary feeders are fed into the Lephalale network. The long awaited allocation of 120 MVA to make a firm supply has been received from Eskom.

Due to the current maximum demand and load growth in the town and surrounding areas, the distribution network have been upgraded to allow for expansion. The load growth from 2008 to date is about 200%. For the area surrounding Lephalale town for which Eskom holds the supply license the load growth could be as high as 20 MVA per year for the next few years at current demand. In line with the expected load growth different scenarios have been put in place to upgrade the network. The rural villages, farm areas and Marapong are Eskom distribution area. The Villa Nora and Tomburke substations have been upgraded to 60MVA capacity for the rural network.

Table 30: Electricity Infrastructure.

Asset Type	Units	Number
CTVT Metering Unit	Number	22
Ground Mounted Transformer	Number	22
Mini Substation	Number	252
Medium Voltage Substation	Number	43
Medium Substation Buildings	Area (m ²)	3735m ²
Asset Type	Units	Number
Pole Mounted Transformer	Number	49
Ring Main Unit	Number	92
High Voltage Substation	Number	3

Source: Municipality

NETWORK OVERVIEW.

ECONOMIC ACTIVITIES AND BACKGROUND.

The current economic activities are dominated by the general growth pattern in South Africa, the new power stations, coal supply, SIP 1 projects and Sasol. This has resulted in an influx of new business and residential customers. Major new developments to the extent of 120MVA into the future have been negotiated with Eskom. These developments will surround Lephalale town and some fall within the Eskom supply area.

It will be possible for Lephalale to apply to the NER to take over the supply licence from Eskom for the surrounding areas. Whether these developments will be included within the Lephalale electrical supply network or not, the Lephalale electricity supply and network have been extended to accommodate current growth. The current network configuration as is will be able to accommodate growth to 120MVA if the Eskom supply network is strengthened. It must also be mentioned that whether the electrical distribution is within the Lephalale or Eskom distribution areas, the other services e.g. roads, storm water, sanitation and street lights is part of the services rendered by Lephalale Municipality.

Table 31: Household access to electricity

In-house conventional meter	In-house prepaid meter	Connected to other which household pays for	Connected to other source which household is not paying for	Generator	Solar home system	Battery	Other	No access to electricity
18536	16798	393	1174	199	22	-	1855	4418

Table 32: Free basic services

NUMBER OF HOUSEHOLDS PROVIDED WITH FREE BASIC SERVICES					
Water	Sewerage and Sanitation	Electricity	Refuse Removal	Total households	Total H/H served as %
14 102	660	3 429	14 102	43 002	12.5%

Table 33: Employee Electricity Services

Employees: Electricity Services					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 – 3		3	3	0	0%
4 – 6		16	16	0	0%
7 – 9		3	3	0	0%
10 – 12		1	1	0	0%
13 – 14		25	22	3	12%
Total		48	45	3	%

Employees and Posts numbers are as at 30 June 2019.

Table 34: Financial Performance Electricity

Financial Performance 2018/19: Electricity					
R'000					
Details	2017/2018	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	212,390,225	221,226,039	230,228,903	227,548,841	2,680,062
Expenditure:					0
Employees	16,883,482	15,656,710	17,125,738	18,281,502	-1,155,764
Repairs and Maintenance	2,610,959	3,238,173	2,386,767	2,121,773	264,994
Other	125,669,442	144,333,602	151,547,828	112,853,511	38,694,317
Total Operational Expenditure	145,163,883	163,228,485	171,060,333	133,256,786	37,803,547
Net Operational (Service) Expenditure	67,226,342	57,997,554	59,168,570	94,292,055	-35,123,485

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Over 97% of the population of Lephalale has access to Electricity at any given time; The Municipality directly is responsible for distribution at the urban area and townships, whereas the rural villages and the farming community get distribution from ESKOM.

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

Waste Management Division has a total of 15 x street cleaners, 22 x refuse removers, 10 x truck operators, 2 x landfill spotters, 2 x Landfill operators, 1 x Waste Management Officer, 2 x Supervisors and 1 x Manager.

Lephalale Local Municipality collects general non-hazardous waste in line with the national norms and standards for refuse removal.

The municipality provides daily refuse removal in both commercial and industrial areas due to the organic nature of waste generated in the mentioned areas. Weekly refuse removal services are provided in the residential areas including informal settlements and villages.

The collected waste is consigned to the registered waste disposal facility in Onverwacht for final disposal. The municipality is operating one registered landfill site (Groothoek Landfill site). The division has a total of 7 compactor trucks, 3 four tons trucks, 2 x Roll-on Roll-off trucks and 2 x LDVs for refuse removal. To ensure compliance to minimum requirements for waste disposal, the following equipment and machineries are utilized: 1 x bulldozer, 2 x front-end loaders and 1 x tipper truck. Labour intensive method of litter picking is currently implemented in all villages through EPWP. 45 beneficiaries are recruited and selected to remove waste, clean streets and clear illegal dumping in all villages. All formalized townships have access to weekly refuse removal services. Formal refuse removal services are introduced in 10 pilot villages whereby roll-on roll-off bins are utilised from strategic positions along the selected villages.

The division is implementing waste recycling and minimization strategy by establishing community waste recovery projects, source separation of recyclables, waste avoidance programs such as sustainable packaging, design for environment, consumer based waste reduction program and designing out construction and demolition waste program as a way of avoiding and reducing generation of waste. The division is currently implementing sector based waste recycling programs for the residential, commercial and industrial areas through the redesigning and reformulation of waste management system. A total of 22 community based waste recycling programs are established as a way of meeting the targets of the National Waste management strategy.

The municipality has no waste material recovery facilities and buy-centre facilities supporting circular economy in waste management. There is a great reliance on private companies and community based waste recovery cooperatives for recovery of the recyclables. The waste processing and converting companies such as Nampak, Consol, and M pact, Transpaco, Collect-a-can and Consol have contracted various waste brokers for the recovery of K4 box, cans, plastic bottles, clear and mixed plastics, white paper and glass bottles. There are informal waste pickers in the landfill site recovering recyclables for further processing.

Various waste education and awareness programs are currently implemented throughout the municipality for attitude change and adoption of pro-environmental behaviour. Different approaches are used to create awareness on waste management and the approaches are aligned to the behaviour change theories such as the social cognitive theory, Theory of Planned Behaviour, Ecological theory and the health belief model. Both cooperatives and threatening messages are used to increase severity and susceptibility for behaviour reinforcement and maintenance.

The awareness campaigns on waste management are specifically focussing on promoting reduction, reuse and recycling of waste. Norm salience and priming in waste management is taking the direction of recycling of general waste.

The division has a serious challenge of littering and illegal dumping of waste in Marapong, villages and informal settlements. The available resources are also not adequate to deal with population growth. The available street cleaners are not enough to deal with the generated street litter. There are no waste drop-off facilities for temporary storage of green and general waste and as well as promoting reverse logistics in sustainable consumption and production. There are no waste disposal or storage facilities in the rural areas and as well as inadequate waste storage receptacles in both rural and urban areas. We are also having a challenge of collecting solid waste in heavy industries and hazardous waste due to lack of resources. This has a negative impact in revenue generation. The municipality has a challenge of providing refuse removal service to the rural community. The challenges range from unavailability of land to inadequate funds to provide the service. Indiscriminate dumping of garden waste in areas such as Marapong and Onverwacht is still a challenge, in that garden waste drop-off facilities are needed.

Table 35: Employees: Solid Waste Management Services

Employees: Solid Waste Management Services					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3		1	1	0	100%
4 - 6		3	2	1	33%
7 - 9					
10 - 12		11	10	1	9%
13 - 14		40	34	6	15%
Total		55	47	8	15%
Employees and Posts numbers are as at 30 June 2019.					

The Municipality developed a Draft Waste Management Plan as required by NEMA: Waste Act and determined by its powers and function. The Municipality is allocated the function of solid waste management. The function involves determination of waste disposal strategy, regulation, establishment, operation and control of waste disposal sites or facilities, refuse removal, waste minimization through recycling, re-use and waste education and awareness. In implementing its function the Municipality has a role to ensure that waste management systems are in place and the systems should be in line with the hierarchy of waste management according to the national waste management strategy. The implementation of the function is dependent on the function that is allocated to the Municipality i.e. refuse removal. Currently most of the waste is collected from household followed by commercial industries.

REFUSE REMOVAL.

The Municipality has no drop-off, garden sites, transfer station, material recovery facilities and buy-back centres for recycling. The Municipality is relying on private companies and community programmes for recovery of the recyclables. The companies such as Nampak, CONSOL, Mondi, Transpaco, Collect-a-can and Consol have contracted a service provider for the recovery of K4 box, cans, plastic bottles, clear and mixed plastics, white paper and glass bottles. There are also informal recyclers in the landfill, collecting K4 box, plastics, papers and steel. The municipality has a challenge of providing refuse removal service to the rural community. A pilot project has been initiated by the municipality to provide for refuse removal services in certain areas within the rural villages.

The challenges range from unavailability of land and inadequate funds to provide the service. The municipality has a serious challenge of illegal dumping of garden waste in areas such as Marapong and Onverwacht, in that garden sites are needed in the mentioned areas.

WASTE TRANSPORT AND TRANSFER.

The Municipality has five 12 cubic meter, three 20.6 or HC250 compactor trucks and three canter trucks for refuse removal and street cleaning, servicing four collection routes on Monday and Tuesday and five collection routes on Wednesday, Thursday and Friday in the urban area. Most of the 12 cubic meter compactor trucks were bought in 1991 and 1992 and are no longer reliable. The Municipality has no transfer station and Roll-on-Roll-off system in areas that are situated at 30 to 35 kilometres from the landfill site. The areas such as Steenbokpan, Ga-Seleka, Shongoane, and Mokuruanyane are in a pilot programme for refuse collection in rural areas. Skip bins are been placed at specific central collection point and collected on a weekly basis.

WASTE STORAGE.

The Municipality has in-adequate refuse receptacles for refuse storage. The municipality is using 1, 75 cubic meters bins and is on the process of rolling out 6 cubic meter skip bins for waste storage. In the central business district about seven to ten shops are sharing one or two 1, 75 cubic meter bins and the capacity is not enough. There are in-adequate refuse receptacles on the streets of Lephalale town. The community and other businesses are not provided with 240 litre wheeled bins for waste storage.

WASTE EDUCATION.

The Municipality has a formal waste education programme called waste wise education competition and school recycling competition. The Municipality initiated environmental clubs in both rural and urban areas that are educating the community about good waste management practices in line with the National Waste Management Strategy, Municipal Waste Management by-law, NEMA: Waste Act and other waste legislations. The municipality is also supporting the provincial eco-school and Limpopo schools state of environment report competition.

WASTE DISPOSAL.

The Municipality has one permitted waste disposal facility. The life expectancy of the landfill is 5 years without waste minimization programmes but with such programmes the life expectancy can go as far as more than ten years. The Municipality has appointed a service provider to conduct the feasibility studies for the development of new landfill site. The municipality has no garden sites for temporary storage of garden waste, material recovery facility such as convenient transfer station for recycling and composting.

WASTE INFORMATION.

The Municipality has no data base of waste management companies operating within its area of jurisdiction and statistics for the recovered waste for recycling and disposed waste.

Table 36: Household access to refuse removal

Removed by local authority/ private company /community members once a week	Removed by local authority /private company/ community members less often than a week	Communal refuse dump	Communal container/ central collection point	Own refuse dump	Dump or leave rubbish anywhere (no rubbish disposal)	Other	Total H/H

18 779	349	1575	7135	9 806	4335	1023	43 002
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Only 62.4% of the households in Lephalale Municipality have access to acceptable refuse removal service level. The Municipality is still faced with the challenge of illegal waste dumping in Marapong more especially next to illegal settlement areas and parts of Onverwacht as well rural areas. Generally waste collected is domestic or household mostly in urban areas especially Marapong, Onverwacht and Town. The provision of the service in rural areas is limited to 9 villages along D3110 road. Communities depend mainly on backyard dumping sites.

Table 37: Employees: Solid Waste Management Services

Employees: Solid Waste Management Services					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3		1	1	0	100%
4 - 6		3	2	1	33%
7 - 9					
10 - 12		11	10	1	9%
13 - 14		40	34	6	15%
Total		55	47	8	15%

Employees: Solid Waste Management Services (Land fill)					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.		
1 - 3					
4 - 6					
7 - 9	2	2	2	0	0%
10 - 12	2	2	2	0	0%
13 - 15	3	3	3	0	0%
Total	7	7	7	0	0%

Employees and Posts numbers are as at 30 June 2019.

Table 38: Employees: Solid Waste Management Services (land fill)

Table 39: Financial Performance Waste Services

Financial Performance 2018/19: Waste Services					
Details	2017/2018	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	31,435,137	31,269,067	37,379,201	37,297,642	81,559
Expenditure:					0
Employees	13,035,892	11,936,892	13,327,187	13,818,279	-491,092
Repairs and Maintenance	1,592,989	1,215,769	1,779,200	1,938,727	-159,527
Other	3,369,341	2,818,561	3,130,240	4,955,214	-1,824,974
Total Operational Expenditure	17,998,222	15,971,222	18,236,627	20,712,220	-2,475,593

Net Operational (Service) Expenditure	13,436,915	15,297,845	19,142,574	16,585,422	2,557,152
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HUMAN SETTLEMENTS/ HOUSING

The provision of socio- economic perspective of the local Municipality as whole, as well as the three priority nodal area is essential to attain sustainable human settlement initiative. The elements of demography, economic production, employment and economic development potential is of cardinal importance and as such need to be dealt with properly.

The majority of houses in the municipal area are good quality brick structures. They are uniformly distributed across municipal settlement areas. One should have expected more traditional dwellings but are only a few of them in the settlements. There is no specific pattern regarding backyard dwelling detectable. These apply to both urban core and the rural outlying areas. Land tenure and ownership is currently very difficult to assess.

In rural areas the land is tribal and household have free ownership. This is as a result of the fact that land ownership in tribal areas is a sensitive issue and very complicated. However a significant number of households in rural areas own the houses they live in. Rented housing occurs only in Onverwacht, Marapong and Lephalale town. Hostel accommodation type exists for Exxaro and contractors for Medupi project.

The Municipality needs to provide a spatial perspective that deal with the actual land use development trends and tendencies within the three focus areas as reflected on the projected focus area map page 49 to inform the development of planning scenarios and provision of bulk infrastructure. There are informal settlements in Steenbokpan, Marapong and Ellisras town. The Municipality adopted the housing chapter in 2009 and has reviewed the chapter under Lephalale integrated scoping report in 2011. The housing chapter is reviewed in 2017/18 financial year.

Table 40: Employees: Housing Services

Employees: Housing Services					
Job Level	2017/18	2018/19			
	Employee	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 – 3		1	1	0	0%
4 – 6		3	3	0	0%
7 – 9		1	1	0	0%
10 – 12		1	1	0	0%
13 – 14		-			0%
Total		6	6	0	0%
Employees and Posts numbers are as at 30 June 2019					

LEPHALALE DEVELOPMENT NODES.

The Lephalale proclaimed township area which includes Onverwacht and Ellisras town has 4831 erven covering an area of 9761540 m² that is fully serviced. Marapong has 2147 fully serviced erven including Extension 1 to 4 residential areas which covers 165638 m². Only 3, 8% of the total land proclaimed has not been developed. The township extension has increased from 49 to 103 with the number of erven

increasing from 6978 to 19591, this represent an increase of 12613 erven on a land scale of 1858 hectares.

Most of these township extensions have services been installed and, or are waiting for bulk infrastructure availability to proceed with top-up structural building. 37.5% have already been proclaimed and 61.0% have been approved. 62.5% require municipal services. A total of 28935 residential units for Marapong, Onverwacht and Ellisras town has been approved and proclaimed. The area covered by this development is 15936338m².

The estimated residential units can accommodate potential population of 38815. Looking at the projected population growth this figures present an oversupply of units in Lephalale, especially on the upper market housing segment.

There is an element of lower supply of housing units on rental and low-income level. The estate agents have confirmed that the existing available residential erven far exceeds current demand. Exxaro is in a process to establish approximately 3000 residential erven. Eskom is having a two-fold approach which includes the purchase of erven from private sector and establishment of housing for Marapong Extension 5 on their own land which is still in a process. The Provincial Government has allocated 1.2 billion on a three year basis for the establishment of 5000 erven in Altoostyd farm. The project will result in the provision of housing for middle income and other designated groups within the spatial development area 1 which forms natural extension of the existing development. The scattered nature of the township development area has prompted the municipality to follow an infill approach for integrated human settlement.

Table 41 Total Housing backlog.

Rural Units	Project Linked	BNG/IRPD	Individual	Social	Backyard rental	Informal Settlements	CRU	GAP	Total
3452	-	8369	-	936	2098	8 631	524	1584	24 008

Table 42: Types of dwellings

YEAR	2001	2011	2016
House on separate stand	14459	22816	28647
Traditional dwelling	2296	408	422
Flat in block of flats	203	849	1309
Town/cluster/semi-detached house	126	271	428
House/flat/room in back yard	510	340	558
Informal dwelling/shack in back yard	893	2098	3032
Informal dwelling/ shack elsewhere	1428	2456	6768
Room/ flat let on shared property	275	321	408
Caravan/ tent	87	74	64
None/homeless	4	-	-
Other	24	246	418
Total no of dwelling	20305	29879	42054

Source: Statssa

Table 43: Residential erven.

Zoning	Ellisras/Onverwacht		Marapong		Lephalale town	Total
Proclaimed & approved	Erven	Area(m ²)	Erven	Area(m ²)	Erven	Area(m ²)
Residential 1	14560	11510394	3984	1282002	18549	12792396
Residential 2	169	1244143	6	15410	175	1259553
Residential 3	82	1259510	0	0	82	1259510
Residential 4	24	392599	2	155032	26	547631
Eskom Ext 71	142	77248	-	-	142	77248
Total	14977	14483894	3997	1452444	18974	15936338

Source: Lephalale Municipality

Table 44: Land approved and proclaimed for residential units.

Residential Units	Lephalale	Marapong	Total
Residential Units Proclaimed	8490	2275	10765

Residential Units Approved	15805	2365	18170
Residential Units Submitted	700	-	700
Residential Units Planned to Submit	74	-	74
Total	25069	4640	29709

Source: Lephalale Municipality

DEVELOPMENT OUTSIDE THE URBAN CORE AREA.

Based on the situational analysis done, development outside the urban core is approached on a minimum intervention basis. Given the low growth potential and general activities in rural areas, the main approach is to sustain current levels of development and to meet general health and welfare requirements as contained in various policies and strategies of government. The approach to allocated land for preferred uses is to strengthen the uses that will maximize the potential of the area.

The distribution density of households is usually a good indication of development activities and more importantly development potential. In developing a SDF one would use this as an indication of where to direct development and establish pressure points in development.

The only real limiting factor, is proclaimed nature reserves that are protected and governed under Protected Areas Act. The general implication is that none of these areas are for any exclusive use but that council will give preference and support the preferred uses in an area.

Some settlements are located within the 1: 100 year flood line and will be subject to flooding and the most affected will be Thabo Mbeki including the hospital and school and some households along the river at Ga-Seleka. There are 38 scattered rural settlements which are situated on traditional land with an average population of 1600 people. Other villages also affected to a lesser degree are Ditlounge, Martinique, Mokuruanyane, Ga-Monyeki and Setateng.

During the floods in 2008 water reached the 1:100 year flood line level and 300 houses were destroyed in Thabo Mbeki Ext. The hospital was evacuated. District road D3110 is the only paved main route which traverses through the villages from R572 at Ga-seleka to R518 at Shongoane village.

The provision of infrastructure services is hampered by the sparsely scattered settlements. The Municipality is currently providing basic level of service to the communities. The total average basic service backlog is about 18%.

The current Hospital is servicing a population of 66 300. Three clinics which are operating on a 24 hour service are located in the three population concentration points of Ga-seleka, Mokuruanyane and Setateng villages. There are 75 schools which cater for primary and secondary school learners.

FREE BASIC SERVICES AND INDIGENT SUPPORT

The primary intention of the policy is to ensure that no one is completely denied access to basic services for reasons of inability to pay for such a service. Underlying this policy is the recognition that the supply of 'basic' services assists in alleviating poverty and improves level of the communities within the area. Free basic services will be implemented progressively in accordance with the ability of council to render any of the specific services in various areas within its jurisdiction, in accordance with the levels of services which are appropriate and affordable.

Section 74.2(c) of Municipal Systems Act, 32 of 2000 states that poor households must have access to at least basic services through:

- Tariffs that cover only operating and maintenance costs;
- Special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of services; and
- Any other direct or indirect method of subsidization of tariffs for poor household.

Section 97 (c) of the Municipal Systems Act, 2000 states that a Municipality must make provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents.

The Municipality adopted its indigent policy in 2001 and it is reviewed as and when it is necessary for council to do so

Table 45: Households provided with free basic services

NUMBER OF HOUSEHOLDS PROVIDED WITH FREE BASIC SERVICES.					
Water	Sewerage & Sanitation	Electricity	Refuse removal	Total households served	Total households served as %
1590	1590	Configuration 1 777 (3,652)	660	34249	4,8%

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality has updated their Indigent Register at the end of the financial year under review. All of registered indigents received free basic water and electricity during the year under review.

COMPONENT B: ROAD TRANSPORT

ROADS

The roads in Lephalale are adequately connected to National, Provincial and District roads. The issue being experienced in terms of the roads in the municipal area is two-fold in nature. The first are the primary roads and related issues. These include the poor state of the roads due to limited maintenance of the roads. The poor state of these primary routes is having a detrimental effect on the distribution of goods, services and people in and through the Municipality. Possible causes of this are lack of funds, human resources, equipment and capacity to maintain the existing infrastructure. The second element of this issue is the poor state of the internal circulation routes in the area (especially in the rural area).

The causes of the poor state of these roads can be attributed to lack of appropriate road maintenance policies and funds, the category/type of the roads i.e. gravel roads carrying high volumes of traffic. The R33 road serve as a link between Lephalale and Modimolle Municipality more especially for the delivery of machinery and equipment for construction of Medupi power station, expansion of Grootegeluk coal mine and future developments. This road needs special attention from Department of Roads and Transport and Road Agency Limpopo (RAL). Between Vaalwater and Lephalale the road gradient is too steep for abnormal heavy duty loads, therefore R510 and R517 are recommended for heavy goods vehicles (freight).

The southern by-pass provincial road P198-1 linking R510 to Medupi has been identified as one of the main critical road. The Lephalale municipality will be responsible for bulk road infrastructure and individual developers of townships will have to provide all internal roads. There is concern on the rapidly degrading of many roads due to the increasing economic activities.

Of the total length of municipal roads, some are paved and these are mainly in Marapong, Onverwacht and Ellisras respectively. The unpaved roads vary from dirt tracks to graded gravel surfaces which are mainly located in the rural areas of the Municipality. The current policy for improving municipal roads, as stated in the 2010/2011 IDP is to ultimately pave all municipal roads. Given limited resources and finances, interim 3 to 5 year programmes are prepared and updated annually to maintain existing assets to address serious problems, to improve access roads between villages and the higher order roads in conjunction with programmes of WDM, DOR&T, RAL and SANRAL. In the medium term, improved access to Lephalale will become a top priority, in terms of road, rail and air.

It is unlikely that the coal and petrochemical cluster will reach its full potential without the upgrading of the R33 which needs rehabilitation from Vaalwater to Lephalale, the construction of a southern bypass from the R33 to the coal mine and power stations and the upgrading of the road in a westerly direction from Lephalale town to Steenbokpan and beyond to the Botswana border.

FUNCTIONAL ROAD HIERARCHY.

Road classification refers to the process where different types of roads are classified in a framework and placed in relation to each other. A functional road classification refers to the process of classifying roads according to the characteristics of traffic service and function that they are intended to provide. The local municipality could have the following benefits from a functionally classified road network:

- A suitable balance between mobility roads and activity/ access streets, it is possible to provide a high level of connectivity, while maintaining a high level of road safety and accessibility.
- Orderly grouping of roads in a framework around which national, provincial and local government can plan and implement various construction maintenance and environmental schemes and projects.
- A sound basis for traffic management, transport and land use management planning.
- Assistance to consider the effect of local government decisions on surrounding areas and streets.
- Helps clarify policies concerning roads within a local government district and precinct.
- Ensures the necessary facilities for commercial vehicles to traverse the area and allows for orderly planning of heavy goods vehicle (freight) routes.
- Assist planners in the zoning of land for various uses and the restriction of activities which are compatible with mobility (traffic flow) or accessibility functions designated routes.

ROAD NETWORK AT REGIONAL LEVEL.

The road network is the principal means of travel in Lephalale and the greater Waterberg district Municipality. On a district scale, several provincial roads provide inter-provincial and inter-municipal connectivity for the wider district, they also serve as linkage roads that provide local connectivity and form key components of the supply chain of the local economy. Intensive road network and infrastructure planning did not precede nor has it kept pace with the significant industrial and population growth within the municipal area. To date few of the unchecked development effects visible in road transport include:

- Increased traffic through Lephalale without extended road infrastructure
- Significantly high freight truck traffic,
- High levels of road congestion during peak traffic periods.

The description of these roads are summarized below and it is important to note that this is a regional classification of the main roads and some of these road classification will change where the roads run through an urban area such as small towns and villages along the route.

Table 56: Roads and storm water status quo.

Municipality	Total road network length	Road kilometres tarred	Road infrastructure backlog
Lephalale Local Municipality	1 054. 84km	233. 02km	821. 82km

Table 46: Provincial and District Roads classification.

Roads	Description	Functional Road Hierarchy Classification
N11	From Ladysmith (Kwa Zulu Natal) via Middleburg in Mpumalanga linking N1 at Mokopane via Lephalale to Botswana Border.	R1

P19/2 (R518)	East-West corridor, from Lebowakgomo, in the South-East link, linking with N1 in Mokopane and ending at Lephalale CBD.	R2
R510	North-South corridor stretching from N4 highway in Rustenburg, via Thabazimbi and the Lephalale CBD to the Botswana Border.	R2
P198/1 (R33)	North-South corridor passing via N1, linking Vaalwater to Lephalale CBD	R2
R516	East-West from Bela-Bela connecting N1 and R33 traffic to R511 and R510	R2
R517	East- West from Vaalwater provides a link between R33 towards R510	R2
R572	North-East from Tomburke to Stockpoort, it provides the link between N11 to R33	R2
D1675	West from Lephalale town provides a link from R33 to Steenbokpan	R3
D175	North-West it extends from the R572 to provide a link to Buffels-Drift.	R3
D3110	Serves as a district collector and links the R518 and R572	R3

In general the lower order roads in Lephalale are unpaved and would mostly be classified as R4 and the remaining local access roads as R5. The Lephalale town development nodal area 1 consists mainly of the CBD and residential areas in the direct vicinity. This is the most densely populated area in Lephalale and therefore the road planning and functional classification should be done in a more detailed level.

Table 47: Employees: Road Services and Storm Water

Employees: Road Services and Storm Water					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		3	3	0	0%
4 - 6		2	1	1	50%
7 - 9		3	3	0	0%
10 - 12		10	8	2	20%
13 - 14		29	26	3	10%
Total		47	41	6	13%

Employees and Posts numbers are as at 30 June 2019.

Table 48: Financial Performance Public Works

Financial Performance 2018/19: Public Works					
Details	R'000				
	2017/2018	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	187,556	548,718	256,566	494,363	-237,797
Expenditure:					0
Employees	10,190,137	10,702,167	10,859,834	10,446,970	412,864
Repairs and Maintenance	2,913,672	3,493,473	2,823,894	2,151,356	672,538
Other	31,089,389	28,227,018	34,146,513	36,301,645	-2,155,132
Total Operational	44,193,198	42,422,658	47,830,241	48,899,971	-1,069,730

Expenditure					
Net Operational (Service) Expenditure	-	-41,873,940	-47,573,675	-48,405,608	831,933

Table 49: Employees: Road Services and Storm Water

Employees: Road Services and Storm Water					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		3	3	0	0%
4 - 6		2	1	1	50%
7 - 9		3	3	0	0%
10 - 12		10	8	2	20%
13 - 14		29	26	3	10%
Total		47	41	6	13%

Employees and Posts numbers are as at 30 June 2019.

Table 50: Capital Projects Public Works

Capital Expenditure 2018/19					
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Budget	Annual
Upgrading of Mokuruanyane Access road	100%	7 672 872	12 874 854		000
Upgrading of Lerupurupung Access road	100%	6 876 676	9 559 761		000
Upgrading of Maletswai Access road	100%	4 879 218	1 464 750		000

TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

The Municipality has a constitutional obligation to ensure that accessible, safe, efficient, adequate and affordable public transport is provided to the community. In rendering this function, the Municipality is guided by the prescripts of the Integrated Transport Plan (ITP). The Municipality's ITP which was adopted by Council in 2012 expired in 2017. In November 2018 the National Department of Transport appointed a company called SMEC Engineering to develop a new Comprehensive Integrated Transport Plan for Lephalale. It is envisaged that the ITP will be finalized before the end of 2019.

The geographical location of the villages and work opportunities in Lephalale is one of the determining factors in understanding transport demand problems. There are 39 rural villages in Lephalale, many of them located 40 km or more from the CBD of Lephalale. The CBD and town are located close to the coal mines and power stations, whereas the villages developed historically along Lephalale River. Approximately 65% or more of the Lephalale population live on farms or rural villages. This results in low residential densities, which makes the cost of effective transport provision high. The coal reserves, estimated up to 300 years of reserves, are the main driver of economic activity in the area.

If the planned and envisaged additional power stations and potential coal mining materialized, it will be a large stimulus for development in the area. Depending on what developments materialize in the area, between 16 000 and 37 000 additional housing units will be required for the next 20 years or so. In the development of future coal mines and power stations, care should be taken that residential settlements are located as close as possible to these work opportunities, to reduce travel time and cost of transport.

There are four (4) formal taxi ranks in Lephalale, five (5) informal taxi ranks and one bus rank. Bus shelters provided by the Municipality at some of the villages are only able to accommodate five people. Public Transport facilities are inadequate and in some cases far from the people they are supposed to serve.

LICENSING

The municipality performs licensing function on agency basis for the Department of Transport. A total amount of **R31 555 768-15** was collected during 2018/19 financial year by our Registering Authority and was apportioned as follows:

Table 51: Collections from Licensing

ENTITY	AMOUNT
Department of transport	R20 721 428-00
Municipality	R8 357 034-00
Road traffic Management corporation	R1 767 096-00
Prodiba	R710 210-00
TOTAL	R31 555 768-00

The municipality has got one Grade A Driving Licenses Testing Centre, one Vehicle Testing Station and satellite office at Mokuruanyane Thusong Centre that caters for registration and licensing of motor vehicles.

INTEGRATED TRANSPORT PLANNING

The municipality has a constitutional obligation to ensure that accessible, safe, efficient, adequate and affordable public transport is provided to the community. In Lephalale, although most people rely on walking, quite a significant percentage of people make use of public transport to access different destination such as work, school, and health services, social and recreational facilities at different times. The following table shows a breakdown of different modes of transport utilized by people in Lephalale.

Table 52: Transport Modes

MODE	NO. OF PEOPLE	PERCENTAGE
Foot/bicycle	51084	45%
Private vehicle	12525	11%
Bus	7800	7%
Taxis	10380	10%
Not applicable	30806	27%

Public Transport State

Public transport in Lephalale comprises mainly privately owned and operated taxis and buses. There is only one subsidized bus company which transport commuters to different destinations within Lephalale on daily basis. Other private operators are contracted to big companies such as Exxaro and Eskom for transportation of their workers. There are four taxi associations with a fleet of more than four hundred taxis mostly with a carrying capacity of 16 passengers operating on different routes in Lephalale.

Table 53: Taxi Transport Status quo

TAXI ASSOCIATION	FLEET	SERVICE
Kudu Taxi Association	70	Local, Long & cross- border
Ellisras Local Taxi Association	150	Local
Steilloop Taxi Association	76	Local
Lephalale Taxi Association	140	Long distance & cross-border

Currently there is no metered taxis transport service available in Lephalale. The Department of roads and transport approved two applications in 2006 but the applicants failed to release their operating licenses. The use of animals drawn vehicles and air-transport constitutes a less significant percentage. The Department of Education has contracted private bus operators for provision of scholar transport to 16 schools falling under Ellisras', Palala South and Palala North circuit.

Public Transport Facilities

There are four formal and three informal taxi ranks in Lephalale, two bus terminals and a number of lay byes built along D3110 road. One landing strip is available for chartered light passenger planes.

Cost of Public Transport

The Government's goal is that no commuter should spend more than 10% of his/her disposable income on transport. The cost of public transport in some cases amount to 40% of the commuter's disposable income.

Challenges

- Problems faced by the municipality with regard to provision of public transport are multi-faceted.
- Problems include among others the following:
- Poor road surface and infrastructure.
- Inadequate facilities such as taxi ranks, bus terminals, laybys etc. Our facilities are also not user-friendly to people with disability.
- Poor customer service on the part of taxi and bus operators.
- Disintegrated and unscheduled public transport system impact negatively on the kind of services offered.
- Too many pick-up points along the route increase the travel time.
- Limited subsidy from Government result in people having to spend a significant percentage of their income on transport. The situation is further compounded by the fact that public transport is in the hands of private owners and that makes it difficult to regulate, especially when it comes to tariffs charged.

Integrated Transport Plan for Lephalale

In terms of section 36(1) of the National Land Transport Act no 5 of 2009, the Municipality as a Planning Authority must prepare and submit to the MEC of Transport, an Integrated Transport Plan (ITP) which must formulate the municipality's official vision, policy and objectives on transport.

The Lephalale ITP which was developed in 2012 by the appointed service provider (ITS Engineers) has expired. The national Department of Transport has appointed a company called SMEC Engineers to develop a new Comprehensive Integrated transport Plan for the Municipality which will be completed by the end of 2019. The Integrated Transport Plan to be conceived through consultation with relevant stakeholders will encompass among others the Objectives, Transport Status quo Analysis, Transport Improvements proposals, Rationalization Plan, Transport Needs Assessment, Current Public Transport Record, Operating License Strategy and Transport Register which will guide the municipality in regulation of public transport.

FREIGHT/CARGO TRANSPORTATION

Rail Transport

The existing rail lines is an important “branch line” but with a mainline standard. It serves the coal, iron ore and chrome mines in the North West and Limpopo Province. Beginning at Pretoria North, the line was extended 112km to Lephalale to exploit coal resources in 1980. On average three trains operate daily in Lephalale. These are long air-braked trains, usually 80 wagons in length utilized mainly by Exxaro and Eskom for transportation of freight.

In Lephalale movement of freight or cargo is on land and mainly through major routes i.e. R33 and N11. This is due to the basic ability of the road transport industry to move a variety of cargoes quickly, efficiently and economically. This arrangement has got an adverse and damaging effect on our road surface and infrastructure and must be discouraged in favour of rail transportation.

Law-enforcement on freight transport

Many heavy vehicles are potentially overloaded and not roadworthy. Law-enforcement is lacking in this regard. There is one boarder post to Botswana to combat overloading by heavy vehicles. The municipality also has got a small weighbridge which is currently dysfunctional. Upgrading the municipal weighbridge and conducting overload programs will assist in enhancing the lifespan of the municipality's road infrastructure.

Transportation of abnormal loads and hazardous materials

The current economic development in Lephalale places an increase responsibility on the municipality in as far as regulation of transportation of abnormal loads and hazardous materials are concerned. There is no specific abnormal load route plan available for the municipality. Equally there are no by-laws that regulate movement of dangerous or hazardous materials.

Consultation with relevant stakeholders

No formal consultation takes place between the municipality and stakeholders in the road freight industry. Establishment of a freight transport consultative body (FTCB) is necessary in order to promote more efficient and cost effective freight transport in Lephalale.

Table 54: Capital Expenditure Transport

Capital Expenditure 2018/19				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Upgrading of Vehicle Testing Station	100%	753207-60	1494 555-98	129911-90

WASTE WATER (STORMWATER DRAINAGE)

Just as the municipal road network is mainly rural in character, so are the related storm water drainage facilities. With the exception of most of the paved residential streets in Onverwacht and Ellisras which have kerbs, side channels, inlets and sub-surface drain pipe or open collector channels network. The majority of municipal roads in and between the rural villages carry storm water drainage at surface level in open lateral channels, in and across the roadways and occasionally in culverts under the road. The residential streets in Marapong and Thabo-Mbeki & Thabo-Mbeki Ext 1 do not have storm water drainage infrastructure system.

Urban development in a catchment changes the run off characteristics therein, increasing the impervious areas and resulting in an increased quantity of storm water runoff as well as more rapid and frequent concentration thereof. The developer of a township is required to accept the potential storm water flow from the area of catchment upstream of the township and to manage this as well as the runoff generated

within the development, through a well-planned and designed drainage system. Conventional drainage system should cater for frequent or minor storms. The guidelines for human settlement and design recommend the following design frequencies for minor system.

Table 55: Flood Design Frequency.

Land use	Design flood recurrence interval
Residential	1-5 years
Institutional (e.g. school)	2-5 years
General commercial and industrial	5 years
High value central business district	5-10 years

In many instances in Lephalale minor storm drainage systems will serve more than one land use, and it is proposed that the Municipality should generally require that these systems be designed to accommodate the five year recurrence interval storm. A watershed is located along the western boundary of the development area of Onverwacht. Sections of the major storm infrastructure have been installed where it traverse the existing Ellisras extensions in close proximity to Mokolo river. This is necessitated by existing developments and restricted space.

Two rivers drain Lephalale municipality, the Mokolo River which parallels on the east side of the R510 through Ellisras town and the Palala River which parallels on the west side of the D3110. Both rivers drain northwards to the Limpopo River. Storm water is the most source of damage to roads. The damage can extend from total destruction of a bridge or culvert crossing to damage shoulders, road edges and destabilization of sub-grade and base course layers. Where roads are unpaved washing away of the wearing course results in rapid road degeneration and use of the road by motorized transport rapidly becomes impossible. Uncontrolled storm water and free drainage systems are therefore to be avoided. Lephalale municipality has road graders and related equipment for road maintenance. The Limpopo DOR&T also has a maintenance depot in Lephalale town from which maintenance of Provincial, District and some Municipal roads is conducted.

Budget is continuously provided, where possible for development of a road maintenance programme for Municipal Roads that are unpaved. Due attention needs to be given in this programme to the related storm water drainage facilities to maintain the accessibility not only of vehicular travel but also of non-motorized travel. There is storm water channel backlog of 15518m in length and a bottom width of between 0,9m and 1,6m specifically around Onverwacht and Ellisras. Storm water backlog in the rural area is unknown but the area on the Southern part of Thabo Mbeki and Seleka Wyk 2 (Mmatshwana) is frequently flooded during heavy rainy seasons by Palala river when it over flows. Storm water backlog in Marapong is still under investigation. The appointed service provider estimates the costs to be around R2.6 billion.

COMPONENT C: PLANNING AND DEVELOPMENT

This section provides information on demographic profile and the status of service delivery covering the following areas: spatial development, environmental issues, infrastructure development, local economic development, financial management, institutional management and public participation.

Promotion of Local Economic Development is a constitutional mandate which reads as follows: "A Municipality must structure and manage its administration, and budgeting and planning process to give priority to the basic needs of the community and to promote the social and economic development of the community". LED is a participatory process which requires inputs from various stakeholders. LED encourages the private, public and civil society sectors to work together to create an enabling environment for economic development. As the elected entity, the municipality has the role to facilitate the economic growth and development within its boundaries and therefore acts as a driver for Local Economic Development.

THE SDF WITHIN THE CONTEXT OF MUNICIPAL PLANNING.

All human activities have a spatial dimension. Human action impact on space and space helps to shape and direct human action. This dynamic relationship is addressed in a spatial development framework. It is critical that the SDF recognize both the integrated and dynamic nature of development. The need to integrate spatial planning and delivery with other core activities in the Municipality is critical in implementing a sustainable spatial development framework.

The focus area includes among others a dual approach on the total area and emphasis is on determining and assessing Municipal wide trends and tendencies with the aim of:

- i. Improved spatial functionality across the whole municipal area.
- ii. Integration with the district and provincial SDFs.
- iii. Identifying and developing a settlement typology for more detailed spatial planning.

The second focus area is more detailed and localized planning of the agreed settlement typology. This might imply a broad distinction between spatial frameworks for urban and rural components of the Municipality, but the focus remains integration and improved functionality in the local and broader spatial development system.

Spatial Planning refers to planning that takes into account the location and connection of people and interventions in space. Spatial planning stimulates a more rational organization and use of urban space, and is important in promoting sustainable development and improving the quality of life. It enables the community to benefit from development, by guiding investments and encouraging prudent use of land and natural resources for development. Effective spatial planning results in:

- stable and predictable conditions for investment that is sequenced for optimal impact;
- clarity for each government sphere and sector of the investment requirements to maximize the opportunities for transforming people's lives for the better;
- efficient development approval process to facilitate economic development and; spatial transformation to reverse undesirable settlement patterns emanating from past practices

Table 56: Employees Planning Services

Employees: Planning Services					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		6	4	2	33%
4 - 6		7	7	0	0%
7 - 9		1	1	0	1%
10 - 12					
13 - 14					
Total		14	12	2	14%
Employees and Posts numbers are as at 30 June 2019. *.					

Table 68: Financial Performance: Planning Services

Financial Performance 2018/19: Planning Services R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	805,900	1,047,350	1,047,350	1,133,080	-85,730
Expenditure:					0

Employees	5,884,167	11,516,442	11,207,442	10,489,010	718,432
Repairs and Maintenance	6,465	64,877	24,206	23,924	282
Other	205,901	1,280,932	912,015	2,734,994	-1,822,979
Total Operational Expenditure	6,096,533	12,862,251	12,143,663	13,247,928	-1,104,265
Net Operational (Service) Expenditure	-5,290,633	-11,814,901	-11,096,313	-12,114,848	1,018,535

LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

Lephalale is defined by Limpopo Growth and Development Strategy as a coal mining and petrochemical cluster. The area is currently experiencing growth driven by mining expansion and construction of Medupi power station. Medupi project has already started demobilising staff on completed projects. The coal to liquid project that was investigated by Sasol and currently placed on hold could broaden the opportunities for cluster formation. The local economy is dominated by the coal mine and the power station. Three clusters that are most relevant to Lephalale are firstly Coal & Petrochemical, secondly red meat and thirdly Tourism. Lephalale is currently in the final stage of considerable public sector investment, estimated at R140 billion over six years, for the construction of Medupi power station. One of government's key priorities is to increase economic growth and to promote social inclusion.

The National Development Plan (NDP) is a plan to unite South Africans, unleash the energies of its citizens, grow inclusive economy, build capabilities and enhance capacity of the state and leaders working together to solve complex problems. Given government's objectives of growing the economy, creating jobs, addressing poverty and promoting social cohesion, the NDP assists government in confronting three fundamental planning questions:-

- Where should government direct its investment and development initiatives to ensure sustainable and maximum impact;
- What kind of spatial forms and arrangements are most conducive to the achievements of the objectives of democratic nation-building and social and economic inclusion?
- How can government as a whole capitalize on complementarities and facilitate consistent decision making and move beyond focusing on integration and coordination procedures to establishing processes and mechanism that will bring about strategic coordination, interaction and alignment?

Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, among which poverty alleviation is key. Beyond the constitutional obligation identified above, government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, to stimulate sustainable economic activities and to create long-term employment opportunities.

In order to overcome the spatial distortion of the past, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or that link the main growth centre.

Unemployment in Lephalale at 22.9% is below the provincial average, due to all the local developments relating to the new Eskom (Medupi) power station and the expansion of coal production from the mine. The labour force participation rate in Lephalale is above the provincial average, which indicates the high incidence of workers who originates from other places.

EPWP IMPLEMENTATION PROGRAMME, CWP, ETC.

Over the years Lephalale Municipality has been implementing projects through labour intensive programme aligned to the Extended Public Works Programme (EPWP). The EPWP involves creating temporary work opportunities for the unemployed, using public sector expenditure. It builds on existing best-practice government infrastructure and social programmes either by deepening their labour absorption or extending them. The EPWP is a programme that cuts across all departments and spheres of government. Under EPWP, all government bodies and parastatals are required to make systematic effort to target the unskilled unemployed.

Enabling Economic Infrastructure Development.

Community services and infrastructure play a vital role in the development of the local economy in the region. The level of service in both of these categories directly and indirectly affects the ability of a region to attract and retain talented individuals and to compete for business.

The following factors should be taken into account when assessing the readiness, or enabling environment of an area:

The quality and extent of hard infrastructure such as road and rail networks, airports and harbors. The sophistication of local telecommunications, banking and finance services similarly impact on the input and operational costs of doing business. The extent to which spatial and land planning policies and documents are flexible to the needs of businesses and the relative ease of following land planning processes, such as rezoning applications.

The sophistication of the public sector, quantity and quality of available labour and training programmes, in relation to specific human resource requirements of investors. Quality of life factors, such as the supply of housing and personal lifestyle facilities (such as educational, cultural and recreational services) also have impact on the attraction of a particular investment.

TOURISM

The importance of tourism industry to the economy of the area is likely to continue to grow into the future. This is likely to be related to the hunting and ecotourism industries, but could also be linked to any expansion of the industrial operations and the related business tourism. The existing importance of the business tourism sector, and its strong links to the mine and power station are also viewed as important. The challenge faced by the tourism industry in the area is to increase leisure/ecotourism visitors in the summer seasons. This would relate to ecotourism rather than hunting. There is the opportunity to increase tourism in the area through tours to the power station (s) and/or mine.

The location of the Lephalale Municipality provides unique opportunities for economic development and tourism in particular. The area is renowned for hunting, wildlife and scenic beauty and nature reserves, sports and adventure. Five routes have been developed in the municipal area and include the following:

- The Mokolo route R510
- Marula route D1675
- Limpopo route R572
- Waterberg route; and R33
- Heritage route. D3110

The Waterberg Savannah Biosphere, a UNESCO declared Biosphere covers the large portion of the Waterberg District Municipality namely, Lephalale, Mokgalakwena, Thabazimbi and Modimolle Municipalities.

The biggest part of the Waterberg Biosphere is located within the Lephalale Municipality and the entire biosphere measures 15 000 square meters. The central vision of the Waterberg Biosphere reserve is to maximise the area's potential for conservation, sustainable development and social upliftment.

The Waterberg plateau has an overall character that despite the development of numerous lodges and disturbances such as landing strips still maintains a wilderness character. Similarly the wide open bushveld plains of the Limpopo Pen plain represent a special South African bushveld character.

This area of pristine bushveld and small sleepy towns makes for a special character not found elsewhere in South Africa. This character is one of key selling points that the tourism sector employs in their marketing strategy.

Table 57: Employees: Local Economic Development

Employees: Local Economic Development Services					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3		1	1	0	0%
4 - 6		2	1	1	50%
7 - 9		0	0	0	0%
10 - 12		0	0	0	0%
13 - 14		1	0	1	100%
Total		4	2	2	50%
Employees and Posts numbers are as at 30 June 2019.					

The valleys from which the escarpment can be viewed as well as the escarpment itself should be protected in some way to ensure that no development takes place there that could affect the character or sense of the place in a negative fashion.

The maintenance of these landscape features is as important from a conservation perspective as sensitive biological features that should be maintained to ensure the long term ability of the landscape to attract tourists to the area.

Table 58: Financial Performance: Local Economic Development Services

Financial Performance 2018/19: LED					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)		0	0		
Expenditure:					
Employees	711,529	1,378,154	1,411,744	1,318,195	93,549
Repairs and Maintenance	0	0	0	0	0
Other	215,994	475,722	406,722	392,245	14,477
Total Operational Expenditure	927,523	1,853,876	1,818,466	1,710,440	108,026
Net Operational (Service) Expenditure	-927,523	-1,853,876	-1,818,466	-1,710,440	-108,026

Table 59: B & B and Accommodation facilities.

Holiday resorts	Game/Nature reserve	Guest farms	Guest houses	Hotels	Camping	Fishing	Total number of beds
6	45	63	218	3	5	7	4254

Source: Lephalale Municipality

Tourism and especially eco-tourism has shown considerable growth in the recent years. It is a good example of sustainable use of opportunities and resources, and offers the benefit of a range of employment options for local people. A negative factor in the Lephalale economy is the lack of economic activity in the rural village area.

This is where the majority of the current population lives. The very high rate of unemployment implies that opportunities for the establishment of small industries or businesses which are labour intensive should be pursued in order to make use of the potential workforce.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

The quality of education for the majority of black learners remains poor. Poor-quality education not only denies many learners access to employment, it also affects the earnings potential and career mobility of those who do get jobs, and reduces the dynamism of South African businesses.

Table 60: Library Performance

ANNUAL REPORT : 1/7/2018 30/6/2019			
FUNCTION : SOCIAL SERVICES			
SUB FUNCTION : LIBRARY DIVISION			
FUNCTIONS	DETAIL	2017/2018	2018/2019
LENDING SERVICES:-	It deals with the Library circulation materials borrowed by users.	Books: 201796	12570
		Periodicals: None	None
SITA LIBRARY MANAGEMENT SYSTEM (SLIMS):-	All Lephalale library materials including books are barcoded, classified, edited (catalogued) and linked to the system. Thabo Mbeki & Marapong Libraries are still on manual System.	New donated and catalogued books in Lephalale: 230	463
PHOTOCOPIES:-	Users make photocopies out of Library materials and their Private documents.	Copies made by customers: 17318	17488
FAXES:-	Users receive and send own Documents.	Sent: 4999	1188
		Received: 197	0
INTERNET:-	Users rely on this service for recent and factual information when there are no recent available sources for research and school projects in the Shelves.	Users requested Internet: 9874	10 000
FUNCTIONS	DETAIL	2017/18	2018/19
MEMBERSHIP:-	Library users apply for membership to loan Library Materials.	New members: 418	589
		Renewals: 297	241
		Withdrawals: 378	352
		Current: 1028	905
COLLECTION DEVELOPMENT:-	Library collection is acquired through purchase of new Library materials and donations from the community	Book purchased: 0	0
		Periodicals 0	0
		donated: 92	300
FREE SERVICES:-			

	Customers receive free services through books, magazines, film-video and DVD, musical CD, reference materials, studying & reading as well as general queries		
	Telephone & desk enquiries	Enquiries : 7705	4069
	Books are renewed after 2 weeks	Books renewed: 19687	15128
	Books requested are reserved	Books reserved: 1056	1081
LIBRARY VISITS:-	Pre-Schools, Primary & High Schools pay visits at the Library on appointment	Primary visits: 2	1
		Pre-school visit: 0	1
	Library staff visit schools on Library promotion programmes	Pre-school visited by personnel: 2	3
	Students from local schools visit the Library for study purposes on daily basis	250 000	17500
FUNCTIONS	DETAIL	2017/18	2018/19
LIBRARY VISITS CONTINUES...	Library visits by potential users	5000	1922
REMINDERS:-	Library patrons are reminded about the borrowed books to be returned and also about the payments of lost, damaged and late materials	Sent: 2669	2917
		Returned: 8115	249 001
ANALYSIS OF THE FUNCTION	NATURE AND EXTENT OF FACILITIES PROVIDED:	FACILITIES	USERS
LIBRARY SERVICES:-	Number of Libraries at different locations	3 (Three) Libraries and 1 (one) which belongs to (DSAC) Provincial in Shongoane	03
STAFF MEMBERS:-	Number of employees cost to employer of all personnel in the Library Division	15 (fifteen) employees appointed by LLM	1 x Div. Manager 3 x Librarians 2 x Ass. Librarians 5 x Lib. Assistants 2 x Library helpers 2 x Lib. Cleaners
	DSAC Library in Shongoane	2x employees appointed by DSAC in Shongoane Library	1 X Librarian 1 x Library Assistant

OBJECTIVES	IMPROVEMENTS PLANNED FOR NEXT YEAR: 2019/2020	CURRENT	TARGET
Library and Information services	To deliver donated books and run library campaigns in remote school areas of Lephalale area	None	To supply access of free information to other areas of Lephalale

The key issues achieved for 2018/19:

Libraries have access of Wi-Fi to the community that is freely accessible to all community members installed by the Department of Sport, Arts & Culture

Managed to cover the target of all Library campaigns

New IT equipments installed and functional in all Libraries, including computers and tablets.

Long-term health outcomes are shaped by factors largely outside the health system: lifestyle, nutrition, education, diet, sexual behaviour, exercise, road accidents and the level of violence. Good health is essential for a productive and fulfilling life. The Diagnostic Report demonstrates the starkly interrelated challenges posed by crumbling health system and a rising disease burden. The public health system must be fixed. While greater use of private care, paid for either by users or health insurance, is part of the solution, it is no substitute for improvement of the public health system. Given the systemic weaknesses in that system today, a root-and-branch effort to improve the quality of care is needed, especially at primary level.

Effective social protection and welfare services are an integral part of our programme for inclusive economic growth and central to the elimination of poverty and reduction of inequality. Social protection plays several roles in a society. Firstly, it sets a floor through which, social solidarity, we deem that no person should live below. At present given, South Africa's extremes of unemployment and working poverty, many people regularly experience hunger and find it difficult to meet the basic needs of their families. Progressively and through multiple avenues, we seek a society where every one is lifted above this floor. Secondly, it plays an important role in helping households and families

manage life's risks. It also helps ease labour market transitions, thereby contributing towards a more flexible labour market and economic dynamism.

When people feel unsafe it makes it harder for them to develop their capabilities, pursue their personal goals and to take part in social and economic activity. To achieve the goals set out in this plan, South Africans need to feel safe everywhere and have confidence in the criminal justice system to protect them and to act speedily and effectively when required to do so. By 2030, people living in South Africa should feel safe and have no fear of crime. Women, children and all vulnerable groups should feel protected. They should have confidence in the criminal justice system to effectively apprehend and prosecute criminals who violate individual and community safety.

In many countries plans fail because they are not implemented or because implementation is uneven. There needs to be a uniformity of effort and competence across the entire public service. There is a real risk that South Africa's national plan could fail because the state is incapable of implementation.

There must be a mechanism to remedy the uneven and often poor performance of the public service. A capable state does not materialise by decree, nor can it be legislated or created from conference resolutions. It has to be painstakingly built, brick by brick, institution by institution and sustained and rejuvenated over time. It requires leadership, sound policies, skilled managers and workers, clear lines of accountability, appropriate systems, and consistent and fair application of rules.

LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Library Division - offers access to reading, listening, viewing, study facilities and information services to the community in order to promote a culture of reading and lifelong learning.

The division comprises of four fully functional libraries of which the fourth one belongs to the Department of Sport, Arts and Culture. These libraries acquire, develop, and preserve collections and published records, and selection of variety of information materials according to the community needs

Library patrons/users are allowed borrow library materials (fiction and non- fiction) for a certain period.

Have access to study facilities, reference sources internet services, photocopies, fax and printing

STAFF COMPLIMENT

The division has a total of sixteen (16) municipal employees and two (2) employees from the Department of Sport, Arts and Culture

SUMMARY

Library and information service means a service that ensures free access to reading and information sources:

- The library encourages the free flow and exchange of information and ideas in a democratic society
- Provide reading and information services freely available and accessible to the community.
- Provide resources/services to communities.
- To maintain, acquire, develop and preserve collections and published records

Library and information service means a service that ensures free access to reading and information sources:

The library encourages the free flow and exchange of information and ideas in a democratic society

Provide reading and information services freely available and accessible to the community.

Provide resources/services to communities.

To maintain, acquire, develop and preserve collections and published records

THUSONG CENTRES

STAFF COMPONENT

The division has a total of four (4) municipal employees.

Thusong Centre is one stop service centre providing information and services to communities through development communication approach in an integrated manner.

The objective of this programme is to empower communities by providing relevant information and services relevant to their needs.

This process also allows two way interactions between the government and the people through events like Imbizos in order to address historical socio-economic challenges.

Thusong Centre is a program initiated by the Government in 1999 and is coordinated by the Office of the Premier in collaboration with Government Communication and Information Systems (GCIS). The aim is to empower the poor and disadvantaged by providing access to government information and services as well as resources from NGOs and parastatals. Each District should have established at least one Thusong Centre by 2004 and each Municipality should have established at least one Thusong centre by 2014.

Lephalale Municipality has overachieved in this regard because we managed to establish two Thusong Centres by 2014. The first Centre is situated in Mokuruanyane Village which was completed in 2013 and it is currently fully operational. The centre consists of 11x offices, 2x boardrooms and 1x function hall.

The second Thusong Centre is at Leseding informal settlement. Lesedi Tshukudu Centre has been funded by SASOL and was officially opened in 6 December 2014. The Centre consists of 5 x offices, 1x

Community Hall, 1 x Boardroom 1 x kitchen and a reception area. The offices are not yet occupied due to the delay in the connection of the electricity from Eskom. The connection of the electricity was completed last week. The Department of Primary Health Care, Department of Justice and Social Development have already shown interest in occupying the offices by submitting their applications.

Table 61: Financial Performance: Library

Financial Performance 2018/19: Library R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	54,741	159,586	30,561	39,373	-8,812
Expenditure:					0
Employees	4,876,931	5,183,777	5,308,777	5,291,836	16,941
Repairs and Maintenance	21,489	16,311	8,373	13,708	-5,335
Other	312,385	356,367	303,117	259,471	43,646
Total Operational Expenditure	5,210,805	5,556,455	5,620,267	5,565,015	55,252
Net Operational (Service) Expenditure	-	-5,396,869	-5,589,706	-5,525,642	-64,064

CEMETORIES AND CREMATORIIUMS

There are only five zoned public burial sites in the whole Municipal area. The Municipality is providing services at Onverwacht, Rupert, Marapong, Steenbokpan and Thabo-Mbeki.

The demarcated burial site in Marapong is nearly reaching its capacity and will be probably be will closed soon. The municipality is in a process to establishing new cemetery at Nelsonskop farm. The municipality is planning to conduct feasibility study for the whole Lephalale municipality with the intension to establish regional cemetery.

The municipality is not providing any burial service in the rural villages and the area is communal land controlled by traditional authorities.

CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The department of social and security service is responsible for child care and old age social grants provision.

Table 62: Social and Security Services – Child Care and old age social grants

ECD's Identified	Unregistered	Unqualified	Registered	Funded	Not funded	Basic service availability
89	9	31	76	43	42	Water, toilets & electricity available. Most structures not meeting EHP criteria while others are conditional in the sense that they have to improve in order to comply
Drop In Centre			8	5	3	Shared services with service center for the Aged
Home Community Based Care			1	1	0	Shared services

Victim Empowerment Programme	4	4	0	Shared services with SAPS
Service Centre for Elderly People	4	4	0	Basic services
Child and family	1	1	0	Basic service

COMPONENT E: ENVIRONMENTAL PROTECTION

POLLUTION CONTROL

Lephalale Municipality has an environmental function to execute and ensure that the fundamental environmental rights of the community as enshrined in the constitution are realized. The fundamental rights as stated in the constitution are:-

- To prevent pollution and ecological degradation.
- To promote conservation.
- To secure ecologically sustainable development and use of the natural resources while promoting justifiable economic and social development.

The Municipality has sensitive and conservation worthy areas within its jurisdiction, such as the wetlands, river systems, cultural sites, rare and endangered species and part of the Waterberg biosphere. There are also many areas that require remedial attention. i.e. the eradication of alien vegetation, soil erosion control and aspects that require special management, such as pollution control and land use management. The Municipality has the capacity to perform duties that enhance sound environmental management practices which include EIA related issues.

AIR QUALITY.

Air quality legislation comprises primary standards which protect human health and secondary standards which protect property, vegetation, climate and aesthetic values.

Particulate and gaseous emissions from industrial operations, domestic fuel burning and vehicle tailpipe emissions were quantified for this assessment, due to the availability of data for these sources. Power generation was identified to be the main contributing source to emissions (99%) in the Local Municipality. With the quantification of all mines in the District, mining sources are likely to be the main contributor to PM10 emissions in the District. Power generation is the main contributing source to SO₂ and NO₂ emissions in the Lephalale LM, contributing to 99%.

The environmental features that are found in the municipal area are affected by natural environmental challenges inter alia, ozone depletion, global warming, solid and hazardous wastes, the endangerment of biological diversity and land degradation. Environmental degradation in the form of soil erosion, overgrazing, deforestation, over exploitation and habitat destruction should be prevented to effect economic development negatively. Air quality management by-laws should be developed for non-compliance to the air quality standards. There should be capacity in terms of human resources for the execution of related duties.

The table below denotes the air quality analysis within the Waterberg District Municipality:

Table 63: Air Quality analysis within the Waterberg District Municipality.

Municipality	Industrial emission	Domestic fuel	Vehicle emissions	PM10	SO ₂	NO ₂
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Lephalale	95.9%	19.1%	24.1%	86.2%	95.4%	94.3%
Bela-Bela	0.0%	4.8%	17.0%	0.4%	0.02%	1.0%
Mookgopong	0.0%	3.5%	6.1%	0.2%	0.01%	0.3%
Thabazimbi	3.6%	10.9%	28.1%	0.8%	4.5%	1.6%
Mogalakwena	0.4%	52.0%	13.2%	11.7%	0.05%	2.2%
Modimolle	0.0%	9.6%	11.4%	0.6%	1.8%	0.6%

Source: WDM Air Quality Management Plan

WATER QUALITY

Water is a scarce resource in Lephalale Municipality. Water quality legislation seeks to achieve water quality consistent with protection of aquatic life, wild life and safe conditions for human recreation and consumption. It therefore aims to eliminate discharges of pollutants into navigable waters which include rivers and streams. The water resources are exposed to excessive contamination of rivers/streams. One of the main contributors to water pollution is the discharge of industrial wastes into the rivers and streams and also cholera outbreaks.

To curb the challenge business can improve water quality by regulating their non-point source water pollution- a situation where runoff from streets, construction sites, farmlands and animal feedlots which cause significant nutrient and toxic substances that build up in the bodies water receiving the pollutants thereby damaging the usability of the resources for plants, animals and humans alike. There is a need for ad-hoc water sampling of water sources. The Municipality should respond to the aforementioned challenges in one way or another by doing cost benefit analysis, risk management or strategic environmental management.

BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

D’Nyala Nature reserve.

The roughly 8 281 ha Reserve is located in the northern Waterberg range nearby the town of Lephalale. Government acquired the Reserve in 1986 to allow for the construction of the Vaalwater Lephalale road (R33). Lephalale is the last end route to Botswana from South Africa along the (shorter) alternative route leading to four border control posts. The R33 provincial road Vaalwater and Lephalale traverses the reserve, dividing it into a western and eastern portion. The reserve’s bushveld plains and broad floodplain areas afford excellent game viewing opportunities, and large specimens of trees including massive baobabs and nyalas add to the scenic value and recreation/tourism resource. Apart from various management tracks, a 37km gravelled game drive route has been developed on the eastern portion of the reserve (east of R33 provincial road), along with two game viewing hides on the floodplain.

Mokolo Nature Reserve.

The Mokolo Dam situated 50km from Lephalale on the Thabazimbi road (R510) offers excellent boating and fishing opportunities, but visitors are warned that hippos and crocodiles occur in the dam. The Mokolo Dam lies in a picturesque setting within the Provincial Mokolo Dam Nature Reserve and is a popular recreational resort for anglers and the boating fraternity. The Dam has a full supply capacity of 145.4 million cubic metres and currently provides the only formal water storage facility in the Mokolo Catchment. The Dam is characterised by dense wooded mountains and surrounding cliffs. The mountains mainly comprise sandstone. The reserve covers an area of 4 600 hectares which includes the dam surface area of 914 hectares and plays an important role in providing outdoor or recreation, including both land and water orientated activities. The dam supplies water to the town of Lephalale, Matimba power station, Exxaro Colliery and downstream irrigation farmers

Parks Division

Lephalale Municipality has a holding nursery where we keep the plants. There are also other local nurseries in the Lephalale area where trees can be purchased. Lephalale Municipality has eight (12) natural parks and four (4) green parks.

Biodiversity

A safe, healthy and sustainably managed environmental and natural resource base provides critical eco-system services that are a foundation for economic and social development.

Our rich species, ecosystems and natural heritage which form the very foundation of our economy and society, providing eco-system services such as food security, clean and secure water provision, flood attenuation, biomass energy and building material. A well as a resource base for the sustainable development and growth of the tourism, agriculture, forestry, of the economy are threatened by growing human population and their increasing demands on the environment, climate change and invasive alien species.

The focus of the biodiversity and conservation programme is on the planting of indigenous tree species, protection of listed tree species and eradication of alien invasive species project.

Eradication of alien invasive species

Bush encroachment is the suppression of palatable grasses, small plants and herbs by encroaching woody species (trees & shrubs) which are unpalatable to domestic livestock. This encroachment is prevalent in eco-regions where woodlands are converted into shrubs. The impacts of bush encroachment include the reduction of arable land & threatening of livestock production.

- Small scale removal of invasive shrubs and weeds

Tree planting project

Projects implemented in this focus area aim at promoting the transition to sustainable and integrated management of land resources. The deliverables in this category include:

- Greening by tree planting
- Education and awareness

The Department social services has a parks division which deals with landscaping, however this is an added function on the normal parks work and a new development in terms of the functions of the division. Statically most the empty land space is privately owned and cannot be dealt with without the concerned of the owner.

The Department social services has a parks division which deals with landscaping, however this is an added function on the normal parks work and a new development in terms of the functions of the division. Statically most the empty land space is privately owned and cannot be dealt with without the concerned of the owner.

Table 64: Financial Performance Parks

Financial Performance 2018/19: Parks					
					R'000
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	89,671	153,131	174,107	98,928	75,179
Expenditure:					0
Employees	9,212,674	10,078,567	10,241,067	10,312,141	-71,074
Repairs and Maintenance	440,032	424,170	376,309	369,744	6,565
Other	1,185,823	792,316	611,060	1,006,646	-395,586
Total Operational Expenditure	10,838,529	11,295,053	11,228,436	11,688,531	-460,095
Net Operational (Service) Expenditure	-10,748,858	-9,609,039	-9,766,493	-10,748,858	982,365

COMPONENT F: HEALTH

This is a function rendered to municipality by the district and the Provincial department and as result much cannot be said around health from the municipal side.

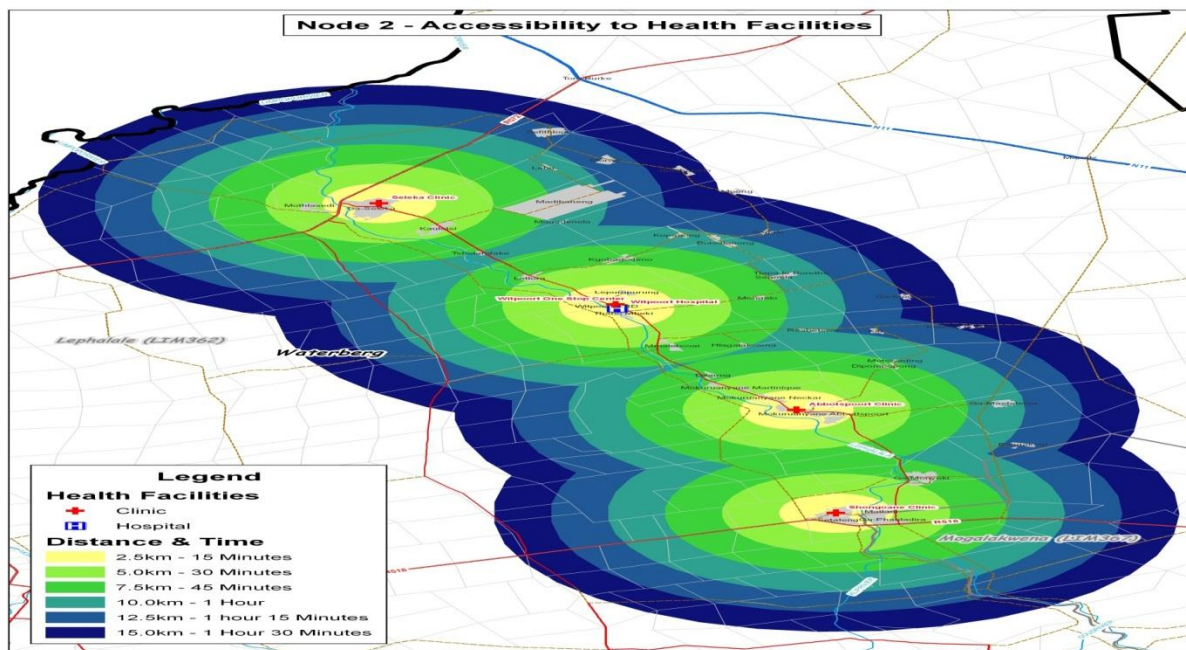
Clinics in Lephalale offer the Primary health care. There are five main clinics, equipped with mobile unit for the scattered villages and farms. Services rendered by this clinic include distribution of medicine for chronic diseases, pre-natal care for pregnant woman, and testing for chronic diseases. Primary Health is not a function of Lephalale Local Municipality.

There are two hospitals within the boundaries of Lephalale local municipality

CLINICS

Clinics in Lephalale offer the Primary health care. There are five main clinics, equipped with mobile unit for the scattered villages and farms. Services rendered by this clinic include distribution of medicine for chronic diseases, pre-natal care for pregnant woman, and testing for chronic diseases.

Figure 5: Locality of Health Facilities in Rural Areas and distances of accessibility to health facilities.



AMBULANCE SERVICES

The ambulance service within the municipality is rendered by the Provincial Department of Health and Social Development and it is co-coordinated at the District. There are two Ambulance centres in the municipality, located and based at the two hospitals within the municipal boundaries. The service centres are in Onverwacht at the Lephalale hospital and satellite service centre at Witpoort Hospital

HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

This is function performed by the District municipality, however the deployed members to municipalities. In Lephalale municipality there four members from the district deployed to service the local municipality with monitoring of water quality, food control, waste management, health surveillance of premises, chemical safety, disposal of the deceased and environmental pollution.

COMPONENT G: SECURITY AND SAFETY

POLICE

The vision of the South African Police Service is to “create a safe and secure environment for all people in South Africa” In doing so the SAPS will endeavour to prevent anything that may threaten the safety or security of any community, investigate any crimes that threatens the safety or security of any community, ensure criminals are brought to justice, and participate in efforts to address the causes of crime.

There are six police stations around Lephalale Municipality, a mobile station in Marapong and two border policing points at Stockpoort and Groblersbrug. Crime in general is showing trends of increment, this is as a result of more people flocking to Lephalale to look for economic opportunities. In our view this has potential to lead into more serious and or organized crime. The South African Police Service (SAPS), with the input of various stakeholders, are working hard to combat crime in and around to make Lephalale a safe place for the community. Some of the joint efforts relate to the combined operations that the police, private security and traffic departments often conduct in order to combat crime and to maximize the outputs and outcomes of the available scarce resources. Community policing and crime prevention human resource is equivalent to 1:350 per officer, which depicts a well spread ratio across the Municipal area. The sparsely located settlements create a major challenge for resources to be deployed evenly to cover all areas of the municipality during specific times.

Traffic division's core business is to ensure safer road environment, free flow of traffic, accident free road environment and promote self-compliance. The division is comprised of five Traffic Officers, two Assistant Superintendent, one Superintendent, one traffic administrator and the Manager. The division also has four road markers whose responsibility is to do road marking of Municipal road network. There is one protection officer who provides oversight on security management and one crime risk officer whose responsibility is security analysis.

There has been alarming number of fatal and serious road accidents within the Lephalale Local Municipality which amongst others were triggered by lack of traffic policing due to insufficient Traffic personnel. Nonetheless Municipal Traffic Police and Provincial Traffic Police continuously conduct joint operations with a view of mitigating the causal factor of fatal road accidents.

FIRE

Over the past 15 years Lephalale Municipality experienced a serious heavy rain and Disaster which resulted to floods. This was followed by drought which has negative impact to the Local Community. This has inflicted a heavy cost on human, materials, physical resources and degradation to environment. It had also a negative physical impact (which includes casualties and property damage) and social impacts (which includes socio-economic).

Although we have a Local Disaster Management centre, that is funded by District and managed by Local Municipality, we believe with the current resources we will not be able to manage all challenges that will be come as results of industrialization and natural disasters.

We believe more resources should be directed to Municipality to assist in upgrading the Local Disaster Management centre. Municipality need more development strategies an effective communication system. We need fully equipped management centre.

Rather than taking any possible disaster into consideration, one has to focus on risks which are very likely and which justify the efforts of preparedness. Lephalale Municipality is prone to disasters that emanate from veldt and informal settlements fires, floods, drought epidemics and crime.

Hereunder is the risk profile of the municipality:-

Table 65: Risk profile

Hazards	Low risk (LR)	Medium risk (MR)	High risk (HR)	Priority
Fires Veldt Informal settlement			√	1
Floods 2.1 Flash Floods 2.2 Dam/River Floods		√		5
Epidemics		√		2
Draughts			√	3
Crime/Lawlessness		√		4

Table 66: Fire services.

Number of Fire stations	Number of permanent staff in disaster management unit	Kilometres to the farthest location that is serviced
Number of Vehicles	Number of permanent staff in disaster management unit	Kilometres to the farthest location that is serviced
3	11	125km

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

The local authority does not have the resource capacity to act as sole responsible agent for the implementation of the different disaster management strategies and it is therefore crucial that the district and provincial authorities be involved during the planning of the strategies. This will ensure that the role and responsibilities of the different spheres of government and local role-players are adequately delineated and clear. This will ensure a smooth implementation of the disaster management strategy if and when the time requires it.

Disaster management is a cross-sectorial task which relates to a wide range of sectors and aspects such as avoiding settlements or investment in high risk locations, construction technologies, water management, health services etc. It is therefore not an issue that can be dealt with by a special project, but it requires compliance of any development's measures with basic principles of disaster prevention and mitigation. Rather than taking any possible disaster into consideration, one has to focus on risks which are very likely and which justify the efforts of preparedness. Lephalale Municipality is prone to disasters that emanate from veldt and informal settlements fires, floods, drought epidemics and crime.

The following are regarded as Disaster Management challenges:

- Potential risk of some households in rural villages which are located in the flood line area.
- State of readiness by the Municipal disaster Centre in case of any large-scale disaster occurrence.
- Level of training for the current personnel to deal with disaster occurrence of high magnitude.
- Lack of machinery and equipment to deal with disaster incidents up to an acceptable standard

Table 67: Disaster Management Services.

Number of Vehicles	Number of permanent staff in disaster management unit	Kilometres to the farthest location that is serviced
3	11	125km

Table 68: Financial Performance: Capital Projects – Disaster Management Services

Capital Expenditure 2018/19				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Upgrading of security system at Civic centre	100%	300 000	300 000	0

COMPONENT H: SPORT AND RECREATION

SPORT AND RECREATION

PURPOSE

The development of strategies and programme by the municipality to ensure optimum utilization of sport and recreation facilities.

- Adequate resources allocation and maintenance plans.
- Contribution to a range of municipal objectives which include improved health, community development and crime prevention outcomes.

FACILITY DEVELOPMENT AND MAINTENANCE

This component deals with the provision and building of new facilities and the proper maintenance of our facilities to expand their lifespans.

SPORTS DEVELOPMENT

The municipality seeks to undertake activities to strengthen club structures and to improve the technical abilities of players in different sporting codes. As our role in sport is facilitative one, the municipality provides formal sport participation opportunities to enlarge the pool of talent identification amongst our youth from various sporting codes.

Some of the key objectives will be:

- To promote the level of participation in sport and recreation, e.g. Mayoral tournament
- To promote leadership, sport management and life skills;
- To promote the culture of healthy lifestyles and good social behavior;
- To promote more inclusive sport and recreation activities in our communities.

The municipality has to seek all possible means to promote both active and passive recreation.

SPORTS & RECREATIONAL FACILITIES

The Municipality is paying an annual grant to Mogol club as a contribution towards recreational facilities in the urban area. Mogol sport centre and Marapong stadium are the two facilities which are available to the community in the urban area.

Municipal Stadiums

- Captain Thulare stadium
- Thabo Mbeki stadium
- Shongoane stadium

Exxaro stadiums

- Mogol multi-purpose sport Centre
- Marapong stadium

Municipal Community hall

- Thabo Mbeki hall

Municipal Gym

- Thabo Mbeki

Tribal Community halls

- Seleka community hall
- Shongoane community hall
- Martinique community hall
- Motlhasedi community hall

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

EXECUTIVE AND COUNCIL

This component includes: Executive Office (Mayor; Councillors; and Municipal Manager).

The **Office of the Municipal Manager** is responsible for ensuring the smooth running of the municipality. It provides guidance and advice on compliance with certain Legislative Acts that govern the Municipality to the political structures; political office-bearers and officials. The Office of the Municipal Manager consists of the following administrative units, namely Internal Audit and Risk Management

The key functions of the Office of the Municipal Manager are:

- The formation and development of an economical, effective, efficient and accountable administration that is equipped to carry out the task of implementing the municipality Integrated Development Plan (IDP) and responsible to the needs of the local community
- As Accounting Officer, the cost effective management of the municipality's budget and the timely implementation of resolutions
- The implementation of the municipality's IDP and monitoring the progress with the implementation of the plan
- The management and monitoring of Municipal services provided to local community in a sustainable and equitable manner
- The administration and implementation of the Municipality's by-laws and other legislation, including the implementation of National and Provincial directives, policies and legislation
- Exercising powers delegated to the Municipal Manager by the Municipal Council and other authorities of the Municipality
- Rendering administrative and strategic support to the Mayor and other political structures in Council

The Mayor must provide general political guidance over the fiscal and financial affairs of the Municipality.

The EXCO is established to assist Mayor with his/her functions. Each member of the EXCO is also a chairperson of a cluster committee. The following are the different clusters: Finance and Economic Development, Administration and Governance, Municipal Services and Community Development.

The Oversight committee and the Performance Audit Committee have also been established. This committee is highly functional and held 8 eight meetings in the previous financial year 2018/19, the details of the functions are outlined in the report of audit committee chairperson which is appendix G of this report.

The Municipal Public Accounts Committee (MPAC) has been established and held regular meetings. MPAC held 7 meeting in the 2018/19 financial year,

A development forum (Lephalale Development Forum) has been established for leverage between big business and the municipality.

FINANCIAL SERVICES

The Municipality currently has limited financial resource capacity. The sources of income vary from the income generated through the sale of municipal services i.e. water, electricity, sewerage, refuse removal, bulk contribution, vehicle licenses and tax levies, through to intergovernmental grants (IGG) and external loans. The narrow tax base of the Municipality is a constraint on municipal income.

There is however a need to develop a revenue generation strategy and to focus more on the viability part of this KPA as engendered in the national key performance indicators. Currently 46% of the total budget is made up of government grants. The major contributing factor to lack of revenue is that only $\pm 20\%$ of the total household is paying for rates and services. This seriously hampers our service delivery effort as we have the capacity but no funds to implement. The broad financial challenges are sources of revenue and effective implementation of IDP and SDBIP.

There is uncertainty about some of the major projects which were announced by other investors in 2006; however the Municipality has drawn a financial model based on anticipated development scenario until 2030. It is speculated that by then Lephalale will be the second biggest town in Limpopo and ultimately attain the status of a city ten years later.

Table 69: Employees: Financial Services

Employees: Financial Services					
Job Level	2017/18	2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		6	6	0	6%
4 - 6		13	10	3	23%
7 - 9		22	19	3	14%
10 - 12					
13 - 14		5	5	0	0%
Total		46	40	6	13%

Employees and Posts numbers are as at 30 June 2019.

Table 70: Financial performance for financial services

Financial Performance 2018/19: BTO					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	69,760,850	77,632,283	79,382,280	68,465,084	10,917,196
Expenditure:					0
Employees	17,528,983	20,675,981	19,818,139	18,671,557	1,146,582
Repairs and Maintenance	6,510,289	6,912,907	7,212,907	6,750,366	462,541
Other	15,101,025	12,266,392	11,399,734	11,477,020	-77,286
Total Operational Expenditure	39,140,297	39,855,280	38,430,780	36,898,943	1,531,837
Net Operational (Service) Expenditure	30,620,553	37,777,003	40,951,500	31,566,141	9,385,359

HUMAN RESOURCE SERVICES

The Human Resource Division provides administration of employees perusal information, ensures there is good working relations with employees representatives, training and development of the employees is given priorities in order to fully capacitate the organisation ability to implement the IDP

The Municipality has employment equity plan which was adopted by council. The employment equity plan intends to achieve equity in the workplace, in order to make the Municipal workforce more representative and ensuring fair and equitable employment practices for employees. It further intends to create an organisational culture that is non-discriminatory, values diversity and legitimizes the input of employees. The objective of the policy is to address under-representation of designated groups in all occupational categories and levels in the workforce. It has not been easy to implement the employment equity plan for Lephalale Municipality. The institutional plan is reflected in the table below.

Table 71: Institutional profile.

Occupational level	Male		Female		Disabled	
	Black	White	Black	White	Male	Female
Senior Management	3		2			
Professionally qualified & experienced specialists and mid-management (divisional head)	14	1	6	1		
Skilled technical and academically qualified, junior management, supervisors, foremen and superintendent	64	4	27	3		
Semi-skilled and discretionary decision making	50	1	49	6		
Unskilled and defined decision making	177	1	65	0		
Total Permanent	308	7	149	10		
Temporary Employees						
Grand total	308	7	149	10		

Source: Lephalale Municipality

INSTITUTIONAL STUDY CONDUCTED.

In pursuing and operationalizing the Lephalale institutional plan, in consultation with relevant stakeholders within the Municipality aurecon assisted the Municipality with the aim to identify an approach that best enables the institution to attract and retain people who have or may attain, the required competency/skills level and standards. An institutional status quo report was compiled during August 2010 in which a desktop study was done of the institutional arrangement within the Municipality.

Various previous studies were considered during this exercise and an assessment was made on the current capacity of the Municipality to deal with its service delivery mandate. The purpose of this plan is to determine how best the municipality must execute its powers and functions aligned to the IDP with the resources which are at its disposal. The skills development plan has been approved and is reviewed annually.

The projected staffing figures for the Infrastructure Department are contained in the table below.

Table 72: Current and projected future staffing requirement within infrastructure department

Infrastructure Services	SQ	2010	2015	2020	2025	2030
Water and Sanitation	98	122	189	280	360	395
Solid Waste	46	57	61	73	73	73
Public Works	56	72	74	108	136	144
Electricity (N1 and N3)	69	81	104	60	119	125
Projects Division	3	9	17	17	17	17
Infrastructure Head	1	1	1	1	1	1

Total	273	342	446	539	706	755
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Source: Lephalale municipality

Staffing projections were developed, based on scientific norms for the number of engineers required for a municipality. The increase in the number of households between 2010 and 2030 was utilized as a basis for projecting the increase in infrastructure capacity required by Lephalale Municipality. Subsequently a supporting structure was developed to provide the necessary support in terms of financial, human resources, administrative, planning and social development.

CAREER PLANNING SUCCESSION AND RETENTION POLICY.

The municipality has a career planning succession and retention policy which was adopted by council in 2010. The objective of the policy is to ensure a conducive and harmonious working environment for employees throughout the municipality and retain key staff members whose services are regarded as mission "critical"; and also identify individual employees with potential for assuming a higher degree of responsibility and ensure career development of staff for skills base for succession planning. Projected staffing figures for support departments are contained.

Table 73: Current and future support staff requirement within the municipality

	SQ	2010	2015	2020	2025	2030
Municipal Manager Office	16	16	26	28	29	31
Corporate Services	32	32	50	53	56	59
Planning & Development	11	11	18	19	20	21
Budget & Treasury	30	30	49	52	55	58
Social Development Services	84	84	140	149	156	165
Total	173	173	283	301	316	334

Source: Lephalale Municipality

Institutional practices within Lephalale Municipality must undergo significant alteration if the Municipality is to keep up with the projected increase in service delivery demand. The projected increase in staffing level suggests that the Municipality will require large-scale institutional interventions to ensure that it has the correct staff with sufficient capacity when needed. The complexity of the institutional capacitation model and the current staffing shortages within the Municipality does pose a concern regarding capacity to implement the institutional capacitation model. It is against this background that the Municipality appointed service provider to conduct institutional study taking into account the aurecon study to assist Municipality with the institutional arrangement to respond to the future challenges on the Municipal capacity to provide basic services.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT is an integral part of enterprise governance and consists of the leadership and organisational structures and processes that ensure that the organisation's ICT [the infrastructure as well as the capabilities and organisation that is established to support ICT] sustain and extends the organisation's strategies and objectives

ICT is there to make sure that organizations achieve sustainable success through the use of their ICT and pro-actively recognises potential efficiencies and guides municipalities in timeous adoption of appropriate technology and also ensuring that optimum Municipal value is realised from ICT-related investment, services and assets.

The introduction of Municipal Standard Charter of Accounts to as requirements for municipal transactions prompted the municipality to increase the ICT capacity.

PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

PROPERTY & LEGAL SERVICES

The municipality has a dedicated Legal Services unit under Corporate Support Services and the team is responsible for property management and procurement. It also deals with litigations for and against the municipality.

RISK MANAGEMENT.

The risk unit and the risk committee were established and risks assessments conducted where by the risk committee is chaired by external independent person. The Municipality has conducted the Risk Assessment and compiled a Risk Register with mitigation factors and time frames. The risk Register is updated quarterly by the Risk Management Office.

SUPPLY CHAIN COMMITTEES.

The Municipality has supply chain committees which are responsible for the implementation of good business practice transaction in dealing with sourcing of goods and services from the service providers. The Bid Specification, Bid Evaluation and Bid Adjudication Committees have been established. Advertised tenders are being evaluated, adjudicated and appointments are made for tenders in terms of the Supply Chain Management Policy. It takes an average of 87 days to make adjudication on a tender from a date of closing. Quarterly reports on the tenders are submitted to Council.

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

The municipality does not have any abattoirs under its property management, however the private business do own abattoirs within the municipal borders. There is no a distinctive airport available in the municipality, however the air field belonging to SANDF is used by the local community. There are two magistrates' courts within the boundaries of the municipality, the Phalala District Magistrates' Court and Lephalale Regional Magistrates' court.

Lephalale airfield is an uncertified and unmanned aerodrome posing high risk to passengers and aircraft currently utilizing the aerodrome. The reality is that the situation is paramount to an accident or major disaster waiting to happen if no immediate intervention is found.

The airfield is currently processing more than 5 scheduled flights per day and up to 20 movements a day making it busier than Polokwane International Airport on aircraft and helicopter movements. Some of the problems identified include, unmonitored and uncontrolled non-aviation use of the landing strip by the general public and unregulated use of the airport. Subsequently initiation of a detailed thorough long term road transport needs analysis and airport plan will be outlined through the provincial sponsored Integrated Transport Plan and Lephalale Airport feasibility study.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORE CARD

SDBIP SERVICE DELIVERY AND PERFORMANCE INDICATORS

There are one hundred and twenty-six (**126**) measurable Indicators in the Adjusted SDBIP for 20/18-19 and further to that each Department must report on its audit findings as well as risks identified. Of the one hundred and twenty-six (**126**) indicators, fifty six (**56**) indicators achieved target as predetermined, fourteen (**14**) indicators exceeded target, ten (**10**) indicators over exceeded target, thirty one(**31**) indicators below target and fifteen (**15**) indicators depicted poor performance.

The institutional performance score is at 2.85 and 3.20 for project implementation, with the overall average scoring of 3.05 as per Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Manager, Regulation 805 of 2006, adapted to comply with the Lephalale Local Municipality's performance management requirements.

The baseline for access to services in the adjusted SDBIP is informed by number of households with access to basic services as confirmed by the previous Annual Performance Report. For service delivery performance statistics the total number of households in Lephalale is 43002 from the STATS SA 2016 Community Survey.

For the purpose of this report, some of the indicators were non-cumulative in nature during the in-year reporting; however in the last quarter aggregated cumulative achievements were reported.

The outcomes of the average performance per department and per KPA for 2018/19 FY are indicated in the table below:

Table 9

Overall SDBIP	Number of KPIs	Qtr. 1			Overall Score	Qtr. 2			Overall Score	Qtr. 3			Overall Score	Qtr. 4			Overall Score
		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG	
SDBIP Overall Average Percentage Achieved		81%	46%	64%	64%	64%	68%	66%	66%	70%	70%	70%	70%	80%	78%	79%	79%
Office of the Municipal Manager	8			3,2	75%	2,6		2,6	64%	3,5	3,5	3,5	77%	72			72%
Strategic Services	24	4		4	81%	3		3	70%	2,6		2,6	66%	4,2		4,2	83%
Corporate and Support Services	17	4		4	80%	3,2		3,2	75%	3,7		3,7	78%	4,2		4,2	84%
Overall SDBIP	Number of KPIs	Qtr. 1			Overall Score	Qtr. 2			Overall Score	Qtr. 3			Overall Score	Qtr. 4			Overall Score
		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG	
Development Planning	11	4,2		4,2	85%	4		4	80%	3		3	70%	4,8		4,8	94%
Budget and	21	3,1		3,1	72%	1,96		1,96	48%				68%				

Treasury										2.8		2.8		4	3.8	4.1	81%
Social Services	17	4.7		4.7	92%	3.1		3.1	73%	3.1		3.1	72%	4.2		4.2	83%
Infrastructure Services	13	4.3		4.3	88%	1.64		1.64	40%			2.7	60%			2.6	65%
Overall Capital Projects	11		2	2	46%	2.7		2.7	68	3		3	70%	3.6		3.6	78%

The scoring method utilised is in line with the assessment rating calculator prescribed by the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation 805 of 2006 (Table 1)

The outcomes of the average performance per department and per KPAs from the previous financial year are indicated in the table below for comparisons to 2018-19 Performance summaries:

Table10 – 2017-18 FY Performance

Overall SDBIP	Number of KPIs	Qtr. 1			Overall Score	Qtr. 2			Overall Score	Qtr. 3			Overall Score	Qtr. 4			Overall Score
		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG	
SDBIP Overall Average Percentage Achieved		81%	46%	64%	64%	90%	88%	89%	89%	85%	88%	87%	87%	84%	78%	81%	81%
Office of the Municipal Manager	8			3,4	75%	4.6		4,6	94%	4	4	4	80%			4.2	88%
Overall SDBIP	Number of KPIs	Qtr. 1			Overall Score	Qtr. 2			Overall Score	Qtr. 3			Overall Score	Qtr. 4			Overall Score
		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG	
Strategic Services	24	4		4	81%	4.3		4,3	85%	3.5		3,5	75%	4.2		4,2	88%
Corporate and Support Services	17	4		4	80%	4		4	80%	4.6		4,6	92%	4.2	4	4	80%
Development Planning	11	4.5		4,5	85%	5		5	100%	4.1		4,1	83%	4.2		4,6	90%
Budget and Treasury	21	3.2		3,2	72%	4.6		4,6	88%	3.5		4	80%	4	3.8	4,1	85%

Social Services	17	4.7		4.7	92%	4.7		4.7	93%	4.2		4.2	86%	4	3.9	3.9	80%
Infrastructure Services	13	4.4		4.4	88%	4.4		4.4	88%			2.7	65%			3	71%
Overall SDBIP	Number of KPIs	Qtr. 1			Overall Score	Qtr. 2			Overall Score	Qtr. 3			Overall Score	Qtr. 4	Overall Score		
		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG		KPI	PRJ	AVG	
Overall Capital Projects	11		2	2	46%	4		4	88%	4		4	88%		3.8		78%

In comparing the two (2) Financial Years, the 2018-19 FY reflects a decline performance of the Municipality by 2% overall.

2. DETAILED PERFORMANCE PER DEPARTMENT OR VOTE

All Departments were allocated Indicators M26 and M659

2.1. OFFICE OF THE MUNICIPAL MANAGER (STRATEGIC SCORECARD)

Office of the Municipal Manager has nine (9) indicators. The Municipal Manager is equally responsible for all the indicators in other departments. All performance indicators directly linked to the Municipal Manager's office are applicable for the Financial Year.

The detailed performance of the Strategic Scorecard for Office of Municipal Manager is as follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Base-line 2017-18 Actuals	Qtr. 1 Target	Actual	Qtr. 2 Target	Actual	Qtr. 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Anti-corruption	M-24	Number of fraud and corruption cases investigated YTD*	#	Le p M R i s k	3	0	0	0	0	0	0	0	0	There were no fraud cases reported and investigated during the quarter	n/a	n/a	0	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667A	Percentage of strategic risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Le p M R i s k	85%	25%	27%	50%	36%	50%	36%	75%	36%	There were no movements from Q3 to Q4 with regard to implementation of action plans to manage the risks	Unrealistic Budgeting and lack prioritization	Proper alignment of 2019/20 FY IDP, Budget and SDBIP and risks identified have been aligned and risk registers are to be standing item in management meetings	75%	39%	Unrealistic Budgeting and lack prioritization

Hierarchy (KPA/ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Base-line 2017-18 Actuals	Qtr. 1 Target	Actual	Qtr. 2 Target	Actual	Qtr. 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667B	Percentage of Operational risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Lepp-M Risk	100%	25%	27%	50%	38%	50%	45%	75%	45%	There were slow movements throughout the year with the implementation of actions to improve on current controls due to insufficient	Unrealistic Budgeting and lack prioritization	Proper alignment of 2019/20 FY IDP, Budget and SDBIP and risks identified have been aligned and risk registers are to be standing item in management meetings	75%	30%	Unrealistic Budgeting and lack prioritization
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit Committee	M-648	Number of Audit committee meetings held YTD*	#	Lepp-M IA	5	1	1	2	3	3	3	4	6	6 meetings were held for the 2018/19 FY	n/a	n/a	4	2	There were 2 special meetings held during the FY

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Base-line 2017-18 Actuals	Qtr. 1 Target	Actual	Qtr. 2 Target	Actual	Qtr. 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit Committee	M-26	Percentage of Auditor General's queries resolved per quarter*.	%	Le p - M I A	100%	50%	96%	70%	97%	50%	54%	80%	89%	68 out of 76 Findings were resolved to date	Lack of Lists and Landfill site correct journals	Project team of data collection has been established and Journals were prepared and submitted to AGSA for review	80	9	Effective weekly steering committee meeting were held to monitor the Action Plan
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit Committee	M-652	Number of audit reviews conducted per quarter	#	Le p - M I A	6	1	4	1	1	1	3	1	1	9 Audit Activities were conducted and reported to the Audit Committee during the 2018-19 FY	Lack of staff capacity to fully implement the approved Plan	Position of the vacant auditor has been advertised	4	Some of 1 st quarter audits overlapped from the 2017-18 FY 5 is a positive variance	9 Audit Activities were conducted and reported to the Audit Committee during the 2018-19 FY
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Internal Audit	M-659	Number of internal audit findings against the municipality resolved YTD*	#	Le p - M I A	6	5	15	10	4	15	15	20	7	11 out of 55 findings resolved to date	Slow implementation of IA recommendation	IA Action plan to be a standing item in Management Meeting	20	-9	Number of findings raised increases as and when audits are conducted throughout the year

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Base-line 2017-18 Actuals	Qtr. 1 Target	Actual	Qtr. 2 Target	Actual	Qtr. 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M-651	Number of Unqualified Performance Opinion per annum	#	Lept-MIA	1	N/A	N/A	1	0	1	0	1	0	Qualified opinion was obtained for 2017/18 target reported in the 3rd Quarter	incorrect accounting application on the acquisition of landfill site	Addressing the opening balances to resolve the finding	1	-1	incorrect accounting application on the acquisition of landfill site
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M-650	Number of Unqualified Audit Opinion received from AG	#	Lept-CFO	1	N/A	N/A	1	0	1	0	1	0	Qualified opinion was obtained for 2017/18 target reported in the 3rd Quarter	incorrect accounting application on the acquisition of landfill site	Addressing the opening balances to resolve the finding	1	-1	incorrect accounting application on the acquisition of landfill site

5.2 STRATEGIC SUPPORT SERVICES

Strategic Support Services has twenty-four (24) indicators.

The detailed performance of the Strategic Scorecard for the Department of Strategic Support Services is as follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p - d a t e r	Baseline Actuals 2017/18	Qtr. 1	Actual	Qtr. 2	Actual	Qtr. 3	Actual	Qtr. 4	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Capacitate disadvantaged groups\ Special Projects	M 3 2 2	Number of HIV/Aids campaigns held YTD*	#	L e p - M P P	5	1	1	2	1	3	1	4	1	No HIV/AIDS campaigns held in the 4th quarter	poor attendance of HIV/AIDS technical meetings	Establish technical committee to	4	-3	poor attendance of HIV/AID S technical meetings
KPA6: Good Governance and Public Participation\ Capacitate disadvantaged groups\ Special Projects	M 6 4 1	Number of special projects awareness campaigns held YTD*	#	L e p - M P P	12	3	7	6	11	9	16	12	16	16 campaigns held throughout the financial year	None	None	12	4	more activities held in the financial year
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Communication	M 3 3 5	Number of media releases published YTD*	#	L e p - M C o m	33	5	12	10	19	15	12	20	38	7 media releases done in the 4th quarter	None	None	20	18	few planned activities

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline Actuals 2017/18	Qtr. 1	Actual	Qtr. 2	Actual	Qtr. 3	Actual	Qtr. 4	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Communication	M-654	Number social media platforms utilised for communication at given time in Financial year	#	Le p - M Com	4	3	3	3	3	3	3	3	1	Only Facebook platform was utilized	Equipment for other platform damaged	Put Budget to purchase new equipment for the platforms	3	-2	Equipment for other platform damaged
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M-262	Number of IDP Rep forums meetings successfully held YTD*	#	Le p - M IDP	4	1	1	2	2	3	3	4	4	1 IDP Rep Foun held in the 4th quarter	None	None	4	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M-325	Number of IDP road shows successfully held YTD*	#	Le p - M IDP	3	N/A	N/A	N/A	N/A	N/A	N/A	3	3	3 IDP Roadshows held in the 4th quarter	None	None	3	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Update	Baseline Actuals 2017/18	Qtr. 1	Actual	Qtr. 2	Actual	Qtr. 3	Actual	Qtr. 4	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M-657	Percentage of IDP credibility rating by MEC in Financial Year	%	Le p - M I D P	100	N/A	N/A	N/A	N/A	N/A	N/A	100%	0%	Credibility rating not issued by MEC	Issuing of rating is not within our control	Written a request to MEC to issue the credibility rating	100%	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M-658	Number of Final IDP approved by Council by end May	#	Le p - M I D P	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1 Final IDP document approved by Council on 28 May 2019	None	None	1	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M-06	Number of Final Annual Reports approved by Council by end of March 2017	#	Le p - P M S	1	N/A	N/A	N/A	N/A	1	1	1	1	Oversight report approved by the end of March 2019	None	None	1	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Update	Baseline Actuals 2017/18	Qtr. 1	Actual	Qtr. 2	Actual	Qtr. 3	Actual	Qtr. 4	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M-09	Number of Draft Annual Reports tabled to Council by 31 st of January 2017	#	Lepp - PMS	1	N/A	N/A	1	1	1	1	1	1	Draft AR tabled on the 24th January 2019	None	None	1	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M-43	Number of final SDBIP approved by the Mayor within 28 days after the approval of budget and the IDP	#	Lepp - PMS	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	SDBIP and lower SDBIP approved by the Mayor on time	None	None	1	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M-48	Number of Annual Performance Reports submitted to auditor general by August 30th	#	Lepp - PMS	1	1	1	1	1	1	1	1	1	APR done and submitted to AG on time	None	None	1	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Update	Baseline Actuals 2017/18	Qtr. 1	Actual	Qtr. 2	Actual	Qtr. 3	Actual	Qtr. 4	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M-315	Number of quarterly performance assessments performed YTD*	#	LePMS	4	1	1	2	1	3	2	4	3	Only three performance assessments conducted	Un availability of Accounting Officer for certain period	Speed up the appointment of Accounting Officer	4	-1	Un availability of Accounting Officer for certain period
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M-40	Number of Quarterly Performance Reports submitted to Audit Committee YTD*	#	LePMS	4	1	1	2	2	3	3	4	4	APR,2017/18 and Quarter 1 to 3, 2018/19 submitted to audit committee	None	None	4	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M-44	Number of Section 72 (mid-year performance) reports submitted to MM by 25th of January and to council by 31st January	#	LePMS	1	N/A	N/A	N/A	N/A	1	1	1	1	Midyear report done and submitted to Council on 24 January 2019	None	None	1	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	U p - d a t e r	Baseline Actuals 2017/18	Qtr. 1	Actual	Qtr. 2	Actual	Qtr. 3	Actual	Qtr. 4	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Public Participation	M - 6 6 4	Number of public participation policies/strategy reviewed and approved by Council	#	L e p - M P P	0	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Policy reviewed and approved by Council on 26 March 2019	None	None	1	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Ward Committees	M - 2 0 8	Number of ward committees that are functional	#	L e p - M P P	13	13	13	13	13	13	11	13	13	all wards are functional	None	none	13	0	None
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Job Creation	M - 6 8 8	Number of jobs created through municipal LED initiatives and capital projects (from municipal budget) YTD*	#	M L E D	1559	320	662	640	1346	840	2221	1040	3013	934 Jobs were created in the 4th quarter and aggregate d with previous quarters	None	None	1040	1973	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	U p - d a t e r	Baseline Actuals 2017/18	Qtr. 1	Actual	Qtr. 2	Actual	Qtr. 3	Actual	Qtr. 4	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Marketing and Branding	M-695	Number of Public Private Partnerships established YTD*	#	M L E D	5	N/A	0	1	0	1	0	2	0	Nzabele mobile Computer lap and youth enter premiershi p project drafts	None	None	2	0	None
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Marketing and Branding	M-696	Number of meetings held with strategic partners YTD*	#	M L E D	2	N/A	5	1	10	1	14	2	18	4 meetings held in the 4th quarter	None	None	2	16	There were lot of employment and empowerment challenges that needed to be addressed
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667A	Percentage of strategic risks that were identified in the Risk Plan that were successfully controlled YTD*	%	L e p - M R i s k	100%	25%	50%	50%	0%	75%	50%	100%	50%	Half the risks are controlled	Time needed to resolve the risks		100%	-50%	Time needed to resolve the risks

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline Actuals 2017/18	Qtr. 1	Actual	Qtr. 2	Actual	Qtr. 3	Actual	Qtr. 4	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667B	Percentage of Operational risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Le p - M R i s k	50%	25%	100%	50%	0 %	75%	75%	100%	100%	All the operationa l risks were resolved	none	none	100%	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit Committee	M-26	Percentage of Auditor General's queries resolved per quarter in a Department *	%	Le p - M I A	100%	N/A	N/A	N/A	N/A	50%	N/A	100%	70%	9 findings were resolved and 4 were on progress	Completion of data collection from rural villages	Source budget foe for project for data collection	100%	-30%	Completi on of data collection from rural villages
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Internal Audit	M-659	Number of internal audit findings against the municipality resolved YTD*	#	Le p - M I A	3	5	N/A	10	0	15	0	20	1	Only one internal audit finding resolved	Lack of a n automated system for performance	Procure a PMS automated system.	20	-19	Lack of a n automate d system for performa nce

5.4 DEVELOPMENT PLANNING

Development Planning has thirteen (13) indicators.

The detailed performance of the Strategic Scorecard for the Department of Development Planning is as follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	U p d a t e r	Baseline 2017/18 Actuals	QRT 1 Target	Actual	QRT 2 Target	Actual	QRT 3 Target	Actual	QTR 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Socio Economic Surveys	M 1 8 6	Percentage of enquiries attended to on weekly basis(updating housing need register, etc) *	#	M H S	100%	100%	100%	100%	100%	100%	100%	100%	100%	418 Enquiries attended and resolved Throughout the financial year	None	None	100%	None	None
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Sustainable and Integrated Rural Development	M 7 0 7	Number of human settlement development plans reviewed and approved by Council	#	M H S	0	N/A	N/A	N/A	N/A	N/A	N/A	1	1	None	None	None	1	0	None

Hierarchy (KPA/ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	U p d a t e r	Baseline 2017/18 Actuals	QRT 1 Target	Actual	QRT 2 Target	Actual	QRT 3 Target	Actual	QTR 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Building Plans Administration and Inspectorate	M 1 1 4	Average turnaround time of building contraventions attended (submitted for legal action) within 6 weeks from detection YTD*	#	M B C	1week	100	100	6 week s	6 weeks	6 week s	6 week s	6wee ks	6 weeks	55 transgressi ons were identified or detected and all 55 were issued with notices within a week from detection	None	None	6weeks	5weeks	Notices were issued the same day upon detectio n
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Building Plans Administration and Inspectorate	M 7 5 9	Average turnaround time (weeks) for assessment of building plans YTD*	# w o r k i n g d a y s	M B C	30 working days	30 worki ng days	30 workin g days	30 worki ng days	30 workin g days	30 worki ng days	30 worki ng days	30 worki ng days	16 workin g days	19 building plan applications were received and average assessment period is 16 days with a performanc e percentage of 187%. 30 legislative days divide by actual days spent on assessment of 16 days = 187%	None	None	30 working days	14 working days	Buildin g plans are assesse d on time.

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	U d a t e r	Baseline 2017/18 Actuals	QRT 1 Target	Actual	QRT 2 Target	Actual	QRT 3 Target	Actual	QTR 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M 7 6 0	Average turnaround time (weeks) for assessment and finalization of land use and development applications from the date of receipt as delegated to the Executive Manager	#	w e e k s	M L U 11 Weeks	14 weeks	5 weeks	14 weeks	13 weeks	14 weeks	15 weeks	16 weeks	11 weeks	15 applications were considered	none	none	16 weeks	5 weeks	Applications are assessed and referred on time to the AO for consideration.
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M 7 5 5	Average turnaround time (weeks) for assessment and finalization of land use and development applications from date of receipt as delegated to the Municipal Planning Tribunal	#	w e e k s	M L U 0 weeks	16 weeks	N/A	16 weeks	N/A	16 weeks	N/A	26 weeks	N/A	no applications were received	None	None	26 weeks	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	U d a t e r	Baseline 2017/18 Actuals	QRT 1 Target	Actual	QRT 2 Target	Actual	QRT 3 Target	Actual	QTR 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M 7 6 1	Average turnaround time (weeks) related to attend to (notices/directives issued) land use contraventions YTD	# weeks	M L U	1 week	6 weeks	one week	6 weeks	0,6 weeks	6 weeks	1.97 weeks	6 weeks	1.7 week	18 notices were issued	None	None	6 weeks	4.3 weeks	Notices were issued the same day upon detection
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M 7 3 3	Number of Land Use Scheme compiled, approved by Council YTD	#	M L U	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Land Use Scheme compiled, approved by Council	N/A	N/A	1	0	None
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M 7 3 4	Number of the SDF compiled and approved by Council YTD	#	M L U	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	The SDF compiled and approved by Council	N/A	N/A	1	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	QRT 1 Target	Actual	QRT 2 Target	Actual	QRT 3 Target	Actual	QTR 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667A	Percentage of strategic risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Le p - M R i s k	100	25	0	50	0	50	0	100	50	Half the risk were mitigated by the department	Time and funds required to complete the mitigation	Request for funding	100	-50	Time and funds required to complete the mitigation
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667B	Percentage of Operational risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Le p - M R i s k	100	25	0	50	0	50	0	100	100	Operational risks that were identified in the Risk Plan that were successfully controlled	None	None	100	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit Committee	M-26	Percentage of Auditor General's queries resolved per quarter in a Department*	%	Le p - M I A	100%	N/A	N/A	N/A	N/A	N/A	N/A	100	100	AG findings for the department were resolved.	None	None	100	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	U p d a t e r	Baseline 2017/18 Actuals	QRT 1 Target	Actual	QRT 2 Target	Actual	QRT 3 Target	Actual	QTR 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Internal Audit	M-659	Number of internal audit findings against the municipality resolved YTD*	#	L e p - M I A	43	5	0	10	0	10	0	20	3	There were 3 findings for developme nt planning and all finding are resolved	None	None	20	-17	Target based on estimati on

5.5 BUDGET AND TREASURY

Budget and Treasury Office has twenty-two (22) indicators

The detailed performance of the **Strategic Scorecard for Budget and Treasury Office** is as follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Asset Management	M-17	Number of Asset Verification conducted YTD	#	MB & R	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	The Services Provider is currently on site doing the assets verifications	None	None	1	0	None
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Asset Management	M-630	Percentage Liquidity ratio (R-value current assets / R-value current liabilities as percentage)	%	MB & R	154%	200%	297%	200%	312%	200%	305%	200%	184%	Current Assets R252 978 918/ Current Liabilities R 1370175 43	None	None	200%	105%	None
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M-25	Number of quarterly financial reports submitted to Council YTD*	#	MB & R	4	1	1	2	2	3	4	4	4	The report submitted to Secretariat for council Agenda	None	None	4	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M-756	Number of Interim financial statements prepared and submitted to Audit Committee	#	MB & R	1	N/A	N/A	N/A	N/A	1	N/A	1	0	Interim Financial Statement not compiled due to lack of manpower in the division	Lack of manpower in the division	For Human Resources to fast-track the appointment of accountant position and Budget Clerk	1	-1	Lack of manpower in the division
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M-281	Number of Annual Financial Statements submitted to the Auditor General on time (by end August)	#	MB & R	1	1	1	1	1	1	N/A	1	1	AFS submitted to AG on time	None	None	1	0	None
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M-397	Percentage Cost coverage (R-value all cash at a particular time plus R-value investments, divided by R-value monthly fixed operating expenditure)	%	MB & R	42%	100%	343%	100%	43%	100%	274%	100%	141%	Total cash = R41 800 481/monthly fixed expense R295300 14	None	None	100%	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Expenditure Management	M-11	Percentage of municipal infrastructure grant (MIG) spent YTD*	%	ME xp	100%	20%	43%	50%	63%	75%	73%	100%	87.53 %	Close to spending target	Delays in SCM Processes	SCM procurement plan should be followed	100%	12.47%	Delays in SCM Processes
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Expenditure Management	M-205	Percentage Debt coverage (total R-value operating revenue received minus R-value Operating grants, divided by R-value debt service payments (i.e. interest + redemption) due within financial year)	%	ME xp	1352%	200%	382%	200%	654%	200%	1099%	200%	1725.11%	Debt coverage are healthy in the municipal environment	We have not experienced any challenges	No Corrective Action necessary	200%	1525.11%	Municipal borrowings are very low

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M-638	Number of updated and credible indigents register in place	#	MRev	1	N/A	1	N/A	1	N/A	1	1	1	The 2018/19 Indigent Register contains 1738 indigents	Only a few residents registered as indigents, hence the number is too low	Continuous awareness campaigns to be held throughout the year	1	None	Indigent Register was approved by Council for 2018/2019 financial year
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Supply Chain management	M-sc m 1	Number of tender reports submitted to council per quarter	#	MSCM	4	1	1	1	1	1	1	1	4	The report submitted to secretariat unit for council	None	None	1	3	None
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Supply Chain management	M-sc m 2	Number of Deviation reports submitted to council per quarter	#	MSCM	4	1	1	1	1	1	1	4	4	The report submitted to secretariat unit for council	None	None	4	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	U p d a t e r	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Supply Chain management	M - s c m 3	Number of stock count done per annum	#	M S C M	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	stock taking was done on the 28th June 2019	None	None	1	0	None
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M - 3 3	Percentage debt collected YTD	%	M R e v	90%	90%	91%	95%	89%	95%	89%	95%	91%	The collection has increased slightly. Credit Control has intensified the cut-off list for non-paying accounts and the debt collector is collecting on accounts over 90 days	Although the Debt Collector is assisting with collection, payments from Farms, Marapong and Thabo Mbeki are received in drips	Debt Collector and Credit Control Unit to work together to ensure that revenue collection is improved	95%	4%	Although there is an improvement in collection in areas where electricity is distributed by municipality, it is still difficult to collect in areas like Marapong and Thabo Mbeki where electricity is distributed by Eskom

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M-396	Percentage outstanding service debtors to revenue (R-value total outstanding service debtors divided by R-value annual revenue actually received for services)	%	M Rev	10%	10%	9%	10%	11%	10%	11%	10%	9%	The collection has increased slightly. Credit Control has intensified the cut-off list for non-paying accounts and the debt collector is collecting on accounts over 90 days	Although the Debt Collector is assisting with collection, payments from Farms, Marapong and Thabo Mbeki are received in drips	Debt Collector and Credit Control Unit to work together to ensure that revenue collection is improved	10%	4%	Although there is an improvement in collection in areas where electricity is distributed by municipality, it is still difficult to collect in areas like Marapong and Thabo Mbeki where electricity is distributed by Eskom
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M-637	Number of credit control policies reviewed and approved by Council YTD*	#	M Rev	1	N/A	1	N/A	1	N/A	The Credit Control policies in use were approved by Council in May 2018	1	1	The Credit Control policies in use were approved by Council in May 2018	The policies were submitted to Council in May 2019 with the budget	N/A	1	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M 6 3 6	Number of awareness campaign on payment of services and registration of indigent consumers YTD	#	M Rev	1	N/A	2	N/A	3	N/A	1	1	1	Awareness campaigns were held at Municipal Lapa on 16 April 2019	Few residents turn up to register as indigents and make payment arrangements	Continuous awareness campaigns to be held throughout the year	1	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M 6 5 0	Number of Unqualified Audit Opinion received from AG	#	Le p - CFO	1	N/A	N/A	1	0	1	0	1	0	Qualified Audit Opinion received by Municipality	Acquisition of assets	Procure services for asset verification	1	-1	Acquisition of assets presented material findings
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M 7 4 0	Number of material audit findings against the municipality regarding financial statements	#	Le p - CFO	1	N/A	N/A	0	0	0	3	0	3	All the three material findings were resolved	None	None	0	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk	M 6 6 7 A	Percentage of strategic risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Le p - Risk	100%	25%	0%	50%	0%	75%	50%	100%	68%	Financial risk are mitigated to a level of 68 percent	Funds for implementing recommendation by risk committee	Source funds from council	100%	-32%	Funds for implementing recommendation by risk committee

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
Management																			
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667B	Percentage of Operational risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Lepp-M Risk	100%	25%	0%	50%	0%	75%	50%	100%	100%	All operational risks resolved	None	None	100%	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit Committee	M-26	Percentage of Auditor General's queries resolved per quarter in a Department *	%	Lepp-M IA	100%	N/A	N/A	N/A	N/A	50%	70%	100%	100%	All findings were resolved by end of financial year	None	None	100%	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Internal Audit	M-659	Number of internal audit findings against the municipality resolved YTD*	#	Lepp-M IA	2	5	0	10	0	15	5	20	6	All findings were resolved by end of financial year	None	None	20	-14	Target estimated

5.3 CORPORATE SUPPORT SERVICES

Corporate Support Services has nineteen (19) indicators.

The detailed performance of the Strategic Scorecard for the Department of Corporate Support Services is as follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism \ Human Resource Management	M-404	Number of people from employment equity groups employed in the three highest levels of management YTD*	#	Le p - M H R	29	26	28	28	28	28	29	29	27	27 Positions filled out of 35 Post and 8 is vacant	Limitation of Upper limits on Remunerati on packages and slow recruitment process.	Speed up the recruitment process	29	2	Slow recruitme nt process and Salary Package s.
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism \ Labour Relations and EAP	M-672	Percentage of Employee Satisfaction rating	%	Le p - M H R	62%	N/A	N/A	N/A	N/A	55%	51%	55%	51%	Out of 450 employ ees only 182 employ ees particip ated in the survey	Non participation of employees in the survey	During EAP services encourage employee to participate in employee satisfaction rating survey	55%	-4%	Non participat ion of employe es in the survey

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Update	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism \ Labour Relations and EAP	M-673	Nu Number of EAP policies Developed/ Reviewed and approved by Council YTD	#	Le p - M H R	0	N/A	N/A	N/A	N/A	N/A	3	4	3	3 policies were reviewed and approved by Council	One policy was referred back by council	None	4	-1	One policy was referred back by council
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism \ Labour Relations and EAP	M-678	Number of LLF meetings held YTD*	#	Le p - M H R	7	3	0	5	2 Engagements Meeting with SAMWU Union	7	7	8	8	1 Special meeting held and 2 Ordinary meetings were postponed.	Non-adherence to the scheduled Yearly LLF Meetings.	To adhere to the schedule.	8	0	None
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism \ Occupational health and Safety	M-680	Number of OHS audits conducted annually	#	Le p - M H R	1	N/A	N/A	N/A	N/A	1	1 OHS Audit conducted	1	1	1 OHS Audit conducted	None	None	1	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Update	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism \ Training and Development	M-212	Percentage of total municipality's budget actually spent on implementing its workplace skills plan YTD*	%	Le p - M H R	0.77%	0%	0,43%	0,50%	52%	0,75%	0,83%	1%	0.94%	0.94% of the Budget used.	R1274 200.00 allocated and R1200 621.95 spent.	Improve on the planning of WSP implementation	1%	0,6%	Delayed payments of service providers by BTO resulted in CSS not achieving target.
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism \ Training and Development	M-18	Percentage of municipal new personnel appointed and enrolled to meet the financial minimum competency requirements YTD*	%	Le p - M H R	100%	100%	100%	100%	50%	100%	100%	100%	100%	1 person appointed this quarter and has MFMP Certificate.	None	None	100%	0%	None
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism \ Training and Development	M-19	Number of municipal personnel with technical skills/ capacity (engineering technicians and technicians) YTD*	#	Le p - M H R	22	15	15	15	18	15	15	15	15	15 Personnel employed out of 18 Posts.	Slow recruitment process.	Speed up the recruitment process.	15	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Update	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism \ Training and Development	M - 21	Percentage of municipal personnel budget spent YTD*	%	Le p - M H R	99%	23%	24%	46%	48%	72%	80%	97%	83%	83% achievements lower than target due to vacant positions.	Slow process of filling positions	Develop a plan on of filling positions	97%	-14%	Slow process of filling positions
Transformation and Organisational Development\ Improve functionality, performance and professionalism \ Training and Development	M - H R 1	Percentage of newly appointed managers who have gone through the competency assessment YTD*	%	M H R	100%	100%	100%	100%	100%	100%	100%	100%	100%	No appointment for this quarter, However All Senior Managers is assessed on their Competency before Appointment.	None	None	100%	0%	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Update	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ By-laws	M-653	Number of by-laws Drafted/or reviewed, taken for public participation concluded and Adopted by Council YTD*	#	Legal	2	N/A	N/A	N/A	N/A	N/A	N/A	1	2	Two by-laws were adopted by Council and gazetted	None	None	2	None	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Governance and Administration	M-655	Number of Council meetings held YTD*	#	Admin	10	1	2	2	6 Council meetings were held	5	8	8	12	3 Special Meetings held on 8 April, 6 May & 28 June. And 1 Ordinary meeting held on 28 May 2019.	None	None	8	3	More special meetings.

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Update	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ IT and Support	M-135	Number of ICT related policies and plans Developed/ Reviewed and adopted by Council YTD*	#	MA d m i n	13	N/A	N/A	N/A	N/A	13	13	13	13	All Policies were reviewed and approved by Council.	None	None	13	None	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Legal Services	M-136	Percentage of Service Level Agreements (SLAs) drafted/or reviewed within 2 weeks of receipt of notice of appointment from Municipal Manager YTD*	%	ML e g a l	100%	90%	100%	90%	100%	90%	100%	90%	83%	10 out of 12 the requests for drafting/ review of SLAs was concluded within two weeks	One agreement is still under negotiations and the other agreement could not be finalised because of incorrect documents (appointment letter)	Requested documents to be corrected and that negotiations for the other agreement be fastracked	90%	7%	One agreement is still under negotiations and the other agreement could not be finalised because of incorrect documents (appointment letter)

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Update	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ IT and Support	M-23	Percentage of complaints received on the electronic system and successfully attended to by customer care unit YTD*	%	M-Admin	100%	80%	100%	80	100%	85%	100%	85%	86%	All complaints received were attended to.	None	None	85%	1%	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667A	Percentage of strategic risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Le-MRisk	100%	25%	0%	50%	0%	75%	40%	100%	40%	2 out of 5 risks were mitigated	Time and funds completing risks is not enough	Source funding	100%	-60%	Time and funds completing risks is not enough

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Update	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt 2 Target	Actual	Qrt 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667B	Percentage of Operational risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Le p - M R i s k	91,6%	25%	0%	50%	0%	75%	100%	100%	100%	All operational risk were resolved	None	None	100%	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit Committee	M-26	Percentage of Auditor General's queries resolved per quarter in a Department*	%	Le p - M I A	100%	N/A	N/A	N/A	N/A	50%	70%	100%	85%	6 out of 7 findings were resolved	Time and funds completing findings is not enough	Avoid the findings in future	100%	-15	Time and funds completing findings is not enough
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Internal Audit	M-659	Number of internal audit findings against the municipality resolved YTD*	#	Le p - M I A	3	5	0	10	0	15	9	20	11	11 out of 13 internal audit finding were resolved	Time and funds completing findings is not enough	Source funding	20	-7	Time and funds completing findings is not enough

5.6 SOCIAL SERVICES

Social Services have eighteen (18) indicators.

The detailed performance of the Strategic Scorecard for the Department of Social Services is as follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt2 Target	Actual	Qrt3 Target	Actual	Qrt 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Environmental Management	M 170	Number of trees planted per quarter, year to date (operational budget)*	#	MParks	509	0	27	200	0	350	0	500	527	527 trees planted to various places.	none	none	500	27	27X trees were donated by Eskom.
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Environmental Management	M 702	Number of waste awareness campaigns implemented quarterly per year.	#	MWaste	48	12	12	24	28	36	28	48	78	78X Waste awareness campaigns conducted during the year	None	None	48	30	30x waste awareness were initiated due to the increase in the informal dumping.
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Library Services	M 172	Number of library campaigns held quarterly per year.	#	MLib	8	1	2	2	0	3	2	4	5	5X library campaign conducted during the financial year.	None	None	4	1	The library was invited by sector department to do the presentation.

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt2 Target	Actual	Qrt3 Target	Actual	Qrt 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Library Services	MLIB1	Number of Thusong Centre services campaigns held quarterly per year.	#	MLib	6	1	1	2	3	3	4	4	5	5 thusong centre services campaign conducted during financial year	None	None	4	1	None
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Library Services		Number of reports on education activities per quarter YTD.	#	MLib	4	1	1	2	1	3	1	4	4	Report on education activities prepared to present to council	Council still to sit	None	4	0	None
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Registry	M395	Average number of weeks turnaround time between application for learner license test until actually being tested	# weeks	MReg	1 week	3weeks	1week	3weeks	1 weeks	3weeks	1 week	3weeks	1 week	Average number of weeks turnaround time between application for learner license test improved to week	None	None	3 weeks	2 weeks	Number of test dates increased and that resulted over achievement.

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt2 Target	Actual	Qrt3 Target	Actual	Qrt 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Registry	M - RG 1	Average number of weeks turnaround time between application for driver's license test until actually being tested	# weeks	M Reg	2weeks	2weeks	1 weeks	2 weeks	1 weeks	2 weeks	1 week	2 weeks	1 week	average number of weeks turnaround time between application for driver's license test improved to 1week	None	None	2 weeks	1 weeks	Number of test dates increased and that resulted over achievement.
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Registry	M - RG 2	Number of reports on public transport activities per quarter sent to Council YTD.	#	M Reg	3	1	1	2	2	3	1	4	4	Report on public transport activities prepared	Council still to sit	None	4	0	None
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Road Safety / Law Enforcement	M - 703	Number of speed checks held YTD	#	M Traf	113	36	5	72	10	60	14	80	26	26 speed checks conducted during the financial year	Delay in calibration of the machine process	Speed up the internal process.	80	-58	Delay in calibration of the machine process

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Update	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt2 Target	Actual	Qrt3 Target	Actual	Qrt 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Road Safety / Law Enforcement	M704	Number of joint law enforcement operations with other law enforcement agencies undertaken held YTD.	#	M Traf	15	1	6	2	7	3	2	4	10	10X Joint law enforcement operation held in the financial	None	None	4	6	Other joint operation that were initiated by other stakeholders.
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Road Safety / Law Enforcement	M704	Number of joint law enforcement operations initiated by Municipality with other law enforcement agencies undertaken held YTD.	#	M Traf	0	N/A	N/A	N/A	N/A	3	2	4	6	6 municipal operational law enforcement were held	None	None	4	2	None
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Safety and Security	M706	Number of safety and security forums that are functional	#	M Traf	6	3	6	3	7	1	8	1	10	10x Safety forum meeting was held in the financial year	Reviewed KPI during adjustment	None	1	9	other forums were initiated by other
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M250	Number of urban household provided with weekly refuse removal, YTD	#	M Waste	8233	19962	19962	19962	19962	8233	8233	8233	8232	8232 households provided with weekly refuse removal	None	None	8233	-1	Incorrect counting

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt2 Target	Actual	Qrt3 Target	Actual	Qrt 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M-402	Percentage households with access to basic level of solid waste removal, YTD	%	MWaste	48,6	55%	55%	55%	55%	60%	27%	65%	54%	54% of households are provided with refuse removal	Informal settlements are not billed and excluded from the list	formulation of a new kpi for the informal settlements with access to refuse removal services in 2019/20 FY	65%	-11%	Informal settlements are not billed and excluded from the list
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M-708	Number of rural villages with access to weekly refuse removal services through roll-on, roll-off system	#	MWaste	14	13	14	13	14	14	14	14	14	14 rural villages provided with weekly refuse removal	None	None	14	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667A	Percentage of strategic risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Leap-MRisk	0	25	0	50	0	75	50	100	100	The function belongs to the Water District. LLM responsible for coordination and monitoring	None	Continuous monitoring	100	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Baseline 2017/18 Actuals	Qrt 1 Target	Actual	Qrt2 Target	Actual	Qrt3 Target	Actual	Qrt 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667B	Percentage of Operational risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Le p - M R i s k	0%	25%	0%	50%	0%	75%	50%	100%	50%	Operational risk identified are controlled & managed	Insufficient budget for the implementation of control measures	Budget is prioritized.	100%	-50%	Insufficient budget for the implementation of control measures
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit Committee	M-26	Percentage of Auditor General's queries resolved per quarter in a Department *	%	Le p - M I A	100%	N/A	N/A	N/A	N/A	50%	50%	100%	100%	All queries related to Social Services were resolved.	None	None	100%	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Internal Audit	M-659	Number of internal audit findings against the municipality resolved YTD*	#	Le p - M I A	0	5	1	10	1	15	0	20	0	Weighbridge not yet repaired	Insufficient budget	Budget prioritization has been made in 2019/2020 financial year.	20	-20	Not budgeted for 2018/19 financial year.

5.7 INFRASTRUCTURE SERVICES

Infrastructure Services have twenty (20) indicators.

The detailed performance of the Strategic Scorecard for the Department of Infrastructure Services is as follows:

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Base-line 2016/17 Actuals	Qtr1. Target	Actual	Qtr.2 Target	Actual	Qtr. 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (Electricity – Maintenance and Upgrading)	M-710	Number of urban transformers upgraded YTD*	#	MElec	2	N/A	N/A	N/A	N/A	N/A	N/A	2	0	no transformer was upgraded 2018/19 FY	Lack of Budget	to be funded in the next financial year 21/22 FY	2	-2	Lack of Budget
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (Electricity – Maintenance and Upgrading)	M-340	Percentage of Electrical losses YTD*	%	MElec	8,65%	12%	8%	12%	2%	10%	-7%	10%	-11%	target achieved as we have a gain of 11%	negative loss is as result of the corrected billing	to be reported to Eskom	10%	21	negative loss is as result of the corrected billing
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (New Infrastructure)	M-401A	Percentage of households with access to basic level of electricity connected by Eskom*	%	MElec	72%	74%	72%	74%	72%	55%	68%	56%	68%	28289 households have access and 578 new households were connected and total to 28867 hh	none	none	56%	12	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Base-line 2016/17 Actuals	Qtr1. Target	Actua l	Qtr.2 Targ et	Actua l	Qtr. 3 Target	Actua l	Qtr. 4 Targe t	Actual	Actual Notes	Challenge s	Correcti ve Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (New Infrastructure)	M 4 0 1 B	Percentage of households with access to basic level of electricity connected by Municipality*(Urban households)	%	M E l e c	72%	74%	85%	74%	85%	17%	17.8%	17%	17%	7102 households have access there are 300 businesses who are on conventional meters	none	none	17%	0	None
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Energy Efficiency	M 7 1 3	Number of energy efficiency audits conducted	#	M E l e c	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	no audit conducted	Lack of budget	to be conducted into the next financial year	1	-1	Lack of budget
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Free Basic Services	M 7 5 3	Percentage of households without access to basic level of Electricity YTD*(Backlog)	%	M E l e c	0%	30%	0%	35%	0%	28%	15%	28%	15%	electricity backlog is 15 % and about 6133 households have no access	Expansion of rural villages without planning	Formaliz e the rural villages	28%	13%	Expansion of rural villages without planning
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Roads and Storm water – Maintenance and Upgrading	M 2 1 8	Number of villages in which access roads are bladed YTD*	#	M P W	39	7	6	14	12	29	18	39	36	36 villages were bladed this financial year	2 grader operators left municipality	the positions need to be advertised and filled	39	-3	two grader operators left municipality(Resigned)

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Base-line 2016/17 Actuals	Qtr1. Target	Actua l	Qtr.2 Targ et	Actua l	Qtr. 3 Target	Actua l	Qtr. 4 Targe t	Actual	Actual Notes	Challenge s	Correcti ve Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Roads and Storm water – Maintenance and Upgrading	M – 7 4	Total length of kilometers upgraded from gravel road to surfaced road YTD*	k m	M P W	7km	N/A	N/A	N/A	N/A	7.5 km	3.03K m	7.5 km	8.53 km	8.53 km Road have been upgraded to tar	none	none	7.5 km	1.5 km	The constructi on included connectio ns to existing road network
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Roads and Storm water – Maintenance and Upgrading	N M - 1	Total Percentage of maintenance budget spent on infrastructure maintenance by Public works unit YTD*	%	M P W	0%	15%	24%	45%	53%	70%	63%	90%	91.50 %	91.5% spend on operational budget	none	none	90%	1.50%	Ageing Infrastruct ure
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Sanitation - New Infrastructure	M – 4 0 0	Percentage of households with access to basic level of sanitation YTD*	%	M S a n i t	49.25%	75%	49,69 %	75%	49,69 %	55%	49.80 %	55%	85%	only 13 households were connected this financial year	lack of funding	budget has been allocated for next financial year	55%	13	Unplanne d extension of rural villages
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Waste Water Quality (Green Drop)	M – 7 5 8	Number of Green drop assessment report submitted to DWS for green drop risk rating YTD	#	M S a n i t	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	assessmen t not conducted this financial	none	none	1	-1	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Base-line 2016/17 Actuals	Qtr1. Target	Actua l	Qtr.2 Targ et	Actua l	Qtr. 3 Target	Actua l	Qtr. 4 Targe t	Actual	Actual Notes	Challenge s	Correcti ve Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Sanitation \ Free Basic Services	M – 7 5 2	Percentage of households without access to basic level of Sanitation YTD*(Backlog)	%	M S a n i t	0%	30%	50,32 %	25%	50,32 %	45%	50.2%	45%	15%	only 13 households were connected this financial year	lack of funding	Request funding from DWS	45%	30	Target over achieved as per plan
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water – Supply	M – 3 9 9	Percentage of households with access to basic level of water YTD*	%	M W a t e r	73%	75%	72%	75%	72%	75%	71.8%	75%	74.5%	contractors appointed ,constructe d work in process	phahladira project not yet completed	project will be complete d in the next financial year	75%	0.5%	Phahladira and Mohlasedi Project in progress
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water – Supply		Percentage of households without access to basic level of Water YTD*(Backlog)	%	M W a t e r	0%	30%	28%	25%	28%	25%	28.36 %	25%	25.5%	contractors appointed ,constructe d work in process	Phahladira project not yet completed	project will be complete d in the next financial year	25%	0.5%	Phahla- dira and Mohl- asedi Project in progress

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	ID	INDICATOR	UOM	Updater	Base-line 2016/17 Actuals	Qtr1. Target	Actual	Qtr.2 Target	Actual	Qtr. 3 Target	Actual	Qtr. 4 Target	Actual	Actual Notes	Challenges	Corrective Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water loss (unaccounted water)	M-81	Percentage of water losses YTD*	#	M Water	10	10	32.63	10	26.63	14	29,26	14	30.99	we had a loss of 30.99% FY	AC Pipes burst	to replace AC pipes with new UPVC	14	10.99	AC Pipes burst
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water Quality (Blue Drop)	M-728	Number of Blue drop assessment report submitted to DWS for Blue drop rating YTD*	#	M Water	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	No Blue drop Assessment conducted FY	none	none	1	0	no assessment conducted by DWS
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667A	Percentage of strategic risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Leap - MRisk	0	25%	0%	50%	0%	75%	60%	100%	80%	3 risks out of 4 were controlled	None	None	100%	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M-667B	Percentage of Operational risks that were identified in the Risk Plan that were successfully controlled YTD*	%	Leap - MRisk	0%	25%	0%	50%	0%	75%	100%	100%	100%	All operational risk were resolved	None	None	100%	0	None

Hierarchy (KPA\ STRATEGIC OBJECTIVE \ Programme)	I D	INDICATOR	U O M	U p d a t e r	Base- line 2016/17 Actuals	Qtr1. Target	Actua l	Qtr.2 Targ et	Actua l	Qtr. 3 Target	Actua l	Qtr. 4 Targe t	Actual	Actual Notes	Challenge s	Correcti ve Action	Annual Target 2018/19	Variance from Annual Target	Reasons for variance to target
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit Committee	M - 2 6	Percentage of Auditor General's queries resolved per quarter in a Department*	%	L e p - M I A	94%	N/A	N/A	N/A	N/A	50%	50%	100%	100%	2 AG findings were resolved	None	None	100%	0	None
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Internal Audit	M - 6 5 9	Number of internal audit findings against the municipality resolved YTD*	#	L e p - M I A	0	5	0	10	0	15	9	20	11	11 out 13 internal audit finding were resolved	None	None	20	-9	Target was based on estimation

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

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

COMPONENT A

INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 74: Employee Totals, Turnover and Vacancies

EMPLOYEES					
Description	2017/18	2018/19			
	Employees No.	Approved Posts No.	Employees No.	Variance No.	Variance %
Water	46	47	45	2	4.2%
Waste Water (Sanitation)	36	42	40	2	4.7%
Electricity	45	46	45	1	2.1%
Waste Management	54	57	49	8	14%
Housing	6	6	6	0	0%
Waste Water (Storm water Drainage)	41	45	39	6	13.3%
PMU	4	5	3	2	40%
Transport					
Planning	12	14	13	1	7.1%
Local Economic Development	2	3	3	0	0%
Community & Social Services	58	63	58	5	7.9%
Environmental Protection					
Health					
Sport and Recreation	48	50	46	4	8%
Corporate Policy Offices and Other	101	123	98	25	20.3%
Totals	453	501	445	56	11.2%
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June 2018.					

New organizational structure with ...524..... (Number of positions) was approved in May 2017 to be in line with new developmental demands with municipal area. Critical positions were filled except for the position of Executive Manager: Infrastructure which became vacant on 1 November 2017 as a result of end of contract, Executive Manager: Strategic Support Services which is a new position which was approved for the Financial year 2017/2018 and Executive Manager: Social Service which became vacant on 1 May 2018 as a result of end of contract.

Table 75: Number of Positions per department in 2018/19 financial year.

Department	Number of Positions 2017/18/19						
	Management	Technical	Labour	Support	Total	Vacant	%Vacant
Infrastructure Services	3	53	111	6	187	14	7%
Social Services	6	1	95	51	170	17	10%
Corporate Support Services	4	3	12	21	48	8	17%
Budget and Treasury	4		1	32	45	8	18%
Planning and Development	4	9		6	20	1	5%
Strategic Support Service	6			12	23	5	21%
Office of Municipal Manager	1			4	8	3	40%
Total Positions	28	66	219	132	501	57	11%

Table 76: Vacancy Rate per level of employment in 2018/19 financial year

Vacancy Rate per level of employment in 2018/19 Financial year

Vacancy Rate 2018/19			
Designations	*Total Approved Posts No.	*Variances (Total time that vacancies exist using fulltime equivalents) No.	*Variances (as a proportion of total posts in each category) %
Municipal Manager	1	1 months	
CFO	1	1 months	
Other S57 Managers (excluding Finance Posts)	5	31 months	
Other S57 Managers (Finance posts)			
Municipal Police			
Fire fighters			
Senior management: Levels 13-15 (1-2) (excluding Finance Posts)	24	45 months	
Senior management: Levels 13-15 (1-2) (Finance posts)	4	0	
Highly skilled supervision: levels 9-12 (3-5)(excluding Finance posts)	68	108 months	
Highly skilled supervision: levels 9-12 (3-5)(Finance posts)	10	5 months	
Total	113	191 Months	

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

Table 77: Turnover Rate

Turn-over Rate				
Details		Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Nature of Termination	No.	456	20	4.4%
Death	5			
Resignation	8			
End of contract	1			
Dismissal	3			
Pension	3			

* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Table 78: Policies

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1	Bereavement		X	Feb 2017
2	Career Planning, Succession & Retention	100%		Feb 2017
3	Workplace, HIV/AIDS	100%		Feb 2017
4	Employment Assistance Program		X	Feb 2017
5	Leave	100%	X	Feb 2017
6	Recruitment, Selection and Appointments	100%	X	Feb 2017
7	Workplace Sports and recreation policy	100%		Feb 2017
8	Personal Protective Equipment			July 2018
9	SHE Policy			July 2018
10	Overtime Policy			July 2018

Table 89: Injuries on Duty

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	2	1	0%	1	3800
Temporary total disablement	75	2	0	38	146 000
Permanent disablement	0	0	0	0	
Fatal					
Total	77	3	0%	39	149 800

Table 79: Sick leave

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band/ level	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
L1- L14	3864	40	445	445	9.27	

* - Number of employees in post at the beginning of the year

Table 80: Disciplinary Action – Misconduct, General

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
1.Street Cleaner: Waste	Driving municipal vehicle without authorisation and bumped into another vehicle belonging to a member of public.	N/A	Final Written Warning	12 July 2018

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
2.Machine Operator: Parks	Assault of a fellow employee and insulting of other employees	N/A	Dismissal	10 August 2018
3.Manager: Electrical & Mechanical	Charged with misconduct for changing the scope of work for projects without following the proper approval processes in terms of the Municipal Finance Act no 56 of 2003 in the capital projects	11April 2014	Employee not found guilty on all charges.	02 October 2018
4.Creditors Clerk: Income	Fraud of journals.	N/A	Final written warning and paying back all the monies lost due to his failure to apply due diligence in executing his duties with effect from 1 August 2018 until the 31 st of July 2019.	8 August 2019
5.Financial Clerk: Expenditure	Fraud of journals.	N/A	Final written warning	8 August 2019
6.Engineering Technician: Electrical/Mechanical	Employee was a partner in TJMH KIAROS Energy CC and the company conducted business with the municipality.	N/A	Final written warning and employee to refund the sum of R9800.00.	08 August 2018
7.Admin Officer: Licensing & Registration Authority	Registration of new vehicles with registration number YFY622W with date of liability for registration as 17/01/2018 instead of 23/11/2017.	N/A	Dismissal	15 April 2019
8.Municipal Manager	Contravention of Section 61 (i) of MFMA, gross dishonesty and material misrepresentation.	10 December 2018	Dismissal	21 May 2019
9.CFO	Gross dishonesty, failure to advice, derelict of duties and gross negligence.	10 December 2018	Dismissal	27 May 2019
10.Manager :Human Resource	Gross dishonesty, failure to advice, derelict of duties and gross negligence.	19 December 2018	Dismissal	13 September 2019
11.Senior Creditors Clerk: Income	She was charged with an act of misconduct for taking instruction of performing duties and responsibilities beyond your core roles.	N/A		07 November 2018
12.Manager : Income	Changing the scope of work on projects without following the proper procedure. R 179 970.54. He was charged with an act of misconduct of negligence in that he failed to ensure that all conditions and procedures applicable to the application of section 32 are complied with: Failing to provide evidence that the adoption of section 32 was duly approved by the Acting Municipal Manager.	N/A		07 November 2018

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
	<p>Failing to involve the division in the appointment process of Big Time Strategic Consultants as the Co end –users.</p> <p>Failing to thoroughly assess and evaluate the documentation received from Moses Kotane Municipality.</p> <p>Failing to ensure that fruitless, irregular and wasteful expenditure is minimized and avoided in the municipality.</p> <p>Failure to ensure that the entire scope of work was performed by Big Time Strategic Consultants prior to the processing of payment and</p> <p>Failing to take corrective actions as indicated in the report prepared by Big Time Consultants were appointed on emergency basis.</p>			

Table 81: Disciplinary Action on Financial Misconduct

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Manager: Electrical/Mechanical	Changing the scope of work on projects without following the proper procedure. R 179 970.54.	Not found guilty	24 September 2018
Creditors Clerk: Income	Charged to have processed journals 12770, 11933 and 13223 without approval from his Supervisor and without the signature. R 59 847.84.	Yes	08 August 2018
Data Capturer: Expenditure	Charged to have captured journals 12770, 11933 and 13223 without approval from his Supervisor and without the signature. R 59 847.84.	Yes	08 August 2018
CFO	Gross dishonesty, failure to advice, derelict of duties and gross negligence. R 52 100.04	Yes	27 May 2019
Municipal Manager	Contravention of Section 61 (i) of MFMA, gross dishonesty and material misrepresentation. R 60 135.90	Yes	21 May 2019

PERFORMANCE REWARDS

Regulation 805, section 32 states the following in this regard:

- (1) The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- (2) A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator; provided that -
 - (a) A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
 - (b) A score of 150% and above is awarded a performance bonus ranging from 10% to 14%.
- (3) In the case of unacceptable performance, the employer shall –
 - (a) provide systematic remedial or developmental support to assist the employee to improve his or her performance; and
 - (b) After appropriate performance counselling and having provided the necessary guidance and/or support and reasonable time for improvement in performance, and performance does not improve, the employer may consider steps to terminate the contract of employment of the employee on grounds of unfitness or incapacity to carry out his or her duties.

In order to narrow the gap of 5% to 9% and of 10% to 14% bonuses, the following sliding scale are applies in terms of the rating scales set out in the Performance Agreements:

% Rating Over Performance	% Bonus
130 - 133.8	5%
133.9 – 137.6	6%
137.7 – 141.4	7%
141.5 - 145.2	8%
145.3 – 149	9%
150 – 153.4	10%
153.5 – 156.8	11%
156.9 – 160.2	12%
160.2 – 163.6	13%
163.7 – 167	14%

Therefore bonuses can only come into consideration once an employee achieves an overall score of at least 130%, any overall performance scores below that will not be in line for any bonuses.

In terms of the Municipal Systems Act, Act 32 of 2000, section 57 (4B) Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council concerned.

The evaluations were not conducted as a result of unavailability of the Accounting Officer in the last quarter of the financial year. The matter was reported to council and Auditor General .

CONSLUSION

The Lephalale Local Municipality has not successfully conducted the Annual Individual Performance Evaluations for the financial years of 2017/18 due to challenges faced by the accounting officer where staff revolted against the Accounting Officer.

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COMPONENT C

CAPACITATING THE MUNICIPAL WORKFORCE

SKILLS DEVELOPMENT AND TRAINING

Table 82: Skills Development Matrix

Skills Matrix														
Management Level	Gender	Employees in post as at 30 June 2019	Number of skilled employees required and actual as at 30 June 2019											
			Learner ships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual 30 June 2018	Actual 30 June 2019	Target	Actual 30 June 2018	Actual 30 June 2019	Target	Actual 30 June 2018	Actual 30 June 2019	Target	Actual 30 June 2018	Actual 30 June 2019	Target
MM and S57	Female	03	01	01	01	02	02	01	01	01	01	00	00	02
	Male	02	00	00	00	03	03	00	00	00	00	01	01	02
Councilors, senior officials and managers	Female	21	04	04	05	10	10	12	03	03	12	13	13	21
	Male	29	06	06	03	12	12	15	06	06	13	10	10	29
Technicians and associate professionals	Female	20	00	00	00	13	13	08	00	00	10	06	06	20
	Male	27	00	00	00	11	11	10	00	00	13	09	09	27
Professionals	Female	06	01	01	01	04	04	09	02	02	07	04	04	06
	Male	14	00	02	02	02	02	15	05	05	12	12	12	14
Sub total	Female	49	06	06	07	29	29	30	06	06	30	20	20	49
	Male	72	08	08	05	31	31	35	11	11	38	32	32	72
Total		121	14	14	12	60	60	65	17	17	68	62	62	121

The following categories of employees are not included: 49 females & 49 Males from Semi-skilled and discretionary decision making, 18 Female & 154 Males from Unskilled.

Table 83: Financial Competencies

Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	1	1	1	1	1
<i>Chief financial officer</i>	1	1	1	1	1	1
<i>Senior managers</i>	3	3	3	3	3	3
<i>Any other financial officials</i>	3	3	3	0	0	0
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>		0		0	0	0
<i>Supply chain management senior managers</i>	1	1	1	0	0	0
TOTAL	9	9	9	5	5	5
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

EMPLOYEE EXPENDITURE

Table 84 Skills Development Expenditure

Skills Development Expenditure R'000										
Management level	Gender	Employees as at the beginning of the financial year No.	Original Budget and Actual Expenditure on skills development 2018-19							
			Learner ships		Skills programmes & other short courses		Other forms of training		Total	
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual - R-value
MM and S57	Female	02	01	01	00	00	01	00		76359.50
	Male	02	00	00	00	00	00	00		22564.27
Legislators, senior officials and managers	Female	21	05	03	12	12	13	13		90391.84
	Male	29	03	01	15	15	13	13		81370.43
Professionals	Female	06	01	01	5	05	02	02		67793.65
	Male	14	02	01	14	14	02	02		145790.76
Technicians and associate professionals	Female	20	00	00	06	06	02	02		73936.26
	Male	27	01	00	15	15	19	01		61758.41
Clerks	Female	46	00	00	15	15	02	07		123035.18
	Male	32	00	00	17	17	03	04		104117.24
Service and sales workers	Female	03	00	00	03	03	02	02		129907.35
	Male	17	00	00	06	06	10	03		43540.48
Plant and machine operators and assemblers	Female	09	00	00	00	00	01	00		25906.12
	Male	18	00	00	00	00	02	02		68959.23
Elementary occupations	Female	09	00	00	03	03	00	00		42257.04
	Male	136	00	00	09	09	00	00		42934.19
Sub total	Female	116	05	01	37	37	23	26		
	Male	313	03	03	104	104	49	23		
Total		429								R 1 200 621.95
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									1%*	*R 1 274 200.00
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan. R 1 274 000.00										0.94%*

Table 85: Upgrading of positions

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	00
	Male	00
Skilled (Levels 3-5)	Female	00
	Male	00
Highly skilled production (Levels 6-8)	Female	00
	Male	00
Highly skilled supervision (Levels9-12)	Female	00
	Male	00
Senior management (Levels13-16)	Female	00
	Male	00
MM and S 57	Female	00
	Male	00
Total		00
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).		

CHAPTER 5

FINANCIAL PERFORMANCE

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CHAPTER 5: FINANCIAL PERFORMANCE

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of four components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Cash Flow Management and Investment.
- Component D: Other Financial Matters

COMPONENT A

STATEMENTS OF FINANCIAL PERFORMANCE

Table 86: Financial Performance

LIM362 Lephalale - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		51789788	53861613	53861613	5422114	58780223	53861613	4918610	9%	53861613
Service charges - electricity revenue		170068953	180497776.2	180497776.2	16007165	179083073	180497776.2	1414703.202	-1%	180497776.2
Service charges - water revenue		39517331	41474562.29	41474562.29	4333922	45442955	41474562.29	3968392.707	10%	41474562.29
Service charges - sanitation revenue		17576733	18648459.45	18648459.45	2070031	18693708	18648459.45	45248.55354	0%	18648459.45
Service charges - refuse revenue		13768922	14432544.41	14632083.41	1551510	14057701	14632083.41	-574382.409	-4%	14432544.41
Service charges - other				0			0	0		
Rental of facilities and equipment		216508	277109.8907	277109.8907	12752	203972	277109.8907	73137.89073	-26%	277109.8907
Interest earned - external investments		1245305	1425000	1425000	227573	1993102	1425000	568102	40%	1425000
Interest earned - outstanding debtors		22442917	26464313.79	26464313.79	1759279	23542685	26464313.79	2921628.793	-11%	26464313.79
Dividends received				0			0	0		
Fines, penalties and forfeits		814341	427177.7543	427177.7543	18108	676951	427177.7543	249773.2457	58%	427177.7543
Licences and permits		7632877	9224946.699	9224946.699	1483567	8397034	9224946.699	827912.6989	-9%	9224946.699
Agency services				0			0	0		
Transfers and subsidies		230079374	136380000	136380000	405366	134939188	136380000	-1440812	-1%	136380000
Other revenue		4449428	14900000	32240000	1426057	4432040	32240000	-27807960	-86%	14900000
Gains on disposal of PPE				0		0	0	0		
Total Revenue (excluding capital transfers and contributions)		559602477	498013503.5	515553042.5	34717444	490242632	515553042.5	-25310410.49	-5%	498013503.5
Expenditure By Type										
Employee related costs		168443979	186963097	184050196	15728864	179786563	184050196	-4263633	-2%	186963097
Remuneration of councillors		9831852	10325122.47	10325122.47	885217	10541135	10325122.47	216012.525	2%	10325122.47
Debt impairment		6816901	1500000	7500000		4682601	7500000	-2817399	-38%	1500000
Depreciation & asset impairment		76769223	81162015.9	81162015.9	6763501.325	89622451	81162015.9	8460435.096	10%	81162015.9
Finance charges		17408397	17707502	17707502	869118	17028115	17707502	-679387	-4%	17707502
Bulk purchases		125308443	150813851.2	150813851.2	15410083	112370585	150813851.2	38443266.23	-25%	150813851.2
Other materials				0			0	0		
Contracted services		19084464	14318167.36	18319217.36	2764664	34633770	18319217.36	16314552.64	89%	14318167.36
Transfers and subsidies		600000	800000	800000	0	398192	800000	-401808	-50%	800000
Other expenditure		96551629	74340000	76830000	6299681	62434579	76830000	-14395421	-19%	74340000
Loss on disposal of PPE		13042128						0		
Total Expenditure		533857016	537929756	547507905	48721128.33	511497991	547507905	36009913.97	-7%	537929756
Surplus/(Deficit)		25745461	39916252.49	31954862.49	14003684.33	-21255359	31954862.49	10699503.49	(0)	39916252.49
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			50673000	80800995	4200310	67378590	80800995	-13422405	(0)	50673000
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								0		
Transfers and subsidies - capital (in-kind - all)								0		
Surplus/(Deficit) after capital transfers		25745461	10756747.51	48846132.51	-	46123231	48846132.51			10756747.51

LIM362 Lephalale - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
& contributions					9803374.325					
Taxation								0		
Surplus/(Deficit) after taxation		25745461	10756747.51	48846132.51	9803374.325	46123231	48846132.51			10756747.51
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		25745461	10756747.51	48846132.51	- 9803374.325	46123231	48846132.51			10756747.51
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		25745461	10756747.51	48846132.51	9803374.325	46123231	48846132.51			10756747.51

GRANTS**Table 87: Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June****LIM362 Lephalale - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June**

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		162163000	134240000	160240000	0	158740026	160240000	26	0.0%	-
Local Government Equitable Share		109248000	130526000	130526000	0	130526026	130526000	26	0.0%	
Finance Management		1700000	1700000	1700000	0	1700000	1700000			
EPWP Incentive		1215000	2014000	2014000	0	2014000	2014000			
Water Services Operating Subsidy		50000000		26000000	0	24500000	26000000			
	3							0		
Other transfers and grants [insert description]								0		
Provincial Government:		0	0	0	0	0	0	0		-
	4							0		
Other transfers and grants [insert description]								0		
District Municipality:		0	0	0	0	0	0	0		-
[insert description]								0		
								0		
Other grant providers:		0	0	0	0	0	0	0		-
Water Services Operating Subsidy								0		
Total Operating Transfers and Grants	5	162163000	134240000	160240000	0	158740026	160240000	26	0.0%	-
Capital Transfers and Grants										
National Government:		70712000	52813000	52813000	0	66813000	52813000	14000000	26.5%	-
Municipal Infrastructure Grant (MIG)		58712000	42800000	42800000	0	50800000	42800000	8000000	18.7%	
Integrated National Electrification Programme Grant(Municipal)		12000000	10013000	10013000	0	16013000	10013000	6000000	59.9%	
Provincial Government:		0	0	0	0	0	0	0		-
District Municipality:		0	0	0	0	0	0	0		-
[insert description]								0		
Other grant providers:		0	0	0	0	0	0	0		-
Total Capital Transfers and Grants	5	70712000	52813000	52813000	0	66813000	52813000	14000000	26.5%	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	232875000	187053000	213053000	0	225553026	213053000	14000026	6.6%	-

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Total amount on Municipal Infrastructure Grant (MIG) fund provided for 2017-18 was R58 712 001. The total expenditure on Municipal Infrastructure Grant (MIG) fund was 87%.in the 2018-19 financial, No roll overs on MIG Projects to the 2018/2019 financial year.

The other grants received were spent except Municipal Water Services Grants which has R4 million roll over to 2018/2019 financial year.

ASSET MANAGEMENT

Lephalale municipality has an audited asset register for the financial 2018/19 the asset management unit is reviewing and updating the register as assets after acquired, completed or purchased.

Table 88: Three largest assets acquired

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2017/18				
Asset 1				
Name	MUKURUNYANE ACCESS ROAD			
Description	CONSTRUCTION OF MUKURUNYANE ACCESS ROAD			
Asset Type	Immovable			
Key Staff Involved	Public Works			
Staff Responsibilities				
Asset Value	2016/17	2017/18	2018/19	
		21 140 617,84	7 672872	
Capital Implications	Improve roads service delivery to the community			
Future Purpose of Asset	Improve roads service delivery to the community and future use			
Describe Key Issues				
Policies in Place to Manage Asset	This project is managed by Infrastructure Directorate			
Asset 2				
Name	MALETSWAI ACCESS ROAD			
Description	CONSTRUCTION OF MALETSWAI ACCESS ROAD PHASE 2			
Asset Type	Immovable			
Key Staff Involved	Public Works			
Staff Responsibilities				
Asset Value	2016/17	2017/18	2018/19	
		16 810 240, 95	4 879 218	
Capital Implications				
Future Purpose of Asset	Improve roads service delivery to the community			
Describe Key Issues	Improve roads service delivery to the community and future use			
Policies in Place to Manage Asset	This project is managed by Infrastructure Directorate			
Asset 3				
Name	LERUPURUPUNG ACCESS ROAD			
Description	CONSTRUCTION OF LERUPURUPUNG ACCESS ROAD			
Asset Type	Immovable			
Key Staff Involved	Public Works			
Staff Responsibilities				
Asset Value	2016/17	2017/18	2018/19	
		21 066 256, 25	6 876 676	
Capital Implications				
Future Purpose of Asset	Improve roads service delivery to the community			
Describe Key Issues	Improve roads service delivery to the community and future use			
Policies in Place to Manage Asset	This project is managed by Infrastructure Directorate			

ASSET MANAGEMENT, (REPAIRS AND MAINTANANCE.)

Table 89: Repairs and Maintenance

LIM362 Lephalale - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M12 June										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	15092036	26259000	44084	16164247	16164247	0		-
Roads Infrastructure		-	0	0	0	0	0	0		-
Roads								0		
Road Structures								0		

LIM362 Lephalale - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M12 June

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Road Furniture								0		
Capital Spares								0		
Storm water Infrastructure		–	0	0	0	0	0	0		–
Drainage Collection								0		
Storm water Conveyance								0		
Attenuation								0		
Electrical Infrastructure		–	0	0	0	0	0	0		–
Power Plants								0		
HV Substations								0		
HV Switching Station								0		
HV Transmission Conductors								0		
MV Substations								0		
MV Switching Stations								0		
MV Networks								0		
LV Networks								0		
Capital Spares								0		
Water Supply Infrastructure		–	5850000	17017000	0	1929215	1929215	0		–
Dams and Weirs								0		
Boreholes								0		
Reservoirs								0		
Pump Stations								0		
Water Treatment Works			5850000	17017000	0	1929215	1929215	0		
Bulk Mains								0		
Distribution								0		
Distribution Points								0		
PRV Stations								0		
Capital Spares								0		
Sanitation Infrastructure		–	9242036	9242000	44084	14235032	14235032	0		–
Pump Station								0		
Reticulation								0		
Waste Water Treatment Works			9242036	9242000	44084	14235032	14235032	0		
Outfall Sewers								0		
Toilet Facilities								0		
Capital Spares								0		
Solid Waste Infrastructure		–	0	0	0	0	0	0		–
Landfill Sites								0		
Waste Transfer Stations								0		
Waste Processing Facilities								0		
Waste Drop-off Points								0		
Waste Separation Facilities								0		
Electricity Generation Facilities								0		
Capital Spares								0		
Rail Infrastructure		–	0	0	0	0	0	0		–
Rail Lines								0		
Rail Structures								0		
Rail Furniture								0		
Drainage Collection								0		
Storm water Conveyance								0		
Attenuation								0		
MV Substations								0		
LV Networks								0		
Capital Spares								0		
Coastal Infrastructure		–	0	0	0	0	0	0		–
Sand Pumps								0		
Piers								0		
Revetments								0		
Promenades								0		
Capital Spares								0		
Information and Communication Infrastructure		–	0	0	0	0	0	0		–
Data Centres								0		
Core Layers								0		
Distribution Layers								0		
Capital Spares								0		

LIM362 Lephalale - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M12 June

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Community Assets		-	0	0	0	0	0	0		-
Community Facilities		-	0	0	0	0	0	0		-
Halls								0		
Centres								0		
Crèches								0		
Clinics/Care Centres								0		
Fire/Ambulance Stations								0		
Testing Stations								0		
Museums								0		
Galleries								0		
Theatres								0		
Libraries								0		
Cemeteries/Crematoria								0		
Police								0		
Purfs								0		
Public Open Space								0		
Nature Reserves								0		
Public Ablution Facilities								0		
Markets								0		
Stalls								0		
Abattoirs								0		
Airports								0		
Taxi Ranks/Bus Terminals								0		
Capital Spares								0		
Sport and Recreation Facilities		-	0	0	0	0	0	0		-
Indoor Facilities								0		
Outdoor Facilities								0		
Capital Spares								0		
Heritage assets		-	0	0	0	0	0	0		-
Monuments								0		
Historic Buildings								0		
Works of Art								0		
Conservation Areas								0		
Other Heritage								0		
								0		
Investment properties		-	0	0	0	0	0	0		-
Revenue Generating		-	0	0	0	0	0	0		-
Improved Property								0		
Unimproved Property								0		
Non-revenue Generating		-	0	0	0	0	0	0		-
Improved Property								0		
Unimproved Property								0		
Other assets		-	0	0	0	88700	0	-88700	#DIV/0!	-
Operational Buildings		-	0	0	0	88700	0	-88700	#DIV/0!	-
Municipal Offices					0	88700		-88700	#DIV/0!	
Pay/Enquiry Points								0		
Building Plan Offices								0		
Workshops								0		
Yards								0		
Stores								0		
Laboratories								0		
Training Centres								0		
Manufacturing Plant								0		
Depots								0		
Capital Spares								0		
Housing		-	0	0	0	0	0	0		-
Staff Housing								0		
Social Housing								0		
Capital Spares								0		

LIM362 Lephalale - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M12 June

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Biological or Cultivated Assets		–	0	0	0	0	0	0		–
Biological or Cultivated Assets								0		
Intangible Assets		–	0	0	0	0	0	0		–
Servitudes								0		
Licences and Rights		–	0	0	0	0	0	0		–
Water Rights								0		
Effluent Licenses								0		
Solid Waste Licenses								0		
Computer Software and Applications								0		
Load Settlement Software Applications								0		
Unspecified								0		
Computer Equipment		–	0	0	0	0	0	0		–
Computer Equipment								0		
Furniture and Office Equipment		–	0	0	0	0	0	0		–
Furniture and Office Equipment								0		
Machinery and Equipment		–	0	0	0	0	0	0		–
Machinery and Equipment								0		
Transport Assets		–	0	0	0	0	0	0		–
Transport Assets								0		
Land		–	0	0	0	0	0	0		–
Land								0		
Zoo's, Marine and Non-biological Animals		–	0	0	0	0	0	0		–
Zoo's, Marine and Non-biological Animals								0		
Total Capital Expenditure on renewal of existing assets	1	–	15092036	26259000	44084	16252947	16164247	-88700	-0.5%	–

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

From the budgeted amount of R22 482 367 a total of 100% budget on repairs and maintenance was spent.

FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS**Liquidity Ratios**

Current Ratio

1.84:1

2:1

Acid Test Ratio

1.83:1

2:1

Debtors Collection Period

90 Days

90Days

COMMENT ON FINANCIAL RATIOS:

The Liquidity ratios are an indication of the ability of the municipality to pay its operational obligation as they become due. The municipality's current ratio is below the norm.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

COMMENT ON SOURCES OF FUNDING AND CAPITAL EXPENDITURE:

The spending on capital projects has significantly declined from 93% expenditure in 2017/18 on total capital projects to 45% expenditure in 2018/19.

CAPITAL EXPENDITURE

Table 90: Capital Expenditure

LIM362 Lephalale - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June										
Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		0	0	0	0	0	0	0		-
Vote 2 - BUDGET AND TREASURY		0	0	0	0	0	0	0		-
Vote 3 - CORPORATE SERVICES		0	0	0	0	0	0	0		-
Vote 4 - SOCIAL SERVICES		0	0	0	0	0	0	0		-
Vote 5 - INFRASTRUCTURE SERVICES		0	40659997	78788930	2386489.82	38491154.68	78788930	40297775.32	-51%	-
Vote 6 - PLANNING AND DEVELOPMENT		0	0	0	0	0	0	0		-
Vote 7 - OFFICE OF THE MAYOR		0	0	0	0	0	0	0		-
Vote 8 - [NAME OF VOTE 8]		0	0	0	0	0	0	0		-
Total Capital Multi-year expenditure	4,7	0	40659997	78788930	2386489.82	38491154.68	78788930	40297775.32	-51%	-
Single Year expenditure appropriation	2									
Vote 1 - MUNICIPAL MANAGER		0	0	0	0	0	0	0		-
Vote 2 - BUDGET AND TREASURY		0	150000	150000	0	88700	150000	-61300	-41%	-
Vote 3 - CORPORATE SERVICES		0	3600000	4906736	0	777561	4906736	-4129175	-84%	-
Vote 4 - SOCIAL SERVICES		0	0	6347847	0	0	6347847	-6347847	-100%	-
Vote 5 - INFRASTRUCTURE SERVICES		0	12113000	27453431	2554313	13250818	27453431	-14202613	-52%	-
Vote 6 - PLANNING AND DEVELOPMENT		0	0	192903	0	0	192903	-192903	-100%	-
Vote 7 - OFFICE OF THE MAYOR		0	0	0	0	0	0	0		-
Vote 8 - [NAME OF VOTE 8]		0	0	0	0	0	0	0		-
Total Capital single-year expenditure	4	0	15863000	39050917	2554313	14117079	39050917	-24933838	-64%	-
Total Capital Expenditure		0	56522997	117839847	4940802.82	52608233.68	117839847	65231613.32	-55%	-
Capital Expenditure - Functional Classification										
Governance and administration		0	3750000	5249736	0	867000	5249736	-4382736	-83%	-
Executive and council								0		
Finance and administration			3750000	5249736	0	867000	5249736	-4382736	-83%	
Internal audit								0		
Community and public safety		0	0	5451431	0	0	5451431	-5451431	-100%	-
Community and social services				5451431			5451431	-5451431	-100%	
Sport and recreation								0		
Public safety								0		
Housing								0		
Health								0		
Economic and environmental services		0	27901529	30974000	113000	19742000	30974000	-11232000	-36%	-
Planning and development								0		
Road transport			27901529	30974000	113000	19742000	30974000	-11232000	-36%	

LIM362 Lephalale - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Multi-Year expenditure appropriation	2									
Environmental protection								0		
Trading services		0	24871468	76164416	4827000	32000000	76164416	-44164416	-58%	-
Energy sources			10013000	17628000	2554000	13195000	17628000	-4433000	-25%	
Water management			5616432	41149000	2273000	5990000	41149000	-35159000	-85%	
Waste water management			9242036	16491000	0	12815000	16491000	-3676000	-22%	
Waste management				896416			896416	-896416	-100%	
Other								0		
Total Capital Expenditure - Functional Classification	3	0	56522997	117839583	4940000	52609000	117839583	-65230583	-55%	-
Funded by:										
National Government			50973000	94800586	4940000	51686485.06	94800586	-43114100.94	-45%	
Provincial Government								0		
District Municipality								0		
Other transfers and grants								0		
Transfers recognised - capital		0	50973000	94800586	4940000	51686485.06	94800586	-43114100.94	-45%	-
Public contributions & donations	5							0		
Borrowing	6							0		
Internally generated funds			5549997	23038997		922514.94	23038997	-22116482.06	-96%	
Total Capital Funding		0	56522997	117839583	4940000	52609000	117839583	-65230583	-55%	-

SOURCES OF FINANCE

Table 91: Financial Performance

LIM362 Lephalale - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Property rates		51789788	53861613	53861613	5422114	58780223	53861613	4918610	9%	53861613
Service charges - electricity revenue		170068953	180497776.2	180497776.2	16007165	179083073	180497776.2	-1414703.202	-1%	180497776.2
Service charges - water revenue		39517331	41474562.29	41474562.29	4333922	45442955	41474562.29	3968392.707	10%	41474562.29
Service charges - sanitation revenue		17576733	18648459.45	18648459.45	2070031	18693708	18648459.45	45248.55354	0%	18648459.45
Service charges - refuse revenue		13768922	14432544.41	14632083.41	1551510	14057701	14632083.41	-574382.409	-4%	14432544.41
Service charges - other				0			0	0		
Rental of facilities and equipment		216508	277109.8907	277109.8907	12752	203972	277109.8907	73137.89073	-26%	277109.8907
Interest earned - external investments		1245305	1425000	1425000	227573	1993102	1425000	568102	40%	1425000
Interest earned - outstanding debtors		22442917	26464313.79	26464313.79	1759279	23542685	26464313.79	2921628.793	-11%	26464313.79
Dividends received				0			0	0		
Fines, penalties and forfeits		814341	427177.7543	427177.7543	18108	676951	427177.7543	249773.2457	58%	427177.7543
Licences and permits		7632877	9224946.699	9224946.699	1483567	8397034	9224946.699	827912.6989	-9%	9224946.699
Agency services				0			0	0		
Transfers and subsidies		230079374	136380000	136380000	405366	134939188	136380000	-1440812	-1%	136380000
Other revenue		4449428	14900000	32240000	1426057	4432040	32240000	-27807960	-86%	14900000
Gains on disposal of PPE				0		0	0	0		
Total Revenue (excluding capital transfers and contributions)		559602477	498013503.5	515553042.5	34717444	490242632	515553042.5	-25310410.49	-5%	498013503.5

LIM362 Lephalale - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Expenditure By Type										
Employee related costs		168443979	186963097	184050196	15728864	179786563	184050196	-4263633	-2%	186963097
Remuneration of councillors		9831852	10325122.47	10325122.47	885217	10541135	10325122.47	216012.525	2%	10325122.47
Debt impairment		6816901	1500000	7500000		4682601	7500000	-2817399	-38%	1500000
Depreciation & asset impairment		76769223	81162015.9	81162015.9	6763501.325	89622451	81162015.9	8460435.096	10%	81162015.9
Finance charges		17408397	17707502	17707502	869118	17028115	17707502	-679387	-4%	17707502
Bulk purchases		125308443	150813851.2	150813851.2	15410083	112370585	150813851.2	-38443266.23	-25%	150813851.2
Other materials				0			0	0		
Contracted services		19084464	14318167.36	18319217.36	2764664	34633770	18319217.36	16314552.64	89%	14318167.36
Transfers and subsidies		600000	800000	800000	0	398192	800000	-401808	-50%	800000
Other expenditure		96551629	74340000	76830000	6299681	62434579	76830000	-14395421	-19%	74340000
Loss on disposal of PPE		13042128						0		
Total Expenditure		533857016	537929756	547507905	48721128.33	511497991	547507905	36009913.97	-7%	537929756
Surplus/(Deficit)		25745461	39916252.49	31954862.49	14003684.33	-21255359	31954862.49	10699503.49	(0)	39916252.49
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			50673000	80800995	4200310	67378590	80800995	-13422405	(0)	50673000
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								0		
Transfers and subsidies - capital (in-kind - all)								0		
Surplus/(Deficit) after capital transfers & contributions		25745461	10756747.51	48846132.51	-9803374.325	46123231	48846132.51			10756747.51
Taxation								0		
Surplus/(Deficit) after taxation		25745461	10756747.51	48846132.51	-9803374.325	46123231	48846132.51			10756747.51
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		25745461	10756747.51	48846132.51	-9803374.325	46123231	48846132.51			10756747.51
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		25745461	10756747.51	48846132.51	-9803374.325	46123231	48846132.51			10756747.51

COMMENT ON SOURCES OF FUNDING:

The spending on capital projects was as follows:
 Grants funding Projects: 45%
 Own Funding Projects 24%

CAPITAL SPENDING ON 5 LARGEST PROJECTS

Table 92: Capital Expenditure – 5 largest projects

Capital Expenditure of 5 largest projects*R' 000						
Name of Project	Current Year		Variance Current Year			
	Original Budget (Vat Inc.)	Awarded Amount (Vat Inc.)	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
CONSTRUCTION OF MUKURUNYANE ACCESS ROAD	R 21 140 617,84	R 21 140 617,84	----	R 7 672 872	R 6 995 023, 36	R000
CONSTRUCTION OF MALETSWAI ACCESS ROAD PHASE 2	R 16 810 240, 95	R 16 810 240, 95	----	R 4 879 218, 32	R 6 412 391, 63	
CONSTRUCTION OF LERUPURUPUNG ACCESS ROAD	R 21 066 256, 25	R 21 066 256, 25	----	R 6 876 676,85	R 4 927 887, 39	R000
Refurbishment of AC pipes - Construction	R 19 952 837, 98	R 19 952 837, 98	----	R 899 633, 58	R000	R000
Thabo Mbeki sewer network sanitation	R 31 373 055.00	R 31 373 055.00	----	R 12 051 670,42	R000	R000
* Projects with the highest capital expenditure in 20./,18/19						

COMMENT ON CAPITAL PROJECTS:

The total expenditure on capital projects, including MIG was at better and higher level as compared to the previous financial years. The total percentage of expenditure is 45% of the total capital budget. MIG funding expenditure is at 87%

BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

COMMENT ON BACKLOGS:

The backlogs on the basic services are based on the RDP level of standard and the expression of percentage is based on the household number of 43002 within Lephalale local municipality including farms and rural homes

Municipality is comprised of 39 scattered rural settlements, 3 informal settlements and farms. Provision of basic infrastructure services remains a challenge. There are additions of challenges as the informal settlements are on the rise.

Provision of basic services at farms is the discretion of the owner. There is no strategy in place as yet to guide the municipality regarding the provision of services to farm dwellers and farming community in general.

Provision of basic services within the formalized town is on target.

Sanitation backlog of 15 %

Water backlog of 24%

Electricity backlog of 13.2 %

Refuse Removal 51,4%

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

CASH FLOW

Table 93: Cash flow

LIM362 Lephalale - Table C7 Monthly Budget Statement - Cash Flow - M12 June										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			51168532.79	51168532.79	4660768	52061140	51168532.79	892607.2071	2%	
Service charges			222445919.9	232445919.9	27886218	241274719	232445919.9	8828799.149	4%	
Other revenue			23143193	23143193	3216000	26611000	23143193	3467807	15%	
Government - operating			136380000	136380000	682228	135980000	136380000	-400000	0%	
Government - capital			50673000	76673000	7828892	65555297	76673000	-11117703	-15%	
Interest			1425000	1425000	227573	1994706	1425000	569706	40%	
Dividends								0		
Payments										
Suppliers and employees			439635851.2	421145851.2	41089000	-429988000	421145851.2	8842148.766	-2%	
Finance charges			-17707501	-17707501	-869000	-8615000	-17707501	-9092501	51%	
Transfers and Grants			-800000	-800000	0	-800000	-800000	0		
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	27092293.41	81582293.41	2543679	84073862	81582293.41	2491568.589	-3%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								0		
Decrease (Increase) in non-current debtors								0		
Decrease (increase) other non-current receivables								0		
Decrease (increase) in non-current investments								0		
Payments										
Capital assets			-50673000	-80801000	-4200310	-52608233	-80801000	-28192767	35%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-50673000	-80801000	-4200310	-52608233	-80801000	-28192767	35%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								0		
Borrowing long term/refinancing								0		
Increase (decrease) in consumer deposits								0		
Payments										
Repayment of borrowing								0		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	0	0	0	0	0	0		-
NET INCREASE/ (DECREASE) IN CASH HELD		-	23580706.59	781293.4105	-1656631	31465629	781293.4105			-
Cash/cash equivalents at beginning:			20134000	10385000		11166000	10385000			11,166
Cash/cash equivalents at month/year end:		-	3446706.589	11166293.41		42631629	11166293.41			11,166

COMMENT ON CASH FLOW OUTCOMES:

The municipality ended the financial year with a bank balance of 1 590 326.

BORROWING AND INVESTMENTS

COMMENT ON BORROWING AND INVESTMENTS:

The long term loans which the municipality has are from Development Bank of South Africa (DBSA), and EXXARO.

Long-term loans	2016/17	2017/18	2018/19
Investments	R 82 875 440	R 76 007 812	R 67 772 067
	R 0	R 0	R 0

PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

A total of four strategic economic partnerships have been established, with Libsa (LEDA, Lephalale Tourism Association, Small Business Development and LEDET). Also with Waterberg Coal, Limpopo RAL, EXXARO and Boikarabelo mine.

COMPONENT D: OTHER FINANCIAL MATTERS

SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Bid Specification Committee, Bid Evaluation and Bid Adjudication Committees have been established, these committees were all functional in the financial year 2018-19. Advertised tenders are being evaluated, adjudicated and appointments are made for tenders in terms of the Supply Chain Management Policy. Quarterly reports on the tenders are submitted to Council.

GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to prepare their financial statements. 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.

The accounting policies are attached with the audited financial statements as Volume II of this document.

CHAPTER 6

AUDITOR GENERAL

AUDIT

FINDINGS

DRAFT

COMPONENT A

AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2017-18

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 2017/18

Material misstatements in the financial statements were identified during the audit. These misstatements were not prevented or detected by the

Municipal's system of internal control. These material misstatements also constitute non-compliance with the section 122 of the MFMA.

The misstatements not corrected form the basis for the qualified opinion on the financial statements.

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 2017/18

All the matters rose in the Auditors report and management letter are being addressed on a monthly basis. The Accounting Officer arranges a monthly meeting following the responses to raised matter from the Auditor Report.

Audit action plan has been established and raised are to addressed by end march in the next financial year

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

All the section 71 reports were sent treasury on time each month

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

AUDITOR GENERAL REPORTS 2017-18

REPORT OF THE AUDITOR-GENERAL TO LIMPOPO PROVINCIAL LEGISLATURE AND THE COUNCIL OF LEPHALALE LOCAL MUNICIPALITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION: QUALIFIED

I have audited the financial statements of the Lephalale Local Municipality set out on volume 2 of this Annual Report which comprise the statement of financial position as at 30 June 2017, and 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 amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the basis for qualified opinion section of this report, the financial statements present fairly, in all material respects, the financial position of Lephalale Local Municipality as at 30 June 2019 and its financial performance and cash flows for the year then ended, in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No.1 of 2018) (DoRA).

BASIS FOR OPINION

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

I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with 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.

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

EMPHASIS OF MATTERS

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

Restatement of corresponding figures

As disclosed in note 45 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2018.

Uncertainty relating to the future outcome of exceptional litigation

With reference to note 43 to the financial statements, the municipality is the defendant in a number of lawsuits. The municipality is opposing the claims as it believes the claims to be fraudulent. The ultimate outcome of the matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements

Material losses

As disclosed in note 52 to the financial statements, material losses of 11 927 282 units of electricity amounting to R11 211 645 (2015- 2016: 14 400 596 units to the amount of R14 112 584) was incurred.

Material impairment of debts

As disclosed in note 9, 11 and 12 to the financial statements, the municipality made material impairments to the amount of R76 405 050 for receivables from exchange and non-exchange transactions as a result of inadequate collection practises

Material under spending of the conditional grant

As disclosed in note 15 to the financial statements, the municipality has materially underspent the budget for improved access to affordable and sustainable basic services to the amount of R22 080 128.

Irregular expenditure

As disclosed in note 48 to the financial statements, irregular expenditure to the amount of R39 371 840 was incurred, as a proper procurement process had not been followed and the unspent conditional grant not supported by the cash in the bank.

Unauthorised expenditure

As disclosed in note 46 to the financial statements, unauthorised expenditure to the amount of R17 053 570 was incurred in the current year due to the municipality overspending on its approved budget

OTHER MATTER

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

REMEDIAL ACTIONS

Developed Action plans to address the issues raised and improve processes
 Developed and implemented measures in addressing the irregular expenditures that occurred due to noncompliance with other regulations
 Improved governance and oversight processes
 Improved compliance with regulatory requirements
 Improved accurate reporting of information and supporting documents

COMPONENT B

AUDITOR-GENERAL OPINION 2018-19

Report of the auditor-general to Limpopo Provincial Legislature and the council on Lephalale Local Municipality

Report on the audit of the financial statements

QUALIFIED OPINION

3. I have audited the financial statements of the Lephalale Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
4. In my opinion, except for the effects of the matter described in the basis for qualified opinion section of this report, the financial statements present fairly, in all material respects, the financial position of Lephalale Local Municipality as at 30 June 2019 and its financial performance and cash flows for the year then ended, in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of

South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No.1 of 2018) (DoRA).

BASIS FOR QUALIFIED OPINION

PROVISION FOR LANDFILL SITE

5. I was unable to determine the present value for the rehabilitation of landfill site due to status of accounting records. I was unable to confirm the provision of landfill site by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the provision for landfill site as stated at R18 210 844 (2018: 17 620 555) and the carrying value of property, plant and equipment stated as at R 1 471 851 131 (2018: R1 507 824 963) in the financial statements, respectively.

IMPAIRMENT LOSS

6. I was unable to obtain sufficient appropriate audit evidence for impairment loss, due to the status of the accounting record. I was unable to confirm the impairment loss by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to impairment loss and the carrying value of property, plant and equipment as stated at R5 323 392 (2018: R295 740) and R1 471 851 131 (2018: R1 507 824 963) in the financial statements, respectively.

CONTEXT FOR THE OPINION

7. 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.
8. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

EMPHASIS OF MATTERS

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

Material allowance for impairment

11. As disclosed in note 10 and 11 to the financial statements, the municipality made an allowance for impairment for consumer debtors from non-exchange transactions and exchange transactions of R28 198 278 and R57 480 817, respectively, due to inadequate collection practises.

Significant uncertainty

12. With reference to note 42 to the financial statements, the municipality is the defendant in a number of lawsuits. The municipality is opposing the claims amounting to R63 492 441. The ultimate outcome of these matters cannot presently be determined.

Restatement of corresponding figures

13. As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2019.

Irregular expenditure

14. As disclosed in note 48 to the financial statements, the municipality incurred irregular expenditure of R65 440 095 due to non-compliance with applicable laws and regulations.

OTHER MATTERS

15. I draw attention to the matters below. My opinion is not modified in respect of these matters.
16. The following other matter paragraphs will be included in our auditor's report to draw the users' attention to matters regarding the audit, the auditor's responsibilities and the auditor's report:

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. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

UNAUDITED SUPPLEMENTARY SCHEDULES

18. The supplementary information set out on pages 197 to 202 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 thereon.

RESPONSIBILITIES OF THE 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 Lephalale 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 appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 key performance area

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 key performance area presented in the annual performance report of the municipality for the year ended 30 June 2019:

Key Performance Area	Pages in the annual performance report
Key Performance Area (KPA) 1: Spatial Rationale	113 – 118
Key Performance Area (KPA) 2: Service Delivery & Infrastructure Development	136 – 149
Key Performance Area (KPA) 4: Local Economic Development	105 – 112

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 key performance areas are as follows:

Key Performance Area (KPA) 1: Spatial Rationale

Various indicators

Reported achievement did not agree with the evidence provided i.e. not valid and/or accurate and/or complete

28. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

Indicator description	Reported achievement	Audited value
Average turnaround time of building contraventions attended (submitted for legal action) within 6 weeks from detection YTD.	1 week	36 weeks
Average turnaround time (weeks) for assessment of building plans YTD.	16 working days	Unknown

Indicator M114 - In Average turnaround time of building contraventions attended (submitted for legal action) within 6 weeks from detection YTD

Reported achievement was not consistent with the planned and reported indicator

29. The planned indicator was for the building contraventions submitted for legal action however the reported achievement referred was for the building contraventions issued to the transgressors.

Indicator M759 - Average turnaround time (weeks) for assessment of building plans YTD

Reported achievement was not consistent with the planned and reported indicator

30. The planned indicator was in weeks however the planned target and the reported achievement referred was in days.

Key Performance Area (KPA) 2: Service Delivery and Infrastructure Development

Various indicators

Reported achievement not supported by sufficient appropriate audit evidence, i.e. not valid and/or accurate and/or complete

31. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of 9 of the 23 indicators relating to this programme. This was due to reported achievement not supported by sufficient appropriate audit evidence. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator description	Reported achievement	Audited value
Percentage of households with access to basic level of electricity connected by Eskom	68%	Unknown
Percentage of households with access to basic level of electricity connected by Municipality (Urban household).	17%	Unknown
Percentage of households without access to basic level of electricity YTD (Backlog)	15%	Unknown
Percentage of households with access to basic level of sanitation YTD	68%	Unknown
Percentage of households without access to basic level of sanitation YTD (Backlog)	15%	Unknown
Percentage of households with access to basic level of water YTD	74.50%	Unknown
Percentage of households without access to basic level of water YTD (Backlog)	25.50%	Unknown
Number of urban households provided with weekly refuse removal, YTD.	8231	Unknown
Percentage households with access to basic level of solid waste removal, YTD.	54%	Unknown

32. I did not raise any material findings on the usefulness of the reported performance information for key performance area 2: Service Delivery and Infrastructure Development.

Key Performance Area (KPA) 4: Local Economic Development

Indicator M51 - Number of jobs created through strategic partners (energy generation, new mines and other business proposals) YTD

Reported indicators were not complete when compared with the planned indicators

33. The indicator approved in the adjusted service delivery and budget implementation plan (SDBIP) was Number of jobs created through strategic partners (energy generation, new mines and other business proposals) YTD. However, the indicator was not included in the annual performance report.
34. I did not raise any material findings on the reliability of the reported performance information for key performance area 4: Local Economic Development.

OTHER MATTERS

35. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

36. Refer to the annual performance report on page 105 to 149 for information on the achievement of planned targets for the year. This information should be considered in the context of the qualified opinions expressed on the usefulness and reliability of the reported performance information in paragraph page 105 to 149 of this report.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

37. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of key performance area 1: Spatial Rationale, key performance area (KPA) 2: Service Delivery and Infrastructure Development and key performance area (KPA) 4: Local Economic Development. As management subsequently corrected only some of the misstatements, we raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

38. 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.
39. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements

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

EXPENDITURE MANAGEMENT

41. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R943 897, 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 fruitless and wasteful expenditure was caused by interest on late payments.
42. Reasonable steps were not taken to prevent irregular expenditure amounting to R65 440 095 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 caused by contravention of supply chain management regulations.

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

Consequence management

44. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
45. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA
46. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Procurement and contract management

47. Competitive bids were adjudication by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). This non-compliance was identified in the procurement processes.
48. Competitive bids were not evaluated in accordance with the criteria stipulated in the bid documents.
49. Some of the contracts were awarded to bidders based on pre-qualification criteria that were differed from those stipulated in the original invitation for bidding, in contravention of the 2017 preferential procurement regulation 4(1) and 4(2).
50. Contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5.
51. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.
52. The invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2).

OTHER INFORMATION

53. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected key performance area presented in the annual performance report that have been specifically reported in this auditor's report
54. 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.
55. 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 key performance area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

INTERNAL CONTROL DEFICIENCIES

57. 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.
58. Reviews conducted on the annual financial statements and performance report did not detect or prevent the risks of material misstatements identified during the audit process. Management's slow response in resolving prior year findings and inability to follow a pro-active approach have resulted in material misstatements in the annual financial statements, performance reports and material non-compliance with laws and regulations
59. The municipality developed a plan to address internal and external audit findings, but the plan was not adhered to and/or timeously implemented to address matters reported in the prior year.
60. Consequence management was not effective, as the council did not investigate instances of unauthorised, irregular and fruitless and wasteful expenditure to determine whether any person was liable for the expenditure
61. Daily and monthly internal controls measures are not adequate to identify, prevent and correct all the errors and misstatements in the financial statements and annual performance report to ensure compliance with the relevant laws and regulations applicable to the municipality for reporting

Auditor General

Polokwane
30 November 2019



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 key performance area 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 Lephalale Local Municipality's 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.

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Table 94 Attendance of Committees

Council Members	Full/Part Time (FT/PT)	Committees Allocated	*Ward and/or Party represented	% Council meetings attendance	% Apologies for non-attendance
Executive Leadership					
Cllr. MJ Maeko	FULL TIME	Mayor: Chairperson EXCO	ANC PR	92%	1
Cllr. KR Molokomme	FULL TIME	Speaker, Public Participation	ANC PR	92%	1
Executive Committee Members					
Cllr. AE Basson	PART TIME	Head of Cluster: Planning and Development	DA PR	85%	2
Cllr. MJ Maeko	FULL TIME	Chairperson EXCO	ANC PR	92%	1
Cllr. W.M Motlokwa	FULL TIME	Head of Cluster: Governance, Administration, Budget and Financial Management.	ANC PR	100%	0
Cllr. M L Shongwe	PART TIME	Head of Cluster: Municipal Infrastructure Services.	ANC PR	100%	0
Cllr. MM Semanya	PART TIME	Head of cluster : Social Svices	EFF PR	92%	
Portfolio Council Chairpersons					
Cllr. A Thulare	PART TIME	Mining and Industry, LED/SMME.	ANC WARD	92%	1
Cllr. ME Maisela	PART TIME	Water, Sanitation & Electricity	ANC WARD	92%	1
Cllr. SL Seabi	PART TIME	Public Transport, EPWP and Public works	ANC PR	92%	1
Cllr. RT Modise	PART TIME	Land, Agriculture and Tourism.	ANC PR	100%	0
Cllr. L F Monare	PART TIME	Transformation, Labour, sports Arts and Culture	ANC WARD	100%	0
Cllr. M J Selokela	PART TIME	Planning and Human Settlements	ANC WARD	100%	0
Cllr. MM Makgae	PART TIME	Health and Social Development. Traditional and home affairs, Security & Liason	ANC PR	92%	1
Cllr. P Molekwa	PART TIME	Waste, Enviromental Affairs, Parks And Cemetry	ANC WARD	100%	0
Cllr. SM Nieuwoudt	PART TIME	Income and Expenditure.	DA WARD	85%	2
Cllr. NH Pienaar	PART TIME	MPAC	DA WARD	85%	2
Cllr. KM Mogohloana	PART TIME	MPAC	ANC WARD	100%	0
Cllr. MM Madibana	PART TIME	MPAC	ANC PR	92%	1
Cllr. RM Modiba	PART TIME	MPAC	ANC WARD	92%	1
Cllr. R Maropeng	PART TIME	MPAC	EFF PR	92%	1
Cllr. MJ Marakalala	PART TIME	MPAC Chairperson	ANC PR	92%	1
Cllr. N J Motebele	PART TIME	MPAC	ANC	85%	2

Council Members	Full/Part Time (FT/PT)	Committees Allocated	*Ward and/or Party represented	% Council meetings attendance	% Apologies for non-attendance
			Ward		
Cllr. LS Manamela	PART TIME	MPAC	DA PR	92%	1
Cllr M F Mashita	PART TIME	Communication & Special projects	EFF PR	85%	2
Cllr SJ Moselane	PART TIME	MPAC	EFF PR	85%	2
Cllr FM Mabasa	PART TIME	Education and Early Childhood Development	EFF PR	85%	2
Councillors' directly elected to the WDM					
Cllr. R Maropeng	PART TIME	Member	EFF PR	100%	0
Cllr. M.P. Molekwa	PART TIME	Ward Cllr	ANC	100%	0
Cllr M. J Selokela	PART TIME	Ward Cllr	ANC	100%	0
Traditional Leaders					
Kgoshigadi ML Laka	PART TIME	Mokuruanyane, Langa, Traditional Authority		09	4
Kgoshi P D Selekla	PART TIME	Ga-Seleka Traditional Authority		08	5
Kgoshi R J Shongoane	PART TIME	Ga-Shongoane Traditional Authority		09	4
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					

APPENDIX B COUNCIL DATES

Dates for 2018/19 Financial Year	Ordinary EXCO	Ordinary Council Meeting	Special EXCO	Special Council
31 July 2018	1	1	0	0
31 August 2018	1	1	0	0
06 September 2018	0	0	1	1
30 October 2018	1	1	0	0
19 November 2018	0	0	1	1
27 November 2018	1	1	0	0
30 November 2018	0	0	1	1
06 December 2018	0	0	1	1
10 December 2018	0	0	1	1
01 January 2019	0	0	1	1
25 January 2019	1	1	0	0
30 January 2019	0	0	1	1
26 February 2019	1	1	0	0
08 March 2019	0	0	1	1
15 March 2019	0	0	1	1
26 March 2019	1	1	0	0
08 April 2019	0	0	1	1
06 May 2019	0	0	1	1
28 May 2019	1	1	0	0
28 June 2019	0	0	1	1
Total	8	8	12	12



LEPHALALE MUNICIPALITY
Develop, Sustain, Prosper
ITEM A44/2017[3]



SECTION 80 PORTFOLIO COMMITTEES	COUNCILLORS	CONTACT NO
MAYOR	Clr M J Maeko	071 271 7326
SPEAKER	Clr K R Molokomme	078 398 8511
PORTFOLIO CHAIRPERSON: GOVERNANCE AND ADMINISTRATION AND BUDGET AND TREASURY OFFICE	Clr W M Motlokwa	071 271 7326
Portfolio: Communication & Special Projects	Clr M F Mashita	083 929 1612
Portfolio: Land , Agriculture and Tourism	Clr R T Modise	072 782 6044
Portfolio: Transformation, Labour, Sports, Arts & Culture	Clr L F Monare	076 885 9869
Portfolio: Income and Expenditure	Clr N H Pienaar	082 927 2399
Member of EXCO	Clr A E Basson	082 822 9027
Member of EXCO	Clr M L Shongwe	072 111 4033
Member of EXCO	Clr M M Semanya	078 298 8437
PORTFOLIO CHAIRPERSON: PLANNING & ECONOMIC DEVELOPMENT SERVICES	Clr A E Basson	082 822 9027
Member of EXCO	Clr W M Motlokwa	076 998 9508
Member of EXCO	Clr M L Shongwe	072 111 4033
Member of EXCO	Clr M M Semanya	078 298 8437
Portfolio: Planning and Human Settlement	Clr M J Selokela	076 395 5619
Portfolio: Land , Agriculture and Tourism	Clr R T Modise	072 782 6044
Portfolio: Mining and Industries & Transformation	Clr A Thulare	073 588 6105
PORTFOLIO CHAIRPERSON: MUNICIPAL INFRASTRUCTURE SERVICES	Clr M L Shongwe	072 111 4033
Member of EXCO	Clr A E Basson	082 822 9027
Member of EXCO	Clr W M Motlokwa	076 998 9508
Member of EXCO	Clr M M Semanya	078 298 8437
Portfolio: Public Transport, EPWP and Public Works	Clr S L Seabi	072 770 3395 078 735 0210
Portfolio: Water, Sanitation & Electricity	Clr M E Maisela	079 299 8996
PORTFOLIO CHAIRPERSON: SOCIAL SERVICES	Clr M M Semanya	078 298 8437
Member of EXCO	Clr A E Basson	082 822 9027
Member of EXCO	Clr W M Motlokwa	076 998 9508
Members of EXCO	Clr M L Shongwe	072 111 4033
Portfolio: Health and Social Development, and Traditional, Home Affairs, Security and Liaison	Clr M M Makgae	084 706 9775
Portfolio: Waste, Environmental Affairs, Parks & Cemetery	Clr P Molekwa	072 122 7651 079 594 0806
Portfolio: Education & Early Childhood Development	Clr F M Mabasa	078 436 0561
Portfolio: Public Transport, EPWP and Public Works	Clr S L Seabi	072 770 3395 078 735 0210
Portfolio: Planning and Human Settlement	Clr M J Selokela	076 395 5619

SECTION 79 COMMITTEES	COUNCILLOR	CONTACT NO.
MPAC (A107/2016[9])		

Clr M J Marakalala	Chairperson	073 256 1379
Clr M R Modiba	Member	073 747 9834
Clr M M Madibana	Member	073 249 6771
Clr N J Motebele	Member	072 264 4754
Clr K M Mogohloana	Member	076 064 5625
Clr R Maropeng	Member	063 635 0733
Clr S J Moselane	Member	079 968 8893
Clr L S Manamela	Member	071 842 6475
Clr N H Pienaar	Member	082 927 2399

DRAFT

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

OFFICE OF THE MUNICIPAL MANAGER				
		Manager: Internal Auditor	Mamafa	M
		Risk Officer	Vacant	M
SECTION: STRATEGIC SERVICES				
		Manager: Communication	Chiloane	SC
		Manager: Public Participation	Monyepao	N.V
		PMS Manager	Matsoma	D.E
		IDP Manager	Mabotja	M.F
SECTION: BUDGET AND TREASURY SERVICES				
		Manager: Income	Marope	A E
		Manager: Reporting	Ntwampe	S.M
		Manager: SCM	Manaka	M.J
		Manager: Expenditure	Jooste	C.J
SECTION: CORPORATE SERVICES				
		Manager: Admin and Secretarial(Acting)	Sethole	MF
		Manager: Legal	Moaloshi	P.J
		Manager: HR	Pudikabekwa	M
SECTION:DEVELOPMENT PLANNING				
		Manager: Human Settlements.	Dankuru	M
		Manager: Town Planning	Mutshavi	H.C
		Manager: Building Control	Mabale	T.O.B
SECTION:SOCIAL SERVICES				
		Manager: Library	Ndoweni	B.J
		Manager: Parks	Tshivhandekano	T
		Manager: Waste Management	Hlapa	P.J
		Manager: Licensing	Teffo	J.R
		Manager: Traffic	Maloba	P
SECTION:INFRASTRUCTURE SERVICES				
		Manager: Water	Shiko	M.A
		Manager: Sanitation	Mtileni	D
		Manager: Public Works	Ngobeli	R.J
		Manager: Electricity	Jacobs	E
		PMU Manager	Vacant	E

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Function	Authority	Capacity	Personnel	Department	Budget	Comments
Air pollution	No	Limited	0	Social services	No	District function.
Building regulation	Yes	Yes	5	Development Planning	Yes	Municipality has capacity and budget, function performed by building control & LED
Bulk supply of Electricity	Yes	Yes	39	Infrastructure services	Yes	Municipality provides electricity in urban area and eastern part of Lephalale town
Fire fighting	No	No	11	Social services	Yes	District function performed by the municipality as agent of WDM.
Local tourism & LED	Yes	Yes	2	Development planning	Yes	Perform function in collaboration with local tourism association
Municipal planning	Yes	Yes	6	Development planning	Yes	With spatial development and land use and building control
Municipal health services	No	No	N/A	Department of health & social development	N/A	District function.
Municipal public transport	Yes	Limited	1	Social services	No	Municipality is currently responsible for coordination of transport related activities.
Municipal roads and storm water	Yes	Yes	42	Infrastructure services	Yes	Municipality only responsible for access roads and still waiting for road classification
Trading regulation	Yes	No	No	Function not performed	No	No service level agreement (not clear who is responsible to perform function)
Bulk supply of water	Yes	Yes	44	Infrastructure services	Yes	Municipality only provides water for residential areas and small, medium business
Sanitation	Yes	Yes	36	Infrastructure services	Yes	Function performed through infrastructure services
Billboards & the display	Yes	Yes	12	Development planning	Yes	No service level agreement in place
Cemetery, funeral parlours & crematoria	Yes	Yes	9	Social services	Yes	Rendered through social services in urban areas and Steenbokpan
Street cleansing	Yes	Yes	18	Social services	Yes	Rendered through social services
Control of public nuisance	Yes	Yes	11	Social services	Yes	Function performed in collaboration with SAPS
Control of undertakings that sell liquor to the public	Yes	No	N/A	Liquor board (social services)	No	Social service has authority but no budget and service level agreement. SAPS are currently responsible for law enforcement.
Licensing & undertakings to sell food to the public	Yes	No	N/A	WDM function	No	No service level agreement and district not performing the function
Local sport facilities	Yes	Limited	No	Social services	Yes	Municipality paying grant to implementing agent around urban area and adhoc staff at rural areas.
Municipal parks & recreation	Yes	Yes	40	Social services	Yes	Function performed through social services
Noise pollution	Yes	No	0	Social services	No	No service level agreement in place
Refuse removal, refuse dump & solid waste disposal	Yes	Yes	35	Social service	Yes	Service available in urban areas only. In rural areas only cleaning campaigns embarked upon on interval.
Street trading	Yes	Yes	11	Social services	Yes	No service level agreement in place, Development planning should also play a role
Traffic and parking	Yes	Yes	11	Social services	Yes	Performed by social services
Occupational health & safety	Yes	Yes	1	Social services	Yes	Performed by social services

Additional Functions Performed						
Housing	No	Yes	6	Social services& DPLG&H	Yes	Department of local government & housing as per agreement with the municipality
Library, Arts & Culture	No	Yes	13	Social services& DSAC	Yes	Department of sport, arts & culture with the municipality as per agreement.
Registering Authority	No	Yes	11	Department of Transport & Social service	Yes	Department of Transport with the municipality as per agreement.

APPENDIX E – WARD REPORTING

Component v (five) of the SDBIP is not fully included in Lephalale 2018/19 SDBIP and as results the information for capital projects is covered in chapter 3 of this annual report

APPENDIX F – WARD INFORMATION

Functionality of ward committees					
Nam of ward (number)	Name of ward Councillor and elected ward committee member	Ward committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Number of quarterly public ward meetings held during the year
1	Cllr W M Motlokwa	Yes	1	12	4
2	Cllr LF Monare	Yes	1	12	3
3	Mr F PIENAAR (DA)	Yes	1	12	3
4	Ms S.M NIEWOUDT (DA)	Yes	1	12	2
5	Mr K M Mogohloana(ANC)	Yes	1	12	3
6	Mr MM Makgae (ANC)	Yes	1	12	3
7	Ms ME MAISELA(ANC)	Yes	1	12	2
8	Ms MJ SELOKELA(ANC)	Yes	1	12	4
9	A. THULARE (ANC)	Yes	1	12	3
10	Ms M R MODIBA (ANC)	Yes	1	12	3
11	Mr NJ MOTEBELE(ANC)	Yes	1	12	4
12	Ms P MOLEKWA(ANC)	Yes	1	12	4
13	Ms AE BASSON(DA)	Yes	1	12	4

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018-19

REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE (AC) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

We are pleased to present our report for the financial year ended 30 June 2019.

The Honourable Speaker: Ms. R. Molokomme

Lephalale Local Municipality

15 September 2019

Honourable Speaker

Audit and Performance Committee: Review of information for the fourth quarter ended 30 June 2019

The purpose of my report is for the Audit and Performance Committee (AC) to provide the Council of Lephalale Local Municipality with an update on the Audit and Performance Committee (hereafter referred to as Audit Committee, i.e. AC) meetings held on 26 August 2019 as per section 166(2) of the Municipal Finance Management Act (MFMA) and the approved Audit Charter.

The AC is an independent advisory body that must advise the municipal Council, Accounting officer and Management staff on matters relating to:

- (a) Financial Control
- (b) Internal Audit
- (c) Risk Management
- (d) Accounting Policies
- (e) Adequacy, reliability and accuracy of financial reporting and information
- (f) Performance Management
- (g) Performance evaluations
- (h) Effective governance
- (i) Compliance with legislation
- (j) Review of financial statements
- (k) Response/comments on issues raised by Auditor-General South Africa (AGSA) in the audit report
- (l) Any investigations carried out by Audit Committee in the financial affairs of the Municipality
- (m) Any other Issues.

External AC members attended the following meetings from 1 July 2018 to 31 August 2019:

Date of the meeting Members attended Purpose

29 August 2018

☐ Mrs P.M.M. Mphelo

☐ Ms. N.J. Maake

Review of FY 2017/18 fourth quarter reports

27 September 2018

☐ Mrs P.M.M. Mphelo Review of the Internal Audit
Assessment Report by National Treasury 2

5 December 2018

☐ Mrs P.M.M. Mphelo

☐ Ms. N.J. Maake

☐ Mr. M.K. Maeyane

Review of the Draft Management Report and Audit report

12 December 2018

☐ Mrs P.M.M. Mphelo

☐ Ms. N.J. Maake

Review of FY 2018/19 first quarter reports

16 January 2019 ☐ Mrs P.M.M. Mphelo

☐ Ms. N.J. Maake

☐ Mr. M.K. Maeyane
Review of FY 2018/19 second quarter reports

16 April 2019

☐ Mrs P.M.M. Mphelo
☐ Ms. N.J. Maake
☐ Mr. M.K. Maeyane
Review of FY 2018/19 third quarter reports

12 June 2019 ☐ Mrs P.M.M. Mphelo

☐ Ms. N.J. Maake
☐ Mr. M.K. Maeyane
Special Audit Committee

26 August 2019

☐ Mrs P.M.M. Mphelo
☐ Ms. N.J. Maake
Review of FY 2018/19 fourth quarter reports

The AC resolved that the following should be brought to the attention of Council:

Financial Control

1. Management is encouraged to focus on strategies to minimise spending and to increase income and collections for the municipality.
2. The AC would like to encourage Management to continue with the reported decrease in spending and improvements on the cash balance at the end of the quarter.
3. Continued spending that exceeds the budget will result in unauthorised expenditure.

Recommendations

1. To improve the cash position and correct the budget deficit, the municipality needs to cut back on certain expenditures and increase revenue-generating activities.
2. As mentioned in the previous quarter reports, the AC would like to encourage Management to pay specific attention to the following areas of concern:
 - ☐ Irregular expenditure
 - ☐ Unauthorised expenditure
 - ☐ Fruitless and wasteful expenditure
 - ☐ Cost containment
 - ☐ Budget overspending
3. AC would like to encourage Council and Management to seriously consider the Revenue Enhancement Strategy document prepared by the Budget-Treasury Office.
4. The AC encourages Management to document a detailed analysis and a review of physical flow of cash, as this will assist the municipality in monitoring the flow of cash and establishing sustainable measures to control spending.
5. As previously reported, Management is encouraged to continue communicating to Council and all stakeholders the relationship and impact that the various municipal activities have on the municipal cash flow. For example, the report from the Budget and Treasury Office (BTO) should clearly highlight the flow of cash in terms of:
 - i. Cash in the bank – as at the end of the reporting period
 - ii. Amounts billed for the period
 - iii. Amounts collected for the period
 - iv. Other receipts for the period
 - v. Total expenditure for the period
 - vi. Amount of withdrawals from the municipal account for the period
 - vii. Commitments
6. The municipality needs to cut back on certain expenditures and increase revenue generating activities.
7. Management should implement policies and procedures for recovering monies lost due to irregular, fruitless and wasteful expenditure from responsible staff.

Effective Governance

1. The AC reiterates its concern about the governance issues in the municipality. Having the bulk of management acting in other roles as “caretakers” may negatively affect implementation of initiatives and delay progress of some projects.
2. The AC reiterates that the roles of the Municipal Manager, as the head of administration, subject to the policy directions of the Municipal Council, and those of Executive Managers are of critical importance to the stability and steering of the municipality. It is therefore necessary for Council to consistently evaluate and internalise the impact of having staff acting in the majority of Executive Managers roles.

Recommendations

1. In order to promote good governance and accountability in the municipality, Council should expedite the outstanding Executive Manager appointments.

Internal Audit

1. The AC notes the progress made in resolving the internal audit queries up to the end of Q4.

Recommendations

1. Management is encouraged to utilise the support from the Internal Audit department during the FY 2018/19 external audit by AGSA.
2. With the assistance of the Internal Audit Unit, Management should perform a review and assessment of the entire control environment in the municipality. A well-established and effective control environment is a deterrent to intentional and opportunistic fraudulent activities or inappropriate actions by staff.

Risk Management

1. Reports from the Risk Management Office were noted.
2. AC would like to draw attention to the liquidity risk facing Lephalale Local Municipality, i.e. the risk that the municipality may not be able to meet short-term financial obligations when they become due and payable as a result of the diminished cash balance.

Recommendations

1. AC advises Management to continue updating the Risk Registers accordingly in order to address the latest developments concerning liquidity risk as a result of the municipality’s cash position.
2. To maintain the progress made by the municipality and increase awareness of the risk environment, Management should consider incorporating a brief discussion on risk as a standing item in all management meeting agendas.

Response/comments on issues raised by AGSA in the audit report.

1. AC notes the progress made with resolving the AG Action Plan, as reported by Management.
2. There is a high risk of recurring audit findings in the current external audit cycle if Management does not take the FY 2018/19 external audit process by AGSA seriously and commit to resolving audit findings raised by the AGSA during the external audit.

Recommendations

1. Management is encouraged to take the process of the AG Action Plan seriously as it is intended to assist the institution address the AG findings accordingly and reduce the likelihood of further regression in the AG audit opinion for the current external audit cycle.
2. Management should ensure that the reported progress made is maintained and that evidence to support the reported progress is made available on time to be presented to AGSA during the external audit process. This will lessen the municipality’s chances of regressing in the current external audit cycle.

Any investigations carried out by AC in the financial affairs of the municipality

1. The AC conducted no investigations during the quarter.

Any other Issues

1. Management should prioritise budget for IT related activities in the 2018/2019 financial year (2018/2019).
2. Management should prioritise the filling of vacancies during the financial year.

It will be appreciated if the Honourable Speaker could table this report at the next Council meeting. I am available at your convenience to discuss the matters raised in this report.

Yours sincerely,

Phuti Mphelo CA(SA)

Chairperson: Lephalale Audit Committee

Cc: Honourable Mayor: Mr. M.J. Maeko

Chairperson of MPAC: Honourable Mr. M.J. Marakalala

Acting Municipal Manager: Ms. Cocquyt MM: AMM

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long term contracts (20 Largest Contracts Entered into 2015/16)					
Name of Service provider(Entity or Municipal Department)	The service provider	Start date of contract	Expiry date of contract	Project Manager	Contract value
ESKOM	ESKOM	01 July 2018	30 June 2019	MUNICIPAL MAMANAGER	
EXXARO	EXXARO	01 July 2018	30 June 2019	MUNICIPAL MAMANAGER	

Public Private Partnerships Entered into 2015/16					
Name and description of project	Name of Partner(s)	Initiation Date	Expiry date	Project Manager	Value
Development Altoostyd	CoGHSTA	July 2012	2020	EXECUTIVE MANAGER DEVELOPMENT PLANNING	

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

No Services were outsourced to Entities or Agencies.

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

ALL STAFF MEMBERS HAS DISCLOSED BUSINESS INTERESTS FOR FIANACIAL YEAR 2018/19 TO ACCOUNTING OFFICER THROUGH A DICLOSURE PROGRAMM ENFORCED BY COUNCIL. EXECUTIVE MANAGERS HAS DISCLOSED WHEN SIGNING THEIR PERFORMANCE AGREEMENTS IN TERMS OF SECTION 57.

APPENDIX K – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

LIM362 Lephalale - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		51789788	53861613	53861613	5422114	58780223	53861613	4918610	9%	53861613
Service charges - electricity revenue		170068953	180497776.2	180497776.2	16007165	179083073	180497776.2	1414703.202	-1%	180497776.2
Service charges - water revenue		39517331	41474562.29	41474562.29	4333922	45442955	41474562.29	3968392.707	10%	41474562.29
Service charges - sanitation revenue		17576733	18648459.45	18648459.45	2070031	18693708	18648459.45	45248.55354	0%	18648459.45
Service charges - refuse revenue		13768922	14432544.41	14632083.41	1551510	14057701	14632083.41	-574382.409	-4%	14432544.41
Service charges - other				0			0	0		
Rental of facilities and equipment		216508	277109.8907	277109.8907	12752	203972	277109.8907	73137.89073	-26%	277109.8907
Interest earned - external investments		1245305	1425000	1425000	227573	1993102	1425000	568102	40%	1425000
Interest earned - outstanding debtors		22442917	26464313.79	26464313.79	1759279	23542685	26464313.79	2921628.793	-11%	26464313.79
Dividends received				0			0	0		
Fines, penalties and forfeits		814341	427177.7543	427177.7543	18108	676951	427177.7543	249773.2457	58%	427177.7543
Licences and permits		7632877	9224946.699	9224946.699	1483567	8397034	9224946.699	827912.6989	-9%	9224946.699
Agency services				0			0	0		
Transfers and subsidies		230079374	136380000	136380000	405366	134939188	136380000	-1440812	-1%	136380000
Other revenue		4449428	14900000	32240000	1426057	4432040	32240000	-27807960	-86%	14900000
Gains on disposal of PPE				0		0	0	0		
Total Revenue (excluding capital transfers and contributions)		559602477	498013503.5	515553042.5	34717444	490242632	515553042.5	-25310410.49	-5%	498013503.5
Expenditure By Type										
Employee related costs		168443979	186963097	184050196	15728864	179786563	184050196	-4263633	-2%	186963097
Remuneration of councillors		9831852	10325122.47	10325122.47	885217	10541135	10325122.47	216012.525	2%	10325122.47

LIM362 Lephalale - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Debt impairment		6816901	1500000	7500000		4682601	7500000	-2817399	-38%	1500000
Depreciation & asset impairment		76769223	81162015.9	81162015.9	6763501.325	89622451	81162015.9	8460435.096	10%	81162015.9
Finance charges		17408397	17707502	17707502	869118	17028115	17707502	-679387	-4%	17707502
								-		
Bulk purchases		125308443	150813851.2	150813851.2	15410083	112370585	150813851.2	38443266.23	-25%	150813851.2
Other materials				0			0	0		
Contracted services		19084464	14318167.36	18319217.36	2764664	34633770	18319217.36	16314552.64	89%	14318167.36
Transfers and subsidies		600000	800000	800000	0	398192	800000	-401808	-50%	800000
Other expenditure		96551629	74340000	76830000	6299681	62434579	76830000	-14395421	-19%	74340000
Loss on disposal of PPE		13042128						0		
								-		
Total Expenditure		533857016	537929756	547507905	48721128.33	511497991	547507905	36009913.97	-7%	537929756
Surplus/(Deficit)		25745461	-39916252.49	-31954862.49	-14003684.33	-21255359	-31954862.49	10699503.49	(0)	-39916252.49
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			50673000	80800995	4200310	67378590	80800995	-13422405	(0)	50673000
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								0		
Transfers and subsidies - capital (in-kind - all)								0		
Surplus/(Deficit) after capital transfers & contributions		25745461	10756747.51	48846132.51	-9803374.325	46123231	48846132.51			10756747.51
Taxation								0		
Surplus/(Deficit) after taxation		25745461	10756747.51	48846132.51	-9803374.325	46123231	48846132.51			10756747.51
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		25745461	10756747.51	48846132.51	-9803374.325	46123231	48846132.51			10756747.51
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		25745461	10756747.51	48846132.51	-9803374.325	46123231	48846132.51			10756747.51

LIM362 Lephalale - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June										
Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		-	6673084	6673084	17209	6816922	6673084	143838	2.2%	-
Vote 2 - BUDGET AND TREASURY		-	85241367	85241367	6658860	82039536	85241367	-3201831	-3.8%	-
Vote 3 - CORPORATE SERVICES		-	419382	419382	0	153111	419382	-266271	-63.5%	-
Vote 4 - SOCIAL SERVICES		-	47123866	47123866	2957260	46420968	47123866	-702898	-1.5%	-
Vote 5 - INFRASTRUCTURE SERVICES		-	408427265	456094265	29040025	420980602	456094265	-35113663	-7.7%	-
Vote 6 - PLANNING AND DEVELOPMENT		-	802262	802262	243494	1209931	802262	407669	50.8%	-
Vote 7 - OFFICE OF THE MAYOR		-	0	0	0	0	0	0		-
Total Revenue by Vote	2	-	548687226	596354226	38916848	557621070	596354226	-38733156	-6.5%	-
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		-	36368305	42624968	2234126	43929375	42624968	1304407	3.1%	-
Vote 2 - BUDGET AND TREASURY		-	45942889	49391729	2232730	50522685	49391729	1130956	2.3%	-
Vote 3 - CORPORATE SERVICES		-	30270909	30278273	4835900	29840726	30278273	-437547	-1.4%	-
Vote 4 - SOCIAL SERVICES		-	44132423	71663246	11539260	74890103	47652246	27237857	57.2%	-
Vote 5 - INFRASTRUCTURE SERVICES		-	327276552	326803663	25836165	287220315	326803663	-39583348	-12.1%	-
Vote 6 - PLANNING AND DEVELOPMENT		-	14457679	13219927	1053659	13021189	13219927	-198738	-1.5%	-
Vote 7 - OFFICE OF THE MAYOR		-	39511074	13526240	988719	12072785.29	37537361	25464575.71	-67.8%	-
Vote 15 - [NAME OF VOTE 15]		-	0	0	0	0	0	0		-
Total Expenditure by Vote	2	-	537959831	547508046	48720559	511497178.3	547508167	36010988.71	-6.6%	-
Surplus/ (Deficit) for the year	2	-	10727395	48846180	-9803711	46123891.71	48846059	-2722167.29	-5.6%	-
<u>References</u>										

LIM362 Lephalale - Table C1 Monthly Budget Statement Summary - M12 June									
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	51789788	53861613	53861613	5422114	58780223	53861613	4918610	9%	53861613
Service charges	240931939	255053342.4	255252881.4	23962628	257277437	255252881.4	2024555.649	1%	255053342.4
Investment revenue	1245305	1425000	1425000	227573	1993102	1425000	568102	40%	1425000
Transfers and subsidies	230079374	136380000	136380000	405366	134939188	136380000	-1440812	-1%	136380000
Other own revenue	35556071	51293548.14	68633548.14	4699763	37252682	68633548.14	31380866.14	-46%	51293548.14
Total Revenue (excluding capital transfers and contributions)	559602477	498013503.5	515553042.5	34717444	490242632	515553042.5	-25310410.49	-5%	498013503.5
Employee costs	168443979	186963097	184050196	15728864	179786563	184050196	-4263633	-2%	186963097
Remuneration of Councillors	9831852	10325122.47	10325122.47	885217	10541135	10325122.47	216012.525	2%	10325122.47
Depreciation & asset impairment	76769223	81162015.9	81162015.9	6763501.325	89622451	81162015.9	8460435.096	10%	81162015.9
Finance charges	17408397	17707502	17707502	869118	17028115	17707502	-679387	-4%	17707502
Materials and bulk purchases	125308443	150813851.2	150813851.2	15410083	112370585	150813851.2	38443266.23	-25%	150813851.2
Transfers and subsidies	600000	800000	800000	0	398192	800000	-401808	-50%	800000
Other expenditure	135495122	90158167.36	102649217.4	9064345	101750950	102649217.4	898267.3611	-1%	90158167.36
Total Expenditure	533857016	537929756	547507905	48721128.33	511497991	547507905	36009913.97	-7%	537929756
Surplus/(Deficit)	25745461	-39916252.5	-31954862.5	-14003684.3	-21255359	-31954862.5	10699503.49	-33%	-39916252.5
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	0	50673000	80800995	4200310	67378590	80800995	-13422405	-17%	50673000
Contributions & Contributed assets	0	0	0	0	0	0	0		0
Surplus/(Deficit) after capital transfers & contributions	25745461	10756747.51	48846132.51	-9803374.33	46123231	48846132.51	-2722901.514	-6%	10756747.51
Share of surplus/ (deficit) of associate	0	0	0	0	0	0	0		0
Surplus/ (Deficit) for the year	25745461	10756747.51	48846132.51	9803374.33	46123231	48846132.51	2722901.514	-6%	10756747.51
Capital expenditure & funds sources									
Capital expenditure	0	56522997	117839847	4940802.82	52608233.68	117839847	65231613.32	-55%	0
Capital transfers recognised	0	50973000	94800586	4940000	51686485.06	94800586	43114100.94	-45%	0
Public contributions & donations	0	0	0	0	0	0	0		0
Borrowing	0	0	0	0	0	0	0		0
Internally generated funds	0	5549997	23038997	0	922514.94	23038997	22116482.06	-96%	0
Total sources of capital funds	0	56522997	117839583	4940000	52609000	117839583	-65230583	-55%	0
Financial position									
Total current assets	221594706	185366293.4	335988066		352566705				185366293.4
Total non current assets	1492076908	1549906850	1475706271		1480927780				1549906850
Total current liabilities	156650386	133951000	67206880		130711156				133951000
Total non current liabilities	160998734	150165000	154161779		160998734				150165000
Community wealth/Equity	1396022494	1451157143	1590326000		1541784595				1451157143
Cash flows									
Net cash from (used) operating	0	27092293.41	81582293.41	2543679	84073862	81582293.41	2491568.589	-3%	0
Net cash from (used) investing	0	-50673000	-80801000	-4200310	-52608233	-80801000	-28192767	35%	0
Net cash from (used) financing	0	0	0	0	0	0	0		0
Cash/cash equivalents at the month/year end	0	-3446706.59	11166293.41	0	42631629	11166293.41	31465335.59	-282%	11166000
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	25642383.55	12150430.18	8831869.68	6621213.01	5987145.05	5598078.44	29685084.82	175,609	270125591.3
Creditors Age Analysis									
Total Creditors	14358584	0	0	0	0	0	0	-	14358584

LIM362 Lephalale - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		162163000	134240000	160240000	5209025	138767000	160240000	-21473000	-13.4%	-
Local Government Equitable Share		109248000	130526000	130526000	0	130526000	130526000	0		
Finance Management		1700000	1700000	1700000	611611	1700000	1700000	0		
EPWP Incentive		1215000	2014000	2014000	70617	2014000	2014000	0		
Water Services Operating Subsidy		50000000		26000000	4526797	4527000	26000000	-21473000	-82.6%	
0								0		
0								0		
Other transfers and grants [insert description]								0		
Provincial Government:		0	0	0	0	0	0	0		-
0								0		
0								0		
0								0		
0								0		
Other transfers and grants [insert description]								0		
District Municipality:		0	0	0	0	0	0	0		-
[insert description]								0		
Other grant providers:		0	0	0	0	0	0	0		-
Water Services Operating Subsidy								0		
Total operating expenditure of Transfers and Grants:		162163000	134240000	160240000	5209025	138767000	160240000	-21473000	-13.4%	-
Capital expenditure of Transfers and Grants										
National Government:		70712000	52813000	52813000	3302095	66813000	50321735	16491265	32.8%	-
Municipal Infrastructure Grant (MIG)		58712000	42800000	42800000	364635	50800000	41576491	9223509	22.2%	
0			0					0		
0								0		
0								0		
0								0		
Intergrated National Electrification Programme Grant(Municipal)		12000000	10013000	10013000	2937460	16013000	8745244	7267756	83.1%	
Provincial Government:		0	0	0	0	0	0	0		-
0								0		
District Municipality:		0	0	0	0	0	0	0		-
0								0		
Other grant providers:		0	0	0	0	0	0	0		-
0								0		
Total capital expenditure of Transfers and Grants		70712000	52813000	52813000	3302095	66813000	50321735	16491265	32.8%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		232875000	187053000	213053000	8511120	205580000	210561735	-4981735	-2.4%	-

APPENDIX M – CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

Replaced with audited schedule from AFS on volume II

APPENDIX M(I) – CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Replaced with audited schedule from AFS on volume II

APPENDIX M(II) – CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Replaced with audited schedule from AFS on volume II

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2018-19

Replaced with audited schedule from AFS on volume II

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2018-19

Replaced with audited schedule from AFS on volume II

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

No Service connection backlogs on schools and clinics in Lephalale Municipality

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

1. Upgrading of Infrastructure of schools is the responsibility of the department of Education
2. Access of Primary health care services by farming community is a huge challenge.
3. Construction of Library and Information centres to enable farming community to access services
4. Construction of a new driver's licence testing station at Mokuruanyane is supposed to be constructed by the Provincial Department of Transport.
5. Maintenance of Road Infrastructure belonging to the District Municipality and the Provincial Department of Transport.
6. Upgrade of the sanitation facilities at Thabo Mbeki Town and Onverwacht/Marapong by the Department of CoGHSTA
7. Electrification of schools at the Rural Villages.
8. Telecommunications and Postal services at rural parts of Lephalale by South African Post and Telecommunications services still remains a huge challenge.
9. Formalization of villages by the department of CoGHSTA to extend provision of services to the rural villages.
10. Construction of RDP houses to address housing backlogs by the department of CoGHSTA.

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

Declaration of Loans and Grants made by the municipality 2018-19				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2018-19 R' 000	Total Amount committed over previous and future years
SPCA	Prevention of cruelty to animals, Money used to care for abandoned and abused animals	Caring of animals	R 200	R 200
Mogol club	Maintenance of Sports and Recreational facilities at Onverwacht	Maintenance of facilities	R 100	R 100
Sports Club Marapong	Maintenance of sports and Recreational facilities at Marapong	Maintenance of facilities	R 100	R100
* Loans/Grants - whether in cash or in kind				

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

ALL SECTION 71 FINANCIAL REPORT RETURNS FINANCIAL YEAR 2018/19 WERE SUBMITTED TO PROVINCIAL AND NATIONAL TREASURY OFFICES FROM LEPHALALE MUNICIPALITY ON THE PRESIDENTIAL HOT LINE 31, 100% OF SERVICE DELIVERY COMPLAINTS LODGED AT THE PRESIDENTIAL AND PREMIER HOT LINES WERE ATTENDED AND RESOLVED BY THE MUNICIPALITY AS OF END OF THE FINANCIAL YEAR 2018/19

VOLUME II:

ANNUAL FINANCIAL STATEMENTS



Final Adjusted AFS
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