

Emthanjeni Municipality



Annual Report 2018/19



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MAYOR'S MESSAGE

S STONGA

EXECUTIVE MAYOR

MUNICIPAL MANAGER OVERVIEW

I VISSER

MUNICIPAL MANAGER

CHAPTER 1

EXECUTIVE SUMMARY

1.1 MUNICIPAL OVERVIEW

This report addresses the performance of the Emthanjeni Municipality in the Northern Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2018/19 Annual Report reflects on the performance of the Emthanjeni Municipality for the period 1 July 2018 to 30 June 2019. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.1.1 Vision and Mission

The Emthanjeni Municipality committed itself to the following vision and mission:

Vision:

“A centre for development and service excellence focused on economic development in pursuit of a better life for all”

Mission:

“To provide a quality service at all times and:

Value our resources both human and financial;

Develop an active citizenry; and

Create a conducive environment for economic growth”

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 Population

a) Total Population

The Community Survey of 2007 indicates that Emthamweni Municipality had a total population of 38 230. The 2011 Census (StatsSA) indicates that the total population has increased to 42 354. The population growth rate per annum is 1.69%. The Community Survey 2016 indicates a slight increase to 45 404.

The graph below indicates the total population within the municipal area:

Year	2001	2011	2016
Total Population	35 785	42 356	45 404

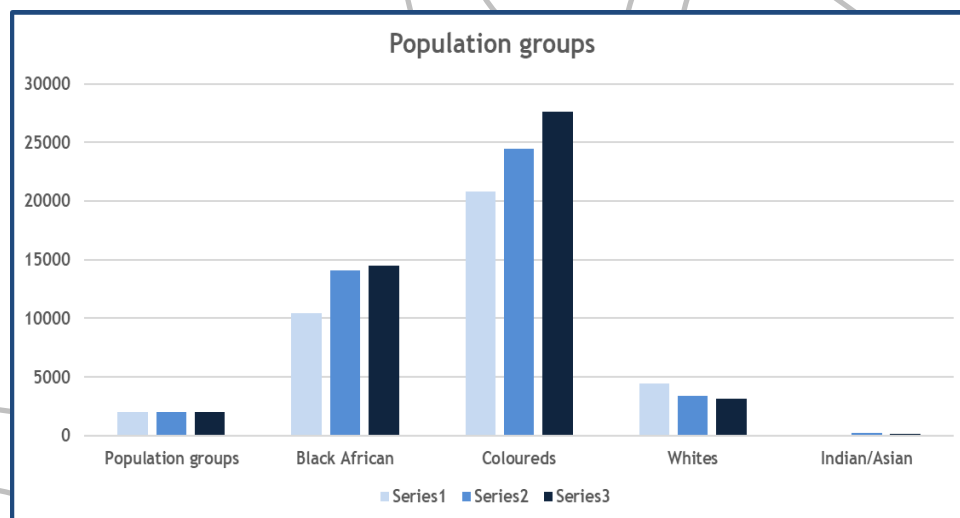
Source: IDP 2018/19

Table 1: Total Population

Year	African	Coloured	Indian	White
2001	10 435	20 848	40	4 463
2011	14 059	24 436	236	3 388
2016	14 515	27 644	116	3 129

Source: IDP 2018/19

Table 2: Population



Graph 1: Population by Race

The table below indicates that in 2011, females represent 21 634 (51%) and males 20 722 (49%) of the total population.

Population - Gender	2001	2011	2016
Females	18 679	21 634	22 962
Males	17 107	20 722	22 443
Total	35 785	42 356	45 405

Source: IDP 2018/19

Table 3: Gender Statistics

b) Population Profile

The table below indicates the population per age group.

Age	2001			2011			2016		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 9	3 520	3 742	7 262	4 654	4 522	9 176	4 055	3 722	7 777
10 - 14	1 985	2 064	4 049	2 144	2 103	4 248	1 953	2 219	4 172
15 - 19	2 043	1 963	4 007	2 046	1 988	4 034	2 584	2 972	5 556
20 - 24	1 444	1 427	2 871	1 763	1 760	3 523	2 735	1 845	4 581
25 - 29	1 272	1 211	2 483	1 688	1 688	3 376	1 913	2 266	4 179
30 - 34	1 234	1 310	2 544	1 492	1 412	2 904	1 834	2 048	3 882
35 - 39	1 108	1 241	2 349	1 324	1 242	2 565	1 323	1 399	2 722
40 - 44	1 010	1 112	2 122	1 169	1 326	2 495	1 478	1 124	2 602
45 - 49	872	1 115	1 987	1 070	1 248	2 317	1 108	987	2 095
50 - 54	791	884	1 675	984	1 086	2 070	1 010	1 107	2 116
55 - 59	557	682	1 239	787	979	1 766	857	882	1 739
60 - 64	463	604	1 067	613	798	1 411	548	812	1 360
65 - 69	320	486	806	446	566	1 012	509	579	1 088
70 - 74	215	340	555	273	404	678	223	490	713
75 - 79	143	206	348	150	258	409	158	200	358
80 - 84	72	161	233	66	132	198	108	173	281
85+	57	131	188	51	122	174	45	136	181

Source: IDP 2018/19

Table 4: Population Profile

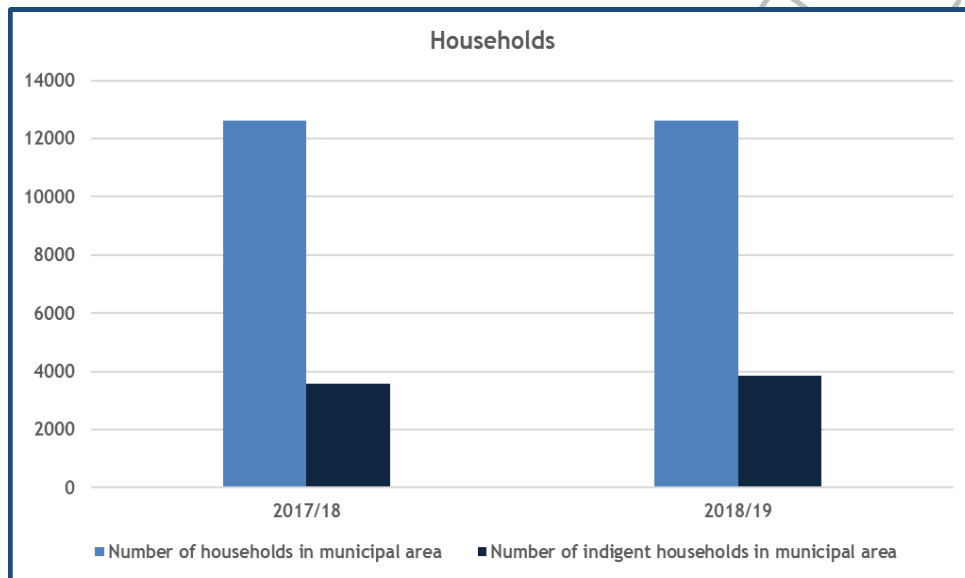
1.2.2 Households

The total number of indigent households within the municipal area increased from 3 559 households in the 2017/18 financial year to a total of 3 838 households in the 2018/19 financial year.

The table below indicates an increase of 279 in the total number of indigent households within the municipal area between the two years.

Households	2017/18	2018/19
Number of households in municipal area	12 615	12 615
Number of indigent households in municipal area	3 559	3 838

Table 5: Total Number of Households



Graph 2: Indigent Households

1.2.3 Demographic Information

Municipal Geographical Information

Emthanjeni Local Municipality is a category B municipality consisting of three towns: De Aar, Britstown and Hanover. Emthanjeni, and especially De Aar, is renowned for its central location on the main railway line between Johannesburg, Cape Town, Port Elizabeth and Namibia. It is situated in the Pixley ka Seme District Municipality and is the seat of this district.

Its location is approximately 300 km south-west of Kimberley, 440 km south-east of Upington, 300 km north-east of Beaufort-West and 300 km south-west of Bloemfontein. The land area comprises 11% of the district land area and 3% of the province. It represents approximately 23% of the district population.

Of the main towns that fall within the municipal area, Hanover lies approximately 65 km east of De Aar on N1 main north to south route and Britstown is situated about 55 km west of De Aar on the N12 route. Both these main routes link Johannesburg and Cape Town. These areas are extensive stock farming areas with the emphasis on sheep, mutton and wool farming, especially Merino's.

Emthanjeni Municipality, specifically De Aar, is the seat of Pixley ka Seme District Municipality and hosts all government departments. The Municipality covers an area of approximately 11 390km².

The maps of the Northern Cape indicate the location of the Emthanjeni Municipality in the Pixley Ka Seme District area.



Wards

The Municipality was structured into the following 7 Wards:

Ward	Areas
1	Montana, Kareeville, Sunrise and Klein Kareeville
2	Residencia, New bright, Happy Valley, Extension 20, Extension 7 and Macarena
3	Nonzwakazi, Portion of Waterdal
4	Barcelona, Malay camp, Leeuwenshof & Portion of Nonzwakazi and Mtwana
5	Portion of town Area and Louisville
6	Kwezi, Nompumelelo, Joe Slovo Park, Tornadoville, Hanover(town)
7	Jansenville, Mziwabantu, Britstown(town), Proteaville
8	Portion of Nonzwakazi, Waterdal and Portion of Town Area

Table 6: Municipal Wards

Towns

De Aar

De Aar means “the artery”, and in many senses this town is the lifeblood of the Karoo. It’s the head office of the Emthanjeni Municipality and Pixley Ka Seme District Municipality; home to many artists; there’s an important weather station that can be toured by visitors, and it’s the second most important railway junction in the country. The significance of its situation on the railway line is because it’s central to Gauteng, Cape Town, Port Elizabeth and Namibia.

There are about 110km of railway lines, including 29 rail-tracks in De Aar’s precincts. However, “De Aar” founded in 1904, was so named because of the many water-bearing arteries that occur underground. Unlike many other Karoo towns, it did not start around the Dutch Reformed Church, but in fact started around the railway line. De Aar boasts a weather station gathering climatic data which has literally put De Aar on the world map. De Aar has an average yearly rainfall of 300mm with the lowest minimum temperature of -10 °C, the highest maximum temperature of 40.7 °C, an average summer temperature of 24 °C and an average winter temperature of 14 °C. De Aar is situated at 1280 m above sea level and has an average humidity of 43%. As a declared industrial growth point, with ample, very reasonably priced industrial sites, affordable labour and the necessary infrastructure, De Aar is the ideal place to establish an industry in the Northern Cape.

Various major industries have already taken advantage of De Aar’s central location and excellent rail and road links to

establish themselves here. De Aar is also a primary commercial distribution centre for a large area of the central Great Karoo. Major production activities of the area include wool production and livestock farming. The area is also popular for hunting, despite the fact that the region is rather arid. De Aar is increasingly becoming the center for supplying the whole country with the famous “Karoo” mutton, so highly prized for its unique flavour and quality. There are ancient Khoisan rock engravings on the Nooitgedacht and Brandfontein farms. There is also the “Garden of Remembrance”, which honours the British troops killed in the Anglo-Boer War.

All the water used in the town comes from boreholes - which is why the town is known for its large number of wind pumps. The town is easily accessible by tarred road, two airfields serve it - one is an all-weather runway that can accommodate any type of aircraft and it’s only 52km away from the national bus route.

Hanover

This attractive and historic little town on the N1 lies more or less halfway between Cape Town, Gauteng and Kwazulu-Natal. It was established in 1854 at the base of some rocky hills on the farm Petrusvallei, which was bought from Gert Gous. Here requested that the town be called Hanover, after his great grandfather’s town in Germany.

When declared a magisterial district in 1876, the town was very fortunate to be appointed with a far-seeing magistrate,

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Richard Beere. He insisted that trees be planted so that resident's descendants would have shade. Due to the increase in water consumption caused by an increase in residents, the spring that Hanover was built around dried up, and the number of trees seen in the town today is far less than 100 years ago. Beere loved the Karoo and spent a lot of time on the summit of Trappieskop, where a stone pyramid honouring his contribution to the town was erected when he died.

The older houses were all built right on the road edge - as per authority's instructions at the time - and when, in later years, home owners built on verandas, they had to pay a one shilling tax for this privilege. Today, they are still paying this tax, which is now R17, 00. Hanover was home to Olive Schreiner - well known South African author - who lived here from 1900 to 1907, and referred to it as "the prettiest little village I have ever seen". Her husband, Cron, was an agent in town and today his offices are used as a small guest house. Like many small Karoo towns, most of the streets are not tarred and the residential areas are very quiet. However, behind garden walls and front doors there's plenty of activity going on as the industrious residents carry out their daily business.

The town is home to a variety of artists and crafts people, as well as having several restaurants, a delightful bookshop, coffee shop and a museum. Interesting Karoo architecture is to be seen and many gardens have a wind pump standing sentinel in one corner. Surrounding farms are principally Merino sheep farms, with many of the country's best breeders farming in the Hanover district. Lesser Kestrels, from Europe and Central Asia, come to nest in trees around town, and can be seen gliding in the dawn and dusk sky from late October to the end of summer.

Britstown

It was in the heady days of The Great Diamond Rush in the year of 1877 that Britstown came into being. Fortune hunters paused here in their frenzied dash to the fabulous diamond field, and a settlement mushroomed to provide fresh horses, fodder, refreshment and accommodation. Soon even a concertina virtuoso made music for happy dancers lubricated by the local brew. First the Fuller and Gibson coaches and then others stopped here. But by the time

Britstown gained municipal status in January 1889, a railway line already snaked across the Karoo plains to carry would-be diamond diggers through to Kimberley.

Livingstone's friend

The small haven of Britstown, along the diamond route across the plains, was named after a man who loved the Karoo, Hans Brits. He once accompanied Dr David Livingstone, famous son-in-law of the great missionary Robert Moffat, on a journey to the north. Livingstone originally came to South Africa to help the Moffat's at their mission in Kuruman, and it was on a journey to the north that he met Brits. They took a liking to each other, and Brits decided to travel with him. But, Livingstone did not get on with the Moffat's, so he soon announced his intentions of travelling deeper into Africa, a decision that led to him becoming probably the continent's most famous explorer. Brits decided against a life of exploration and returned to the Karoo.

Diamonds provide the spark

Hans Brits then settled on a farm he named Gembokfontein, which is where Britstown now stands. Soon after the discovery of diamonds at Hopetown and Kimberley, Brits realised that he and his neighbours could earn good money serving the growing traffic along the Diamond Route. So Brits arranged for a town to be laid out on a portion of his farm. As a tribute to him it was named Britstown. The thinking was to establish a point between Victoria West and Kimberley that could provide travellers on the Diamond Route with accommodation and refreshment as well as fresh horses and fodder.

A link with the gold mines

Then, in 1877, a group of men, headed by TP Theron, purchased a section of Hans Brits's farm to establish a community centre with a church. This accomplished, they handed over the management of the fledgling settlement to church wardens. Traffic through the town increased when gold was discovered in "The Ridge of White Waters" in the old Transvaal Republic. Many of the fabled mining magnates, such as Cecil John Rhodes, passed through Britstown. In time, the town became a major junction on the route to the then South West Africa (Namibia).

Key Economic Activities

Agriculture forms the backbone of Emthanjeni's economy and accounts for the largest labour to date. Despite the harsh climate and poor carrying capacity of the veldt, it still offers opportunities for growth and employment creation. The Municipality is dependent upon the following economic activities:

Key Economic Activities	Description
Services Sector (Community)	The services sector consists of the various government institutions, Non-governmental organizations (NGO's), Community based organizations (CBO's) and Non-Profit Organisations (NPOs) that resides within our area of jurisdiction. ABSA, FNB, Standard Bank and CAPITEC
Manufacturing	Stone crushers who specialize in the manufacturing of sand, bricks, cements and rocks
	Rocla, Green Akker, Vleis Sentraal for meat processing
	Solar Energy
Retail	Purchasing of goods and services
	Checkers, Shoprite, Mr Price, Ackermans, Sheet Street, Fashion Express etc
Agriculture	Game Farming
	Sheep, goat, pig and cattle farming
Transport	Rail infrastructure
	Road infrastructure
	Rail revitalisation
Tourism	To market Emthanjeni as a tourism destination
	To speed up the restoration of existing attractions and the development of new attractions

Table 7: Key Economic Activities

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 Basic Services Delivery Highlights

The table below specifies the basic service delivery highlights for the year:

Highlights	Description
Good water quality	100% pass rate of water samples as per SANS 241
Conversion of 30 Urine Diversion System (UDS) toilets	The Municipality successfully converted 30 UDS toilets to flush toilets with septic tanks from own funding
Funding obtained from the Department of Energy (DOE) for the electricity upgrade in De Aar East as part of the Integrated National Electrification Programme (INEP)	Network is overloaded which results in some areas experiencing power dips. Therefore, the upgrade is required to increase capacity
Funding secured for high mast lighting in Montana and Nonzwakazi	Municipal Infrastructure Grant (MIG) funding has been secured to erect high mast lights in dark areas
Solar geysers provided to indigent households	Solar geysers were provided to indigent households to assist indigents with hot water and to save on electricity usage
De Aar, Hanover and Britstown Landfill sites permitted	Approval was obtained from the Department of Environmental and Nature Conservation (DENC)
Cleaning campaigns	Dedicated cleaning campaigns were done throughout the year
Municipal Human Settlement Plan	The Municipal Human Settlement Plan, that guides housing development in area, was reviewed during the financial year

Highlights	Description
Consumer education training	Training sessions took place on a monthly basis
Construction of 195 houses in Hanover	The construction of 195 houses started in Hanover and is set for completion by the end of November 2019
Servicing of 400 sites in De Aar	The servicing of 400 sites started in De Aar and is set for completion by the end of October 2019

Table 8: Basic Services Delivery Highlights

1.3.2 Basic Services Delivery Challenges

The table below specifies the basic service delivery challenges for the year:

Challenge	Actions to address
Development of 12 additional boreholes in De Aar North	Obtain water use licence (WUL) from Department of Water and Sanitation (DWS) and secure co-funding for the project
Co-funding for bulk services for Britstown Bucket Eradication Programme (BEP)	Co-funding will be paid over 2 financial years
Meter tampering and bypass (Loss in revenue and increased line losses)	Meter controller to do thorough inspections. We are busy replacing the old seals with LG110 type and PT1 meters are being replaced with Con log or Landis & Gyr type meters
Copper theft (Customers are without power for a long time due to line repairs) in areas like Waterdal	Cases are reported to the South African Police Department (SAPD) and copper conductors is to be replaced with aluminium conductors. Application for funding has been submitted to DOE
Line losses reflect negatively against the Municipality if above a certain target percentage and impacts on revenue	Through continuous monitoring the Municipality aim to reduce losses even further. The Municipality is under the target of the National Energy Regulator of South Africa (NERSA) (NERSA's target is 22%)
Funding required for the electrification of 4 114 houses as part of a housing project	Business plans and funding applications have been submitted to the DOE for the electrification of 4 114 houses
Lack of machinery to perform waste management and minimize efforts	Acquire additional machinery in the 2019/20 financial year
Illegal dumping still evident	Host awareness programs to educate the communities on keeping the environment clean
Eradication of housing backlog	Business plans completed to apply for funding to eradicate the backlog
Performance by contractors	Training provided to contractors by National Home Builders Registration Council (NHBRC) and the Departments of Cooperative Governance and Traditional Affairs (CoGTA)
Illegal informal structures	Illegal informal structures should be removed
Vandalism of houses	Provision of Housing Consumer Education Training

Table 9: Basic Services Delivery Challenges

1.3.3 Proportion of Households with Access to Basic Services

The table below indicates the proportion of households with access to basic services:

KPA & Indicator	Municipal Achievement	
	2017/18	2018/19
Electricity service connections	12 652	12 667
Water - available within 200 m from dwelling	8 192	8 198
Sanitation - Households with at least ventilated improved pit (VIP) service	8 074	8 104
Waste collection - kerbside collection once a week	11 455	13 141

Table 10: Households with Minimum Level of Basic Services

1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 Financial Viability Highlights

The table below specifies the financial viability highlights for the year:

Highlights	Description
100% Spending of conditional grant (MIG)	The full allocation received was spent and no roll-over is needed for MIG
Strive to achieve "Clean Audit Status"	Emthanjeni Municipality received an unqualified audit opinion for the past three financial years and aspire to achieve a clean audit opinion
Non-stop service delivery within Emthanjeni Municipality	Adequate financial resources were availed for continuous service delivery throughout the financial year

Table 11: Financial Viability Highlights

1.4.2 Financial Viability Challenges

The table below specifies the financial viability challenges for the year:

Challenge	Action to address
Non-payment of municipal services by municipal consumers impacts negatively on service delivery	The payment percentage decreases month to month. Stricter implementation of the Credit Control Policy must be applied
Payment of creditors	Enhancement of financial management principals should lead to greater efficiency of cash flow
Slow and improper mSCOA implementation	System developers are not fully mSCOA compliant which impacts negatively on the operations of the Municipality. Staff will attend informative training for the various financial management modules and systems
Negative cashflow position experienced by the Municipality	Proper cashflow management will be adhered to in combination with the credit control implementation

Table 12: Financial Viability Challenges

1.4.3 National Key Performance Indicators - Municipal Financial Viability and Management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators (KPI's) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area (KPA's) namely Municipal Financial Viability and Management.

KPA & Indicator	2017/18	2018/19
Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2019 ((Total operating revenue-operating grants received)/debt service payments due within the year))	3.28	0.77
Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 (((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	30%	9%
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 (Available cash+ investments)/ Monthly fixed operating expenditure)	0.71	2

Table 13: National KPI's for Financial Viability and Management

1.5 AUDITOR-GENERAL REPORT

1.5.1 Audited Outcomes

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending. In turn, this can be described as an audit.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters

There can be 5 different outcomes to an audit, once the Municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follow:

- **A clean audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.
- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless they express a clean audit outcome, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or insufficient evidences for them to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse Audit Opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
- **Disclaimer of Audit opinion:** The auditee provided insufficient evidence in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements.

The table below indicates the audit opinion received for the past four financial years:

Year	2016/17	2017/18	2018/19
Opinion received	Unqualified	Unqualified	Qualified

Table 14: Opinion Received

1.6 2018/19 INTEGRATED DEVELOPMENT PLAN (IDP)/BUDGET PROCESS

The table below provides details of the 2018/19 IDP/Budget process:

No.	Activity	Responsible person	Date
Pre-budgeting processes/tasks			
A	Submission of Budget Schedule & IDP Review Process to the Mayor	MM & CFO	18 August/2017
1.1	Appoint Budget Task Team for compilation 2018/219 capital & operational budget	MM	31 August 2017
1.2	Verifying Income and expenditure sources	CFO	11 November 2017
1.3	Investigate DORA for allocations	CFO	14 October 2017
1.4	Evaluate possible roll over capital projects	MM	15 December 2017
1.5	Issuing of budget guidelines and other departmental budget submission guidelines	CFO	22 September 2017

No.	Activity	Responsible person	Date
1.6	Preparing of programme for IDP steering committee & community involvement meetings	Mayor & MM	16 October 2017
1.7	Negotiation of new contracts and renegotiation of expired contracts or contracts that will expire during the period to 30 September 2017 with supplies and other service providers	MM, CFO, HOD's	29 September 2017
1.8	Requesting budgetary inputs, suggestions, recommendations, possible sources of revenue from HOD's for respective departments	CFO & HOD's	29 September 2017
1.9	Calculate, investigate & identify over-and under spending on votes, departments such i. Once-off events ii. Recurrent events iii. Future tendencies of accounts	MM & HOD's	15 December 2017
1.10	Finalization of IDP preliminary budget format	MM & HOD's	Continuous
1.11	Finalize outlay of budget on spreadsheets as prescribe according National Treasury & MFMA	MM, HOD's	Continuous
1.12	Proper record keeping of all activities within the pre-budgeting processes	MM & HOD's	Continuous
Community participation process			
2.1	IDP steering committee meeting - First IDP input meeting - Sector departments alignment meeting - Review IDP meeting - Final IDP prioritizing and sector departments meeting	Mayor & MM	29 September 2017 13 October 2017 24 November 2017 2 February 2018
2.2	Community IDP and budget input meetings i. Combined ward committee meetings: all 8 wards	Mayor, WC, councillors, MM & CFO	6 October 2017
2.3	Community IDP budget Input meetings I. Input meetings: Ward 1 II. Input meetings: Ward 2 III. Input meetings: Ward 3 IV. Input meetings: Ward 4 V. Input meetings: Ward 5 VI. Input meetings: Ward 6 VII. Input meetings: Ward 7 VIII. Input meetings: Ward 8 IX. Input meetings: business community, agricultural community, NGO	Mayor, WC, MM & CFO	Between 9 October 2017 to 13 October 2017
2.4	Performance management input meetings	Mayor, MM	17 October 2017
2.5	IDP sectoral meeting with Pixley Ka Seme District Municipality, regional government departments	Mayor, WC, Exco, Cllrs, MM & HOD's	9 February 2018
2.6	Community IDP & budget report back meetings I. Report back meeting: Ward 1 II. Report back meeting: Ward 2 III. Report back meeting: Ward 3 IV. Report back meeting: Ward 4 V. Report back meeting: Ward 5 VI. Report back meeting: Ward 6 VII. Report back Meeting: Ward 7 VIII. Report back meeting: Ward 8 IX. Input meeting: business community, agricultural community, NGO X. Review meetings XI. Final prioritizing meetings	Mayor, WC, Exco, Cllrs, MM & HOD's	Between 3 April 2018 to 18/05/2018
2.7	Performance audit committee meetings I. Report back meetings II. Review meetings III. Final prioritizing meetings	Mayor, MM and PMS Steering Committee	10 October 2017
Budget preparatory process			
3.1	Draw up current staff budget according NT	MM & HOD's	26 September 2017
3.2	Evaluate and record proposals and Report Back from HOD's (income & expenditure sources)	MM, CFO & HOD's	20 October 2017

No.	Activity	Responsible person	Date
3.3	Determine and calculate redemption and finance costs for 2018/19 budget fin year	CFO	29 September 2017
3.4	Preparations of budgeted yearly income and expenditure levels, and proposed draft tariffs	CFO	2 November 2017
3.5	Record all inputs received from IDP forums, communities, ward committees and other stakeholders	Mayor, Cllrs, MM, CFO & HOD's	18 October 2017
3.6	Compile first draft budgeted Inc & Exp	CFO	15 December 2017
3.7	Compile first draft with budgeted capital projects and financing source of project that links with IDP projects, including draft SDBIP	Mayor, MM & CFO	10 November 2017
3.8	Distribute First draft of budget to Mayor, Exco Members, Cllrs, MM, HOD's	Mayor, MM, HOD's	17 November 2017
3.9	Budget monitoring meeting with technical steering committee	Mayor, MM & HOD's	19 November 2017
3.10	Setting of strategic objectives for the next MTEF period		20 October 2017
Budgetary policies			
4.1	Finalization of strategic objectives for the next MTEF period	May, Exco, MM, CFO & HOD's	16 March 2018
4.2	Finalization IDP review document	Mayor, MM	7 March 2018
4.3	Finalization of strategic policies documents such as	MM	7 March 2018
4.4	Finalization of compilation of business plan for submission to government dept and private institutions	MM	7 March 2018
4.5	Application of electricity tariff increment with NERSA	MIS & CFO	30 November 2017
5.	Budget approval process	May & MM	31 May 2018
Tabling of budget			
5.1	Submission of revised integrated development planning to Mayor	MM	14 March 2018
5.2	Submit first draft of 2018/19 capital and operating budget to Mayor	MM, CFO	16 March 2018
5.3	Tabling of draft 2018/19 capital & operating budget to Council	Mayor	30 March 2018
5.4	Tabling of budgetary policies to Council	Mayor	30 March 2018
5.5	Tabling of final 2018/19 capital and operating budget	Mayor	30 May 2018
5.6	Submission of SDBIP to Mayor	MM	8 June 2018
Approval of budget and policies			
6.1	Approval of revised integrated development planning	Council	31 May 2018
6.2	Approval of budgetary policies	Council	31 May 2018
6.3	Approval of tariffs	Council	31 May 2018
6.4	Approval of budgets	Council	31 May 2018
6.5	Approval of SDBIP	Council	28 June 2018
Finalizing			
7.1	Approval of SDBIP	Mayor	28 June 2018
7.2	Submission of approved budget and SDBIP to <ul style="list-style-type: none"> - National Treasury, PT & RT - SALGA - DHLG - Pixley Ka Seem 	MM	14 June 2018
7.3	Publication of high-level summary budget & SDBIP <ul style="list-style-type: none"> I. Website II. Local newspaper III. Hard copies 	MM	14 June 2018

Table 15: 2018/19 IDP/Budget Process

CHAPTER 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

2.1 NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following table indicates the Municipality's performance in terms of the National KPI required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the Municipal Systems Act (MSA) (Act 32 of 2000) . This key performance indicator is linked to the National KPA - Good Governance and Public Participation.

Indicator	Municipal achievement	Municipal achievement
	2017/18	2018/19
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (After roll-over projects)	174%	43.74%

Table 16: National KPIs - Good Governance and Public Participation Performance

2.2 GOVERNANCE STRUCTURE

2.2.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Mayor and the Executive Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, councillors are actively involved in community work and the various social programmes in the municipal area.

a) Council

The Emthanjeni Local Municipal Council comprises of 15 elected councillors, made up out of 8 ward councillors and 7 proportional representation councillors. The portfolio committees are made up of councillors drawn from all political parties. Below is a table that categorised the councillors within their specific political parties and wards for the 2018/19 financial year:

Name of Councillor	Capacity	Political Party	Ward representing or proportional
S Sthonga	Mayor	ANC	Proportional Councillor
M Kivedo	Speaker	ANC	Proportional Councillor
N Mkontwana	Executive Committee Member	ANC	Ward 3
H Rust	Executive Committee Member	DA	Proportional Councillor
J Hoffman	Proportional Councillor	DA	Proportional Councillor

Name of Councillor	Capacity	Political Party	Ward representing or proportional
A Jafta*	Municipal Public Accounts Committee (MPAC) Chairperson	DA	Proportional Councillor
P Bushulwa	Proportional Councillor	DA	Proportional Councillor
C Louw	Proportional Councillor	DA	Proportional Councillor
M Maramba	Proportional Councillor	EFF	Proportional Councillor
R Faul	Ward Councillor	ANC	Ward 1
D Vanel	Ward Councillor	ANC	Ward 2
P van Wyk	Ward Councillor	ANC	Ward 4
W du Plessis	Ward Councillor	DA	Ward 5
L Andrews	Ward Councillor	ANC	Ward 6
L Billie	Municipal Public Accounts Committee (MPAC) Chairperson	ANC	Ward 7
P Mhali	Ward Councillor	ANC	Ward 8
*Councillor A Jafta (Resigned 28 January 2019)			

Table 17: Council 2018/19

b) Executive Committee

The Mayor of the Municipality, Councillor ST Sthonga assisted by the Executive Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since **executive powers are vested in him to manage the day-to-day affairs**. He has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Committee, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Mayor operates in concert with the Executive Committee.

The name and portfolio of each member of the Executive Committee is listed in the table below for the period 1 July 2017 to 30 June 2018:

Name of member	Capacity
S Sthonga	Chairperson
N Mkontwana	Member
H Rust	Member

Table 18: Executive Committee 2018/19

c) Portfolio Committees

Section 80 Committees are permanent committees that specialise in a specific functional area of the Municipality and may in some instances make decisions on specific functional issues. They advise the Executive Committee on policy matters and make recommendations to Council. Section 79 Committees are temporary and appointed by the Executive Committee as needed. They are set up to investigate a particular issue and do not have any decision-making powers. Similar to Section 80 Committees, they can make recommendations to Council. Once their *ad hoc* task had been completed, Section 79 Committees are disbanded. External experts and councillors can be included on Section 79 Committees.

The portfolio committees for the 2016/22 mayoral term and their chairpersons are as follow:

Corporate and Human Resource Services Committee	
Chairperson	Other members
N Mkontwana	D Vanel
	M Maramba
Infrastructure Services Committee	
Chairperson	Other members
S Sthonga	P van Wyk
	H Rust
Municipal Public Accounts Committee	
Chairperson	Other members
A Jaftha	P Mhali
Rules Committee	
Chairperson	Other members
M Kivedo	R Faul
	M Maramba

Table 19: Portfolio Committees

d) Political decision-taking

Section 53 of the MSA stipulates inter alia that the respective roles and areas of responsibility of each political structure and political once bearer of the Municipality and of the Municipal Manager must be defined. The section below is based on the Section 53 role clarification that was approved at the council meeting of May 2011.

Municipal Council

- governs by making and administering laws, raising taxes and taking decisions that affect people's rights
- is a tax authority that may raise property taxes and service levies
- is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political once bearers, individual councillors or officials
- can delegate responsibilities and duties for the purposes of fast and effective decision making;
- must strive towards the constitutional objects of local government
- must consult the community with respect to local government matters
- is the only decision maker on non-delegated matters such as the approval of the IDP and budget

Mayor

- is the executive and political leader of the Municipality and is in this capacity supported by the Executive Committee
- is the social and ceremonial head of the Municipality
- must identify the needs of the Municipality and must evaluate progress against key performance indicators
- is the defender of the public's right to be heard
- has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters
- Performs the duties and exercise the responsibilities that were delegated to him by the Council

Executive Committee

- its members are elected by the Mayor from the ranks of councillors
- its functional responsibility area is linked to that of the Mayor to the extent that he must operate together with the members of the Executive Committee
- its primary task is to assist the Mayor in the execution of his powers - it is in fact an “extension of the office of Mayor”
- the committee has no powers of its own - decision making remains that of the Mayor

2.2.2 Administrative Governance Structure

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the management team, whose structure is outlined in the table below:

Name of Official	Department
I Visser	Municipal Manager
M Ludwick	Financial Services
T Msengana	Corporate Services
M Joka	Acting Director Community Services
M Owies	Infrastructure Services

Table 20: Administrative Governance Structure

COMPONENT B: INTERGOVERNMENTAL RELATIONS

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another; inform and consult one another on matters of common interest; coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1 Intergovernmental Structures

To adhere to the principles of the Constitution as mentioned above the Municipality participates in the following intergovernmental structures:

Name of structure	Members	Outcomes of engagements/topics discussed
Technical/Political IGR	Mayor	Political oversight
Safety Forum	Ward councillors and Special Program Coordinator	Abuse of women and children
Provincial Tourism Forum	Manager Development	Promotion of municipalities as tourism destinations
Local Economic Development Forum	Manager Development and Local Economic Development Officer	Promoting local economic development within municipalities
Integrated Development Plan Provincial Engagement	Manager Development and Local Economic and Integrated Development Plan Officer	Alignment of provincial planning
Municipal Managers Forum	Municipal Manager	Sharing of good practices
Communicators Forum	Manager Mayors Office	Telling of government good story
SALGA working groups	Councillors and officials	Capacitating of councillors and officials

Name of structure	Members	Outcomes of engagements/topics discussed
Chief Financial Officer Forum	Chief Financial Office	Discussions on MFMA
Record Management Forum	Records Manager and Chief Registry Clerk	Sharing of information and capacitating of officials
Speakers Forum	Speaker	Functioning of political structure
Municipal Public Account Committee	MPAC Chairperson and Speaker	Check and balance of council operations, accountability of administrations
Infrastructure Forum	Director Infrastructure Service	Implementation of infrastructure programs
Expanded Public Works Program Forum	Director Infrastructure Service & Civil Technician	Implementation of Expanded Public Works Programme (EPWP) project
District and Local AIDS forum	Councillors, Special Program Coordinator and Outreach Officer	HIV/AIDS awareness and educational programs
Renewable Energy Conference Working Group	Director Corporate Services and Manager Development	Renewable Energy Conferences focusing on the benefits for the province and municipality from these projects
Transport logistic hub steering Committee	Director Corporate Services and Manager Development	Possibility of establishing a PPP for construction of logistic hub
SDF forum	Skills Development Facilitator	Coordination of skills development programs
HR Practitioner's Forum	Director Corporate Services	Sharing of best practices and case laws
Librarians Forum	Chief Librarian	Sharing of Best Practices

Table 21: Intergovernmental Structures

2.3.2 Joint projects and functions with Sector Departments

All the functions of government are divided between the different spheres namely national, provincial and local. The Municipality therefore share their area and community with other spheres of government and their various sector departments and has to work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides detail of such projects and functions:

Name of project/ function	Expected outcome of the Project	Sector department involved	Contribution of sector department
District War Room	Poverty reduction	Social Development	Coordination of meeting and training of councillors
District Aids Council	HIV/AIDS prevention	District Municipality	Training and administrative support
Crime Prevention	Crime prevention	Department of Transport Safety and Liaison	Training and administration support

Table 22: Joint Projects and Functions

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- the preparation, implementation and review of the IDP
- establishment, implementation and review of the performance management system
- monitoring and review of the performance, including the outcomes and impact of such performance
- preparation of the municipal budget

2.4 PUBLIC MEETINGS

2.4.1 Ward Committees

The ward committees support the ward councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

a) Ward 1: Montana, Kareeville, Sunrise and Klein Kareeville

Name of representative	Capacity representing
A Minaar	Religious
C Meyers (Resigned)	Youth
E Simons (Resigned)	Youth
M Groep	Youth
C Ferris	Women
B Sight	Women
R Vyfers	Youth
A Olifant (Resigned)	NGO and business

Table 23: Ward 1 Committee Members

b) Ward 2: Residencia, New bright, Happy Valley, Extension 20, Extension 7 and Macarena

Name of representative	Capacity representing
L Mitchell	Women
M Kock	Women
M De Wee	Older persons
V. Makaai (Deceased)	Women
D Tiger	Youth
E Lawack (Resigned)	Business sector
M Mackay	Youth
J Rooi	Women
L Kock (Resigned)	Youth

Name of representative	Capacity representing
H Makae	Women

Table 24: Ward 2 Committee Members

c) Ward 3: Nonzwakazi, Portion of Waterdal

Name of representative	Capacity representing
B Masum (Resigned)	Youth
P Ngcongco (Resigned)	Youth
P Gigonyela	Youth
L Nyanda (Resigned)	Women
N Botha (Resigned)	Military Veterans
X Jaftha (Resigned)	Business

Table 25: Ward 3 Committee Members

d) Ward 4: Barcelona, Malay camp, Leeuwenshof & Portion of Nonzwakazi and Mtwana

Name of representative	Capacity representing
M Webb	Women
L Van Schalk Wyk (Resigned)	Youth
M Fagan	Youth
J Hohnson	Youth
J Henge	Man
L Jass	Women
N Godlo	Older Persons
N Njokweni	Youth
N Brandt	Youth
N Ndzunga	Women

Table 26: Ward 4 Committee Members

e) Ward 5: Portion of town Area and Louisville

Name of representative	Capacity representing
E Kammies	Older Persons
M Louw	Youth
J Hendricks	Youth
W Hendricks	Women
L Burgue	Youth
P Holstruis	Youth
B Eiman	Youth
K Booysen	Youth

Table 27: Ward 5 Committee Members

f) Ward 6: Kwezi, Nompumelelo, Joe Slovo Park, Tornadoville, Hanover(town)

Name of representative	Capacity representing
P Siyoko	Religious
N Sthonga	Youth
D Holland	Agriculture
R Sestile	Religious
B Nkumbi	NGO
M Lotriet	Women
V Bathwali	Sector Departments
A Harmse	Farmer
B Mali	Youth
E Tys	Youth

Table 28: Ward 6 Committee Members

g) Ward 7: Jansenville, Mziwabantu, Britstown(town), Proteaville

Name of representative	Capacity representing
M Seekoei	Youth
S Isicks (Resigned)	Youth
C Eland	Women
S Mathews (Resigned)	Women
N Maramso (Resigned)	Business Construction
M Du Preez	Older Persons
L Baartman	Farmer
T Oeson	Business
M Solomon (Resigned)	Youth

Table 29: Ward 7 Committee Members

h) Ward 8: Portion of Nonzwakazi, Waterdal and Portion of Town Area

Name of representative	Capacity representing
T Louw	Youth
U Khotso (Resigned)	Youth
R Smit	Student Organizations
J Adoons	Women
T Tokwana	Older Persons
T Duthie	Business
A Jonas	Youth
N Mxaxa (Resigned)	NGO
M Paul	NGO
X Mafilika	Women

Table 30: Ward 8 Committee Members

2.4.2 Representative Forums

a) Labour Forum

The table below specifies the members of the Labour Forum for the 2018/19 financial year:

Name of representative	Capacity
N Mkontwana	Chairperson (employer)
S Sthonga	Employer
W Du Plessis	Employer
L Andrews	Employer
B Kondile	Vice Chairperson (worker)
R Loliwe	Member (Samwu)
V Ngqolo	Member (Samwu)
L Oliphant	Member (Samwu)
M Bezuidenhout	Member (Samwu)
C Maritz	Member (Imatu)
V Mkozana	Member (Imatu)

Table 31: Labour Forum

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.5 RISK MANAGEMENT

In terms of Section 62(1)(c)(i) of the MFMA *“the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure- that the municipality has and maintains effective, efficient and transparent systems - of financial and risk management and internal control;”...*

The management of risk is the process by which the Accounting Officer, Chief Financial Officer and the other senior management of a Municipality will pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost-effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.

The Risk Policy addresses key elements of the implementation and maintenance of the Risk Management Framework for the management of risks within defined risk/return parameters, risk appetite and tolerances, as well as Risk Management Standards. It provides a framework for the effective identification, evaluation, management measurement and reporting of the Municipality's risks.

The objective of the Risk Policy is to ensure that a strategic plan is developed that should address the following:

- An effective risk management architecture
- A reporting system to facilitate risk reporting
- An effective culture of risk assessment

The role of the service departments is to identify, review and manage their risks on an ongoing basis, making risk management an integral or natural part of the organisational processes and procedures. Risk management should be embedded in the organisation, since it is an intrinsic part of business planning and decision making - there is no direction taken without looking at potential risks.

The table below include the top 10 risks of the Municipality:

Risk	Current Controls	Residual Risk Exposure	Risk Owner	Action Plans	Action Plan Date
Insufficient security measures at vehicle testing station	Install lockable doors, CCTV	High	Director Community Services	Alarm system, burglar doors, security light	2019/2020
Unauthorised, irregular, and fruitless expenditure	Consequence management. Include UIF in the KPA's and MPAC Develop UIF register	Medium	MFS/CFO	Enforcement and monitoring of the Procurement Plan	Ongoing
Misuse of council vehicles	Fleet Policy reviewed			Consequence management, transport officer, standard logbook	Ongoing
Fraud and corruption	Delegations, Financial Misconduct Board, SCM checklist, Fraud Prevention Plan, Internal Auditors, Internal controls	Medium	Director Corporate Services	Review Fraud Prevention Plan	30 August 2019
Tampering of electricity meters by communities	No bypass of meters. Replacement of PT1 meters to the conlog type and meter seals are being replaced with LGM type. Penalties charged for bypassing and case is open to the affected employees	Medium	Director Infrastructure	Follow-up on all replaced meters and spot check the staff and community members	Ongoing
Loss of electrical supply to consumers	Maintenance programme reviewed weekly by manager	High	Director Infrastructure	<ul style="list-style-type: none"> Continuous awareness campaigns Use of newsletters and websites Standing item on Council meets people sessions 	2019/20
Illegal dumping	Purchased an extra front loader. Monitor illegal dumping sites using a list. Creating small landfill site. Peace officers and UHURU from Northern Cape Department of Environment and Nature Conservation (DENC) Regular cleaning campaigns	Medium	Director Community Services	<ul style="list-style-type: none"> Intensify awareness campaigns 	Ongoing
Asset register not timeously updated and maintained	Asset verification and assessment conducted bi-annually	Medium	Director Financial Services	<ul style="list-style-type: none"> Proper communication of the Asset Management Policy Officials to inform finance of movements 	2019/20

Risk	Current Controls	Residual Risk Exposure	Risk Owner	Action Plans	Action Plan Date
				of assets in order to update the register	
Inadequate management on health and safety	Health and Safety Policy. Health and Safety Committee	High	Director Corporate Services	Ensure committee is functional. Perform Occupational Health and Safety (OHS) risk assessment. Designated health and safety responsibilities to an official	30 November 2019
Under recovery of budgeted revenue	Consumer accounts, cut-off of electricity. Debt collection	High	Director Financial Services	Intensify payment awareness campaigns. Continuous disconnection of electricity. Municipality to intensify debt collection	Ongoing

Table 32: Top Ten Risks

The role of the Risk Committee is to provide a timely and useful enterprise risk management report to the Audit Committee of the Municipality. The report contains the current top risks of the Municipality, which includes:

- The key strategic and financial risks facing the Municipality (all extreme and high-risk exposures)
- The key operational risks per strategic goal (top 5 risks per objective as per risk exposure from high to low)

Further details of the roles of the Risk Committee is included in the approved Risk Committee Charter.

The Risk Committee consists of the following members:

Name of Committee Member	Capacity	Meeting Date
M Ludwick	CFO	No meetings held during the year
T Msengana	Director Corporate Services	
Z Mtwana	Risk Officer	
M Joka	Acting Director Community Services	
M Owies	Director Technical Services	

Table 33: Risk Committee

2.6 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1)(m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

a) Developed Strategies

Name of strategy	Developed (Yes/No)	Date Adopted
Fraud and Corruption Policy	Yes	26 October 2016

Table 34: Strategies

b) Implementation of Strategies

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Implementation of Anti-Fraud and Anti-Corruption Policy continuous with three awareness campaigns held during this financial year	Infrastructure Services Financial Services SCM Housing Unit	Implementation of the strategy

Table 35: Implementation of the Strategies

2.7 AUDIT COMMITTEE

Section 166(2) of the MFMA states that an Audit Committee (AC) is an independent advisory body which must -

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to -

- internal financial control
- risk management
- performance management
- effective governance

The AC have the following main functions as prescribed in Section 166 (2)(a-e) of the MFMA and the Local Government Municipal Planning and Performance Management Regulation (Reg 796):

a) Functions of the AC

- To advise the Council on all matters related to compliance and effective governance
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation
- Respond to the Council on any issues raised by the Auditor-General in the audit report
- To review the quarterly reports submitted to it by the internal audit
- To evaluate audit reports pertaining to financial, administrative and technical systems
- The compilation of reports to Council, at least twice during a financial year
- To review the performance management system and make recommendations in this regard to Council
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised
- To review the annual report of the Municipality
- Review the plans of the internal audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available
- Provide support to the internal audit function
- Ensure that no restrictions or limitations are placed on the internal audit section
- Evaluate the activities of the internal audit function in terms of their role as prescribed by legislation

b) Members of the AC

The following table indicates the members of the AC:

Name of representative	Capacity
F Fillies	Chairperson
N van der Merwe	Member
B Jacobs (Deceased)	Member
N Ngubo	Member

Table 36: Members of the Audit Committee

2.8 PERFORMANCE AUDIT COMMITTEE

The Municipal Planning and Performance Management Regulation require that the Performance Audit Committee (PAC) is comprised of a minimum of three members. Section 14(2) (b) of the Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the PAC who is neither a Councillor nor an employee of the Municipality as the chairperson of the committee.

In terms of Section 166(4)(a) of the MFMA, an AC must consist of at least three persons with appropriate experience, of who the majority may not be in the employ of the Municipality.

Section 166(5) of the MFMA, requires that the members of an AC must be appointed by the Council of the Municipality. One of the members, not in the employ of the Municipality, must be appointed as the chairperson of the committee. No Councillor may be a member of an AC.

Section 14(3)(a) of the Regulations requires that the PAC of a Municipality must meet at least twice during each financial year. However, additional special meetings of the PAC may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3)(b) of the Regulations.

a) Functions of the PAC

In terms of Section 14(4)(a) of the Regulations the PAC has amongst others the responsibility to -

- review the quarterly reports produced and submitted by the internal audit process
- review the Municipality's performance management system and make recommendations in this regard to the Council of the Municipality
- at least twice during each financial year submit a performance audit report to the Council of the Municipality

b) Members of the PAC

The following table indicates the members of the PAC:

Name of representative	Capacity
S Sthonga	Mayor
N Mkontwana	Executive Committee Member
F Fillies	Audit Committee Chairperson
I Visser	Municipal Manager

Table 37: Members of the Performance Audit Committee

2.9 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa, 1996 and other statutory enactments all impose an obligation on local government and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful communication strategy therefore links the people to the municipality's programme for the year. Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Functional complaints management system	Yes
Customer satisfaction survey	No

Table 38: Communication Activities

Newsletters

Type of Newsletter	Distributed
Internal	No
External	No

Table 39: Newsletter

Additional Communication Channels Utilised

Channel	Yes/No
SMS system	Yes
Call system and WhatsApp	Yes
Facebook	Yes
Flyers	Yes

Table 40: Additional Communication Channels Utilised

2.10 WEBSITE

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21(a-b) of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's communication strategy.

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 2018/19	Yes
Adjusted Budget 2018/19	Yes
Asset Management Policy	Yes
Customer Care, Credit Control & Debt Collection Policy	Yes
Indigent Policy	Yes
Investment & Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Virement Policy	Yes
Travel and Subsistence Policy	Yes
SDBIP 2018/19	Yes
Budget and Treasury Office Structure	Yes
Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2018/19	Yes
IDP Process Plan for 2018/19	Yes
Supply Chain Management (Sections 14(2), 33, 37 & 75(1)(e)&(f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes
Long term borrowing contracts	Yes
SCM contracts above R30 000	Yes
Section 37 of the MFMA; No 56 of 2003 (Unsolicited Bids/Contracts)	Yes
Public invitations for formal price quotations	Yes
Reports (Sections 52(d), 71, 72 & 75(1)(c) and 129(3) of the MFMA)	

Description of information and/or document	Yes/No
Annual Report of 2017/18	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
Local Economic Development (Section 26(c) of the MSA)	
Local Economic Development Strategy	Yes
LED Policy Framework	Yes
Economic Profile	Yes
LED Projects	Yes
Performance Management (Section 75(1)(d) of the MFMA)	
Performance Agreements for employees appointed as per S57 of the MSA	Yes

Table 41: Website Checklist

CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2018/19 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

3.1.1 Legislative Requirements

The Constitution of the RSA, Section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195(1) are also linked with the concept of performance management, with reference to the principles of *inter alia*:

- the promotion of efficient, economic and effective use of resources
- accountable public administration
- to be transparent by providing information
- to be responsive to the needs of the community
- to facilitate a culture of public service and accountability amongst staff

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

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

In terms of Section 46(1)(a) of the MSA a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

3.1.2 Organisational Performance

Strategic performance indicates how well the Municipality is meeting its objectives and whether policies and processes are working effectively. All government institutions must measure and report on their strategic performance to ensure that service delivery is done in an efficient, effective and economical manner. Municipalities must therefore develop strategic plans and allocate resources for the implementation. The implementation of the plans must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the strategic objectives and performance on the National Key Performance Indicators (KPI's) as prescribed in terms of Section 43 of the MSA.

3.1.3 Performance Management System

The Municipality continues to implement performance in terms of the performance management framework that was approved by Council in January 2011

3.1.4 The IDP and the Budget

The IDP and the main budget for 2018/19 was approved by Council in May 2018. As the IDP and the performance management process are integrated, the IDP fulfils the planning stage of performance management whilst performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

In terms of the performance management framework, the Mayor approved the Top Layer Service Delivery Budget Implementation Plan (SDBIP) in June 2018. The Top layer SDBIP indicators are aligned with the budget which was prepared in terms of the reviewed IDP. The indicators in the Top Layer SDBIP include indicators required by legislation, indicators that will assist to achieve the objectives adopted in the IDP and indicators that measure service delivery responsibilities.

The actual performance achieved in terms of the KPI's was reported on quarterly. The indicators and targets were adjusted after the finalisation of the previous year budget and mid-year budget assessment. The Top Layer SDBIP was revised with the adjustments budget in terms of Section 26(2)(c) of the Municipal Budget and Reporting Regulations and an amended Top Layer SDBIP was approved by Council. The performance agreements of the senior managers were compiled and revised in terms of the SDBIP indicators and the portfolio of evidence that support the actual targets reported.

3.1.5 Actual Performance

The Municipality utilizes an electronic web-based system on which KPI owners update actual performance monthly. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set
- A performance comment
- Actions to improve the performance against the target set, if the target was not achieved

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

3.1.6 Monitoring of the Service Delivery Budget Implementation Plan

Municipal performance is measured as follows:

- Quarterly reports were submitted to Council on the actual performance in terms of the Top Layer SDBIP
- Mid-year assessment and submission of the mid-year report to the Mayor in terms of Section 72(1)(a) and 52(d) of the Local Government MFMA to assess the performance of the Municipality during the first half of the financial year

3.1.7 Individual Performance Management

Performance management is prescribed in the MSA and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the regulation states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players.” This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP and individual and service provider performance.

a) Municipal Manager and Managers directly accountable to the Municipal Manager

The MSA prescribes that the municipality must enter into performance-based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the Municipal Manager and applicable directors for the 2018/19 financial year was signed.

The appraisal of the actual performance in terms of the signed agreement takes place twice per annum as regulated. The final evaluation of the 2017/18 financial year (1 January 2017 to 30 June 2018) took place on 28 November 2018 and the mid-year performance of 2018/19 (1 July 2017 to 31 December 2018) took place on 12 March 2019.

The appraisals were done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Mayor
- Portfolio Councillor
- Municipal Manager
- Chairperson of the Audit Committee
- External Municipal Manager

3.2 INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2018/19

This section provides an overview of the key service achievements of the Municipality that came to fruition during 2018/19 in terms of the deliverables achieved against the strategic objectives of the IDP

3.2.1 Strategic Service Delivery Budget Implementation Plan (Top Layer)

This section provides an overview on the achievement of the Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP assists with documenting and monitoring of the Municipality's strategic plan and shows the strategic alignment between the IDP, budget and performance plans.

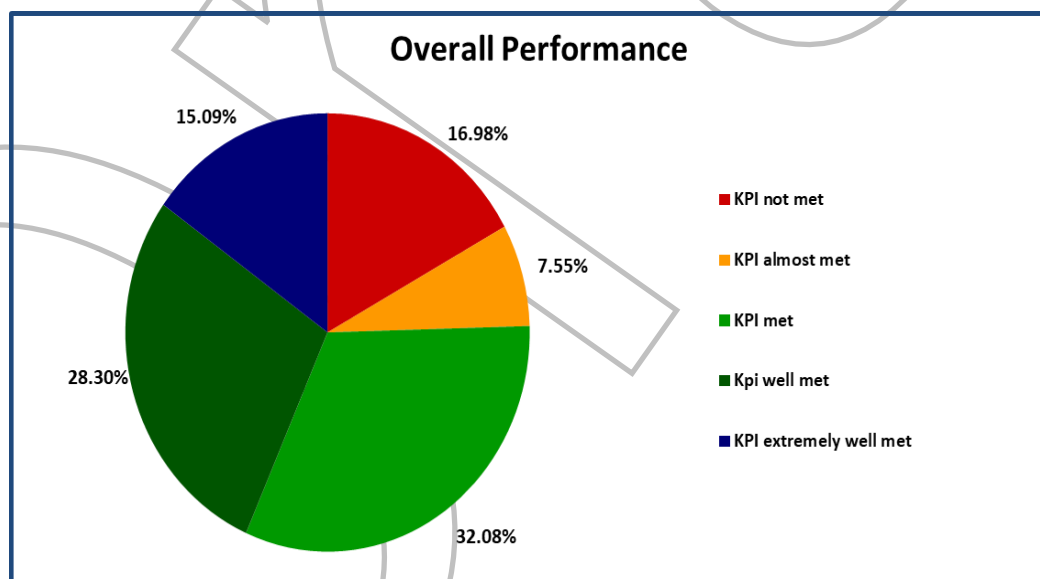
In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI's applicable to 2018/19 in terms of the IDP strategic objectives.

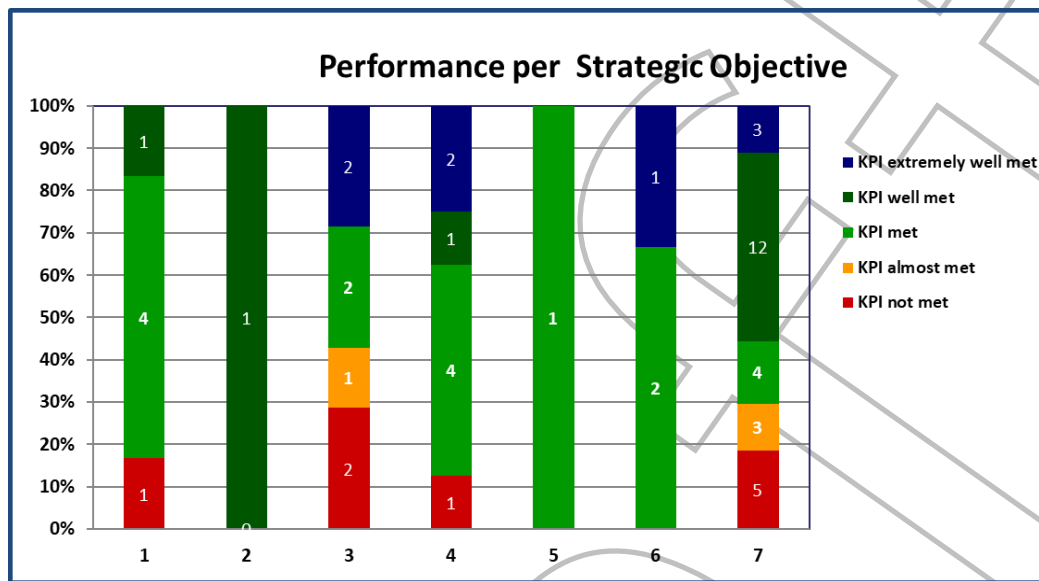
The following table explains the method by which the overall assessment of the actual performance against the targets set for the KPI's of the SDBIP are measured:

Category	Colour	Explanation
KPI Not Yet Measured		KPI's with no targets or actuals in the selected period
KPI Not Met		0% > = Actual/Target < 75%
KPI Almost Met		75% > = Actual/Target < 100%
KPI Met		Actual/Target = 100%
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met		Actual/Target > = 150%

Figure 1: SDBIP Measurement Criteria

The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the tables and graphs below:





Graph 1: Top Layer SDBIP per Strategic Objectives

Measurement Category	Objective 1 Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	Objective 2 Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	Objective 3 Development and transformation of the institution with the aim of capacitating the Municipality in meeting their objectives	Objective 4 Maintaining a financially sustainable and viable Municipality	Objective 5 Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality	Objective 6 Promote the equitable creation and distribution of wealth in Emthanjeni Municipal area	Objective 7 Provision of access to all basic services rendered to residents within the available resources
KPI Not Met	1	0	2	1	0	0	5
KPI Almost Met	0	0	1	0	0	0	3
KPI Met	4	0	2	4	1	2	4
KPI Well Met	1	1	0	1	0	0	12
KPI Extremely Well Met	0	0	2	2	0	1	3
Total	6	1	7	8	1	3	27

Table 42: Top Layer SDBIP per Strategic Objectives

a) Actual strategic performance for 2018/19 per strategic objective and corrective measures that will be implemented

i) *Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties*

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL8	Establish ward based sport forums in the municipal area by 30 June 2019	Number of ward based sport forums established by 30 June 2019	All	0	0	0	0	8	8	0	R
Corrective actions		The program to start in August 2019 as outlined in the Department Corporate Service's monthly report of May which were submitted at the Portfolio Committee Meeting of 9 July. Speaker to hold portfolio chairpersons accountable for Council activities									
TL12	Complete an assessment of current parks to determine the need and submit report with findings to Council by 30 September 2018	Assessment report submitted to Council by 30 September 2018	All	1	1	0	0	0	1	1	G
TL13	Develop a maintenance plan for parks by 30 June 2019	Maintenance plan developed by 30 June 2019	All	1	0	0	0	1	1	1	G
TL15	Sign a MOU with the Department of Defense by 30 June 2019 for support with fire brigade services	MOU signed by 30 June 2019	All	1	0	0	0	1	1	1	G
TL16	Review the disaster management plan that includes contingency plans and submit to Council by 30 June 2019	Disaster management plan reviewed and submitted to Council by 30 June 2019	All	1	0	0	0	1	1	1	G
TL54	90% of approved budget spent by 30 June 2019 for the ward development programme {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent by 30 June 2019	All	89.96%	5%	25%	60%	90%	90%	100%	G2

Table 43: *Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties*

ii) **Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor**

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL30	Provide free basic services to indigent households as at 30 June 2019	Number of indigent households receiving free basic services as at 30 June 2019	All	3,543	3,000	3,000	3,000	3,000	3,000	3,838	G2

Table 44: Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor

iii) **Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives**

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL2	The number of people from employment equity target groups employed (newly appointed) in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan by 30 June 2019	Number of people employed (newly appointed)	All	0	0	0	0	1	1	1	G
TL3	0.5% of the personnel budget spent on training as per the approved Skills Development Plan by 30 June 2019 [(Actual total training expenditure/total personnel budget)x100]	% of the personnel budget spent on training by 30 June 2019	All	0.22%	0%	0%	0%	0.50%	0.50%	0.08%	R
Corrective actions		Process of securing training service providers to start early in the year									
TL7	Develop a maintenance plan for municipal buildings and submit to the Portfolio Committee by 30 June 2019	Maintenance plan developed and submitted by 30 June 2019	All	1	0	0	0	1	1	1	G
TL9	Review the EEP and submit to the Portfolio Committee by 30 June 2019	EEP reviewed and submitted to the Portfolio Committee by 30 June 2019	All	0	0	0	0	1	1	0	R
Corrective actions		A new Employment Equity Committee will be appointed in order to complete the consultation for a five year Employment Equity Plan									
TL10	Limit vacancy rate to 15% of budgeted posts by 30 June 2019 [(Number of	[(Number of funded posts vacant divided by budgeted	All	1%	0%	20%	0%	15%	15%	7.09%	B

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	funded posts vacant divided by budgeted funded posts)x100)	funded posts)x100)									
TL11	Arrange a training sessions for all supervisors on general management by 30 June 2019	Number of training sessions held by 30 June 2019	All		0	0	0	1	1	2	B
TL40	90% of approved budget spent by 30 June 2019 for the replacement of computer equipment {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	231%	0%	0%	0%	90%	90%	86.74%	O
Corrective actions		Capital expenditure will be expedited in the next financial year									

Table 45: Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives

iv) Maintaining a financially sustainable and viable Municipality

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL32	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2019 ((Total operating revenue - operating grants received) / debt service payments due within the year))	Debt coverage	All	3.28	0	0	0	2.5	2.5	0.77	R
Corrective actions		A Revenue Enhancement Plan was developed and is being implemented to improve the situation									
TL33	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 (((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of outstanding service debtors	All	30%	0%	0%	0%	45%	45%	9%	B
TL34	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 (Available cash + investments) / Monthly fixed	Number of months it takes to cover fixed operating expenditure with available cash	All	0.71	0	0	0	0.6	0.6	2	B

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	operating expenditure)										
TL35	Submit the annual financial statements to the Auditor-General by 31 August 2018	Statements submitted to the AG by 31 August 2018	All	1	1	0	0	0	1	1	G
TL36	Achievement of a payment percentage of above 70% quarterly {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	Payment % achieved	All	82%	70%	70%	70%	70%	70%	97%	G2
TL37	Prepare and submit the adjustments budget to Council by the 28 February 2019	Adjustments budget submitted by 28 February 2019	All	1	0	0	1	0	1	1	G
TL38	Prepare and submit the draft budget to Council by 31 March 2019	Draft budget submitted by 31 March 2019	All	1	0	0	1	0	1	1	G
TL39	Prepare and submit the final budget to Council by 31 May 2019	Final budget submitted by 31 May 2019	All	1	0	0	0	1	1	1	G

Table 46: Maintaining a financially sustainable and viable Municipality

v) **Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni Municipality**

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL1	Develop Risk based audit plan (RBAP) for 2019/20 and submit to the Audit Committee by 30 June 2019	RBAP for 2019/20 submitted to the Audit Committee by 30 June 2019	All	1	0	0	0	1	1	1	G

Table 47: Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni Municipality

vi) **Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area**

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL4	Launch two key small regeneration programmes by 30 June 2019	Number of programmes launched by 30 June 2019	5	New performance indicator for 2018/19	0	1	0	1	2	2	G

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL5	Establish a Youth Centre in Hanover by 30 June 2019	Youth Centre established by 30 June 2019	6	New performance indicator for 2018/19	0	0	0	1	1	1	G
TL42	Create temporary jobs - FTE's in terms of EPWP by 30 June 2019 (Person days / FTE (230 days))	Number of FTE's created	All	0	0	0	0	61	61	99	B

Table 48: Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area

vii) **Provision of access to all basic services rendered to residents within available resources**

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL17	Assess all landfill sites to determine compliance and submit a report to Council by 30 June 2019	Assessment report submitted to Council by 30 June 2019	All	1	0	0	0	1	1	1	G
TL18	Conduct quarterly housing consumer education programs	Number of housing consumer education programs conducted	All	New performance indicator for 2018/19	1	1	1	1	4	5	G2
TL19	Conduct a quarterly verification of the housing needs register	Number of verification of the housing needs register conducted	All	New performance indicator for 2018/19	1	1	1	1	4	5	G2
TL23	90% of approved budget spent by 30 June 2019 for the upgrading and improvement of municipal parks {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	90%	0%	0%	0%	90%	90%	140%	B
TL24	Review the Human Settlement Plan and submit to Council by 30 June 2019	Human Settlement Plan reviewed and submitted to Council by 30 June 2019	All	1	0	0	0	1	1	1	G
TL25	90% of the maintenance budget of waste management spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of the budget spent ((Actual expenditure divided by the approved budget)x100)	All	90%	0%	0%	0%	90%	90%	100%	G2
TL26	Number of formal residential properties that receive piped water (credit and prepaid water) that is	Number of residential properties which are billed for water or have	All	12,667	8,000	8,000	8,000	8,000	8,000	8,081	G2

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	connected to the municipal water infrastructure network and billed for the service as at 30 June 2019	pre paid meters as at 30 June 2019									
TL27	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2019	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2019	All	7,000	7,000	7,000	7,000	7,000	7,000	8,945	G2
TL28	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2019	Number of residential properties which are billed for sewerage as at 30 June 2019	All	8,000	8,000	8,000	8,000	8,000	8,000	8,346	G2
TL29	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2019	Number of residential properties which are billed for refuse removal as at 30 June 2019	All	8,000	8,000	8,000	8,000	8,000	8,000	8,036	G2
TL31	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2019 {(Actual amount spent on projects / Total amount budgeted for capital projects)X100}	% of capital budget spent by 30 June 2019	All	174%	0%	0%	0%	70%	70%	43.74%	R
Corrective actions		Expenditure on the RBIG grant did not realise within the 2018/2019 due to late receipt of the grant and late finalisation of the bidding process. Tender process was finalised during August 2019									
TL43	70% of the water maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of approved water maintenance budget spent	All	40.27%	5%	25%	60%	70%	70%	33.15%	R
Corrective actions		Cash flow situation must be improved - Credit and Debt Control Policy implemented without fear or favour. Suppliers must be paid timeously									
TL44	Limit % water unaccounted for quarterly to 22% [(Number of Kilotres Water Purchased or Purified - Number of Kilotres Water Sold) / (Number of	% water unaccounted for	All	26.90%	0%	0%	0%	22%	22%	30.08%	R

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19							Actual	R
					Target								
					Q1	Q2	Q3	Q4	Annual				
	Kilolitres Water Purchased or Purified) x 100]												
Corrective actions		The development of the 12 additional borehole projects must start to solve this problem - waiting on WUL from DWS. Better working relationship between Finance and Infrastructure to improve											
TL45	Achieve a 90% water quality quarterly as per SANS 241 requirements for all water sampling points	% water quality level	All	100%	90%	90%	90%	90%	90%	100%		G2	
TL46	70% of the waste water maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of approved waste water maintenance budget spent	All	147%	5%	25%	60%	70%	70%	19.85%		R	
Corrective actions		Cash flow situation must be improved - Credit and Debt Control Policy implemented without fear or favour. Suppliers must be paid timeously											
TL47	70% of the roads and stormwater maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of approved roads and stormwater maintenance budget spent	All	64%	5%	25%	60%	70%	70%	139.19%		B	
TL48	Limit % electricity unaccounted for to 18% by 30 June 2019 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) x 100]	% of electricity unaccounted for	All	17.64%	0%	0%	0%	18%	18%	17.64%		B	
TL49	70% of the recreational and swimming pool maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of approved recreational areas and swimming pool maintenance budget spent	All	58.07%	5%	25%	60%	70%	70%	99.73%		G2	
TL50	70% of the electricity maintenance budget spent by 30 June 2019 ((Actual expenditure divided by the approved budget)x100)	% of approved electricity maintenance budget spent	All	77%	5%	25%	60%	70%	70%	63.93%		O	
Corrective actions		Cash flow situation must be improved - Credit and Debt Control Policy implemented without fear or favour. Suppliers must be paid timeously											
TL51	Develop a comprehensive maintenance plan for water, sanitation, electricity and refuse by 30 June 2019	Plan developed by 30 June 2019	All	New performance indicator for 2018/19	0	0	0	1	1	1		G	

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL52	90% of approved budget spent by 30 June 2019 for the upgrading of stormwater drainage {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	1; 5	100%	0%	0%	0%	90%	90%	98%	G2
TL53	Install 300 prepaid electricity meters in the Emthanjeni Municipality area by 30 June 2019	Number of meters installed by 30 June 2019	All	New performance indicator for 2018/19	0	0	0	300	300	300	G
TL55	90% of approved budget spent by 30 June 2019 for the resealing of Claude, Alpha (small portion) and Alexander Street in De Aar and Vosburg Street in Britstown {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	6; 7	New performance indicator for 2018/19	5%	25%	60%	90%	90%	60.76%	R
Corrective actions		The resealing must continue in the new financial year. In Britstown the maintenance team should start with Vosburg Street. The foreman in De Aar must lead that work and assist Britstown									
TL56	90% of approved budget spent by 30 June 2019 for the upgrading of the Britstown sewerage system {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	7	New performance indicator for 2018/19	5%	25%	60%	90%	90%	74.46%	O
Corrective actions		There was a saving on the project									
TL57	90% of approved budget spent by 30 June 2019 for the refurbishment of boreholes in Britstown and De Aar {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	New performance indicator for 2018/19	5%	25%	60%	90%	90%	87%	O
Corrective actions		Will do a Roll-over application to NT to complete the project in full									
TL58	90% of approved budget spent by 30 June 2019 for the upgrading of Waterdal electricity network Phase 1 {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	3	New performance indicator for 2018/19	5%	25%	60%	90%	90%	100%	G2
TL59	90% of approved budget spent by 30 June 2019 for the upgrading of electricity network for De Aar East and	% of approved budget spent	All	New performance indicator for 2018/19	5%	25%	60%	90%	90%	100%	G2

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2017/18	Overall Performance 2018/19						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	Nonzwakazi {(Actual expenditure divided by the total approved budget) x 100}										

Table 49: Provision of access to all basic services rendered to residents within available resources

3.2.2 Service Providers Strategic Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. A service provider:

- means a person or institution or any combination of persons and institutions which provide a municipal service to or for the benefit of the local community
- means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality
- service delivery agreement means an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

During the year under review the Municipality did not appoint any service providers who provided a municipal service to or for the benefit of the local community on behalf of the Municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured, that the requirements of the contract are complied with.

3.2.3 Municipal Functions

a) Analysis of Functions

The table below indicates the functional areas that the Municipality are responsible for in terms of the Constitution:

Municipal Function	Municipal Function (Yes/ No)
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbors, excluding the regulation of international and national shipping and matters related thereto	No

Municipal Function	Municipal Function (Yes/ No)
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 50:Functional Areas

COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

3.3 WATER PROVISION

3.3.1 Introduction to Water Services

Emthanjeni is totally dependent on groundwater (boreholes) and the effective and sustainable management thereof in order to provide a cost effective water supply is of the greatest importance to the Municipality. Received Water Services Infrastructure Grant (WSIG) funding for refurbishment of De Aar boreholes. The Water Conservation/Water Demand Management (WCWDM) strategies are aimed at limiting water losses in order to keep the cost of water at affordable levels. The water losses in the 2018/19 financial year were 24% compared to the 21% in the 2017/18 financial year. There are 2 main reservoirs in De Aar West and East with a capacity of 13.6ML and 12ML respectively. Hanover have a collecting reservoir and a Trappieskop reservoir with a capacity of 1.659ML and 0.42ML respectively. Britstown have 4 small dams and 2 pressure towers. The 4 small dams have a capacity ranging from 0.207ML to 1.189ML. The capacity of the 2 pressure towers are 0.087ML each.

3.3.2 Highlights: Water Services

The table below specifies the highlight for the year:

Highlight	Description
Good water quality	100% pass rate of water samples as per SANS 241

Table 51: Water Services Highlight

3.3.3 Challenges: Water Services

The table below specifies the challenges for the year:

Description	Actions to address
Development of 12 additional boreholes in De Aar North	Obtain water use licence (WUL) from Department of Water and Sanitation (DWS) and secure co-funding for the project
Staff shortages within the water section	Fill vacancies with experienced and qualified personnel

Table 52: Water Services Challenges

3.3.4 Service Delivery Levels: Water Services

The table below specifies the service delivery levels for the year:

Households		
Description	2017/18	2018/19
	Actual	Actual
	No.	No.
Water: (above min level)		
Piped water inside dwelling	5 036	5 042
Piped water inside yard (but not in dwelling)	2 967	2 967
Using public tap (within 200m from dwelling)	189	189

Households		
Description	2017/18	2018/19
	Actual	Actual
	No.	No.
Other water supply (within 200m)	0	0
Minimum Service Level and Above sub-total	8 192	8 198
Minimum Service Level and Above Percentage	100	100
Water: (below min level)		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households	8 192	8 198
Include informal settlements		

Table 53: Water Service Delivery Levels: Households

Access to Water			
Financial year	Number/Proportion of households with access to water points*	Proportion of households with access to piped water	Number /Proportion of households receiving 6 kl free#
2017/18	189	7 991	8 192
2018/19	189	8 009	8 192
* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute # 6,000 litres of potable water supplied per formal connection per month			

Table 54: Access to Water

3.3.5 Employees: Water Services

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	11	6	5	45
4 - 6	6	3	3	50
7 - 9	5	4	1	20
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	23	14	9	39

Table 55: Employees: Water Services

3.3.6 Capital: Water Services

The following table indicates the capital expenditure for this division:

R'000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Construction of oxidation ponds: Britstown	23 669	23 669	1 399	22 270	33 989
Construction of sewer reticulation and pump station: Britstown	9 500	11 300	7 297	4 003	11 300
Repairs and maintenance: network distribution	12	12	9	3	12

Table 56: Capital Expenditure 2018/19: Water Services

3.4 WASTE WATER (SANITATION) PROVISION

3.4.1 Introduction to Waste Water (Sanitation) Provision

De Aar Waste Water Treatment Works (WWTW) have been upgraded during the previous financial year just to make the plant operational. There is still the challenge of the Urine Diversion System (UDS) toilets in Hanover and converting it to full waterborne sewerage. We are currently doing it from own funding. However, it is not sufficient and alternative sources of funding will be explored.

The Britstown Oxidation Ponds Project have been approved by Department of Water and Sanitation's (DWS) for Regional Bulk Infrastructure Grant (RBIG) funding for bulk services. The Municipality received R9.5 million Water Services Infrastructure Grant (WSIG) from DWS for the internal sewer reticulation of Britstown, as well as the refurbishment of boreholes in De Aar. A further R26 million was received for the upgrade of Britstown oxidation ponds.

3.4.2 Highlights: Waste Water (Sanitation) Provision

The table below specify the highlight for the year:

Highlights	Description
Conversion of 30 UDS toilets	The Municipality successfully converted 30 UDS toilets to flush toilets with septic tanks from own funding

Table 57: Waste Water (Sanitation) Provision Highlight

3.4.3 Challenges: Waste Water (Sanitation) Provision

The table below specifies the challenges for the year:

Description	Actions to address
Co-funding for bulk services for Britstown Bucket Eradication Programme (BEP)	Co-funding will be paid over 2 financial years
Shortage of staff in the waste water section	Filling of vacancies with experienced and qualified personnel

Table 58: Waste Water (Sanitation) Provision Challenges

3.4.4 Service Delivery Levels: Waste Water (Sanitation) Provision

The table below specifies the different sanitation service delivery levels per households for the financial years 2017/18 and 2018/19 in the areas in which the Municipality is responsible for the delivery of the service:

Households		
Description	2017/18	2018/19
	Outcome	Actual
	No.	No.
<u>Sanitation/sewerage:</u> (above minimum level)		
Flush toilet (connected to sewerage)	6 287	6 287
Flush toilet (with septic tank)	1 787	1 817
Chemical toilet	0	0
Pit toilet (ventilated)	0	0
Other toilet provisions (above min. service level)	0	0
Minimum Service Level and Above sub-total	8 074	8 104
Minimum Service Level and Above Percentage	98.31	98.33
<u>Sanitation/sewerage:</u> (below minimum level)		
Bucket toilet	138	138
Other toilet provisions (below min. service level)	0	0
No toilet provisions	0	0
Below Minimum Service Level sub-total	138	138
Below Minimum Service Level Percentage	1.69	1.67
Total households	8 212	8 242
<i>Including informal settlements</i>		

Table 59: Waste Water (Sanitation) Provision Service Delivery Levels

3.4.5 Employees: Waste Water (Sanitation) Provision

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	6	3	3	50
4 - 6	4	4	0	0
7 - 9	2	0	2	100
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	13	8	5	38

Table 60: Employees Waste Water (Sanitation) Provision

3.4.6 Capital: Waste Water (Sanitation) Provision

The following table indicates the capital expenditure for this division:

R'000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Repairs and maintenance: Equipment and tools from own funds	5	5	2	3	5

Table 61: Capital Expenditure 2018/19: Waste Water (Sanitation) Provision

3.5 ELECTRICITY

3.5.1 Introduction to Electricity

Local Government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

The energy losses for the 2017/18 financial year was 11.8% whilst the losses in the 2018/19 financial year were 17.64%. This outcome gives an end result of 5.84% increase in energy losses that is a huge problem for the Municipality.

At present there is no backlog in the provision of electricity to households. The biggest challenge currently is the portion of Hanover where Eskom is the supplier. Council has initiated a process to ascertain whether it would be possible to take over this area from Eskom in order to have a uniform system in place.

3.5.2 Highlights: Electricity

The table below specifies the highlights for the year:

Highlights	Description
Funding obtained from the Department of Energy (DOE) for the electricity upgrade in De Aar East as part of the Integrated National Electrification Programme (INEP)	Network is overloaded which results in some areas experiencing power dips. Therefore, the upgrade is required to increase capacity
Funding secured for high mast lighting in Montana and Nonzwakazi	Municipal Infrastructure Grant (MIG) funding has been secured to erect high mast light in dark areas
Solar geysers provided to indigent households	Solar geysers were provided to indigent households to assist indigents with hot water and to save on electricity usage
Replacement of streetlights with LED lights	Business plans have been drafted to replace streetlights with LED lights as part of the Energy Efficiency Demand Side Management (EEDSM) in order to reduce Eskom account and save costs

Table 62: Electricity Highlights

3.5.3 Challenges: Electricity

The table below specifies the challenges for the year:

Description	Actions to address
Meter tampering and bypass (Loss in revenue and increased line losses)	Meter controller to do thorough inspections, we currently busy replacing the old seals with LG110 type and PT1 meters are being replaced with Con log or Landis & Gyr type meters

Description	Actions to address
Copper theft (Customers are without power for a long time due to line repairs) in areas like Waterdal	Cases are reported to South African Police Department (SAPD) and copper conductors is to be replaced with aluminium conductors. Application for funding has been submitted to DOE
Line losses (Reflecting negatively against the Municipality if above a certain target percentage and impacts on revenue)	Through continuous monitoring the Municipality aim to reduce losses even further. The Municipality is currently under the target of National Energy Regulator of South Africa (NERSA) (NERSA's target is 22%)
Funding required for the electrification of 4 114 houses as part of a housing project	Business plans and funding applications have been submitted to the DOE for the electrification of 4 114 houses

Table 63: Electricity Challenges

3.5.4 Service Delivery Levels: Electricity

The table below specifies the service delivery levels for the year:

Households		
Description	2017/18	2018/19
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity (at least min. service level)	6 452	6 149
Electricity - prepaid (min. service level)	6 200	6 518
Minimum Service Level and Above sub-total	12 652	12 667
Minimum Service Level and Above Percentage	100	100
Energy: (below minimum level)		
Electricity (< min. service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households	12 652	12 667

Table 64: Electricity Service Delivery Levels

3.5.5 Employees: Electricity

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	10	6	4	40
4 - 6	11	5	6	55
7 - 9	4	4	0	0
10 - 12	8	8	0	0
13 - 15	0	0	0	0
16 - 18	1	1	0	0

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
19 - 20	0	0	0	0
Total	34	24	10	38

Table 65: Employees: Electricity Services

3.5.6 Capital: Electricity

The following table indicates the capital expenditure for this division:

Capital Projects	R'000				
	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Waterdal network upgrade	4 000	4 000	4 000	0	4 000
Solar lighting	0	2 000	262	1 738	2 000
Repairs and maintenance to network	40	40	25	15	40
Maintenance to computer systems	364	364	65	299	364

Table 66: Capital Expenditure 2018/19: Electricity

3.6 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

3.6.1 Introduction to Waste Management

Domestic refuse is currently removed on a weekly basis in all residential areas of Emthanjeni. Informal dumping (littering) remains a major challenge, but all areas are regularly cleaned up. Various areas have street cleaners who clear the littering daily. Additional programmes were introduced to improve waste management in the municipal area.

3.6.2 Highlights: Waste Management

The table below specifies the highlights for the year:

Highlights	Description
De Aar, Hanover and Britstown Landfill sites permitted	Approval was obtained from the Department of Environmental and Nature Conservation (DENC)
Cleaning campaigns	Dedicated cleaning campaigns were done throughout the year
Establishment of the management team	A management team was established to manage waste in the municipal area
Appointed Waste Management Officer (Superintendent)	A Waste Management Control Officer was appointed to manage the waste function
Kerb system	Kerbing system was implemented in some areas

Table 67: Waste Management Highlights

3.6.3 Challenges: Waste Management

The table below specifies the challenges for the year:

Description	Actions to address
Lack of machinery to perform waste management and minimize efforts	Acquire additional machinery in 2019/20 financial year
Illegal dumping still evident	Host awareness programs to educate the communities on keeping the environment clean
Implementation of Kerb system	Engage affected communities to get used to the Kerb system process
Unavailability of refuse bins	Budgetary provision must be made for the procurement of refuse bins and submit proposal for possible assistance in this regard

Table 68: Waste Management Challenges

3.6.4 Service Delivery Levels: Waste Management

The table below specifies the service delivery levels for the year:

Description	Households	
	2017/18	2018/19
	Actual	Actual
	No.	No.
<u>Solid Waste Removal:</u> (Minimum level)		
Removed at least once a week	11 455	13 141
Minimum Service Level and Above sub-total	11 455	13 141
Minimum Service Level and Above percentage	100	100
<u>Solid Waste Removal:</u> (Below minimum level)		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level percentage	0	0
Total number of households	11 455	13 141

Table 69: Waste Management Service Delivery Levels

3.6.5 Employees: Waste Management

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	69	53	16	23
4 - 6	17	10	7	41

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
7 - 9	4	2	2	50
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	91	66	25	27

Table 70: Employees: Waste Management

3.6.6 Capital: Waste Management

Capital Projects	R'000				
	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Equipment from own capital	25	25	8	17	25

Table 71: Capital Expenditure 2018/19: Waste Management

3.7 HOUSING

3.7.1 Introduction to Housing

The Municipality has a fully functional housing division that takes care of the day-to-day running of the housing function within the Municipality and is also ready to discharge additional functions as it is also in the process of preparing its level two Accreditation Business Plan, in its attempt to apply for level two accreditation. The housing division is comprised of four sub-divisions with a divisional head, as the responsible line manager, one senior administrative officer, one housing clerk in Britstown, one in Hanover, and two consumer education clerks in De Aar.

The organogram of the Municipality clearly shows Emthanjeni's readiness to handle level one and level two functionalities. Emthanjeni Municipality has shown and demonstrated capacity to administer different National Housing Programs in its municipal sphere. An extensive planning exercise was concluded to determine the total current housing backlog and estimation of the total current bulk services carrying capacity. It has also successfully completed phase 1 (town planning of sites in all three towns and is now busy with the servicing of 400 sites in De Aar, and the construction of 195 houses in Hanover.

Amongst others, the housing unit of Emthanjeni is tasked to:

- Ensure that sustainable housing development takes place
- Integrate housing with other municipal services and sectors in order to establish sustainable human settlements
- Coordinate municipal departments to cooperate in planning and implementing housing projects
- Promote middle and high-income housing which will in turn generate resources to improve low-incomes areas

Housing need:

Given the strategic decision to focus on subsidy and gap housing, the needs can be summarized as follows:

Subsidy	4 304
Gap	250
Total	4 554

Table 72: Housing Needs

3.7.2 Highlights: Housing

The table below specifies the highlights for the year:

Highlights	Description
Municipal Human Settlements Plan	The Municipal Human Settlement Plan, that guides housing development in area, was reviewed during the financial year
Consumer education training	Training sessions took place on a monthly basis
Housing needs register	Information was captured on a daily basis
Construction of 195 houses in Hanover	The construction of 195 houses started in Hanover and is set for completion by end of November 2019
Servicing of 400 sites in De Aar	The servicing of 400 sites started in De Aar and is set for completion by end of October 2019

Table 73: Highlights: Housing

3.7.3 Challenges: Housing

The table below specifies the challenges for the year:

Description	Actions to address
Eradication of housing backlog	Business plans completed to apply for funding to eradicate the backlog
Performance by contractors	Training provided to contractors by NHBRC and the Cooperative Governance and Traditional Affairs (CoGTA)
Illegal informal structures	Illegal informal structures should be removed
Vandalism of houses	Provision of Housing Consumer Education Training

Table 74: Housing Challenges

3.7.4 Housing Statistics

The table below specifies the service delivery levels for the year:

Number of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2017/18	8 209	7 905	96.3
2018/19	8 209	7 905	96.3

Table 75: Households with Access to Basic Housing

The following table shows the number of people on the housing waiting list:

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2017/18	4 364	(0.61)
2018/19	4 554	3.7

Table 76: Housing Waiting List

Financial year	Number of houses built	Number of sites serviced
2017/18	Military Veteran houses completed in December 2017	Eight (8) sites were serviced by the Municipality
2018/19	Construction of 195 houses in Hanover, completion in November	400 sites in De Aar, completion in October

Table 77: Houses Built and Sites Services

3.7.5 Employees: Housing

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	9	4	5	56
7 - 9	1	1	0	0
10 - 12	1	1	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	12	7	5	42

Table 78: Employees: Housing

3.8 FREE BASIC SERVICES AND INDIGENT SUPPORT

Indigent applications are processed annually but new applications are assessed and updated monthly. The indigent register was reconciled with the financial system (Abakus) and the pre-paid electricity system. Credit control officials are continuously updating indigent households on the pre-paid electricity system.

New indigent household applications were processed and approved, so that these households received their levied free basic services (FBS) during the month. Indigent households will receive their FBS on the first of the month following the approval of their applications.

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved Indigent Policy of the Municipality, all households earning less than R3 500 per month will receive the free basic services as prescribed by national policy.

The table below indicates that 28.21% of the total number of households received free basic services in the 2017/18 financial year whilst it increased to 30.42% in the 2018/19 financial year:

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2017/18	12 615	3 559	28.21	3 559	28.21	3 559	28.21	3 559	28.21
2018/19	12 615	3 838	30.42%	3 838	30.42%	3 838	30.42%	3 838	30.42%

Table 79: Free Basic Services to Indigent Households

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2017/18	3 559	40.90	1 747	8480	40.90	4 162	576	40.90	283
2018/19	3 838	50.025	2 304	8 777	50.02	5 269	576	50.025	346

Table 80: Free Basic Electricity Services to Indigent Households

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	R value per HH	Value
			R'000			R'000
2017/18	3 559	79.46	3 394	9 057	79.46	8 636
2018/19	3 838	46.09	2 123	8 777	46.09	4 855

Table 81: Free Basic Water Services to Indigent Households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	R value per HH	Value
			R'000			R'000
2017/18	3 559	182.71	7 803	9 057	182.71	19 858
2018/19	3 838	194.44	8 955	8 777	194.44	20 479

Table 82: Free Basic Sanitation Services to Indigent Households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value	No. of HH	R value per HH	Value
			R'000			R'000
2017/18	3 559	1 (once)	4 866	9 057	113.93	12 382
2018/19	3 838	1 (once)	8 955	8 777	194.44	20 479

Table 83: Free Basic Refuse Removal Services to Indigent Households

COMPONENT B: ROAD TRANSPORT

3.9 ROADS

3.9.1 Introduction to Roads

During the past year the Municipality tarred 3.404km of streets from MIG funding as well as 0.24km of Piet Moos Street with EPWP funding (Total of 3.644km) and constructed 6.209km stormwater channels from MIG funds and that brings the total of tar roads within the municipal area to 90.9km. At present about 56% of all municipal streets are still gravel roads which cause a great deal of inconvenience during rain and strong wind.

3.9.2 Highlights: Roads

The table below specify the highlight for the year:

Highlight	Description
Successfully maintained roads within the whole municipal area	Fixed potholes within all 3 towns in municipal area. Resealing of Claude Street (240m), Church Street (2.5m), Victoria Street (1.5m) and Richmond Street (1.45m)

Table 84: Roads Highlight

3.9.3 Challenges: Roads

The table below specify the challenge for the year:

Description	Actions to address
Insufficient budget	Business plans were submitted to MIG for the approval of funding

Table 85: Roads Challenge

3.9.4 Statistics: Roads

The table below specifies the service delivery levels for the year:

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2017/18	118.36	0	0	118.36
2018/19	114.72	0	0	114.72

Table 86: Gravel Road Infrastructure

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2017/18	87.814	0	0	0	87.814
2018/19	90.90	3.644	0	0	90.90

Table 87: Tarred Road Infrastructure

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New & Replacements	Resealed	Maintained
	R'000		
2017/18	8 465	0	875 463
2018/19	244.45	0	9 750

The cost for maintenance includes stormwater

Table 88: Cost of Construction/Maintenance of Roads

3.9.5 Employees: Roads

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	20	13	7	35
4 - 6	17	14	3	18
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	38	28	10	26

Table 89: Employees: Roads

3.9.6 Capital: Roads

The following table indicates the capital expenditure for this division:

Capital Projects	R'000				
	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Repairs and maintenance: Equipment and tools from own funds	10	15	6	9	15
Equipment from own capital	50	50	20	30	50
CAPEX From own funds	18	18	2	16	18

Table 90: Capital Expenditure 2018/19: Roads

3.10 WASTE WATER (STORMWATER)

3.10.1 Challenges: Waste Water (Stormwater)

The table below specifies the challenges for the year:

Description	Actions to address
Shortage of staff	Appoint workers to maintain stormwater drainage
Maintenance of stormwater drainage due to budget constraints	Budgetary provision for equipment and personnel

Table 91: Waste Water (Stormwater) Challenges

3.10.2 Service Delivery Statistics

The table below shows the total kilometers of stormwater system maintained and upgraded as well as the kilometers of new stormwater pipes installed:

Stormwater Infrastructure: Kilometres			
Year	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2017/18	2.891	0	1.4
2018/19	6.209	0	0.28

Table 92: Waste Water (Stormwater) Services Delivery Statistics

3.10.3 Employees: Waste Water (Stormwater)

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	3	2	1	33
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	3	2	1	33

Table 93: Employees: Waste Water (Stormwater)

3.10.4 Capital: Waste Water (Stormwater)

R'000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Emthanjeni Stormwater Phase 2	10 580	9 900	7 942	2 638	10 580

Table 94: Capital Expenditure 2018/19: Waste Water (Stormwater)

COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT (LED)

3.11 PLANNING

3.11.1 Introduction to Planning

Town Planning and Building Control falls under the Manager: Project Management Unit. There is only one position, namely Building Inspector, currently in this division. The post of Building Inspector is vacant, and despite being advertised on several occasions, no suitable candidate was found.

With the implementation of SPLUMA (Act No 16 of 2013), is now a great need of permanent qualified town planner who can also execute the function of land development officer (LDO).

The Manager: Project Management Unit currently deal with all issues related to land use and building control.

Spatial Development Framework (SDF) and Land Use Management Scheme (LUMS)

Both the SDF and LUMS are outdated and do not comply with the current legislation. During a recent evaluation of the current SDF, it was found that it could not be updated, and will have to be redrafted to bring it into line with SPLUMA legislation.

Implementation of SPLUMA

All municipalities falling under the Pixley ka Seme District Municipality accepted the option of a District Municipal Planning Tribunal (DMPT). Emthanjeni Municipality has complied with all requirements for the implementation of SPLUMA.

3.11.2 Highlights: Planning

The table below specifies the highlights for the year:

Highlights	Description
Approval of building plans	All building plans received are currently dealt with within the prescribed legal timeframes. The average time for the approval of building plans is 2 weeks
DMPT are fully functional	Several land use applications have been dealt with by the DMPT

Table 95: Planning Highlights

3.11.3 Challenges: Planning

The table below specifies the challenges for the year:

Description	Actions to address
Filling of a vacant post of professional town planner to comply with SPLUMA	The post of a professional town planner must be advertised, and the appointment made
Limited office space	New offices must be constructed

Table 96: Planning Challenges

3.11.4 Statistics: Planning

The table below specifies the service delivery levels for the year:

Applications for Land Use Development				
Detail	Formalisation of Townships		Rezoning	
	2017/18	2018/19	2017/18	2018/19
Planning application received	0	0	3	12
Determination made in year of receipt	0	0	1	11
Determination made in following year	0	0	2	1
Applications withdrawn	0	0	0	0
Applications closed	0	0	0	0
Applications outstanding at year end	0	0	2	1
Awaiting DEA&DP decision	0	0	3	12

Table 97: Applications for Land Use Development

Type of service	2017/18	2018/19
Building plans application processed	70	75
Total surface (m ²)	6 968.56	7 066.54
Approximate value	R25 561 536	R22 253 119
New residential dwellings	8	4
Residential extensions	56	61
New Business buildings	0	3
Business extensions	3	5
Land use applications processed	8	12

Table 98: Additional Performance Town Planning and Building Control

3.11.5 Employees: Planning

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	0	1	100

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
7 - 9	0	0	0	0
10 - 12	1	1	0	0
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	4	3	1	25

Table 99: Employees: Planning

3.11.6 Capital: Planning

Capital Projects	R'000				
	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Tarring of Piet Moos street	1 000	1 086	1 086	(86)	1 086
Ward Projects	30	30	4	26	30

Table 100: Capital Expenditure 2018/19: Planning

3.12 LOCAL ECONOMIC DEVELOPMENT(LED)-INCLUDING TOURISM AND MARKET PLACES

The Municipality has been operating without an informed LED Strategy that can outline clear LED challenges, opportunities and map the way forward. The Municipality's IDP does reflect the Investment Plan and economic transformation agenda that will also be included in the LED Strategy to attract investors to invest in the Municipality.

The Municipality is busy with the development of the LED Strategy which is planned to be finalized or approved by Council during December 2018. The Municipality is assisted by the Department of Economic Development and Pixley Ka Seme District Municipality to develop the LED Strategy. This process will assist in identifying possible projects and programs for improving municipal LED.

3.12.1 Highlights: LED

The table below includes the highlights with the implementation of the LED Strategy:

Highlights	Description
Hydroponic project	The Department of Agriculture and the Municipality are in the process to lobby private business to invest in this initiative
Sport infrastructure	Lobby SMME's and private sector to invest in an indoor sport centre for young people and community at large. This can accommodate activities like small conference facility, training centre and other sport facilities like tennis, soccer, netball and basketball
Hanover Lucerne Project	The Municipality through its lobby process is leasing land to private SMME for plantation of lucerne to support emerging farmers during drought period and this can be a sustainable business opportunity
Operational space for SMME's	An SMME hub is essential to accommodation business eg offices, small businesses
Scarcity of accommodation	The strategy is calling upon private investors even individual SMME's to use this opportunity for sake of tourism attraction to accommodate

Highlights	Description
	people by investing on rental houses, flats and lately student accommodation
Logistic warehouse hub	The provincial government and the Municipality are lobbying for this project as an PPE and is still in progress
Off-grid streetlights and others	The Municipality is busy lobbying funds for this initiative that will lower electricity demand and reduce the municipal electricity cost
Hunting	The Municipality is availing its Britstown Commonage for Springbok hunting. Produce can be utilised to generate an income

Table 101: LED Highlights

3.12.2 Challenges: LED

The table below includes the challenges with the implementation of the LED Strategy:

Description	Actions to address
Lack of skilled SMME's to venture in business opportunities	Continue SMME's training with the assistance of the private sector and government agencies such as Small Enterprise Development Agency (SEDA)
Lack of operation relations between renewable energy and Municipality	The Municipality must engage with relevant stakeholder on the planning and funding of sustainable projects
Limited budget for LED projects	Funding applications must be submitted to source additional funding

Table 102: Challenges LED

3.12.3 Job Creation: EPWP

Details	Jobs created through EPWP projects
	No.
2017/18	45
2018/19	160

This refer to the number of Full Time Equivalent (FTE's)

Table 103: Job Creation Through EPWP Projects

3.12.4 Tourism

a) Highlights: Tourism

The table below includes the highlights with the implementation of the Tourism Strategy:

Highlights	Description
SMME data collection	The data collection for different SMME's e.g. guesthouses, crafters, restaurants and others to better support and regulate this sector within the Municipality
Heritage and tourism month celebration	Joint organisation of this celebration with sector departments to learn about our culture and attract investors
Revival of Tourism Committee	The Tourism Committee has been revived to coordinate activities that relate to this sector and initiate new ideas

Table 104: Highlights: Tourism

b) Challenges: Tourism

The table below includes the challenges with the implementation of the Tourism Strategy:

Description	Actions to address
Vacant position for tourism/ communication officer	Possible appointment of communication officer to undertake some of the responsibilities
Non-existence of Tourism Development Forum/Committee	Encourage tourism stakeholders like guesthouse owners, crafters and others to work together
Branding of the Municipality	New communication officer will be responsible for this initiative
Tourism attraction maintenance	Lobby for funding to maintain tourism attractions
Budgetary constrains	Funding applications must be submitted and submitted to source additional funding

Table 105: Challenges: Tourism

3.12.5 Employees: LED

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	4	3	1	25
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	5	4	1	20

Table 106: Employees: Local Economic Development

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.13 LIBRARIES

3.13.1 Introduction to Libraries

The Municipality has 5 libraries operational in the area. Library service is a provincial government function and is delivered as an agency service. The communities welcome the service rendered by library staff in all three towns. New books are introduced on a regular basis. The libraries are now also offering free internet services to communities. Library membership is increasing steadily.

3.13.2 Highlights: Libraries

The table below specifies the highlights for the year:

Highlights	Description
Registration of staff members at UKS	5 staff members were sent to UKS to study library and information certificate through the Leadership Development Programme (LDP) grant to capacitate them
Registration of a staff member with UNISA	1 staff member sent to UNISA to study Archives and Records Management through the LDP grant for capacity building and skills development program
Renovations in our libraries	Installation of blinds in WN Scheefers -, Phandulwazi-, Libra- and H.L.J Library. Installation of air-conditioners in Hanover- and WN Scheefers Library. Painting of the interior and exterior of Hanover Library
Proper coordination of programmes	To ensure community participation on the planned programmes
Installation of internet access point in all libraries	Internet, the most useful technology of modern times which helps us not only in our daily lives but also professionally. For educational purposes, it is widely used to gather information and to do research or add to the knowledge of various subjects. Internet plays a vital role in education

Table 107: Libraries Highlights

3.13.3 Challenges: Libraries

The table below specifies the challenges for the year:

Description	Actions to address
Magazines, newspapers, journal suppliers	Make proper arrangements for a supplier(s) that will be consistent in supplying us with the need of reading materials
Library membership and lost books	Conduct libraries membership audit and verification for membership accuracy. Utilize our messengers more effective and efficiently and look at appointing more Librarian Aides to curb the issue of lost books and late books
Allocations for libraries	Engage with the Department of Cultural Affairs and Sport (DCAS) for possible increase in our budget allocation

Table 108: Libraries Challenges

3.13.4 Service Statistics for Libraries

The table below specifies the service statistics for the year:

Service statistic	2017/18	2018/19
Number of libraries	5	5
Library members	6 048	6 190
Books circulated	29 113	33 239
Exhibitions held	19	21
Internet users	1 172	5 183
New library service points or Wheelie Wagons	0	0
Children programs	7	38
Visits by school groups	178	123
Book group meetings for adults	3	8

Table 109: Service Statistics for Libraries

3.13.5 Employees: Library Services

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	4	4	0	0
4 - 6	9	9	0	0
7 - 9	5	5	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	19	19	0	0

Table 110: Employees: Libraries

3.13.6 Capital: Community Services

Capital Projects	R'000				
	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Repairs and Maintenance: Building and structure	85	85	61	24	85
Machinery and Equipment Purchases	9	3	22	(13)	9

Table 111: Capital Expenditure 2018/19: Community Services

3.13.7 Capital: Libraries

The following table indicates the capital expenditure for this division:

R'000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Machinery and Equipment Purchases	30	30	32	(2)	30

Table 112: Capital Expenditure 2018/19: Libraries

3.14 CEMETERIES

Procedures and management measures for the operations of cemeteries is regulated in terms of the Cemeteries By-law (No 6 of 2008). The by-law describes a cemetery as “and or part thereof, including the buildings and works thereon, that is owned and controlled by the Municipality, duly set aside and reserved for burials and make available for public use from time to time for burials”.

Emthanjeni's cemeteries includes the following:

De Aar	Britstown	Hanover
Caroluspoort, Kareeville, Barcelona, Nonzwakazi, Old Philipstown Road	N12 Town, Mziwabantu, Proteaville Churches, New Cemetery (Proteaville)	N1 Town, Burgerville

Table 113: Emthanjeni Cemeteries

3.14.1 Highlights: Cemeteries

The table below specifies the highlights for the year:

Highlights	Description
Introduction of burial application form	An application form was introduced for more control
Stopping of grave reservations	Reservation of graves were stopped. It caused problems with the availability of graves
Meeting with funeral undertakers	Better management and sharing information
Acceptable level of service	Service was rendered throughout the year with minimal complaints
Introduction of burial application form	An application form was introduced for more control

Table 114: Cemeteries Highlights

3.14.2 Challenges: Cemeteries

The table below specifies the challenges for the year:

Description	Actions to address
Management system of cemeteries require improvement	Need to improve the administrative processes by introducing additional forms and regular meetings with affected parties
Continued vandalism, breaking of graves, fencing and invasion	Investigate possibilities of securing cemeteries
Maintenance work not as expected	Stricter control will be implemented
Level of service - Certain funeral undertakers deliver poor quality service	Monitor service delivery and consult with undertakers

Table 115: Cemeteries Challenges

3.14.3 Service Statistics for Cemeteries

The table below specifies the service delivery levels for the year:

Type of service	2017/18	2018/19
Burials	297	366

Table 116: Service Statistics for Cemeteries

COMPONENT E: SECURITY AND SAFETY

The aim of Council is to ensure the safety of all residents and visitors in this municipal area through law enforcement. Currently municipal law enforcement officers work closely with SAPS to combat crime, while the traffic law enforcement officers are assisting those agencies. Integrated operations are held to prevent crime increase in this municipal area through proper planning. The willingness of the community to report crime assists the different law enforcement agencies tremendously in the fight against crime.

3.15 TRAFFIC SERVICES

3.15.1 Introduction to Traffic Services

The Traffic Department is divided into four sections namely: Driver's License Test Centre, Motor Registrations and Licensing, Vehicle Test Station and Traffic Law Enforcement. These sections are responsible for traffic related matters and monitoring of compliance with by-laws related to the municipality.

3.15.2 Highlights: Traffic Services

The table below specifies the highlights for the year:

Highlights	Description
3 New traffic officers	3 New traffic officers appointed as from the beginning of 2019
2 Streets upgraded with speed humps	Amandel Street and Leo-Crescent were upgraded with a total of 9 speed humps

Table 117: Traffic Services Highlights

3.15.3 Challenges: Traffic Services

The table below specify the challenge for the year:

Description	Actions to address
Non-payment of fines	Smart roadblock system to be implemented for tracing of outstanding fines

Table 118: Traffic Services Challenge

3.15.4 Service Statistics for Traffic Services

The table below specifies the service delivery levels for the year:

Details	2017/18	2018/19
Number of road traffic accidents during the year	309	286
Number of by-law infringements attended	85	30
Number of Traffic officers in the field on an average day	2	4
Number of Traffic officers on duty on an average day	7	9
Animals impounded	32	45
Motor vehicle licenses processed	39 783	6 216
Learner driver licenses processed	8 067	4 511
R-value of fines collected	1 881 134	918 375
Roadblocks held	8	13
Complaints attended to by Traffic Officers	14	12

Table 119: Service Statistics for Traffic Services

3.15.5 Employees: Traffic Services

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	5	4	1	20
4 - 6	3	3	0	0
7 - 9	9	7	2	22
10 - 12	3	3	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	21	18	3	14

Table 120: Employees: Traffic Services

3.15.6 Employees: Law Enforcement

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	5	5	0	0
7 - 9	0	0	0	0

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	5	5	0	0

Table 121: Employees: Law Enforcement

3.15.7 Capital: Traffic Services

The following table indicates the capital expenditure for this division:

R'000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Capital out of income: traffic	18	18	16	2	18

Table 122: Capital Expenditure 2018/19: Traffic Services

3.16 FIRE SERVICES AND DISASTER MANAGEMENT

3.16.1 Introduction to Fire Services and Disaster Management

Fire services is a voluntary service with volunteers on standby to attend to incidents within the Municipality. The fire station is situated in De Aar and render services to all areas that are part of the Municipality. Britstown and Hanover do not have fire stations, but volunteers are situated in these towns.

3.16.2 Highlights: Fire Services and Disaster Management

The table below specify the highlight for the year:

Highlights	Description
Fire fighting vehicles in all towns	All towns in area of at least 1 fire fighting vehicle

Table 123: Fire Services and Disaster Management Highlight

3.16.3 Challenges: Fire Services and Disaster Management

The table below specifies the challenges for the year:

Description	Actions to address
Fire services is still run on standby basis from the official's homes after hours	Fire Station needs to be upgraded so that it can be manned 24/7

Table 124: Fire Services and Disaster Management Challenges

3.16.4 Service Statistics for Fire Services and Disaster Management

The table below specifies the service delivery levels for the year:

Details	2017/18	2018/19
Total fires attended in the year	24	37
Average turnout time - urban areas	12 min	12 min
Average turnout time - rural areas	±30 min	±30 min
Reservists and volunteers trained	14	18

Table 125: Service Statistics for Fire Services

COMPONENT F: SPORT AND RECREATION

3.17 SPORT AND RECREATION

3.17.1 Highlights: Sport and Recreation

The table below specify the highlight for the year:

Highlights	Description
Upgrade of Merinopark sport grounds (phase 2)	Obtained R1 million from Solar Capital to upgrade sport grounds
Upgrading of Hanover (Kwezi) Sport grounds	Secured funding through Municipal Infrastructure Grant (MIG) / DCAS for upgrading of sport ground

Table 126: Sport and Recreation Highlight

3.17.2 Challenges: Sport and Recreation

The table below specify the challenge for the year:

Description	Actions to address
Funding for the upgrade of the new tartar track for De Aar West	The DCAS must provide additional funding for the project

Table 127: Sport and Recreation Challenge

3.17.3 Service Statistics for Sport and Recreation

The table below specifies the service delivery levels for the year:

Type of service	2017/18	2018/19
Community parks		
Number of parks with play park equipment	4	4
Number of wards with community parks	6	6
Swimming pools		
R-value collected from entrance fees	102 245	83 476
Sport fields		
Number of wards with sport fields	6	6
R-value collected from utilization of sport fields	37 322	17 101
Sport halls		
Number of wards with sport halls	1	1

Type of service	2017/18	2018/19
Community parks		
Number of sport associations utilizing sport halls	1	1
R-value collected from rental of sport halls	0	0

Table 128: Service Statistics for Sport and Recreation

3.17.4 Employees: Parks and Cemeteries

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	35	23	12	34
4 - 6	0	0	0	0
7 - 9	3	1	2	67
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	39	25	14	36

Table 129: Employees: Parks and Cemeteries

3.17.5 Employees: Sport and Recreation

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	14	11	3	21
4 - 6	1	0	1	100
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	16	12	4	36

Table 130: Employees: Sport and Recreation

3.17.6 Capital: Sport and Recreation

The following table indicates the capital expenditure for this division:

R'000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Equipment and Tools Purchased	42	10	7	35	10

Table 131: Capital Expenditure 2018/19: Sport and Recreation

COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: executive and council; financial services; human resource services; ICT services; legal services; and procurement services.

3.18 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

3.18.1 Highlights: Executive and Council

The table below specifies the highlights for the year:

Highlights	Description
Handing over of houses in Hanover	The Council, led by the Mayor, handed over 20 houses in Hanover to its rightful owners
Graduation of Speaker Monica Kivedo	The Speaker passed her 3 rd year in Local Government Law and Administration at the University of Ford Hare
2018 Mayoral Sports Tournament	The successful event was held in Britstown during September 2018 where the following sporting codes participated: Soccer, Netball, Tennis, Table Tennis, Pool Marathon, Darts, Cricket and Rugby
Appointment of female managers in the institution	The appointment of females in the Performance Management Unit (PMU) and as Building Inspector
Servicing of 400 sites in De Aar	As part of the 4114-housing project
IDP Process Plan Implementation 2018/19	Able to implement all processes pertaining to the IDP and budget

Table 132: Executive and Council Highlights

3.18.2 Challenges: Executive and Council

The table below specifies the challenges for the year:

Description	Actions to address
Community protest for houses	Regular consultation with communities to address issues in time
Illegal land grabbing by the community	Development of houses and available land
Vandalism of building and municipal assets	Intensify law enforcement
High crime rate in the area	Interaction with SAPS
Poor attendance and participation of sector departments in IDP and budget processes	Technical Inter-Governmental Relations (IGR) and engagement with sector departments
Functionality of Local Labour Forum (LLF)	Training of LLF members and monitoring meetings by the Speaker

Description	Actions to address
LLF sub-committee meetings	Once LLF is functional it will be able to monitor its sub-committee activities
High unemployment rate	Learnership programs through Department Environmental Affairs, National Rural Youth Service Corps (NARYSEC) and filling of municipal vacancies

Table 133: Executive and Council Challenges

3.18.3 Employees Corporate Services

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	16	14	2	13
4 - 6	8	7	1	13
7 - 9	5	3	2	40
10 - 12	8	8	0	0
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	1	1	0	0
Total	40	35	5	13

Table 134: Employees: Corporate Services

3.18.4 Employees: Office of the Municipal Manager

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	1	0	1	100
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
21 - 25	1	1	0	0
Total	4	2	2	50

Table 135: Employees: Office of the Municipal Manager

3.18.5 Employees: Technical Services

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	0	1	100
4 - 6	11	8	3	27
7 - 9	3	2	1	33
10 - 12	2	1	1	50
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	1	1	0	0
Total	19	13	6	32

Table 136: Employees: Technical Services

3.18.6 Capital: Executive and Council

The following table indicates the capital expenditure for this division:

Capital Projects	R'000				
	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Equipment and Tools Purchased	0	0	21	0	0

Table 137: Capital Expenditure 2018/19: Executive and Council

3.19 FINANCIAL SERVICES

3.19.1 Introduction: Financial Services

The Finance Directorate provide various services to the communities of Emthanjeni Municipality, Council and the staff. These services include revenue collection, expenditure management, budget and treasury reporting and supply chain management amongst others.

Financial viability and financial discipline are the pillars under which these services are rendered. The payment of services by consumers are the backbone of any municipality which underpins the financial ability of a municipality to honour its commitments. The mission is to ensure that the payment percentage and culture of the Municipality rises above the 95 % for all the main services throughout the financial year.

3.19.2 Highlights: Financial Services

The table below specifies the highlights for the year:

Highlights	Description
100% Spending of conditional grant (MIG)	The full allocation received was spent and no roll-over is needed for MIG

Highlights	Description
Strive to achieve “Clean Audit Status”	Emthanjeni Municipality received an unqualified audit opinion for the past three financial years and aspire to achieve a clean audit opinion
Non-stop service delivery within Emthanjeni Municipality	Adequate financial resources were availed for continuous service delivery throughout the financial year

Table 138: Financial Services Highlights

3.19.3 Challenges: Financial Services

The table below specifies the challenges for the year:

Description	Actions to address
Non-payment of municipal services by municipal consumers impacts negatively on service delivery	The payment percentage decreases month to month. Stricter implementation of the Credit Control Policy must be applied
Payment of Creditors	Enhancement of financial management principals should lead to greater efficiency of cash flow
Slow and Improper mSCOA Implementation	System developers are not fully mSCOA compliant which impacts negatively on the operations of the Municipality. Staff will attend informative training for the various financial management modules and systems
Negative cash flow position experienced by the Municipality	Proper cash flow management will be adhered to in combination with the credit control implementation

Table 139: Financial Services Challenges

3.19.4 Employees: Financial Services

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	4	3	1	25
4 - 6	30	28	2	7
7 - 9	6	5	1	17
10 - 12	5	4	1	20
13 - 15	0	0	0	0
16 - 18	1	1	0	0
19 - 20	1	1	0	0
Total	47	42	5	11

Table 140: Employees: Financial Services

3.19.5 Capital: Financial and Administrative Services

The following table indicates the capital expenditure for this division:

R'000					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Computer equipment	60	60	16	44	60
Maintenance: computer systems	30	30	14	16	30
Maintenance: equipment and tools	34	25	25	9	25
Machinery	13	15	21	-8	13

Table 141: Capital Expenditure 2018/19: Financial and Administrative Services

3.20 HUMAN RESOURCE SERVICES

3.20.1 Introduction to Human Resources

Emthanjeni Municipality currently employs 329 (including non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of the Human Resource Management is to render an innovative Human Resource service that address both skills development and administrative support functions.

3.20.2 Highlights: Human Resources

The table below specifies the highlights for the year:

Highlights	Description
LGSETA discretionary grant application 2017/18 financial year	The Municipality awarded approval on projects and applied to LGSETA through our WSP 2017/18 submission and 29 of our employees are afforded the opportunity to receive training during this financial year
Appointment and promotion females	An additional female manager has been appointed and three others to supervisors' level
Personnel development	High number of officials who are enrolled in skills development programs

Table 142: Human Resources Highlights

3.20.3 Challenges: Human Resources

The table below specifies the challenges for the year:

Description	Actions to address
Management of leave	Create a system which track the leave application process
Absenteeism	Enforcing of disciplinary process
Payment of overtime	Managers who approve payment of overtime above the threshold will be held responsible
Rise on acting costs	Employer will monitor the fast tracking of disciplinary cases of officials who are on suspension and better manage number of leave days

Table 143: Human Resources Challenges

3.20.4 Employees: Human Resources

The following table indicates the staff composition for this division:

Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	1	0	1	100
7 - 9	1	1	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	3	2	1	33

Table 144: Employees: Human Resources

3.21 PROCUREMENT SERVICES

3.21.1 Highlights: Procurement Services

The table below specifies the highlights for the year:

Highlights	Description
T1/2018	Provision of security services to Emthanjeni Municipality
T2/2019	Tender for the supply of personal protective clothing

Table 145: Procurement Services Highlights

3.21.2 Challenges: Procurement Services

The table below specifies the challenges for the year:

Description	Actions to address
Central Supplier Database (CSD) is not accurate, especially on the status of tax clearance certificates of suppliers	National Treasury must give proper training for the utilisation of the CSD to officials of SCM so that they know how to utilise the system when facing problems on supplier information
Suppliers not registered on CSD	Awareness must be done on the importance of registering on the CSD
Too many deviation	Deviations must be minimised by sourcing goods and services by means of quotations

Table 146: Procurement Services Challenges

3.21.3 Service Statistics for Procurement Services

The table below specifies the service delivery levels for the year:

Description	Total
Requests processed	89
Orders processed	89
Requests cancelled or referred back	0
Extensions	0
Bids received (number of documents)	21
Bids awarded	2
Bids awarded ≤ R200 000	21
Appeals registered	0
Successful Appeals	0

Table 147: Service Statistics for Procurement Division

3.21.4 Details of Deviations for Procurement Services

Type of deviation	Number of deviations	Value of deviations R
Clause 36(1)(a)(i)- Emergency	14	R1 034 652.90
Clause 36(1)(a)(ii)- Sole Supplier	14	R1 034 652.90
Clause 36(1)(a)(iii)- Unique arts	0	0
Clause 36(1)(a)(v)- Impractical/impossible	0	0

Table 148: Statistics of Deviations from the SCM Policy

COMPONENT G: SERVICE DELIVERY PRIORITIES FOR 2018/19

The main development and service delivery priorities for 2019/20 forms part of the Municipality's Top Layer SDBIP for 2019/20 and are indicated in the table below:

3.22 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2019/20

3.22.1 Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL11	70% of the maintenance budget for Community Halls spent by 30 June 2020 ((Actual expenditure divided by the approved budget)x100)	% of approved Community Halls maintenance budget spent	All	70.00%
TL15	Sign a MOU with the Department of Defense by 30 June 2020 for support with fire brigade services	MOU signed by 30 June 2020	All	1
TL16	Review the disaster management plan that includes contingency plans and submit to Council by 30 June 2020	Disaster management plan reviewed and submitted to Council by 30 June 2020	All	1
TL21	Submit the draft By-law on Tuck Shops to Council by 30 June 2020	Draft By-law submitted Council	All	1
TL22	70% of approved budget spent by 30 June 2020 for the upgrading of buildings and fencing in the Emthanjeni municipal area {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	70.00%
TL23	Submit a business plan to potential funders for the upgrading of the Fire Brigade by 30 June 2020	Business plan submitted by 30 June 2020	All	1

Table 149: Service Delivery Priorities- Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties

3.22.2 Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL9	Review the Spatial Development Framework (SDF) and submit to Council by 30 June 2020	SDF submitted to Council by 30 June 2020	All	1
TL28	Provide free basic services to indigent households as at 30 June 2020	Number of indigent households receiving free basic services as at 30 June 2020	All	3 000

Table 150: Services Delivery Priorities - Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor

3.22.3 Development and transformation of the institution with the aim of capacitating the Municipality in meeting their objectives

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL2	The number of people from employment equity target groups employed (newly appointed) in the three highest levels of management in compliance	Number of people employed (newly appointed)	All	1

Ref	KPI	Unit of Measurement	Ward	Annual Target
	with the municipality's approved Employment Equity Plan by 30 June 2020			
TL3	0.5% of the personnel budget spent on training as per the approved Skills Development Plan by 30 June 2020 [(Actual total training expenditure/total personnel budget)x100]	% of the personnel budget spent on training by 30 June 2020	All	0.50%
TL6	Review the EEP and submit to the Portfolio Committee by 30 June 2020	EEP reviewed and submitted to the Portfolio Committee by 30 June 2020	All	1
TL7	Limit vacancy rate to 15% of budgeted posts by 30 June 2020 [(Number of funded posts vacant divided by budgeted funded posts)x100]	[(Number of funded posts vacant divided by budgeted funded posts)x100]	All	15.00%
TL8	Arrange a training session for all supervisors on general management by 30 June 2020	Number of training sessions held by 30 June 2020	All	1
TL14	Review the Delegation of Powers and submit to Council by 31 March 2020	Delegation of Powers reviewed and submitted to Council by 31 March 2020	All	1

Table 151: Services Delivery Priorities - Development and transformation of the institution with the aim of capacitating the Municipality in meeting their objective

3.22.4 Maintaining a financially sustainable and viable Municipality

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL30	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2020((Total operating revenue-operating grants received)/debt service payments due within the year))	Debt coverage	All	2.5
TL31	Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 (((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of outstanding service debtors	All	45.00%
TL32	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 (Available cash+ investments)/ Monthly fixed operating expenditure)	Number of months it takes to cover fix operating expenditure with available cash	All	0.6
TL33	Submit the annual financial statements to the Auditor-General by 31 August 2019	Statements submitted to the AG by 31 August 2019	All	0
TL34	Achievement of a payment percentage of above 70% quarterly {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	Payment % achieved	All	70.00%
TL35	Prepare and submit the adjustments budget to Council by the 28 February 2020	Adjustments budget submitted by 28 February 2020	All	0
TL36	Prepare and submit the draft budget to Council by 31 March 2020	Draft budget submitted by 31 March 2020	All	0
TL37	Prepare and submit the final budget to Council by 31 May 2020	Final budget submitted by 31 May 2020	All	1
TL38	70% of approved budget spent by 30 June 2020 for MSCOA project compliance {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	70.00%
TL39	70% of approved budget spent by 30 June 2020 for IT reform {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	70.00%

Table 152: Services Delivery Priorities - Maintaining a financially sustainable and viable Municipality

3.22.5 Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL1	Develop Risk based audit plan (RBAP) for 2020/21 and submit to the Audit Committee by 30 June 2020	RBAP for 2020/21 submitted to the Audit Committee by 30 June 2020	All	1
TL12	Establish a risk committee by 31 December 2019	Risk Committee established by 31 December 2019	All	0
TL13	Review the Risk Strategy and submit to the Risk Committee by 30 June 2020	Risk Strategy reviewed and submitted to the Risk Committee by 30 June 2020	All	1

Table 153: Services Delivery Priorities - Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality

3.22.6 Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL4	Submit a business proposal to council for a key small regeneration programme by 30 June 2020	Business proposal submitted to council by 30 June 2020	All	1
TL5	Establish a Youth Centre in Hanover by 30 June 2020	Youth Centre established by 30 June 2020	6	1
TL10	Host a LED summit by June 2020	LED summit hosted by 30 June 2020	All	1
TL40	Create temporary jobs - FTE's in terms of EPWP by 30 June 2020 (Person days / FTE (230 days))	Number of FTE's created	All	61

Table 154: Service Delivery Priorities - Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area

3.22.7 Provision of access to all basic services rendered to residents within the available resources

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL17	Conduct quarterly housing consumer education programs	Number of housing consumer education programs conducted	All	1
TL18	Conduct a quarterly verification of the housing needs register	Number of verification of the housing needs register conducted	All	1
TL19	Review the Human Settlement Plan and submit to Council by 30 June 2020	Human Settlement Plan reviewed and submitted to Council by 30 June 2020	All	1
TL20	70% of the maintenance budget of waste management spent by 30 June 2020 ((Actual expenditure divided by the approved budget)x100)	% of the budget spent ((Actual expenditure divided by the approved budget)x100)	All	70.00%
TL24	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2020	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2020	All	8 000
TL25	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2020	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2020	All	7 000
TL26	Number of formal residential properties connected to the municipal waste water sanitation/sewerage	Number of residential properties which are billed for sewerage as at 30 June 2020	All	8 000

Ref	KPI	Unit of Measurement	Ward	Annual Target
	network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2020			
TL27	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2020	Number of residential properties which are billed for refuse removal as at 30 June 2020	All	8 000
TL29	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2020 {(Actual amount spent on projects / Total amount budgeted for capital projects)X100}	% of capital budget spent by 30 June 2020	All	70.00%
TL41	70% of the water maintenance budget spent by 30 June 2020 ((Actual expenditure divided by the approved budget)x100)	% of approved water maintenance budget spent	All	70.00%
TL42	Limit % water unaccounted for quarterly to 22% [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / (Number of Kilolitres Water Purchased or Purified) x 100]	% water unaccounted for	All	22.00%
TL43	Achieve a 90% water quality quarterly as per SANS 241 requirements for all water sampling points	% water quality level	All	90.00%
TL44	70% of the waste water maintenance budget spent by 30 June 2020 ((Actual expenditure divided by the approved budget)x100)	% of approved waste water maintenance budget spent	All	70.00%
TL45	70% of the roads and stormwater maintenance budget spent by 30 June 2020 ((Actual expenditure divided by the approved budget)x100)	% of approved roads and stormwater maintenance budget spent	All	70.00%
TL46	Limit % electricity unaccounted for to 18% by 30 June 2020 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) x 100]	% of electricity unaccounted for	All	18.00%
TL47	70% of the recreational and swimming pool maintenance budget spent by 30 June 2020 ((Actual expenditure divided by the approved budget)x100)	% of approved recreational areas and swimming pool maintenance budget spent	All	70.00%
TL48	70% of the electricity maintenance budget spent by 30 June 2020 ((Actual expenditure divided by the approved budget)x100)	% of approved electricity maintenance budget spent	All	70.00%
TL49	70% of approved budget spent by 30 June 2020 for the upgrading of the Khwezi Sports Ground {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	6	70.00%
TL50	70% of approved budget spent by 30 June 2020 for the Stormwater Phase 3 {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	7	70.00%
TL51	70% of approved budget spent by 30 June 2020 for the construction of Nonzwakazi and De Aar East High Mast - Ph1 {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	3	70.00%
TL52	70% of approved budget spent by 30 June 2020 for the Waterdal refurbishment/upgrading of 6.6 KV to 11 KV Network {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	3	70.00%
TL53	70% of approved budget spent by 30 June 2020 for the construction of Oxidation Ponds in Britstown {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	7	70.00%

Ref	KPI	Unit of Measurement	Ward	Annual Target
TL54	70% of approved budget spent by 30 June 2020 for new vehicles {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	70.00%
TL55	70% of approved budget spent by 30 June 2020 for prepaid meters {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	70.00%
TL56	70% of approved budget spent by 30 June 2020 for new streets and resealing {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	70.00%

Table 155: Service Delivery Priorities - Provision of access to all basic services rendered to residents within available resources

CHAPTER 4

4.1 NATIONAL KEY PERFORMANCE INDICATORS - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area - Municipal Transformation and Organizational Development.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2017/18	2018/19
The percentage of a municipality's budget spent on implementing its workplace skills plan	0.22	0.06

Table 156: National KPIs- Municipal Transformation and Organisational Development

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality currently employs **329** (including non-permanent positions) and an approved organogram of **413** officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

a) Employment Equity targets/actual

African		Coloured		Indian		White	
Target June	Actual June	Target June	Actual June	Target June	Actual June	Target June	Actual June
0	132	0	182	0	0	0	5

Table 157: 2018/19 EE Targets/Actual by Racial Classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
0	231	0	8	87	2	0	0	0

Table 158: 2018/19 EE Targets/Actual by Gender Classification

b) Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers	14516	27644	116	3129	45404
% Population	31.97	60.88	0.25	6.89	100
Number for positions filled	131	182	0	5	318
% for Positions filled	41.19	57.23	0	1.57	100

Table 159: EE Population 2018/19 (including non-permanent officials)

c) Specific Occupational Categories - Race

The table below indicates the number of employees by race within the specific occupational categories:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	2	3	0	0	0	0	0	0	4
Senior management	4	1	0	1	2	0	0	0	8
Professionally qualified and experienced specialists and mid- management	9	1	0	1	8	6	0	0	23
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	13	24	0	3	3	13	0	0	55
Semi-skilled and discretionary decision making	15	36	0	0	8	14	0	0	74
Unskilled and defined decision making	52	68	0	0	15	16	0	0	151
Total permanent	95	133	0	5	36	49	0	0	318
Non- permanent employees	3	2	0	0	4	1	0	1	11
Total	98	135	0	5	40	50	0	1	329

Table 160: Occupational Categories

4.2.2 Vacancy Rate

The approved organogram for the Municipality has 413 positions for the 2018/19 financial year. The actual positions filled are 329. Therefore, 84 positions were vacant at the end of 2018/19, resulting in a vacancy rate of 20.3%.

4.2.3 Employee Turnover Rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the employee turnover rate within the Municipality. The rate shows a decrease from 5.9% in 2017/18 to 5.16% in 2018/19.

The table below indicates the employee turnover rate over the last two years:

Financial year	Total no appointments at the end of the financial year	New appointments	No Terminations during the year	Employee Turnover Rate
2017/18	340	23	20	5.9%
2018/19	329	17	18	5.16%

Table 161: Employee Turnover Rate

4.3 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analyzing and coordinating employee behavior.

4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The table below indicates the total number of injuries within the different directorates for 2017/18 and 2018/19:

Directorates	2017/18	2018/19
Office of the Municipal Manager	0	0
Corporate Services	0	0
Financial Services	0	1
Infrastructure Services	1	3
Community Services	2	2
Total	3	6

Table 162: Injuries

4.3.2 Sick Leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2018/19 financial year shows an increase when compared with the 2017/18 financial year.

The table below indicates the total number sick leave days taken within the different directorates:

Department	2017/18	2018/19
Office of the Municipal Manager	28	152
Corporate Services	232	643
Financial Services	270	426
Infrastructure Services	509	570
Community Services	964	1 706
Total	2 003	3 497

Table 163: Sick Leave

4.3.3 Human Resource Policies and Plans

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

The table below shows the Human Resource policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/ revised
Bursary Policy (Study Aid Policy)	25 June 2015
Bereavement Policy	17 March 2014

Approved policies	
Bursary Policy (Study Aid Policy)	25 June 2015
Cell Phone	21 January 2012
Education, Training and Development Policy	17 July 2014
Employee Health and Wellness Policy	11 November 2014
Employment Policy	31 August 2007
Essential Users Scheme policy	31 November 2012
Guidelines for Medical Surveillance	25 September 2015
Guidelines and Procedures on Injury on Duty	25 September 2015
Guidelines for Study Assistance Policy	10 May 2016
HIV/Aids	11 November 2014
Incapacity /Health	24 May 2004
Induction Training and Staff Orientation	14 March 2011
Internal Control: Salaries and Grants	6 January 2006
Language	9 August 2008
Overtime Policy	18 March 2016
Recruitment Policy	3 September 2015
Scarce Skills	31 November 2012
Sexual Harassment	31 August 2007
Skill Retention Policy	31 November 2012
Smoking Policy	31 December 2012
Study Assistance Policy	25 September 2014
Succession Planning and Career Pathing Policy	17 July 2014
Task Job Evaluation Policy	11 November 2014
Subsistence and Travelling	28 May 2015
Substance Abuse	11 November 2014
Task Job Evaluation Policy	11 November 2014
Uniform Protective Clothing	27 September 2007
Whistle Blowing Policy	26 January 2016

Table 164: Human Resource Policies and Plans

4.4 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.4.1 Skills Matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training (2018/19)
MM and S57	Female	0	0
	Male	0	0

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training (2018/19)
Legislators, senior officials and managers	Female	3	1
	Male	2	2
Associate professionals and Technicians	Female	0	0
	Male	1	0
Professionals	Female	0	0
	Male	0	0
Clerks	Female	8	3
	Male	1	0
Service and sales workers	Female	0	0
	Male	0	0
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	0	0
	Male	7	7
Elementary occupations	Female	3	2
	Male	11	9
Sub total	Female	14	9
	Male	23	18
Total		37	27

Table 165: Skills Matrix

4.4.2 Skills Development - Training Provided

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Skills programmes & other short courses
		Total
		Actual
MM and S57	Female	0
	Male	0
Legislators, senior officials and managers	Female	1
	Male	2
Professionals	Female	0
	Male	0
Technicians and associate professionals	Female	0
	Male	0
Clerks	Female	3
	Male	0
Service and sales workers	Female	0
	Male	0
Craft and related trade workers	Female	0

Occupational categories	Gender	Skills programmes & other short courses	
		Total	
		Actual	
	Male	0	
Plant and machine operators and assemblers	Female	0	
	Male	7	
Elementary occupations	Female	2	
	Male	9	
Sub total	Female	6	
	Male	18	
Total		24	

Table 166: Skills Development

4.4.3 MFMA Competencies

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, “(1) No municipality or municipal entity may, with effect 1 January 2013, employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations.”

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	1	1	1
Chief financial officer	1	1	1	1
Senior managers	2	2	2	2
Any other financial officials	2	2	2	2
Supply Chain Management Officials				
Heads of supply chain management units	1	1	1	1
Supply chain management senior managers	1	1	1	1
Total	8	8	8	8

Table 167: Budget Allocated and Spent for Skills Development

4.5 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.5.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the municipality is well within the national norm of between 35% to 40%:

Financial year	Total Expenditure Salary and Allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2017/18	76 134	263 733	28.87
2018/19	74 073	328 359	23%

Table 168: Personnel Expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2017/18	2018/19		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers plus Other)				
Salary	3 525	3 840	3 840	3 653
Pension Contributions	0	0	0	0
Medical Aid Contributions	0	0	0	0
Motor vehicle allowance	1 101	1 381	1 381	1 141
Cell phone allowance	666	564	564	664
Housing allowance	0	0	0	0
Other benefits or allowances	0	55	55	0
In-kind benefits	0	0	0	0
Sub Total	5 292	5 840	5 840	5 458
Senior Managers of the Municipality				
Salary	3 214	4 259	4 259	3 407
Pension Contributions	497	616	616	472
Medical Aid Contributions	735	74	74	138
Motor vehicle allowance	635	770	770	738
Cell phone allowance	145	305	305	200
Housing allowance	0	0	0	0.00
Performance Bonus	497	0	0	196
Other benefits or allowances	281	76	76	373
In-kind benefits	0	0	0	0
Sub Total	6 004	6 100	6 100	5 524
Other Municipal Staff				

Financial year	2017/18	2018/19		
Description	Actual	Original Budget	Adjusted Budget	Actual
Basic Salaries and Wages	50 749	56 858	56 858	54 773
Pension Contributions	8 180	11 865	11 865	8 944
Medical Aid Contributions	1 424	2 042	2 042	2 438
Motor vehicle allowance	906	1 882	1 882	1 032
Cell phone allowance	122	232	232	115
Housing allowance	632	863	863	443
Overtime	4 200	1 334	1 334	4 361
Other benefits or allowances	2 208	1 115	1 115	1 670
Sub Total	68 421	76 190	76 190	73 776
Total	79 717	88 130	88 130	84 758

Table 169: Personnel Expenditure

CHAPTER 5

This chapter provides details regarding the financial performance of the Municipality for the 2018/19 financial year.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the Municipality.

5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2018/19 financial year:

The table below shows a summary of performance against budgets:

Financial Summary						
R'000						
Description	2017/18	2018/19			2018/19 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	31,790	29,289	29,289	33,191	11.76	11.76
Service charges	117,824	115,055	115,055	119,871	4.02	4.02
Investment revenue	1,468	987	987	1,955	49.51	49.51
Transfers recognised - operational	75,392	98,262	96,161	68,651	-43.13	-40.07
Other own revenue	1,767	28,154	28,154	1,527	-1744.11	-1744.11
Total Revenue (excluding capital transfers and contributions)	228,242	271,748	269,647	225,195	-20.67	-19.74
Employee costs	76,915	82,291	82,859	74,073	-11.09	-11.86
Remuneration of councillors	5,335	6,788	5,815	5,502	-23.37	-5.69
Depreciation & asset impairment	87,802	16,600	16,600	115,657	85.65	85.65
Finance charges	8,207	1,429	1,429	14,256	89.98	89.98
Materials and bulk purchases	72,215	86,805	86,805	75,195	-15.44	-15.44
Transfers and grants	394	0	0	410	100.00	100.00
Other expenditure	34,148	51,107	51,038	43,267	-18.12	-17.96
Total Expenditure	285,017	245,020	244,546	328,359	25.38	25.52
Surplus/(Deficit)	(56,775)	26,728	25,101	(103,164)	125.91	124.33
Transfers recognised - capital		52,190	52,190	22,359	-133.42	-133.42
Contributions recognised - capital & contributed assets	0	0	0	0	0	0
Surplus/(Deficit) after capital transfers & contributions	(56,775)	78,918	77,291	(80,806)	197.66	195.65
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	30,017	49,549	47,448	22,359	-121.61	-112.21
Public contributions & donations	0	0	0	0	0	0
Borrowing	45	0	0	594	100.00	100.00

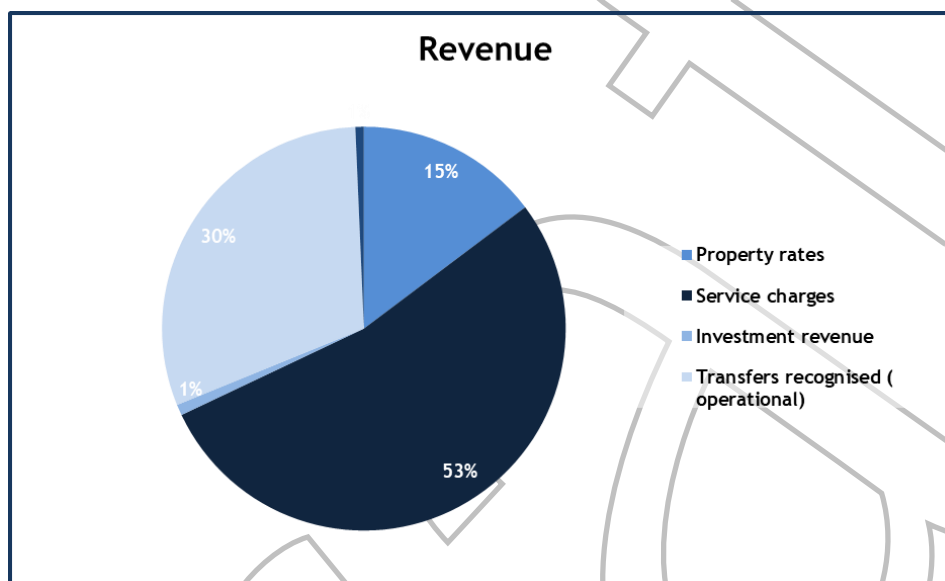
Financial Summary						
R'000						
Description	2017/18	2018/19			2018/19 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Internally generated funds	2,250	5,643	5,643	269	-1998.63	-1998.63
Total sources of capital funds	32,312	55,192	53,091	23,222	-137.67	-128.63
Financial position						
Total current assets	84,383	67,257	65,156	86,897	22.60	25.02
Total non-current assets	860,283	1,143,852	1,141,751	825,632	-38.54	-38.29
Total current liabilities	94,449	55,647	55,647	144,330	61.44	61.44
Total non-current liabilities	83,830	37,143	37,143	85,010	56.31	56.31
Community wealth/Equity	766,386	1,118,319	1,114,117	683,189	-63.69	-63.08
Cash flows						
Net cash from (used) operating	36,085	52,646	50,545	40,657	-29.49	-24.32
Net cash from (used) investing	(32,535)	(54,408)	(52,307)	(23,255)	-133.96	-124.93
Net cash from (used) financing	(3,391)	98	98	(3,213)	103.05	103.05
Cash/cash equivalents at the year end	159	(1,664)	(1,664)	14,188	111.73	111.73
Cash backing/surplus reconciliation						
Cash and investments available	2,971	1,007	2,893	0	0	0
Application of cash and investments	24,108	(7,947)	(4,964)	0	0	0
Balance - surplus (shortfall)	27,079	(6,940)	(2,071)	0	0	0
Asset management						
Asset register summary (WDV)	776,195	1,091,142	1,087,315	744,419	-46.58	-46.06
Depreciation & asset impairment	87,802	9,599	9,599	115,657	91.70	91.70
Renewal of Existing Assets	6,790	6,246	6,246	0	0	0
Repairs and Maintenance	12,251	21,104	21,104	12,489	-68.98	-68.98
Free services						
Cost of Free Basic Services provided	0	0	0	0	0	0
Revenue cost of free services provided	0	23,782	23,782	0	0	0
Households below minimum service level						
Water:	3,622	1,288	1,288	4,056	68.24	68.24
Sanitation/sewerage:	5,479	1,297	1,297	6,037	78.52	78.52
Energy:	501	1,067	1,067	580	-83.80	-83.80
Refuse:	3,686	1,176	1,176	4,101	71.33	71.33
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 170: Financial Performance 2018/19

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2017/18	253,448	241,696	(11,752)	-5	188,280	252,705	(64,424)	-34
2018/19	277,882	245,162	(32,720)	-12	191,344	305,137	(113,793)	-59

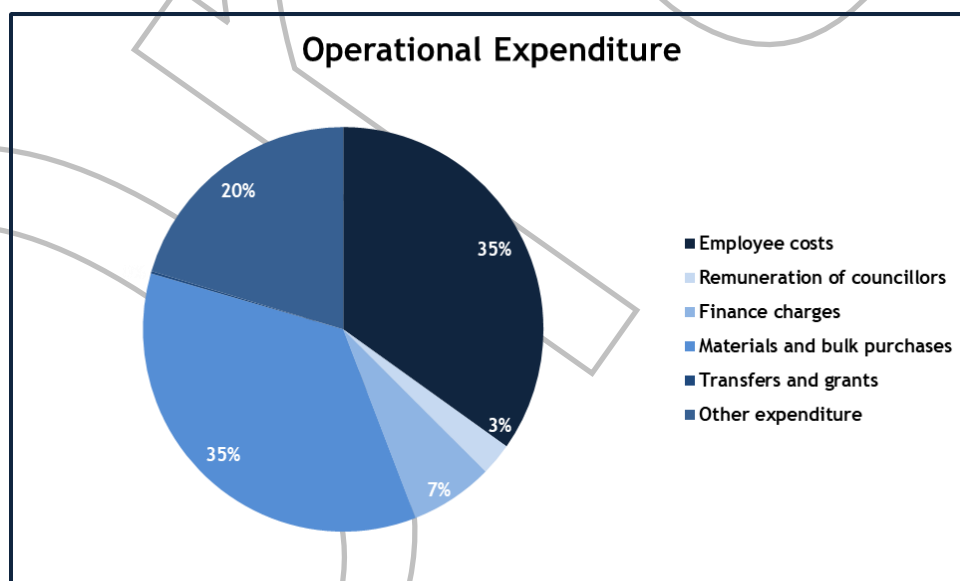
Table 171: Performance Against Budgets

The following graph indicates the various types of revenue items in the municipal budget for 2018/19



Graph 2: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2018/19



Graph 3: Operating Expenditure

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5.1.1 Revenue collection by Vote

The table below indicates the Revenue collection performance by Vote:

Vote Description	2017/18	2018/19			2018/19 % Variance	
	Actual(Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Vote 1 - Executive and Council	5,016	4,545	4,545	4,967	8.51	8.51
Vote 2 - Finance and Administration	50,983	49,418	49,418	54,631	9.54	9.54
Vote 3 - Planning and Development	1,000	13,087	10,986	1,003	-1205.32	-995.77
Vote 4 - Health	1	0	0	1	100.00	100.00
Vote 5 - Community and Social Service	1,777	1,542	1,542	1,546	0.25	0.25
Vote 6 - Public Safety	10,701	5,096	5,096	16,633	69.36	69.36
Vote 7 - Sport and Recreation	148	173	173	115	-50.05	-50.05
Vote 8 - Road Transport	14,088	505	505	9,765	94.83	94.83
Vote 9 - Other	0	0	0	0	0	0
Vote 10 - Housing Service	968	46	46	713	93.55	93.55
Vote 11 - Waste Management	0	15,950	15,950	11,897	-34.07	-34.07
Vote 12 - Waste Water Management	27,388	27,106	27,106	21,153	-28.14	-28.14
Vote 13 - Electricity	83,532	86,713	86,713	82,330	-5.32	-5.32
Vote 14 - Water	46,094	75,802	75,802	40,472	-87.29	-87.29
Total Revenue by Vote	241,696	279,983	277,882	245,225	-14.17	-13.32

Table 172: Revenue by Vote

5.1.2 Revenue collection by Source

The table below indicates the revenue collection performance by source for the 2018/19 financial year:

Description	2017/18	2018/19			2018/19 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Property rates	31,790	29,289	29,289	33,191	11.76	11.76
Property rates - penalties & collection charges	388	0	0	561	100.00	100.00
Service Charges - electricity revenue	73,251	56,141	56,141	75,121	25.27	25.27
Service Charges - water revenue	25,951	30,063	30,063	25,543	-17.69	-17.69
Service Charges - sanitation revenue	11,865	18,334	18,334	12,300	-49.06	-49.06
Service Charges - refuse revenue	6,273	10,517	10,517	6,421	-63.80	-63.80
Service Charges - other	484	0	0	487	100.00	100.00
Rentals of facilities and equipment	852	833	833	842	1.10	1.10
Interest earned - external investments	1,468	987	987	1,955	49.51	49.51
Interest earned - outstanding debtors	1,093	1,335	1,335	1,506	11.40	11.40
Dividends received	0	0	0	0	0	0
Fines	9,202	3,760	3,760	15,775	76.17	76.17
Licences and permits	1,630	2,108	2,108	1,281	-64.62	-64.62

Description	2017/18	2018/19			2018/19 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Agency services	0	0	0	0	0	0
Transfers recognised - operational	45,461	44,272	44,272	46,292	4.36	4.36
Other revenue	1,970	28,154	28,154	1,528	-1742.71	-1742.71
Gains on disposal of PPE	0	200	200	0	0	0
Total Revenue (excluding capital transfers and contributions)	211,678	225,993	225,993	222,803	-1.43	-1.43
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4						

Table 173: Revenue by Source

5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2018/19 financial year:

Financial Performance of Operational Services						
Description	2017/18	2018/19			2018/19 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Water	29,597	16,073	16,073	44,078	63.53	63.53
Waste Water (Sanitation)	21,709	17,300	17,300	30,478	43.24	43.24
Electricity	96,038	86,420	86,420	128,232	32.61	32.61
Waste Management	15,178	14,035	14,035	26,930	47.88	47.88
Housing	3,672	2,420	2,420	3,792	36.20	36.20
Component A: sub-total	166,194	136,247	136,247	233,511	41.65	41.65
Roads and Stormwater	22,654	18,032	18,032	10,223	-76.39	-76.39
Component B: sub-total	22,654	18,032	18,032	10,223	-76.39	-76.39
Planning and Building Control	0	0	0	0	0	0
Local Economic Development	0	0	0	0	0	0
Tourism	0	0	0	0	0	0
Component C: sub-total	0	0	0	0	0	0
Libraries	0	0	0	0	0	0
Cemeteries	0	0	0	0	0	0
Child Care, Aged Care, Social Programmes	0	0	0	0	0	0
Component D: sub-total	0	0	0	0	0	0
Environmental Protection	0	0	0	0	0	0
Component E: sub-total	0	0	0	0	0	0
Traffic Services and Law Enforcement	0	0	0	0	0	0
Component F: sub-total	0	0	0	0	0	0
Sport and Recreation	0	0	0	0	0	0

Financial Performance of Operational Services						
Description	2017/18	2018/19			2018/19 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Component G: sub-total	0	0	0	0	0	0
Financial Services	0	0	0	0	0	0
Corporate Services	0	0	0	0	0	0
Other	0	0	0	0	0	0
Component H: sub-total	0	0	0	0	0	0
Total Expenditure	188,849	154,279	154,279	243,734	36.70	36.70
In this table operational income (but not levies or tariffs) is offset ageist operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 174: Operational Services Performance

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below indicate the financial performance per municipal function:

5.2.1 Water Services

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	46,094	75,802	75,802	40,472	-87.29
Expenditure:					
Employees	2,784	2,923	2,923	2,665	-9.69
Repairs and Maintenance	648	1,764	1,764	522	-237.74
Other	26,165	11,385	11,385	40,891	72.16
Total Operational Expenditure	29,597	16,073	16,073	44,078	63.53
Net Operational (Service) Expenditure	16,496	59,729	59,729	(3,607)	1756.09
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 175: Financial Performance: Water Services

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5.2.2 Waste Water (Sanitation)

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	27,388	27,106	27,106	21,153	-28.14
Expenditure:					
Employees	4,895	5,300	5,300	4,993	-6.15
Repairs and Maintenance	226	6,272	6,272	16,265	61.44
Other	16,932	5,728	5,728	9,221	37.88
Total Operational Expenditure	22,053	17,300	17,300	30,478	43.24
Net Operational (Service) Expenditure	5,335	9,806	9,806	(9,325)	205.17
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 176: Financial Performance: Waste Water (Sanitation) Services

5.2.3 Electricity

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	83,532	86,713	86,713	82,330	-5.32
Expenditure:					
Employees	6,977	6,473	6,473	7,745	16.42
Repairs and Maintenance	2,188	2,730	2,730	27,219	89.97
Other	87,371	77,216	77,216	93,269	17.21
Total Operational Expenditure	96,535	86,420	86,420	128,232	32.61
Net Operational (Service) Expenditure	(13,003)	293	293	(45,903)	100.64
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 177: Financial Performance: Electricity

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5.2.4 Waste Management

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	11,168	15,950	15,950	11,897	-34.07
Expenditure:					
Employees	7,157	7,867	7,867	8,471	7.13
Repairs and Maintenance	220	868	868	6,387	86.41
Other	5,138	5,300	5,300	12,073	56.10
Total Operational Expenditure	12,515	14,035	14,035	26,930	47.88
Net Operational (Service) Expenditure	(1,348)	1,916	1,916	(15,033)	112.74
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 178: Financial Performance: Waste Management

5.2.5 Housing

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	968	46	46	713	93.55
Expenditure:					
Employees	2,188	2,145	2,145	2,178	1.49
Repairs and Maintenance	20	40	40	943	95.78
Other	700	234	234	672	65.09
Total Operational Expenditure	2,908	2,420	2,420	3,792	36.20
Net Operational (Service) Expenditure	(1,940)	(2,374)	(2,374)	(3,079)	22.91
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 179: Financial Performance: Housing

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5.2.6 Roads and Stormwater

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	14,088	505	505	9,765	94.83
Expenditure:					
Employees	7,950	8,899	8,899	7,968	-11.68
Repairs and Maintenance	725	1,754	1,754	832	-110.69
Other	1,273	7,380	7,380	1,422	-418.96
Total Operational Expenditure	9,949	18,032	18,032	10,223	-76.39
Net Operational (Service) Expenditure	4,140	(17,527)	(17,527)	(458)	-3726.55
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 180: Financial Performance: Roads and Stormwater

5.2.7 LED

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	3,306	4,331	4,331	3,898	-11.12
Repairs and Maintenance	0	10	10	0	0
Other	105	1,403	1,403	227	-519.28
Total Operational Expenditure	3,411	5,744	5,744	4,124	-39.27
Net Operational (Service) Expenditure	(3,411)	(5,744)	(5,744)	(4,124)	-39.27
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 181: Financial Performance: LED

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5.2.8 Planning (Development Management, Spatial Planning and Environmental Management, Building Control, And Property Management)

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	1,000	13,087	10,986	1,003	-1205.32
Expenditure:					
Employees	3,554	3,263	3,263	3,801	14.14
Repairs and Maintenance	1,481	5,799	5,799	4,826	-20.15
Other	5,841	2,030	2,030	6,102	66.73
Total Operational Expenditure	10,875	11,092	11,092	14,729	24.69
Net Operational (Service) Expenditure	(9,875)	1,995	(106)	(13,726)	114.53
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 182: Financial Performance: Planning

5.2.9 Tourism

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	1,020	436	436	1,127	61.28
Repairs and Maintenance	0	69	69	0	0
Other	240	192	192	61	-212.72
Total Operational Expenditure	1,260	697	697	1,188	41.36
Net Operational (Service) Expenditure	(1,260)	(697)	(697)	(1,188)	41.36
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 183: Financial Performance: Tourism

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5.2.10 Libraries

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	12	693	693	14	-4842.59
Expenditure:					
Employees	2,950	3,626	3,626	3,022	-20.00
Repairs and Maintenance	6	23	23	11	-107.54
Other	1,221	1,566	1,566	981	-59.59
Total Operational Expenditure	4,177	5,215	5,215	4,014	-29.92
Net Operational (Service) Expenditure	(4,165)	(4,522)	(4,522)	(4,000)	-13.05
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 184: Financial Performance: Libraries

5.2.11 Cemeteries

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	394	559	559	351	-59.57
Expenditure:					
Employees	646	648	648	898	27.77
Repairs and Maintenance	6	0	0	0	0
Other	423	301	301	558	46.07
Total Operational Expenditure	1,076	949	949	1,456	34.78
Net Operational (Service) Expenditure	(682)	(390)	(390)	(1,105)	64.72
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 185: Financial Performance: Cemeteries

5.2.12 Traffic Services and Law Enforcement

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	10,672	5,096	5,096	16,633	69.36
Expenditure:					
Employees	5,145	5,599	5,599	5,148	-8.74
Repairs and Maintenance	156	534	534	168	-216.91
Other	1,978	3,397	3,397	2,332	-45.68
Total Operational Expenditure	7,280	9,530	9,530	7,649	-24.59
Net Operational (Service) Expenditure	3,393	(4,434)	(4,434)	8,984	149.35
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 186: Financial Performance: Traffic Services and Law Enforcement

5.2.13 Swimming Pools and Sport Grounds

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	46	173	173	115	-50.05
Expenditure:					
Employees	3,458	4,006	4,006	3,909	-2.47
Repairs and Maintenance	238	421	421	292	-43.99
Other	597	806	806	671	-20.09
Total Operational Expenditure	4,293	5,233	5,233	4,873	-7.39
Net Operational (Service) Expenditure	(4,247)	(5,060)	(5,060)	(4,758)	-6.35
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 187: Financial Performance: Swimming Pools and Sport Grounds

Annual Report



5.2.14 Corporate Services

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	66	58	58	80	27.41
Expenditure:					
Employees	6,874	7,563	7,563	7,791	2.93
Repairs and Maintenance	321	263	263	63	-319.18
Other	4,578	263	263	7,392	96.45
Total Operational Expenditure	11,773	8,088	8,088	15,246	46.95
Net Operational (Service) Expenditure	(11,707)	(8,030)	(8,030)	(15,165)	47.05
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 188: Financial Performance: Corporate Services

5.2.15 Financial Services

Description	2017/18	2018/19			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	50,519	49,359	49,359	54,550	9.52
Expenditure:					
Employees	10,057	10,671	10,671	10,931	2.38
Repairs and Maintenance	714	1,173	1,173	577	-103.11
Other	15,947	6,615	6,615	11,382	41.88
Total Operational Expenditure	26,718	18,459	18,459	22,891	19.36
Net Operational (Service) Expenditure	23,801	30,901	30,901	31,660	2.40
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 189: Financial Performance: Financial Services

5.3 GRANTS

5.3.1 Grant Performance

Description	2017/18	2018/19			2018/19 Variance	
	Actual (Audited Outcome)	Budget	Adjust-ments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Operating Transfers and Grants						
National Government:	69,624	52,789	52,789	26,485	-99.32	-99.32
Local Government Equitable Share	37,094	0	0	0	0	0
Finance Management	1,700	1,700	1,700	1,700	0	0
Municipal Systems Improvement	0	0	0	0	0	0
EPWP Incentive	923	1,000	1,000	1,000	0	0
Municipal Infrastructure Grant	12,700	9,900	9,900	9,725	-1.80	-1.80
Integrated National Electrification Program	6,579	4,000	4,000	4,000	0.00	0.00
Regional Bulk Infrastructure grant	0	26,689	26,689	1,609	-1558.31	-1558.31
Water Services Infrastructure grant	10,628	9,500	9,500	8,451	-12.41	-12.41
Provincial Government:	2,080	1,373	1,373	1,373	0	0
Housing	1,194	680	680	680	0	0
Library Grant	886	693	693	693	0	0
Total Operating Transfers and Grants	71,704	54,162	54,162	27,858	-94.42	-94.42
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 190: Grant Performance for 2018/19

5.3.2 Conditional Grants

Details	2017/18	2018/19			2018/19 Variance	
	Actual	Budget	Adjusted Budget	Actual	Variance	
	R'000				Budget	Adjusted Budget
					%	
Finance Management	1,700	1,700	1,700	1,700	0	0
EPWP Incentive	923	1,000	1,000	1,000	0	0
Municipal Infrastructure Grant	12,700	9,900	9,900	9,725	-1.80	-1.80
Integrated National Electrification Program	6,579	4,000	4,000	4,000	0.00	0.00
Regional Bulk Infrastructure Grant	0	26,689	26,689	1,609	-1558.31	-1558.31
Water Service Infrastructure Grant	10,628	9,500	9,500	8,451	-12.41	-12.41
Housing	1,194	680	680	680	0	0
Library Grant	0	693	693	693	0	0
Total	33,725	54,162	54,162	27,858	-94.42	-94.42

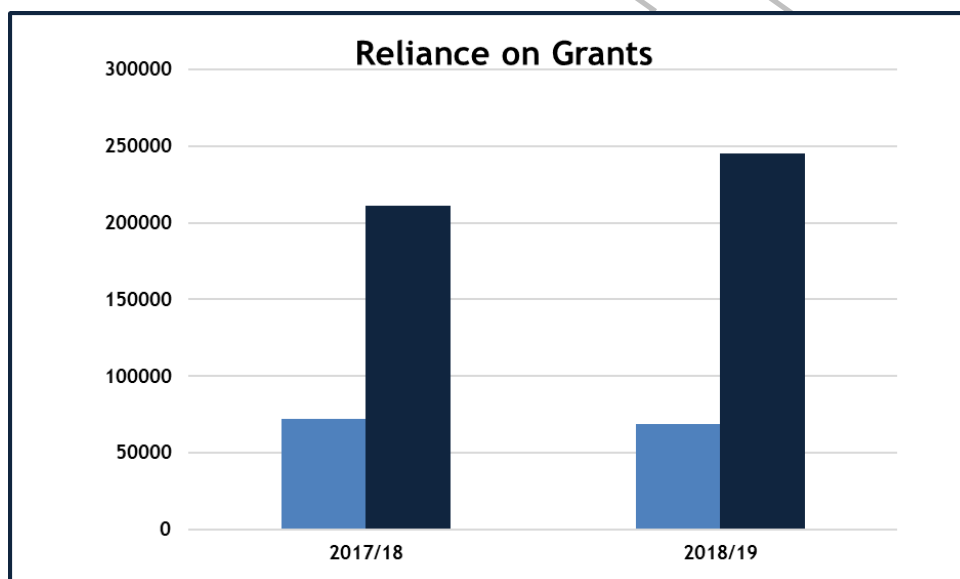
Table 191: Conditional Grant

5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2017/18	71 704	211 216	33.95
2018/19	68,651	245,162	28.00

Table 192: Reliance on Grants

The following graph indicates the municipality's reliance on grants as percentage for the last two financial years



Graph 4: Reliance on Grants

5.4 ASSET MANAGEMENT

5.4.1 Three Largest Assets

Asset 1		
Name	Landfill Site: De Aar	
Description	Landfill Site	
Asset Type	Infrastructure Assets	
Key Staff Involved	Chris Appies	
Asset Value as at 30 June 2019	2017/18 R million	2018/19 R million
	26,846	24,161
Capital Implications	N/A	
Future Purpose of Asset	Landfill Site	
Describe Key Issues	N/A	
Policies in Place to Manage Asset	Asset Management Policy	

Table 193: Asset 1

Asset 2	
Name	De Aar East Reservoir

Description	Storage	
Asset Type	Infrastructure Assets	
Key Staff Involved	Chris Hendricks	
Asset Value as at 30 June 2019	2017/18 R million	2018/19 R million
	11,665	11,123
Capital Implications	N/A	
Future Purpose of Asset	Storage of Water	
Describe Key Issues	N/A	
Policies in Place to Manage Asset	Asset Management Policy	

Table 194: Asset 2

Asset 3		
Name	De Aar West Reservoir	
Description	Storage	
Asset Type	Infrastructure Assets	
Key Staff Involved	Chris Hendricks	
Asset Value as at 30 June 2018	2017/18 R million	2018/19 R million
	8,609	7,994
Capital Implications	N/A	
Future Purpose of Asset	Storage of Water	
Describe Key Issues	N/A	
Policies in Place to Manage Asset	Asset Management Policy	

Table 195: Asset 3

5.4.2 Repairs and Maintenance

Description	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			%
Repairs and Maintenance Expenditure	12,251	21,991	21,881	12,489	-75.20

Table 196: Repairs & Maintenance

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 Liquidity Ratio

Description	Basis of calculation	2017/18	2018/19
Current Ratio	Current assets/current liabilities	0.60	0.89
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.86	0.58
Liquidity Ratio	Monetary assets/current liabilities	0.14	0.25

Table 197: Liquidity Financial Ratio

The current ratio indicates a Council's ability to meet its financial obligations such as payment for goods and services supplied. A ratio of 1:1 indicates that unrestricted current assets are available on hand to meet unrestricted current liabilities. It is furthermore an indication of a Council's solvency.

5.5.2 IDP Regulation Financial Viability Indicators

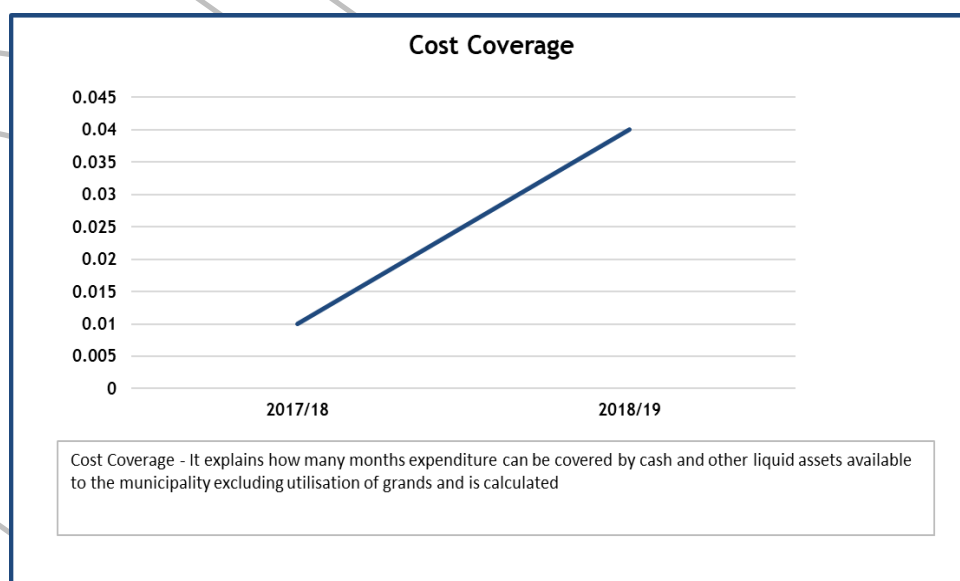
Description	Basis of calculation	2017/18	2018/19
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.54	1.30
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.48	0.23
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	0.01	0.04

Table 198: Financial Viability National KPAs

a) Cost Coverage

This ratio indicates the Municipality's ability to meet its short-term (monthly) expenditures. It takes into consideration all available cash at a particular time including income from investments. The ratio has to be in excess of 1:1. Strict application of the Credit Control Policy and measures implemented to collect outstanding debtors should improve the ratio. However, this ratio should be read in conjunction to other ratios.

The following graph indicates the cost coverage financial viability indicator:

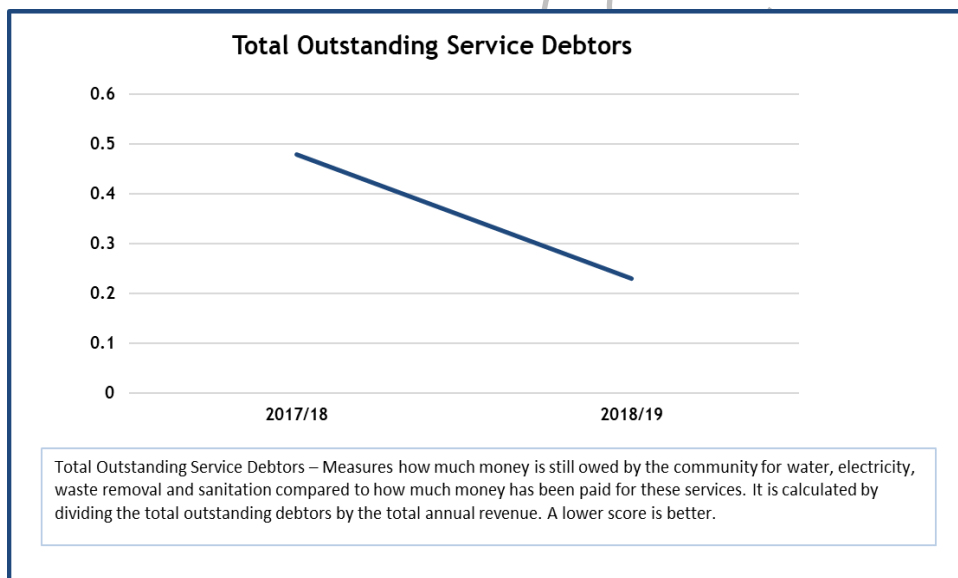


Graph 5: Cost Coverage

b) Outstanding Service Debtors to Revenue

This ratio indicates how effective revenue collection is being executed by the Municipality. The Municipality should continuously enhance revenue collection mechanisms and enforce debt collection policies.

The following graph indicates the outstanding service to revenue financial viability indicator:

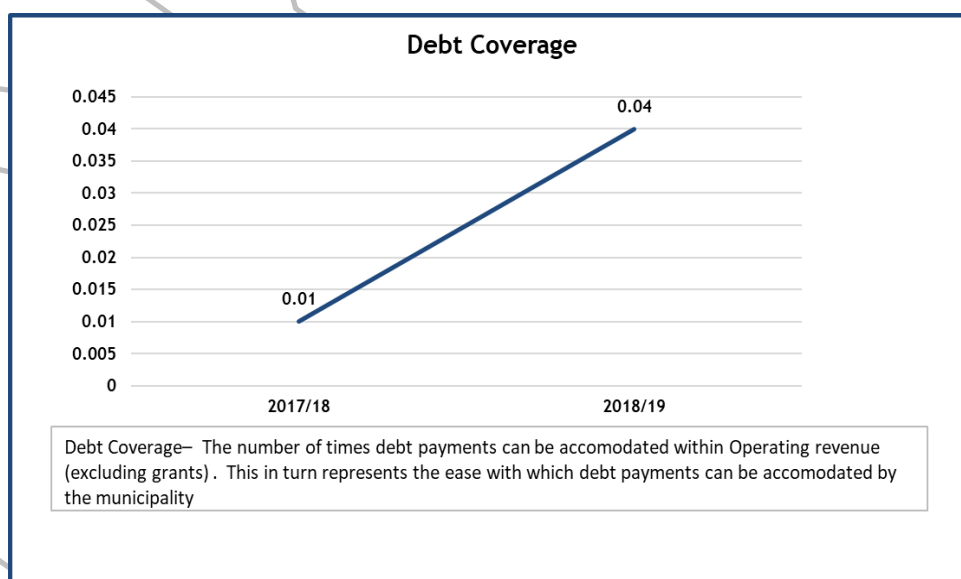


Graph 6: Total Outstanding Service Debtors

c) Debt Coverage

The debt coverage ratio shows the Municipality's ability to service its debt payments. A debt coverage ratio of 2 is generally considered acceptable assuming the other tests of safety have been met. The higher the debt service ratio, the lower the risk.

The following graph indicates the debt coverage financial viability indicator:



Graph 7: Debt Coverage

5.5.3 Borrowing Management

Description	Basis of calculation	2017/18	2018/19
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	0.01	0.01

Table 199: Borrowing Management

5.5.4 Employee costs

Description	Basis of calculation	2017/18	2018/19
Employee costs	Employee costs / (Total Revenue - capital revenue)	36%	33%

Table 200: Employee Costs

The ratio gives an indication of the total percentage paid on employee cost. The ratio decreased from 36% in 2017/18 to 33% in 2018/19.

5.5.5 Repairs & Maintenance

Description	Basis of calculation	2017/18	2018/19
Repairs & Maintenance	R&M (Total Revenue excluding capital revenue)	6%	6%

Table 201: Repairs & Maintenance

The ratio gives an indication of the total percentage paid on repairs and maintenance. The Municipality should consider maintaining their assets as impairments of these assets might have an effect on service delivery and should increase repairs and maintenance to at least the 8% norm.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 SOURCES OF FINANCE

5.6.1 Capital Expenditure: Funding Sources

The table below indicates the capital expenditure by funding source for the 2018/19 financial year:

Capital Expenditure: Funding Sources						
Details	2017/18	2018/19				
	<i>Audited outcome</i>	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of Finance						
Description	R'000				%	
External loans	0	0	0	0	0	0
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies	11,505	47,448	47,448	22,359	0.00	-52.88
Own funding	6,834	5,643	5,643	269	0.00	-95.23
Total	18,339	53,091	53,091	22,628	0.00	-134.63
Percentage of Finance						
External loans	0	0	0	0		
Public contributions and donations	0	0	0	0		
Grants and subsidies	63	89	89	99		
Own funding	37	11	11	1		
Capital Expenditure						
Description	R'000				%	
Water and sanitation	498	34,969	34,969	8,765	0	-74.94
Electricity	6,923	4,270	6,270	3,831	46.84	-38.90
Housing	0	0	0	0	0	0
Roads and Stormwater	13,658	13,370	9,527	9,027	-28.74	-5.25
Other	11,234	2,583	2,325	1,599	-9.99	-31.23
Total	32,312	55,192	53,091	23,222	-3.96	-137.67
Percentage of Expenditure						
Water and sanitation	2	63	66	38		
Electricity	21	8	12	16		
Housing	0	0	0	0		
Roads and stormwater	42	24	18	39		
Other	35	5	4	7		

Table 202: Capital Expenditure by Funding Source

5.6.2 Capital Spending on Largest Capital Projects

Name of Project	2018/19				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
Emthanjeni Storm Water Phase 2	11,401	R9,300	9,133	(0.02)	0
Construction of Sewer Reticulation and Pump Station for Britstown	8,588	R0.00	8,552	0	0
Construction of Britstown Oxidation Ponds	26,700	R0.00	1,609	(1.56)	0
Refurbishment of De Aar Boreholes	912	R0.00	735	(0.02)	0
Wartedal Refurbishment/upgrading of 6.6 KV to 11 KV Network	1,800	R0.00	1,800	0	0
Nonzwakazi 5mva Transformer Upgrade	2,200	R0.00	2,200	0	0
Tarring of Piet Moos Street	1,000	R0.00	1,000	0	0
Name of Project - A	Construction of Britstown Oxidation Ponds				
Objective of Project	To increase the capacity of WWTW in Britstown. To produce effluent that complies with DWS regulations. To relocate the existing WWTW that is causing health risk and not complying with the minimum stipulated				
Delays	The project was delayed due to late procurement of the contractor				
Future Challenges	Labour unrest, inclement weather				
Anticipated citizen benefits	Provision of basic services to the community				
Name of Project - B	Emthanjeni Stormwater phase 2				
Objective of Project	To address the challenge of flooding during rain				
Delays	Labour unrest, inclement weather				
Name of Project - C	Construction of Sewer Reticulation and Pump Station for Britstown				
Objective of Project	eradicate bucket system				
Delays	None				
Name of Project - D	Refurbishment of De Aar Boreholes				
Objective of Project	Water supply				
Delays	Manufacturing of the steel tank				
Name of Project - E	Tarring of Piet Moos Street				
Objective of Project	To reduce the number of gravel roads in Emthanjeni				
Delays	None				
Name of Project - F	Wartedal Refurbishment/upgrading of 6.6 KV to 11 KV Network				
Objective of Project	To upgrade the electrical network				
Delays	None				
Name of Project - G	Nonzwakazi 5mva Transformer Upgrade				
Objective of Project	To increase the capacity of the electricity supply				
Delays	None				

Table 203: Capital Spending on Largest Capital Projects

5.6.3 Municipal Infrastructure Grant (MIG) Expenditure on Service Backlogs

The table below indicates the MIG Expenditure on Service Backlogs:

MIG Expenditure on Service Backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustment Budget
	R'			%	%
Roads: Storm Water	10,579,977	9,900,000	7,933,229	-33.36	-24.79
Total					
* MIG is a government grant program designed to fund a reduction in service backlogs mainly: Water; Sanitation; Roads; Electricity. Expenditure on new upgraded and renewed infrastructure. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.					

Table 204: MIG Expenditure on Service Backlogs

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

5.7 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2017/18	2018/19		
	<i>Audited Outcome</i>	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flow from operating activities				
Receipts				
Ratepayers and other	129,524	170,059	170,059	130,756
Government - operating	74,704	44,272	44,272	94,545
Government - capital	0	53,990	51,889	0
Interest	1,468	2,055	2,055	1,955
Dividends	0	0	0	0
Payments				
Suppliers and employees	(165,782)	(216,301)	(216,301)	(181,080)
Finance charges	(4,002)	(1,428)	(1,429)	(5,518)
Transfers and Grants	0	0	0	0
Net cash from/(used) operating activities	35,911	52,647	50,545	40,657
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	97	200	200	(2)
Decrease (increase) in non-current debtors	0	0	0	0
Decrease (increase) other non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0

Cash Flow Outcomes				
R'000				
Description	2017/18	2018/19		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Payments				
Capital assets	(32,461)	(54,608)	(52,507)	(23,253)
Net cash from/(used) investing activities	(32,364)	(54,408)	(52,307)	(23,255)
Cash flows from financing activities				
Receipts				
Short term loans	0	98	98	0
Borrowing long term/refinancing	45	3,527	3,527	594
Payments				
Repayment of borrowing	(3 046)	0	(3 433)	(3 433)
Net cash from/(used) financing activities	(3,433)	(3,527)	(3,527)	(3,808)
Net increase/ (decrease) in cash held	(3,388)	98	98	(3,213)
Cash/cash equivalents at the year begin:	159	(1,664)	(1,664)	14,188
Cash/cash equivalents at the yearend:	2,784	2,944	2,944	2,944

Table 205: Cash Flow

5.8 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000					
2017/18	41,291	91,080	51,723	1,479	101,163	286,736
2018/19	45,757	63,483	38,531	1,595	113,889	263,254
Difference	4,465	(27,597)	(13,192)	116	12,726	(23,482)
% growth year on year	11	-30	-26	8	13	-8
Note: Figures exclude provision for bad debt						

Note: Figures exclude provision for bad debt

Table 206: Gross Outstanding Debtors per Service

5.9 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2017/18	10,704	3,970	3,785	268,278	286,736
2018/19	11,610	4,121	3,363	244,159	263,254
Difference	907	152	(422)	(24,118)	(23,482)
% growth year on year	8	4	-11	-9	-8

Note: Figures exclude provision for bad debt.

Table 207: Service Debtor Age Analysis

5.10 BORROWING AND INVESTMENTS

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.10.1 Actual Borrowings

Actual Borrowings		
R' 000		
Instrument	2017/18	2018/19
	R'000	
Financial Leases	1,011	1,290
Total	1,011	1,290

Table 208: Actual Borrowings

5.10.2 Municipal Investments

Actual Investments		
R'000		
Investment type	2017/18	2018/19
	Actual	
	R'000	
Deposits - Bank	12,549	33,807
Total	12,549	33,807

Table 209: Municipal Investments

CHAPTER 6

COMPONENT A: AUDITOR-GENERAL OPINION 2017/18

6.1 AUDITOR-GENERAL REPORT 2017/18

2018/19	
Main issues raised under emphasis of matter	Corrective steps implemented/ to be implemented
Unauthorised expenditure	
Unauthorised expenditure to the amount of R76 893 986 that was incurred in the previous year was still under investigation	Unauthorised expenditure must be investigated and reported to Council
Irregular expenditure	
Irregular expenditure to the amount of R8 592 680 that was incurred in the previous years still under investigation	Irregular expenditure must be investigated and reported to Council
Material losses	
Material losses to the amount of R14 707 508 (2017: R11 080 882) was incurred which represents 17.64% (2017: 11.62%) of total electricity purchased	Management will strengthen internal controls to ensure that compliance is met
Expenditure management	
Reasonable steps were not taken to prevent irregular expenditure	Management will strengthen internal controls to ensure that compliance is met
Reasonable steps were not taken to prevent fruitless and wasteful expenditure	Management will strengthen internal controls to ensure that compliance is met
Reasonable steps were not taken to prevent unauthorised expenditure	Management will strengthen internal controls to ensure that compliance is met
Assets management	
The Municipality did not establish an investment policy that was adopted by Council	Management will strengthen internal controls to ensure that compliance is met
Strategic planning and performance management	
The performance management system and related controls were not maintained or were inadequate	Management will strengthen internal controls to ensure that compliance is met
Procurement and contract management	
The Municipality did not comply with SCM regulations	Management will strengthen internal controls to ensure that compliance is met
Internal control	
Leadership	
Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	Management will strengthen internal controls to ensure that compliance is met
Management did not develop and monitor the implementation of action plans to address internal control deficiencies	Management will strengthen internal controls to ensure that compliance is met
Financial and performance management	
Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	Management will strengthen internal controls to ensure that compliance is met
Management did not review and monitor compliance with applicable legislation	Management will strengthen internal controls to ensure that compliance is met

Table 210: AG Report on Financial Performance 2017/18

COMPONENT B: AUDITOR-GENERAL OPINION 2018/19

6.2 AUDITOR-GENERAL REPORT 2018/19

2018/19	
Main issues raised under emphasis of matter	Corrective steps implemented/ to be implemented
Revenue from exchange transactions	
The Municipality did not have adequate systems to maintain records of revenue for exchanges relating to services for sale of electricity. Unable to determine whether any further adjustments were necessary to services charges stated at R119 871 348, in the financial statements.	Management will strengthen internal controls to ensure that compliance is met
Payables from exchange transactions	
The Municipality did not have adequate systems to maintain records of revenue for exchanges transactions. This resulted in payables from exchange transactions being understated by R2 748 251. Unable to obtain sufficient appropriate audit evidence for the amounts disclosed as payables from exchange transactions.	Management will strengthen internal controls to ensure that compliance is met
Irregular expenditure	
The Municipality incurred expenditure in contravention of the SCM requirements that was not included in the irregular expenditure disclosed in note 50.3 to the financial statements.	Management will strengthen internal controls to ensure that compliance is met
Material losses	
No distribution losses for bulk electricity losses were disclosed in the notes to the annual financial statements for the current year due to not implementing adequate control measures to reliable calculates losses.	Management will strengthen internal controls to ensure that compliance is met
Restatement of corresponding figures	
The corresponding figures for 30 June 2018 were stated as a result of errors in the financial statements of the Municipality at and for the year ended 30 June 2019.	Management will strengthen internal controls to ensure that compliance is met
Impairments- trade debtors	
Material losses of R80 199 670 were incurred as a result of a write-off of irrecoverable trade debtors.	Management will strengthen internal controls to ensure that compliance is met
Achievement of planned targets	
Unable to obtain sufficient appropriate evidence to validate the existence of systems and processes that enable reliable reporting of actual services delivery against the indicator. Unable to obtain sufficient appropriate audit evidence for the reported achievements of the indicators listed.	Management will strengthen internal controls to ensure that compliance is met
Annual financial statements and annual reports	
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.	Management will strengthen internal controls to ensure that compliance is met
Expenditure management	
Money owed by the Municipality was not always paid within 30 days.	Management will strengthen internal controls to ensure that compliance is met
Reasonable steps were not taken to prevent irregular expenditure	
Reasonable steps were not taken to prevent fruitless and wasteful expenditure	
Reasonable steps were not taken to prevent unauthorised expenditure	
Assets management	
The Municipality did not establish an investment policy that was adopted by Council	Management will strengthen internal controls to ensure that compliance is met

2018/19	
Main issues raised under emphasis of matter	Corrective steps implemented/ to be implemented
Strategic planning and performance management	
The performance management system and related controls were inadequate	Management will strengthen internal controls to ensure that compliance is met
Procurement and contract management	
The Municipality did not comply with SCM regulations	Management will strengthen internal controls to ensure that compliance is met
Human Resource Management	
Unable to obtain sufficient appropriate audit evidence that financial interests were disclosed	Management will strengthen internal controls to ensure that compliance is met
Utilization of conditional grants	
Performance of programmes funded were not evaluated	Management will strengthen internal controls to ensure that compliance is met
Consequence Management	
Unauthorized expenditure incurred by the Municipality was not investigated to determine if any person is liable for expenditure	Management will strengthen internal controls to ensure that compliance is met
Irregular expenditure and fruitless and wasteful expenditure incurred by the Municipality was not investigated to determine if any person is liable for expenditure	

Table 211: AG Report on Financial Performance 2018/19

LIST OF ABBREVIATIONS

AG	Auditor-General	LED	Local Economic Development
AFS	Annual Financial Statements	MAYCOM	Executive Mayoral Committee
CAPEX	Capital Expenditure	MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
CBP	Community Based Planning	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MM	Municipal Manager
CMTF	Council Meets The People	MMC	Member of Mayoral Committee
COGHSTA	Department of Cooperative Governance, Human settlements and Traditional Affairs	MSA	Municipal Systems Act No. 32 of 2000
DPLG	Department of Provincial and Local Government	MTECH	Medium Term Expenditure Committee
DWA	Department of Water Affairs	NCOP	National Council of Provinces
EE	Employment Equity	NERSA	National Energy Regulator South Africa
EPWP	Extended Public Works Programme	NGO	Non-governmental organisation
EXCO	Executive Committee	NT	National Treasury
FBS	Free Basic Services	OPEX	Operating expenditure
GAMAP	Generally Accepted Municipal Accounting Practice	PMS	Performance Management System
GRAP	Generally Recognised Accounting Practice	PT	Provincial Treasury
HR	Human Resources	SALGA	South African Local Government Association
IDP	Integrated Development Plan	SAMDI	South African Management Development Institute
IFRS	International Financial Reporting Standards	SCM	Supply Chain Management
IMFO	Institute for Municipal Finance Officers	SDBIP	Service Delivery and Budget Implementation Plan
KPA	Key Performance Area	SDF	Spatial Development Framework
KPI	Key Performance Indicator		

Annual Performance Report



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