

2020-2021

XHARIEP DISTRICT MUNICIPALITY

ANNUAL REPORT (FINAL) Volume I

Contents

CONTENTS

CONTENTS.....	2
PROPOSED REVISED ANNUAL REPORT TEMPLATE	5
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	6
COMPONENT A: MAYOR’S FOREWORD.....	6
COMPONENT B: EXECUTIVE SUMMARY	8
1.1. MUNICIPAL MANAGER’S OVERVIEW	8
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	9
1.3. FINANCIAL HEALTH OVERVIEW.....	12
1.4. AUDITOR GENERAL REPORT	14
1.5. STATUTORY ANNUAL REPORT PROCESS.....	14
CHAPTER 2 – GOVERNANCE.....	16
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....	16
2.1 POLITICAL GOVERNANCE	16
2.2 ADMINISTRATIVE GOVERNANCE.....	20
COMPONENT B: INTERGOVERNMENTAL RELATIONS.....	21
2.3 INTERGOVERNMENTAL RELATIONS	21
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	22
2.4 PUBLIC MEETINGS	23
2.5 IDP PARTICIPATION AND ALIGNMENT	25
COMPONENT D: CORPORATE GOVERNANCE	25
2.6 RISK MANAGEMENT	26
2.7 ANTI-CORRUPTION AND FRAUD	27
2.8 SUPPLY CHAIN MANAGEMENT	27
2.10 WEBSITES	28
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)	29
COMPONENT A: BASIC SERVICES.....	29

Contents

3.11	LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)	32
3.64	HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC	35
3.67	DISASTER MANAGEMENT	36
	COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	38
3.69	EXECUTIVE AND COUNCIL	38
3.71	HUMAN RESOURCE SERVICES	42
3.72	INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	44
	COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD	46
	CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE	79
	(PERFORMANCE REPORT PART II)	79
	COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	80
4.1	EMPLOYEE TOTALS, TURNOVER AND VACANCIES	80
	COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	81
4.3	INJURIES, SICKNESS AND SUSPENSIONS	81
4.5	SKILLS DEVELOPMENT AND TRAINING	84
	COMPONENT D: OTHER FINANCIAL MATTERS	88
5.12	SUPPLY CHAIN MANAGEMENT	88
	CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS	89
	COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2019-2020	89
	COMPONENT B: AUDITOR-GENERAL OPINION 2020-2021 (CURRENT YEAR)	91
	Report of the auditor-general to the Free State Legislature and the council on the Xhariep District Municipality	91
	Report on the audit of the financial statements	91
	Opinion	91
	Basis for opinion	92
	Material uncertainty relating to going concern	92
	Other matter	93

Contents

Responsibilities of the accounting officer for the financial statements.....	93
Auditor-general’s responsibilities for the audit of the financial statements	94
Report on the audit of the annual performance report	94
Introduction and scope	94
Other matters	95
Report on the audit of compliance with legislation	95
Introduction and scope	95
Other information	97
Internal control deficiencies	97
Annexure – Auditor-general’s responsibility for the audit	99
Financial statements	99
Communication with those charged with governance	100
GLOSSARY.....	101
APPENDICES	104
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE.....	104
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	106
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	107
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2020-2021	109
APPENDIX H – LONG TERM CONTRACTS	112
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE.....	113
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS	114
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE.....	116
APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT	117
VOLUME II: ANNUAL FINANCIAL STATEMENTS	118
AUDIT ACTION PLAN.....	174

Preface

PROPOSED REVISED ANNUAL REPORT TEMPLATE

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

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

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

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

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

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

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

MFMA Implementation Unit, National Treasury

October 2009

Chapter 2

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

This document serves to provide inside on the annual activities and financial account of the Xhariep District Municipality for the 2020/21 financial year.

For the 2020/21 financial year, South Africa has been under National lockdown which was adjusted at various stages depending on the spread of the virus in the country. The adjusted levels meant that the Municipality had to also adjust its work force schedules as to comply with the conditions of the lockdown

Despite the upset of the Covid-19 pandemic, the Municipality was still able to discharge some of its key mandates and obligations. The following are some of the key highlights

1. Sports and Recreation – Partnership with Transnet Foundation

Multi-Sports facility in Luckhof was refurbished and completed in March 2021. Fencing and planting of the lawn in a soccer pitch at Itumeleng/Jagersfontein which was also completed in March 2021.

2. Education

A total of three hundred and eighty six (386) learners were registered on the NSFAS for financial assistance. Two students were assisted with registration fees at Institutions of Higher Learning while others were provided with laptops.

3. Health

The Municipality has been providing monitoring of the Covid-19 pandemic through its Joint Operation Centre and the Xhariep District Command Centre. Several compliance monitoring operations were conducted on business buildings and during burials.

4. Poverty Interventions

The Municipality distributed four hundred (400) food parcels to needy families. The Municipality further assisted Gift of the Givers in distributing six hundred food parcels within the District.

5. Disaster

The Xhariep District Municipality also played its role in assisting when there were veld fires, shack fires, and paupers’ burial.

6. Unemployment

Chapter 2

The Municipality continues to provide temporary employment opportunities through its Expanded Public Works Program (EPWP).

The report further provides details on other service delivery interventions through other strategic partnership with other spheres of government, the private sector and the greater community of Xhariep District Municipality.

I am thankful to the Municipal Council and its administration for their dedication in ensuring this achievement.

.....
Clr MJ Sehanka
Executive Mayor

T 1.0.1

Chapter 2

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

The preparation of this year's annual report comes at a time when the country and the municipality is facing an invisible and deadly enemy called COVID-19.

The **2020-2021** financial year has been over shadowed by over a thousand infections in Xhariep District and over **250** fatalities. The negative impact on the local economy and social challenges brought about by this virus will remain with us for many years to come. However, besides all the challenges that we have faced the municipality remains committed to the attainments of its priorities.

The management of COVID-19 in the District continued to be through the District Command Council, chaired by the Executive Mayor and the District Command Centre chaired by myself as the district Municipal Manager. The Centre meets weekly and has been throughout and to date. Through this forum we have managed to assist families affected by the pandemic, also families that had lost their loved ones either through the pandemic or by other circumstances, we managed to assist at quarantine and isolation sites with blankets. Partnering with the department of Social Development we also managed to distribute food parcels, the municipality has also assisted learners with registration funds and equipment such as laptops.

The COVID-19 pandemic has affected everyone negatively even the functioning of the Municipality had to be configured in a manner that does not endanger employees' lives. So the institution had to move to online operations and manage the municipal progress through applications such as Zoom, Ms Teams and Jitsi Meet. We like everyone else in the country must adhere to regulations as and when the Government amends according to the risk profile of the Country and Provinces.

Although new and difficult for this new norm, the district managed to hold the public participation sessions for the **review of the IDP & Budget** while observing the strict COVID-19 protocols.

The municipality received an **unqualified** audit opinion with a number of matters being emphasised by the Auditor General South Africa (AGSA). All recommendations of the AGSA are being seriously adhered to and a detailed audit action plan was developed in order to keep regular monitoring of all compliance matters and the implementation of recommendations. Xhariep District is hard at work to ensure that a clean audit is realised.

SALGA's Practical Guide in enhancing oversight in municipalities (2012) stresses the importance of oversight and further highlights the following; "Since there is no neat distinction between the 'executive' and 'legislative' arms of council as it were, effective and proper oversight of the 'executive' at local level thus requires members of Council to fully understand the justifications and rationale behind accountable government and the purpose it serves. The oversight role is often seen as that of opposition parties alone, designed to police and expose maladministration and corruption. Such a view is limited and deficient. Oversight and accountability helps to ensure that the executive implements programmes and plans in a way consistent with policy, legislation and the dictates of the Constitution". During the year under review the municipality has been consistent in assisting council to carry out its obligations with distinction.

The Council committees that were established at the beginning of this administration have been meeting accordingly and providing the necessary oversight. Key amongst these committees is MPAC and the relationship between the executive and MPAC is cordial and collaborative. During the period under review, the section 56 manager positions were all filled, however we saw the resignation of the Corporate Services Director towards the end the 2020 / 2021 financial year.

My gratitude goes to Deputy Commissioner of the South African Police Service in the Province; General Lesia for his unwavering support in terms of assisting the municipality in Disaster Management related matters e.g dispatching of a helicopter to rescue animals when trapped in the Caledon River due to floods. Extinguishing of veld fires and providing security during protest and community unrests in the district.

On behalf of Management of Xhariep District Municipality, I wish also to express our profound gratitude to all the municipal staff for their unwavering support and commitment to the institution. Without them we would not have reached the milestones we have and the sacrifices they have made towards the institution. We shall continue to value their contributions.

We shall continue accelerating the delivery of services through innovation.

Chapter 2

We give account of the 2020-2021 financial year through this annual report.

Sincerely,

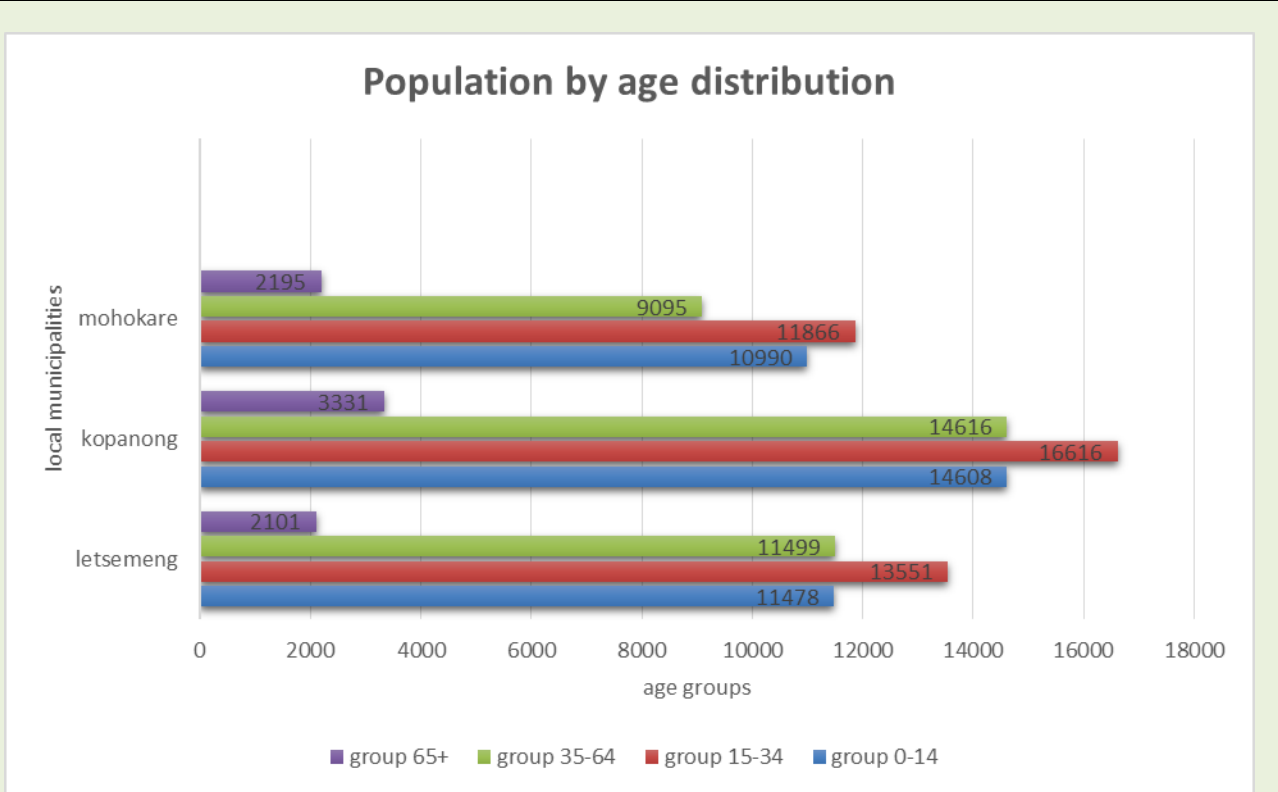
.....
Me. LY Moletsane
Municipal Manager

T1.1.1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Population Details

Chapter 2



Source: Statistics SA Community Survey 2016

T1.2.2

INTRODUCTION TO BACKGROUND DATA

Out of 16 district functions, Xhariep district municipality is performing 3(18.75%) of these functions. Xhariep District is the smallest compared to the others within Free State Province with about 5.2% share of the total provincial population. The population of the District stands at 121 945 with a negative growth rate of 1.07. Sixty (60%) of the population is in the working age cohort of 15-64 years.

T 1.2.1

Socio Economic Status

Chapter 2

Local Municipality	Number	Percentage (%)
Kopanong	19472	40.38
Letsemeng	16639	34.50
Mohokare	12110	25.11

T1.2.4

Overview of Neighborhoods within Xhariep District Municipality'	
Settlement Type	Households
Formal	
2018-2019	39528
2019-2020	39 571
2020-2021	39 893
Traditional	
2018-2019	182
2019-2020	1906
2020-2021	66
Informal settlements	
2018-2019	2 744
2019-2020	5 446
2020-2021	4 512

Source: STATSSA COMMUNITY SURVEY 2016

T1.2.6

Natural Resources	
Major Natural Resource	Relevance to Community
Water (Gariiep Dam)	Supply of water to households and generation of electricity.
Diamonds(Jagersfontein and Koffiefontein)	Job creation, Revenue enhancement, Economic development, human settlement.
Uranium (Edenburg)	Job creation, Revenue enhance, Economic development, human settlement
Land	Job creation through farming and settlement of communities
Sun (Radiation energy)	Job creation through erection of solar hubs

T1.2.7

Chapter 2

BACKGROUND DATA

Xhariep District forms the southern part of the Free State Province and is one of four district municipalities in the Free State. The municipality measures 34289 km sq. It is bordered by Tokologo Municipality in Lejweleputswa District to the north, Mangaung Metro and Mantsopa Municipality in Thabo Mofutsanyana District to the north-east. Other borders are with the Kingdom of Lesotho to the east, Ukhahlamba Municipality in Eastern Cape Province to the south, Pixley ka Seme Municipality in Northern Cape Province to the west and Frances Baard Municipality in Northern Cape Province to the north-west. Topographically the district is bordered for most of its eastern border by the Maluti and Drakensberg mountains. Hydrologically the district is located between the Vaal River to the north, and Orange River to the south, with rivers within the district draining towards these rivers. Xhariep consists of three local municipal areas, with Letsemeng forming the north western section, Kopanong the middle section, Mohokare the south eastern section of the district

T1.2.8

1.3. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The municipality is heavily dependent on grants with no revenue base, the government grants are from National and other spheres of government. This dependency puts a lot of pressure and strain on the municipality's ability to finance both operating and capital expenditures. The capital projects are mainly funded from own or internal funding.

The municipality's structure does not respond to the core functions of the municipality due to cash flow challenges. Revenue strategies and performance of powers and functions of the municipality as stipulated in the municipal Structures Act will assist in the long term sustainability of the municipality.

T1.4.1

Financial Overview - 2020/2021

R' 000

Chapter 2

Details	Original budget	Adjustment Budget	Actual
Revenue	67 947	69 688	62 955
Grants	66 302	68 101	61 352
Rental of facilities	649	649	565
Interest Earned	871	860	957
Other Income	125	78	81
Public contributions donations and other transfers		0	0
Expenditure	67 947	68 897	69 165
Surplus / Deficit	405	791	(6 210)
			T1.4.2

Operating Ratios	
Detail	%
Employee Cost	74.40
Repairs & Maintenance	0.55
Finance Charges & Impairment	1.07
T1.4.3	

COMMENT ON OPERATING RATIOS

Employee related costs (inclusive of councilor's remuneration) constitutes 74.40% of the total expenditure and excessively high, repairs and maintenance (0.55%) significantly lower than the 8% NT guide while finance charges are curbed lower at 1.07%.

T1.4.3

Chapter 2

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organization Development (OD) is about improving performance at the individual, group, and Municipal organizational levels. It is about improving the organization's ability to effectively respond to changes in its external environment, and it's about increasing internal capabilities by ensuring the Xhariep District Municipal structures, human resources systems, job designs, communication systems, and leadership/managerial processes fully harness human motivation and help people function to their full potential.

Done well, such improvement can be transformational—producing fundamental changes in the way individuals, groups, and organizations functions.

T1.5.1

1.4. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 2019-2020

The Municipality received an unqualified opinion with matters of emphasis. The following are the issues that lead to the audit outcome mentioned above:

- Material adjustments in the Annual Financial Statements as well as the Annual Performance Report;
- Non-compliance with laws and regulations;
- Irregular, Fruitless and Wasteful Expenditure; and
- Non investigation by MPAC.

T 1.6.1

1.5. STATUTORY ANNUAL REPORT PROCESS

Chapter 2

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalised the 4th quarter Report for previous financial year	
4	Submit draft 2019-2020 Annual Report to Internal Audit	
5	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
6	Mayor tables the unaudited Annual Report	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October
10	Municipalities receive and start to address the Auditor General's comments	January
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
12	Audited Annual Report is made public and representation is invited	
13	Oversight Committee assesses Annual Report	February
14	Council adopts Oversight report	March
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	March

T1.7.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

A municipal council is made up of the Municipal councilors who are democratically elected by registered votes within the municipal control. The Speaker is the chairperson of the Municipal Council which he presides over both Ordinary and Special Council meeting and he is also responsible for the discipline of the Municipal Councilors.

The Mayoral Committee consists of Municipal Councilors appointed by the Executive Mayor to serve in the Mayoral Committee. The number of Municipal Councilors on the Mayoral Committee is the minimum number that is needed for efficient and effective government.

The Executive Committee chaired by the Executive Mayor is responsible for the executive functions of the municipality.

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The current term of the Municipal Council was inaugurated on the 19 August 2016 and consists of 15 Councilors. The Municipal Council consists of Eleven (10) Councilors who are representing the African National Congress, four (4) Councilors representing Democratic Alliance and one (1) Councilor representing the Economic Freedom Fighters. The Council was appointed or elected as follows: Executive Mayor (1), Speaker (1), 10 Councilors are appointed in three(3) Portfolio Committees which are headed by Members of the Mayoral Committee.

The Council has appointed 3 Councilors as MPAC Committee

The Municipal Manager as the Accounting Officer and the three Section 56 Managers were appointed by the Municipal Council of Xhariep District Municipality. The Municipal Manager and the managers directly accountable to the Municipal Manager organize Administration in a manner that enables the Municipality to be responsive to the needs of the Community within its jurisdiction. The Municipal Manager is accountable for the overall performance of the Municipality and she is accountable to the Executive Mayor and Council.

T2.1.0

2.1 POLITICAL GOVERNANCE

Chapter 2

INTRODUCTION TO POLITICAL GOVERNANCE

In line with the provisions of the Local Government: Municipal Structures Act 117 of 1998, Xhariep District Municipality has an established political component.

The main role of the political component is provided for in the Structures Act.

Section 80 of the Municipal Structures Act specifies procedures for establishing committees in Municipal council with an executive committee.

One of the functions of the portfolio committee is to process the report tabled before by the Departments before they could be forwarded to the Mayoral Committee and eventually to Council.

In terms of section 79 of the Structures Act, a Municipal Council has established Committees such, as MPAC, which is composed of three (3) Councilors necessary for the effective and efficient performance of its functions.

The Annual Report is prepared by the Performance Management Unit in collaboration with other departments after the Management has satisfied itself with the contents of the report it is then submitted to Council for noting. Subsequent to this process, the Annual report is submitted to Oversight Committee before the 31 March each year thereafter to Provincial Authorities.

The Internal Audit conducts audit throughout the year in terms of their audit plan and prepare Audit packs that are then submitted to Internal Audit Committees. After consideration of these reports the Audit Committee forwards its recommendations to Council for consideration.

T2.1.1

Chapter 2

POLITICAL STRUCTURE

MAYOR

Cllr M.J Sehanka

Exercises powers delegated to the Mayor by Council or the Executive Committee

SPEAKER

Cllr NS Mnqunguthu

Presides at Council meetings and exercises powers delegated to the Speaker in terms of section 59 of the Local Government: Municipal Systems Act, Act 32 of 2000.

CHIEF WHIP

N/A

To ensure political mandates are executed

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

Cllr KJ Sebeco: Chairperson of the Budget and Treasury Committee

Cllr K Moeketsi: Chairperson of the Corporate Services Committee

Cllr TD Mochechepa: Chairperson of Planning & Social Development

COMPOSITION OF COUNCIL AS AT 30 JUNE 2020

Political Party	Total	Directly elected	Seconded
African National Congress	10	5	5
Democratic party	4	1	3
Economic Freedom Fighters	1	1	-

Chapter 2

T2.1.1

COUNCILLORS

The Council structure consists of 15 Councillors, seven (7) Councillors are directly elected and eight (8) are Seconded from the three local Municipalities which are, Kopanong, Letsemeng and Mohokare local Municipality. The Five full time Councillors includes the Speaker, the Executive Mayor and the three (3) Mayoral Committee members.

Directly Elected Councillors or PR Councillor:

Cllr MJ Sehanka

Cllr NS Mqungquthu

Cllr JK Sebeco

Cllr TS Tseoua

Cllr AJJ Van Rensburg

Cllr MS Mogapi

Cllr MJ Matlakala

Seconded Councillors from Local Municipalities:

Kopanong Local Municipality

Cllr K Moeketsi

Cllr MJ Moitse

Cllr Van Wyk

Letsemeng Local Municipality

Cllr AN November

Cllr Phaliso

Cllr TV Nthapo

Mohokare Local Municipality

Cllr TD Mochechepa

Cllr IS Riddle

T2.1.2

POLITICAL DECISION-TAKING

Chapter 2

The Constitution gives both the legislative and executive powers of a Municipality to the Municipal Council. All Municipal Councilors are involved in taking decisions about how the Municipal Council is run, what services it should provide and how it should spend its money.

The Municipal Council is responsible for all the decisions of a Municipality but it may give specific functions to Committees as provided for in part 5; section 79 of the Structures Act. The Section 80 Committee sit as per schedule of Council meeting which is approved by Council to process the reports placed before them and make recommendations to the Mayoral Committee. The recommendation of the Section 80 may be changed by the Mayoral Committee or may be forwarded to the Council as they are. Then Council pronounces itself on the recommendations/ issues tabled before it. Where members share a different view on any matter under consideration, they vote on the matter, either by show of hands or through a secret ballot as stipulated in the standing rules and Orders. All decisions taken by Council are called resolutions which are implemented by the administration. In Xhariep District Municipality, these resolutions are taken to Departments through Execution list. Thereafter a Resolution register on resolutions implemented is developed to be presented in Council sitting.

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the accounting officer who accounts to the political head, Executive Mayor as well as Council. He further provides guidance and advice to the political structures; also manage the administration of the institution.

The Director: Corporate Services administer the Department of Corporate Services and advice the Municipal Manager with issues relating to administration, human resources and information technology. The Chief Financial Officer administers Budget and treasury Office and advice the Municipal Manager on matters that relate to the finances of the Municipality. The Director: Planning and Social Development is responsible for the affairs of the Department of Planning and Social Development, advices and assists the Municipal Manager on all matters that relates to this department, i.e. planning, local economic development and municipal health services

T2.2.1

TOP ADMINISTRATIVE STRUCTURE

MUNICIPAL MANAGER

Mrs Lebohang Yvonne Moletsane

Chapter 2

DIRECTOR: Corporate Services

Adv. Zenzile Qhena Majenge

Chief Financial Officer

Mr Pihi Vincent Litabe

Director: Planning & Social Development

Mr Mopedi Sam Mohale

T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Intergovernmental relations are mainly informal, making the system flexible to respond to changing circumstances. The approach of the Act is therefore that it does not seek to govern intergovernmental relations in its totality but provides only the broad framework in terms of which spheres of government interact with one another.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The District is part of the Premiers' Coordinating Forum which is used to facilitate intergovernmental relations between the province and local government in the province. The District also participates in Provincial Forums which include Provincial IDP Forum, Provincial Energy Forum, Provincial AIDS Forum as well as South African Local Government Association (SALGA).

T2.3.2

DISTRICT INTERGOVERNMENTAL STRUCTURES

Meetings are held once in a quarter, whereby the District Municipality is responsible for ensuring the co-ordination of intergovernmental relations within the district municipality with local municipalities in the district.

Chapter 2

District Coordinating Forum: Forum consists of the Executive Mayor and 3 primary members of which is the Local Mayors.

Technical Support Committee

Forum consists of the District Municipal Manager and 3 primary members (Local Municipal Manager). The forum must meet at least once per year with service providers and other role players concerned with the development in the district to co-ordinate effective provision of services and planning in the district.

T2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipality is committed to governing its area of its jurisdiction and its citizens in accordance with the spirit of the Constitution of the Republic of South Africa. This requires the Municipality to undertake community consultation, participation and empowerment as central features. The review of the institution's current Integrated Development Plan included community participation through Stakeholder Engagements and public participation meetings. Through such measures, the communities are able to provide input on their priorities for the period under review. Some benefits include building and strengthening partnerships with various organisations from communities and broader civil society to establish a people's contract in ensuring that citizen participation and representative democracy are combined to promote people-centered and people-driven development and governance.

T 2.4.0

Chapter 2

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The Xhariep District Municipality has a functional Communication Unit. The Communication Unit is a strategic component within the municipality that cut across all departments and units including the public. The Communication Unit also ensures that communication is well coordinated, effectively managed and responsive to the diverse information needs of the people. To fulfill this mammoth task, the communication unit has established the following mechanism, namely;

- a) District Communicators Forum
- b) Periodic update of the municipal website
- c) Quarterly newsletter
- d) Council notices

The council meetings are opened to the public; this is to ensure that the public is informed and council businesses are at the public domain.

T2.4.1

Chapter 2

Public Meetings				
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending
Stakeholders and community meeting, to present the draft IDP and budget to the community and stakeholders	-	-	-	There were no public meetings for the year under review due to COVID-19
Stakeholders and community meeting, to present the draft IDP and budget to the community and stakeholders	-	-	-	There were no public meetings for the year under review due to COVID-19
Stakeholders and community meeting, to present the draft IDP and budget to the community and stakeholders	-	-	-	There were no public meetings for the year under review due to COVID-19
Stakeholders and community meeting, to present the draft IDP and budget to the community and stakeholders	-	-	-	There were no public meetings for the year under review due to COVID-19

T2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

Some of the benefits of public meetings include community being part of the decision-making process and, as result, minimizing community protests and civil unrests. The other benefit is that community will take ownership of development within their environment and have a sense of belonging.

T2.4.3.1

Chapter 3

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
* Section 26 Municipal Systems Act 2000	
T2.5.1	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

As the Head of Administration the Municipal Manager is responsible for the following tasks:

-The formation and development of an economical, effective, efficient and accountable administration.

Chapter 3

- The management of the municipality's administration in accordance with legislation applicable to the municipality.
- The implementation of the municipality's integrated development plan.
- The management and provision of services to the local communities in a sustainable and equitable manner. -
- The appointment of staff subject to the Employment Equity Act, 1998.
- The management and effective utilisation and training of staff.
- The maintenance of discipline of staff.
- The promotion of sound labour relations and compliance with labour legislation.
- Advising the political structures and political office bearers of the municipality.
- Managing communications between the municipality's administration and its political structures and political office bearers.
- Carrying out the decisions of the political structures and political office bearers of the municipality.
- The administration and implementation of the municipality's by-laws and other legislation.
- The exercise of any powers and the performance of any duties delegated by the municipal council.
- Facilitating participation by the local community in the affairs of the municipality.
- The implementation of national and provincial legislation.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Risk Management is management process, through which municipality identifies, evaluate and control significant risks that can result in failure to attain strategic objectives. Accounting Officer enhanced risk management approach by establishing the Risk Management Committee in 2017.The Committee is guided by the Charter

Chapter 3

approved by the Accounting Officer. However due to financial constraints Accounting Officer cancelled this Committee during the first quarter.

MFMA, section 62 (1) (c) (i) states that the Accounting Officer of a municipality is responsible for the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems off financial and risk management and internal control. The risk management policies were approved by council for 2020-2021 financial year. The following are the responsibilities of Risk Management:

1. Conducting annual risk assessment within the municipality
2. Advising and guiding the municipality in terms of Institutional risk matters.
3. Developing the Risk Management Strategic documents and Implementation Plan.
4. Coordinating risk management activities.
5. Facilitating identification and assessment of risks
6. Compilation of Risk Register

During the annual risk assessment process, strategic and operational risks were assessed for all areas within the municipality. Moreover, for all key risks identified, existing controls were assessed as well as the ability, benefit and cost to improve them.

T2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

During the period under review, the municipality continued to enforce strategies to combat fraud and corruption. Anti-Fraud and Corruption awareness campaign was performed by issuing of the Fraud and Awareness Pamphlets as part of efforts to strengthen mechanisms to prevent and combat fraud and corruption.

Municipality's Internal Audit also plays a fundamental role in the review of the processes and adherence to process relating to segregation of duties, procurement process, efficiency of internal controls, and other measures to prevent fraud and corruption from occurring.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) function of the District is centralized under the Budget and Treasury Office, within the Supply Chain Management Unit. This was implemented with the view of strengthening the capacity and ability of the district to comply with the MFMA and National Treasury Regulations.

Chapter 3

All these mechanisms and systems seeks to ensure that the SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption. The District has an approved Supply Chain Management Policy which is reviewed annually.

The municipality also has Standard for Infrastructure Procurement Delivery and Delivery Management which deals mainly with infrastructure related projects only as opposed to the Supply Chain Management Policy that deals specifically with goods and services.

T2.8.1

2.10 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	

Chapter 3

The previous annual report (2019-2020)	Yes	
The annual report (2019-2020) published/to be published	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2020-2021) and resulting scorecards	Yes	
All service delivery agreements (2020-2021)	No	
All long term borrowing contracts (2020-2021)	No	
All supply chain management contracts above a prescribed value (give value) for 2020-2021	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2020-2021	No	
Contracts agreed in 2020-2021 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in 2020-2021	No	
All quarterly reports tabled in the council in terms of section 52 (d) during 2020-2021	No	
		T2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

The IT Unit has is currentlty collecting all the information that needs to be published on the municipal website. Periodic communications are sent to various Directorates for them to send website information that needs to be published. This information is checked before its published on the municipal website.

The municipality is still using the Provincial website that was created for all Free State Municipalities.

T2.10.1.1

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

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

Chapter 3

The district municipality started to perform the functions of Environmental Health with effect from December 2009. Critically, the Municipal Structures Amendment Act (Act 33 of 2000) provides for an extensive annual review of the division of powers and functions between Category B and Category C to ensure effective implementation of these assigned powers following an advice provided by the Municipal Demarcation Board emanating from the Boards' annual capacity assessment report.

Basic services being offered by the District Municipality is as per Health profession Act, 1974 (Act no. 56 of 1974) Regulations defining the scope of the profession of Environmental Health: Amendment: Water , Food control, Waste management, Health Surveillance of premises, Vector control, Surveillance and prevention of communicable diseases, Environmental pollution, Disposal of the dead and noise control.

T3.1.0

Chapter 3

Employees: Planning Services					
Job Level	2019-2020	2020-2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	4	4	4	0	0
4 – 6	7	10	9	2	22.2
7 – 9	0	1	1	0	0%
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	11	15	14	2	13.3%

T3.10.4

Financial Performance 2020-2021: Planning Services					
					R'000
Details	2019-2020	2020-2021			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	15 210	15 139	15 589	14 389	1200
Expenditure:					
Employees	9 044	10 045	10 923	10 913	10
Repairs and Maintenance	0	0	0	0	0
Other	3 931	4 716	4 056	2 732	1 324
Total Operational Expenditure	13 033	14.761	14 979	13 645	2 618
Net Operational Expenditure	2 177	378	610	744	-1 418

T3.10.5

Chapter 3

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The LED strategy was reviewed and adopted by Council in March 2016. The aim of the strategy is to reflect the most recent local and regional development dynamics and appropriately packaged them for investment. Relevant stakeholders were given an opportunity to be part of the review and make inputs on the strategy. The projects in the strategy have not yet been implemented because of financial constraints of the municipality and lack of land where development needs to take place.

The District is in the process of reviewing the strategy for 2019-2020 assisted by COGTA FS and DESTEA. Due to the COVID-19 and the lockdown the process pace has slowed down; this is due to other priorities that the municipality, CoGTA and DESTEA have to attend to ensure the cushion on Covid 19 effects. COGTA has assisted so far Mohokare Local Municipality and Kopanong Local Municipality and the Letsemeng document will soon be finalised, it is ideal that the local municipalities documents are reviewed and complete, in order to allow for the formulation of the District LED strategy. We envisage this process to have been completed by 2021/2022 financial year.

T3.11.1

COMMENT ON LOCAL JOB OPPORTUNITIES

The Xhariep District Agri Park Implementation process has unfolded and the department of Rural Development and Land Reform is continuing with assisting with the funding aspect of the process. To date two service providers have been appointed for the construction projects in both Springfontein (Construction of a warehouse and bulk services) and Zastron (Farmers Production Support Unit).

The Springfontein Warehouse has been completed and Zastron FPSU site is nearing completion, though difficulties were brought about by the Covid 19 pandemic. The district is eagerly awaiting the phase two of the project as it is a project that is funded by National department of Agriculture, Land Reform and Rural Development. The job opportunities created are outlined in the table below per site.

T3.11.4

Chapter 3

Jobs Created during 2019-2020 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
2018-2019	20	0	20	Xhariep District Agri Park, portion of the 1 st phase in Springfontein – Construction of the warehouse and bulk services
	9	0	9	Xhariep District Agri Park, portion of the 1 st phase in Zastron (Farmers Production Support Unit)
2019-2020	36	0	36	Xhariep District Agri Park, portion of the 1 st phase in Zastron (Farmers Production Support Unit)
	19	0	19	Xhariep District Agri Park, portion of the 1 st phase in Springfontein – Construction of the warehouse and bulk services
2020-2021	55	0	55	Xhariep District Agri Park, portion of the 1 st phase in Zastron (Farmers Production Support Unit)
	157	0	157	Xhariep District Agri Park, portion of the 1 st phase in Springfontein – Construction of the warehouse and bulk services
				T3.11.5

Chapter 3

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2018-2019	3	136
2019-2020	3	128
2020-2021	3	187
* - Extended Public Works Programme		T3.11.6

Employees: Local Economic Development Services					
Job Level	2019-2020	2020-2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	2	2	2	0	0%
7 – 9	0	0	0	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	3	3	3	0	0%
T3.11.8					

Chapter 3

3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

A key role responsibility in rendering an effective Municipal Health Services is the monitoring of food and government premises in order to ensure compliance with R638, Foodstuffs, Cosmetics and Disinfectants act 1972 (Act no. 54 of 1972) and the National health act, 2003 (Act no 63 of 2003).

District Environmental Health Practitioners conduct health inspections of premises and issue out compliance notices to food premises which are found to be non-compliant with the set legislation. A certificate of acceptability (COA) is issued in accordance with the legislation to compliant premises. Certificate of health are issued to compliant ECD's and old age homes. Operational licenses are the competency of the local municipality and other stakeholders.

Surveillance of premises is also conducted to insure vector control and to monitor health and hygiene standards of premises. Raids are conducted with the assistance of SAPS to curb non-compliance by shop owners and seize expired foods. Monthly monitoring of all premises is conducted by the Environmental Health Practitioners.

Health Awareness

The following activities were conducted in order to raise awareness on food safety, the plight of Listeria and other communicable including COVID-19;

Public door to door campaigns were conducted in Kopanong LM, Mohokare LM and Letsemeng LM. The key focus groups were the community, the immune compromised, food handlers and food establishments. The total numbers reached for the campaigns were 13.

Another key role is the implementation of Regulations Relating to the Management of Human Remains – Government Notice Number – R 363 of 22 May 2013. District Environmental Health Practitioners conduct health inspections of premises and issued out compliance notices to funeral parlors both government and private which are found to be compliant and non-compliant with the set legislation. A certificate of Compliance (COC) is issued in accordance with the legislation to compliant premises. Since the beginning of the national outbreak the unit oversees all COVID-19 funerals within the district to ensure adherence with the Disaster Management Regulations (Government Notice No 11314 of 25 July 2021).

T3.64.1

Chapter 3

3.67 DISASTER MANAGEMENT

INTRODUCTION TO DISASTER MANAGEMENT

Disaster Management is a continuous and integrated multi-sectoral and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, -mitigation, -preparedness, -response, -recovery and -rehabilitation

Top Four Service Delivery Priorities:

1. Community Safety
2. Preparedness
3. Recovery and Rehabilitation
4. Educational Program

The DM Unit main role is to ensure a safe and unwavering environment to the Xhariep district community. Through proper planning the Unit will be able to build resilient communities through the Disaster Management Activities within the district Municipality. A budget for the Disaster Management Contribution has been set aside for affected families. The DM Unit played a vital role by conducting educational programme both at Secondary and Primary Schools in the district municipality. We are also in partnership with Working on Fire (WoF) to conduct Fire Awareness at local level with the assistance of local Councillors

T3.67.1

Chapter 3

Employees: Disaster Management					
Job Level	2019/2020	2020/2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	1	2	1	1	50%
7 – 9	0	0	0	0	0%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	2	3	2	1	33.3%
					T3.67.4

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services.

3.69 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

Municipality is currently executing three service delivery related matters, i.e. local economic development, Disaster Management and Municipal Health Services. The Local Economic Development Division that is located within the Department of Planning and Social Development has made strides in providing financial assistance and providing training to Small Micro and Medium Enterprises. The Municipality has assisted interested individuals or group of people to establish their own businesses, in particular cooperatives.

The Environmental Health Services Division that is also located within the Department of Planning and Social Development is monitoring the quality of drinking water and final waste water effluent from different local municipalities that fall within its jurisdiction on frequent intervals as required by applicable legislations and policies. Furthermore this division insures compliance of food premises and local municipalities' landfill sites.

The Disaster Management Division is located in the Department of Planning and Social Development. The division is responsible to ensure a safe and unwavering environment to the Xhariep district community.

T3.69.1

Chapter 3

Employees: The Executive and Council					
Job Level	2019-2020	2020-2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13/0 - 3	6	6	6	0	0%
4 - 6	4	4	4	0	0
7 - 9	4	4	4	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	14	14	14	0	0%
<i>T3.69.4</i>					

Chapter 3

Financial Performance 2020-2021: The Executive and Council					
					R'000
Details	2019-2020	2020-2021			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	15 595	14 666	15 116	14 783	333
Expenditure:					
Employees	11 343	11 548	11 664	11 567	97
Repairs and Maintenance	0	0	0	0	0
Other	4 200	4 485	3 871	3 865	6
Total Operational Expenditure	15 543	16 033	15 536	15 432	104
Net Operational Expenditure	52	-1 367	-420	-649	-229
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.69.5

Employees: Financial Services					
Job Level	2019-2020	2020-2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0
4 - 6	5	6	5	1	16.6
7 - 9	5	6	5	1	16.6
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	13	15	13	2	13.3%
3.70.4					T

Chapter 3

Financial Performance 2020-2021: Financial Services					
R'000					
Details	2019-2020	2020-2021			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	15 355	16 922	16 868	13 467	3 221
Expenditure:					
Employees	8 666	9 439	9 237	9 083	154
Repairs and Maintenance	0	0	0	0	0
Other	5 696	5 629	6 000	7 317	(1 317)
Total Operational Expenditure	14 362	15 068	15 237	16 400	(1 163)
Net Operational Expenditure	993	2 245	1 854	2 753	4 384
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.70.5

Chapter 3

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The management set itself priorities to overhaul the services the institution provides to its internal clients, the key three amongst them were;

Purify leave management

Provide accurate inputs- information to payroll

Recruit people with required competencies

So far this division has made major strides in ensuring that leave of employees is managed in accordance with Municipal Human Resources Policy Manual. Every week there is reconciliation of attendance registers, VIP register with completed leave forms; and follow-ups on employees who did not sign registers or completed leave forms. The principle of no work no pay is applied on employees who are found not to have followed proper procedure in absenting themselves from work.

The official providing information to employees in payroll on remuneration and benefits of employees work s closely with the payroll division in order to ensure that accurate information is forwarded to division before processing the salaries of councillors and employees. The inputs are compiled, checked, approved by different individuals in order to ensure that correct information is provided to payroll. Such information is forwarded to payroll on or before the 15th of each month in order to give officials in payroll an ample time to process the remuneration and benefits of both councillors and officials

The Human Resources Division advertises all vacant positions as required by the Human Resources Policy Manual and set competencies that are needed from the interested individuals. It is important to highlight that the Municipality appoints only incumbents who meets minimum competency requirements as placed on the advertisement.

T3.71.1

Chapter 3

Employees: Human Resource Services					
Job Level	2019-2020	2020-2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	5	3	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	5	7	5	0	0%
					T3.71.
4					

Chapter 3

Financial Performance 2020-2021: Human Resource Services					
R'000					
Details	2019-2020	2020-2021			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	21 221	21 666	22 116	19 890	2 226
Expenditure:					
Employees	17 685	17 551	17 739	19 416	(1 677)
Repairs and Maintenance	506	695	663	379	284
Other	2 910	3 299	4 690	3 968	722
Total Operational Expenditure	21 101	21 545	23 144	23 763	(619)
Net Operational Expenditure	120	121	(1 028)	(3 873)	(1 290)
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.71.5

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The main objective of the IT Unit is to

1. Ensure connectivity at all times. This was achieved through enhancement of the bandwidth from 10mbps to 30mbps and the connectivity is much stronger.
2. Ensure stable Network infrastructure. This is a serious challenge in the municipality. The network infrastructure is old and dilapidated. Network a lot of points are not working fine. The network layout is cumbersome. Network switches are old and giving problems. Trunking in many offices needs to be replaced. No patch management installed. The whole network infrastructure needs to be revamped.

Chapter 3

3. Ensure Servers and server room is fully functional. The Unit installed a new server for the GeoRRAMS system for the Planning and Social Development Directorate. The only other issue is the fire extinguisher system in case of disaster.
4. Ensure information systems are fully operational. This is ensured by creating sound IT environment. All the information systems that are installed in the environment are functional.
5. Ensure smooth Telecommunications. The telephone system is not working properly. The municipality is unable to make outgoing calls.
6. Ensure printing facility is available. The only challenge here was delay or none-servicing of the machines and the supply of toners, which happens because of the delay in the payment of the service provider.
7. Ensure Municipal Website is fully functional. The website is working perfectly. The only challenge is that of the Departments and Units are not submitting necessary documents to the IT Unit or Communications Unit, some documents are not submitted on time, in some instances not submitted at all.

T3.72.1

Employees: ICT Services					
Job Level	2019-2020	2020-2021			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%

T3.7

2.4

Chapter 3

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year

TOP LAYER PERFORMANCE INFORMATION

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
MUNICIPAL MANAGER												
TL 1	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Employment contracts	Entering into performance agreements with the employer within 30 days of date of appointment/60 days for new appointees	4	4	0	-	-	4	4	0
TL2	To maintain a skilled, capable and diverse	MT&ID	Performance Management	Assessment of the Performance of Senior	4	0	(4)	There was no formal committee in place to	A formal assessment has been scheduled for	4	0	(4) informal

Chapter 3

	workforce in a good working environment			Management on a quarterly basis				conduct the evaluation of the performance of Senior Management. The Office of the Municipal Manager made a submission to Council recommending the appointment of a Committee. Council endorsed the appointment of an evaluation Committee for the assessment of the performance of Senior Management	September 2021 as per the schedule of the performance agreements of Senior Management. This will cover all outstanding formal assessments.			
TL3	To maintain a skilled, capable and diverse workforce in a	MT&ID	Performance Management	No. of performance analysis reports to Management on a quarterly basis	4	4	0	-	-	4	4	0

Chapter 3

	good working environment											
TL4	Embed good governance through sound administrative practices and improved stakeholder relation	MAGC	Overseeing the functionality of Audit Committee	Quarterly Audit Committee meetings	4	4	0	-	-	4	4	0
TL5	Embed good governance through sound administrative practices and improved stakeholder relation	MAGC	Providing support to Local Municipalities through Technical IGR engagements	No. of Technical IGR meetings held	2	1	(1)	The Technical IGR did not sit as planned in quarter 4 due to the non-availability of members (local municipal managers)	Technical IGR will sit as planned in the new financial year because other platforms can now be used (virtual) to host such meetings	4	1	(3)
TL6	Embed good governance through sound administrative practices and improved	MAGC	Overseeing the functionality of the Risk Management Committee	Quarterly Risk Management Committee meetings	4	1	(3)	Risk Management Committee was not fully functional in the year under review	Management resolved that all Risk management related matters will be dealt with in the Audit and	4	3	(1)

Chapter 3

	stakeholder relation								Performance Committee going forth			
TL7	Embed good governance through sound administrative practices and improved stakeholder relation	MAGC	Improved audit outcomes	Monitoring the implementation of AGSA audit action plan and report quarterly	2	2	0	-	-	2	2	0
TL8	Embed good governance through sound administrative practices and improved stakeholder relation	MAGC	Improved audit outcomes	Obtaining a clean audit outcome for the 2019-2020 audit	1	0	(1)	The municipality received an unqualified audit opinion(with matters of emphasis)	Development of an audit action plan, monitoring and reporting progress made in terms of implementing matters raised by the Auditor General (AGSA)	1	0	(1)
TL9	Embed good governance through sound administrative practices and improved	MAGC	SALGA membership	Payment of the SALGA membership on or before 30 June 2021	1	1	0	-	-	1	1	0

Chapter 3

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
	stakeholder relation											
TL10	Embed financial viability and sustainability through good financial management	MFV&M	Ensure compliance with Section 32 of the MFMA	Monthly reports on irregular, unauthorised, fruitless and wasteful expenditure	12	12	0	-	-	12	12	0
TL11	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Ensure compliance with the Regulations of the DMA,2002	Appointment of Risk Manager/Officer and conducting Risk Assessment to give effect to a COVID-19 ready workplace on or before 30-Aug-2020	1	1	0	-	-	New KPI	New KPI	New KPI
CHIEF FINANCIAL OFFICER												

Chapter 3

TL 12	Embed financial viability and sustainability through good financial management	MFV&M	Annual Financial Statements	Compilation AFS on or before 31 Aug 2020 and submission to AGSA	1	1	0	-	-	1	1	0
TL13	Embed financial viability and sustainability through good financial management	MFV&M	Oversee the review and implementation of the Audit Action Plan	Updated Action Plan	2	2	0	-	-	2	2	0
TL14	Embed financial viability and sustainability through good financial management	MFV&M	Review of journals prior capturing on the financial system(pastel)	Quarterly review of journal entries	4	4	0	-	-	4	4	0
TL15	Embed financial viability and sustainability through good	MFV&M	Ensure that the FMG conditional operational grant is fully	% of FMG conditional operational grant spent on a quarterly basis	100%	100%	0	-	-	100%	100%	0

Chapter 3

	financial management		utilised by 30 June 2021									
TL16	Embed financial viability and sustainability through good financial management	MFV&M	Oversee the implementation of the SCM Policy	Quarterly reports on the deviations of the SCM Policy	4	4	0	-	-	4	4	0
TL17	Embed financial viability and sustainability through good financial management	MFV&M	Compilation of MFMA Sec 71 reports to Provincial and National Treasury	Monthly MFMA Sec 71 reports	12	12	0	-	-	12	12	0
TL18	Embed financial viability and sustainability through good financial management	MFV&M	Compilation of MFMA Sec 52(d) reports to Provincial and National Treasury	Quarterly Sec 52(d) (MFMA) reports	4	4	0	-	-	4	4	0
TL19	Embed financial viability and	MFV&M	Compilation of SCM reports	SCM quarterly reports	4	4	0	-	-	4	4	0

Chapter 3

	sustainability through good financial management		o Provincial and National Treasury									
TL20	Embed financial viability and sustainability through good financial management	MFV&M	Monitor the implementation of the Demand Management Plan	Quarterly reports on the implementation of the Demand Management Plan	4	4	0	-	-	4	4	0
TL21	To maintain a skilled, capable and diverse workforce in a good working environment	MFV&M	Ensure compliance with circular 17/2020 of SALGA	100% expenditure on the COVID-19 budget on or before 30-Jun-2021	100%	100%	0	-	-	New KPI	New KPI	New KPI
TL22	Embed good governance through sound administrative practices and improved stakeholder relation	MAGC	Overseeing the functionality of the Risk Management Committee	No. of Risk Management Committee meetings attended	4	1	(3)	Risk Management Committee was not fully functional in the year under review	Management resolved that all Risk management related matters will be dealt with in the Audit and Performance	4	3	(1)

Chapter 3

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
DIRECTOR: CORPORATE SERVICES												
TL23	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Oversee the compilation and the submission of the WSP	WSP approved by the LLF and submitted to LGSETA in April 2021	1	1	0	-	-	1	1	0
TL24	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Employment Equity	Monitor and report on the implementation of the Employment Equity Plan	1	1	0	-	-	1	1	0

Chapter 3

TL25	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Work Skills Plan	No. of employees trained on MFMP for the 2019/2020 financial year	5	5	0	-	-	5	0	(5)
TL26	Embed good governance through sound administrative practices and improved stakeholder relation	MAGC	Planning of the sitting of Council and Council Committees	Develop schedule for the sitting of Council and Council Committees and table before Council	1	1	0	-	-	1	1	0
TL27	Embed good governance through sound administrative practices and improved stakeholder relation	MAGC	Ensure that Council sits as regulated by the MSA(Act 32 of 2000)	No. of Council (ordinary) meetings	4	3	(1)	Council had a lot of Special sittings hence the three Ordinary sittings in the 2020-2021 financial years.	Council will sit as stipulated by the Local Government: Municipal Systems Act	4	4	0

Chapter 3

TL28	Embed good governance through sound administrative practices and improved stakeholder relation	MAGC	Stakeholder relations	No. of District Health Council meetings held	2	2	0	-	-	2	1	(1)
TL29	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Ensure Functionality of the Local Labour Forum	No. of Local Labour Forum meetings	4	1	(3)	The LLF was not fully functional in the current financial year as a result meetings could not sit as planned	Management and the Labour unions to resuscitate the LLF in the new financial year	4	2	(2)
TL30	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Ensure safety of municipal employees	Servicing and replacement of fire extinguishers on or before 30 June 2021	1	0	(1)	Fire extinguishers were not serviced as planned in the year under review	The Human Resources division would ensure that the fire extinguishers are serviced or new ones are bought at the beginning of the	1	1	0

Chapter 3

									new financial year			
TL31	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Ensure safety of municipal employees in terms of the DMA,2002	Monitor and report compliance to the COVID-19 Workplace Plan	4	4	0	-	-	New KPI	New KPI	New KPI
TL32	Embed good governance through sound administrative practices and improved stakeholder relation	MAGC	Overseeing the functionality of the Risk Management Committee	No. of Risk Management Committee meetings attended	4	1	(3)	Risk Management Committee was not fully functional in the year under review	Management resolved that all Risk management related matters will be dealt with in the Audit and Performance Committee going forth	4	3	(1)
TL33	Embed good governance through sound administrative practices and improved	MAGC	Mandela Day	Purchasing of blankets for Mandela day before 31 July 2020	100	0	(100)	Mandela day could not be celebrated due to the COVID-19	This activity will take place as directed by the Disaster Management Regulations	100	100	100

Chapter 3

	stakeholder relation							lockdown restrictions				
TL 34	Embed good governance through sound administrative practices and improved stakeholder relation	MAGC	OR Tambo Games	100% utilisation of the OR Tambo Games budget by 30 October 2020	100%	0%	(100%)	No expenditure was incurred on OR Tambo Games due to the COVID-19 lockdown restrictions	This activity will take place as directed by the Disaster Management Regulations	100%	143.6%	43.6%
REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
DIRECTOR: PLANNING AND SOCIAL DEVELOPMENT												
TL35	Create an inclusive, responsive, and healthy environment conducive for living and	BSD&ID	Maintaining and improving the standard of water quality (compliance to SANS 24)	Ensure that water quality tests are done on a quarterly basis	4	4	0	-	-	4	4	0

Chapter 3

	sustainable growth											
TL36	Create an inclusive, responsive, and healthy environment conducive for living and sustainable growth	BSD&ID	Ensure that the RRAMS grant is fully utilised by 30 June 2021	% of RRAMS grant spent on a quarterly basis	100%	100%	0	-	-	100%	100%	0
TL37	Create an inclusive, responsive, and healthy environment conducive for living and sustainable growth	BSD&ID	Play an oversight role in terms of the implementation of the RRAMS project	No. of reports to Management/Council on the implementation of the RRAMS project	4	4	0	-	-	4	0	(4)
TL38	To render efficient environmental health and disaster management services	SD&E	Job Creation	No. of jobs opportunities created through the EPWP	170	187	17	This is due to resignations and the municipality had to replace those who left	-	128	128	0

Chapter 3

TL39	To facilitate economic and tourism development to the benefit of the town and all residents	LED	Ensure participation of all local municipalities towards the implementation of LED	No of LED Forums	4	4	0	-	-	4	4	0
TL40	To facilitate economic and tourism development to the benefit of the town and all residents	LED	Lobbying of external stakeholders to invest in Xhariep	No. of stakeholder engagement meetings	2	2	0	-	-	2	2	0
TL41	To render efficient environmental health and disaster management services	BSD&ID	Oversee Improvement of EH Audit from the National Department of Health	No. of reports on the updated National Department of Health Audit Action Plan	2	2	0	-	-	3	2	(1)
TL42	To render efficient environmental health and	BSD&ID	Support the implementation of the Disaster	Attending disaster advisory forums	4	4	0	-	-	4	4	0

Chapter 3

	disaster management services		Management Plan									
TL43	To render efficient environmental health and disaster management services	BSD&ID	Support the implementation of the Disaster Management Plan	Attending disaster educational and awareness campaigns	2	1	(1)	The Disaster Management Awareness Sessions planned for the fourth quarter could not take place due to COVID19 restrictions and the closing of schools	The Disaster Management Awareness Sessions for the new financial year will take place as planned provided the COVID19 restrictions are eased	2	3	1
TL44	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Creation of employee education /awareness of COVID-19 in terms of the DMA,2002	Employee COVID-19 Education/Awareness sessions held	2	2	0	-	-	New KPI	New KPI	New KPI
TL45	Embed good governance through sound administrative	MAGC	Overseeing the functionality of the Risk	No. of Risk Management Committee	4	1	(3)	Risk Management Committee was not fully	Management resolved that all Risk management	4	3	(1)

Chapter 3

	practices and improved stakeholder relation		Management Committee	meetings attended				functional in the year under review	related matters will be dealt with in the Audit and Performance Committee going forth			
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DEPARTMENTAL PERFORMANCE

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
	MUNICIPAL MANAGER											
D1	Embed good governance through sound administrative practices and improved	MAGC	Implementation of the Risk Management, anti-fraud and anti-corruption initiatives	No. of Risk Management, anti-fraud and anti-corruption awareness sessions held	1	1	0	-	-	1	1	0

Chapter 3

	stakeholder relations											
D2	Embed good governance through sound administrative practices and improved stakeholder relations	MAGC	Risk Management	Development of the Risk Management Register before 31-Sep- 2020	1	1	0	-	-	1	1	0
D3	Embed good governance through sound administrative practices and improved stakeholder relations	MAGC	Risk Management Reports	No. of quarterly risk assessment reports prepared	4	4	0	-	-	4	4	0
D4	Embed good governance through sound administrative practices	MAGC	Improved audit outcomes	Reduction of audit findings by 80% in the 2020/2021 financial year	80%	45.05	(34.95)	There is a reduction of audit findings though it is not as	An action plan has been developed to address	80%	152.27	232

Chapter 3

	and improved stakeholder relations							anticipated(45.05%) : 2018-2019= 111 2019-2020=61	matters raised by the AGSA			
D5	Embed good governance through sound administrative practices and improved stakeholder relations	MAGC	Functional Internal Audit Unit (MFMA 62(1))	No of quarterly reports prepared for Audit Committee	4	4	0	-	-	4	4	(0)
D6	Embed good governance through sound administrative practices and improved stakeholder relations	MAGC	Development of the Risk based audit plan	Risk based audit plan approved by Audit Committee by 31 August 2020	1	1	0	-	-	1	1	0

Chapter 3

D7	Embed good governance through sound administrative practices and improved stakeholder relations	MAGC	Compilation of the draft Annual Report	Draft Annual Report approved by Council on or before 31 January 2021	1	1	0	-	-	1	1	0
D8	Embed good governance through sound administrative practices and improved stakeholder relations	MAGC	Compilation of the Oversight Report on Annual Report (MFMA 129(1) and MSA 46(2))	Oversight Report adopted by Council on or before 31 March 2021	1	1	0	-	-	1	1	0
D9	Embed good governance through sound administrative practices and improved	MAGC	Mid- Year review of the performance of the municipality (MFMA S72)	Mid-year report submissions (Mayor, Provincial and National Treasury) by 25 January 2021	1	1	0	-	-	1	1	0

Chapter 3

	stakeholder relations											
D10	Embed good governance through sound administrative practices and improved stakeholder relations	MAGC	Develop IDP / Budget (Time schedule of key deadlines (Process Plan) (MSA 28 / MFMA 21)	Approved IDP Framework and Process Plan on or before 31 Aug 2020	1	1	0	-	-	1	1	0
D11	Embed good governance through sound administrative practices and improved stakeholder relations	MAGC	IDP and Budget Public Participation meetings	No. of meetings held before the approval of the IDP and Budget	3	3	0	-	-	3	3	0
D12	Embed good governance through sound administrative practices	MAGC	Compile final IDP (MSA 34)	Final IDP approved by Council on or before 30 June 2021	1	1	0	-	-	1	1	0

Chapter 3

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
	and improved stakeholder relations											
FINANCIAL SERVICES												
D13	Embed financial viability and sustainability through good financial management	MFV&M	Production of annual Audit file	No. of Audit files produced by mid-August 2020	1	1	0	-	-	1	1	0
D14	Embed financial viability and sustainability through good financial management	MFV&M	Closing of all municipal financial accounts at the end of each month in terms of sec 65 of the MFMA	No. of monthly reports on the closing of all municipal financial accounts	12	12	0	-	-	12	12	0

Chapter 3

D15	Embed financial viability and sustainability through good financial management	MFV&M	No. of creditors reconciliations done monthly (30 days)	No. of creditors reconciliation reports submitted	12	12	0	-	-	12	12	0
D16	Embed financial viability and sustainability through good financial management	MFV&M	Financial Viability: Cost coverage (Reg 796)	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure (SA8)	>1	0.53%	(0.47%)	The municipality does not have sufficient cash to fund its operational budget	The municipality does not generate its own revenue, it depends on grants	>1	0.67%	(0.33%)
D17	Embed financial viability and sustainability through good financial management	MFV&M	Financial Viability: Debt coverage (Reg 796)	Debt coverage (Total operating revenue-operating grants received)/debt service payments due within the year) (SA8)	>1	0.10%	(0.9%)	Insufficient funds to recover debts.	The municipality does not generate its own revenue, it depends on grants	>1	0.04%	(0.96%)
D18	Embed financial viability and	MFV&M	Monthly notification of	List of awards	12	12	0	-	-	12	12	0

Chapter 3

	sustainability through good financial management		awards over R 100 000									
D19	Embed financial viability and sustainability through good financial management	MFV&M	Effective management of payroll by providing the section 66 payroll report on a monthly basis	Monthly reports to management in terms of section 66 of the MFMA	12	12	0	-	-	12	12	0
D20	Embed financial viability and sustainability through good financial management	MFV&M	Ensure the submission of IRP5's	IRP5's submitted not later than 30 May 2021 to SARS	1	1	0	-	-	1	1	0
D21	Embed financial viability and sustainability through good financial management	MFV&M	Monthly salary reconciliations	No. of reconciliations done	12	12	0	-	-	12	12	0

Chapter 3

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
DIRECTORATE: CORPORATE SERVICES												
D22	Embed good governance through sound administrative practices and improved stakeholder relations	MAGC	Draw quarterly resolution execution report for all directorates	No. of execution reports where Council resolutions are captured on every sitting of Council	4	4	0	-	-	4	4	0
D23	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Public Participation Plan in place	Review the Public participation Plan/Strategy on or before 30 June 2021	1	0	(1)	Communities and stakeholders could not be consulted for the review of Public participation Plan/Strategy to disaster management restrictions on gatherings	Different platforms(inviting comments through the municipal website or notice boards) will be used in future to get inputs from stakeholders	1	0	(1)

Chapter 3

D24	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Development of the Works Skills Plan	WSP approved by the LLF and submitted to the LGSETA on or before 30 April 2021	1	1	0	-	-	1	1	0
D25	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Occupational Health and Safety	Progress reports on the Implementation of the Occupational Health and Safety Action Plan	2	2	0	-	-	2	2	0
D26	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Provide secured Internet Services	Quarterly reports on the supplier's performance on the effectiveness of Internet Service Provider(ISP)	4	4	0	-	-	4	4	0
D27	To provide recreational facilities and opportunities and	CD&E	Youth Development	Review of the Youth Development	1	0	(1)	Communities and stakeholders could not be consulted for	Different platforms(inviting comments through the	1	0	(1)

Chapter 3

	programmes aimed to facilitate and promote community development and social cohesion			Strategy before 30 June 2021				the review of the Youth Development Strategy to disaster management restrictions on gatherings	municipal website or notice boards) will be used in future to get inputs from stakeholders			
D28	To provide recreational facilities and opportunities and programmes aimed to facilitate and promote community development and social cohesion	CD&E	Special programmes	Conduct 1 outreach programme on Woman emancipation before 30 August 2020	1	1	0	-	-	1	1	0
D29	Improve public participation	CD&E	Special programmes	Conduct 1 outreach programme on intergrated services before 30 September 2020	1	1	0	-	-	New KPI	New KPI	New KPI

Chapter 3

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE	
PLANNING AND SOCIAL DEVELOPMENT												
D30	To render efficient environmental health and disaster management services	SD&E	Implementation of the Expanded Public Works Programme (EPWP)	No. of quarterly reports on the EPWP progress, grant, staff and wages paid submitted to the MM/ Council	4	4	0	-	-	4	4	0
D31	To render efficient environmental health and disaster management services	SD&E	Report on the implementation of the EPWP	No. of EPWP steering committee meetings held quarterly	4	4	0	-	-	4	4	0
D32	To render efficient environmental health and disaster management services	SD&E	Expenditure of the EPWP Grant	100% Expenditure by end of June 2021	100%	100%	0	-	-	100%	100%	0

Chapter 3

D33	To facilitate economic and tourism development to the benefit of the town and all residents	LED	Making tourism awareness to schools and communities	No. of tourism awareness campaigns conducted quarterly	4	4	0	-	-	4	3	(1)
D34	To render efficient environmental health and disaster management services	BSD&ID	Environmental Health services	No. of Health Education programmes/projects planned	3	18	15	More Educational programmes were conducted due to COVID-19	-	8	20	12
D35	To render efficient environmental health and disaster management services	BSD&ID	Water quality monitoring	No of quarterly water quality reports submitted to Management	4	4	0	-	-	4	4	0
D36	To render efficient	BSD&ID	Water quality monitoring	No. of water quality samples	Mohokare 66	75	9	The positive variances is		66	70	4

Chapter 3

	environmental health and disaster management services			collected per local municipality	Letsemeng 90	108	18	due to resampling		90	73	(17)
					Kopanong 198	226	28			198	201	3
D37	To render efficient environmental health and disaster management services	BSD&I D	Improve service delivery to communities	No. of quarterly sanitation(waste water) reports submitted to Management	4	1	(3)	Waste water reports could not be compiled as planned due to laboratory results that were withheld by the service provider because of non-payment of outstanding invoices	Timeous payment of the service provider by the municipality in the new financial year	3	3	0
D38	To render efficient environmental health and disaster management services	BSD&I D	Improve service delivery to communities	No. of quarterly waste water samples taken per local municipality	Mohokare 12	12	0	There was no final effluent overflow in two plants of Kopanong local municipality	-	9	6	(3)
					Kopanong 8	6	(2)			6	2	(4)
					Letsemeng 4	4	0			3	2	(1)

Chapter 3

D39	To render efficient environmental health and disaster management services	BSD&I D	Environmental Health services	No. of people attending Health Education programmes	125	729	604	More Educational programmes were conducted due to COVID-19	-	500	801	301
D40	To render efficient environmental health and disaster management services	BSD&I D	Disaster Management	No. of municipal disaster management advisory forum meetings held (section 51 of the Disaster Management Act 2002)	4	4	0	-	-	4	4	0
D41	To render efficient environmental health and disaster management services	BSD&I D	Disaster Management	No. of Disaster Management awareness sessions held in the District	2	1	(1)	The Disaster Management Awareness Sessions planned for the fourth quarter could not take place due to COVID19 restrictions	The Disaster Management Awareness Sessions for the new financial year will take place as planned provided the COVID19	2	3	1

Chapter 3

								and the closing of schools	restrictions are eased			
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The following abbreviations are used in the service delivery targets and performance indicators:

KPA - Key Performance Area

Chapter 3

KPI	-	Key Performance Indicator
GGPP	-	Good Governance and Public Participation
MFVM	-	Municipal Financial Viability and Management
MTID	-	Municipal Transformation and Institutional Development
LED	-	Local Economic Development
BSD	-	Basic Service Delivery
SER	-	Spatial and Environmental Rationale
MFMA	-	Municipal Finance Management Act 56 of 2003
MSA	-	Municipal Systems Act 32 of 2000
EEA	-	Employment Equity Act 55 of 1998
SDA	-	Skills Development Act 97 of 1998
MPPR	-	Local Government: Municipal Planning and Performance Management Regulations, 2001
MPR	-	Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

Organization Development (OD) is about improving performance at the individual, group, and Municipal organizational levels. It is about improving the organization's ability to effectively respond to changes in its external environment, and it's about increasing internal capabilities by ensuring the Xhariep District Municipal structures, human resources systems, job designs, communication systems, and leadership/managerial processes fully harness human motivation and help people function to their full potential.

Done well, such improvement can be transformational—producing fundamental changes in the way individuals, groups, and organizations functions.

T4.0.1

Chapter 4

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Vacancy Rate: 2020-2021			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	2	0	0%
Other S57 Managers (Finance posts)	0	0	0%
Managers: Levels 0-3 (excluding Finance Posts)	14	1	7.1%
Senior management: Levels 0-3 (Finance posts)	3	0	0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	10	3	30%
Highly skilled supervision: levels 9-12 (Finance posts)	4	1	25%
Total	35	5	14.3%

T4.1.2

Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2018/2019	5	6	9.7%
2019/2020	1	3	0.03%
2020/2021	8	5	6.0%

T4.1.3

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	0	0	0	0	0

T4.3.1

Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	47	0	3	4	13,5	110192,57
Skilled (Levels 3-5)	35	0	7	16	14,5	62767,46
Highly skilled production (levels 6-8)	150	0	8	27	46,25	166174,06
Highly skilled supervision (levels 9-12)	37	0	3	22	15,5	213720,44
Senior management (Levels 13-15)	33	0	7	9	12,25	17779,74
MM and S57	6	0	2	4	3	698834,88
Total	308	0	30	82	105	1269469.15

T4.3.2

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
No cases of suspensions were reported in the 2020-2021 financial year due to good employer and employee relations				

T4.3.5

Chapter 4

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
No financial misconduct cases were reported in the 2020-2021 financial year.			
			T4.3.6

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2020-2021	Number of skilled employees required and actual as at 30 June 2019-2020											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of 2019-2020	Actual: End of 2020-2021	Target	Actual: End of 2019-2020	Actual: End of 2020-2021	Target	Actual: End of 2019-2020	Actual: End of 2020-2021	Target	Actual: End of 2019-2020	Actual: End of 2020-2021
MM and s57	Female	1	0	0	0	0	0	0	0	0	0	0	0	1
	Male	3	0	2	2	0	0	0	0	0	0	0	0	3
Councillors	Female	8	0	3	3	0	0	0	0	0	0	0	0	8
	Male	15	0	5	5	0	0	0	0	0	0	0	0	15
Technicians and associate professionals*	Female	13	0	0	0	0	0	0	0	0	0	0	0	0
	Male	6	0	0	0	0	0	0	0	0	0	0	0	0
Professionals	Female	7	0	3	3	0	0	0	0	0	0	0	0	13
	Male	1	0	0	1	0	0	0	0	0	0	0	0	4
Sub total	Female	29	0	1	19	0	0	0	0	0	0	0	0	29
	Male	25	0	1	17	0	0	0	0	0	0	0	0	25
Total		54	0	15	50	0	0	0	0	0	0	0	0	98

*Registered with professional Associate Body e.g. CA (SA)

T4.5.1

Chapter 4

Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials	0	0	0	0	0	0
<i>Chief financial officer</i>	1	1	1	1	1	0
<i>Senior managers</i>	3	3	3	3	3	2
<i>Any other financial officials</i>	0	0	0	0	0	0
Supply Chain Management Officials	0	0	0	0	0	0
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
TOTAL	4	4	4	4	4	2

T4.5.2

Chapter 4

R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2020-2021							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female	1	0	0	0	0	0	0	0	0
	Male	3	R84000	84000	0	0	0	0	0	0
Councillors	Female	4	R42000	R42000	0	0	0	0	0	0
	Male	11	R42000	R42000	0	0	0	0	0	0
Managers	Female	5	R42000	R42000	0	0	0	0	0	0
	Male	10	R168000	R168000	0	0	0	0	0	0
Professionals	Female	15	R168000	R168000	0	0	0	0	0	0
	Male	3	R42000	R42000	0	0	0	0	0	0
Clerks	Female	14	0	0	0	0	0	0	0	0
	Male	3	0	0	0	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0	0	0	0	0
	Male	1	0	0	0	0	0	0	0	0
Sub total	Female	3	R84000	84000	0	0	0	0	0	0
	Male	4	R42000	R42000	0	0	0	0	0	0

Chapter 4

Total		88	R714 000	R714 000	0	0	0	0	0	0
<i>*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.</i>									%*	*RO
T4.5.3										

Chapter 5

Repair and Maintenance Expenditure: 2020-2021				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	695	663	531	132
				T5.3.4

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Both the Supply Chain Management Policy of municipality and Standard for Infrastructure Procurement Delivery and Delivery Management policies are reviewed annually to ensure that they are in line with the Municipal Supply Chain Management Regulations, other applicable legislations and guidelines. The reviewed policy of the municipality for 2021/22 financial year was approved by the Council in July 2021 after incorporation of the Free State Provincial Treasury inputs.

The municipality (as far as the National Treasury SCM implementation check list is concerned, both quarterly and annually) does not have IT related projects above R10m, hence it has not yet utilized the services of SITA to procure such goods or service; and Lastly, an institutional delegation of powers has to be established in collaboration with Free State Provincial Treasury.

No Councilor is a member of any committee handling Supply Chain processes. All three (3) Officials in Supply Chain have the MFMA minimum competency requirements in 2016.

Non – compliance with Supply Chain Management Policy and other applicable legislations which resulted in irregular expenditure – As a remedial action to this problem, such expenditure to be investigated by MPAC, consequence management to be implemented and the SCM checklist to be reviewed and implemented effectively to ensure for an example, that all transactions, prior to awarding, are given to suppliers/service providers that are CSD compliant and/or comply with all the necessary bidding requirements..

T5.12.1

Chapter 5

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2019-2020

Auditor-General Report on Financial Performance 2019-2020	
Audit Report Status*:	Unqualified Opinion (2019 – 2020)
Non-Compliance Issues	Remedial Action Taken
Compliance - AFS, APR, AR: Revised SDBIP, Annual Report and Oversight adoptions (COA.8)(M)(A)	Management will ensure that oversight committee tabled an oversight report within a prescribed legislation by MPAC. Management will ensure that the revised SDBIP is tabled to the council after adjustments.
Compliance - Planning: Consequence Management: No investigations of irregular expenditure (COA.10)(M)(A)	Due to the backlogs of the entire Unauthorized, Irregular, Fruitless and Wasteful Expenditure, Management would ensure a speedy investigations on other the entire populations by MPAC.
Compliance - Expenditure: Payments not made within 30 days (COA.34)(M)(A)	Management would ensure that all payments must be made within 30 days of invoice date.
Compliance - Expenditure management: Steps not taken to prevent UIF expenditure (CoA.44)(M)(A)	Management would ensure that MPAC is sitting as per schedule to ensure that there is consistent reporting for Unauthorized, Irregular, Fruitless and Wasteful Expenditure.
Compliance - SUM (irreg) SCM Business Process: (local content) Non-compliance with the regulations (COA.5)(M)(A)	Management would ensure that SCM Process is followed to ensure that the local content is covered and applied accordingly as recommended.
Compliance / adjusted (irreg)- SCM: Reason for deviation not inline with SCM regulation	Management would ensure that the irregular expenditure is in line with the SCM Policy and other circulars as issued by NT. Management would ensure the consistency in relation to SCM as approved by the Council.
SCM focus area - compliance SCM: Contract Management - No provision for dispute resolution in the contract (CoA.42)(M)(A)	Management would ensure that SCM Process is followed at all times and such SLA is covered in terms of circulars issued as well.
SCM focus area -compliance SCM: Contract Management: Contract details differ to specifications (COA.40)(M)(A)	Management would ensure that SCM Process is followed at all times and such SLA is covered in terms of circulars issued as well.
SCM focus area - compliance SCM: Contract Management: Contract	Management would ensure that the all extensions are approved by Council.

Chapter 5

extension/modification approvals (COA.39)(M)(A)	
I/C - compliance (resolved/ adjusted (irreg)) - SCM: Quotations: No three quotations were obtained and no deviation (COA.51) (M)(A)	Management would ensure that SCM Process is followed at all times and such SLA is covered in terms of circulars issued as well.
SCM focus area: compliance MR only - SCM: PPR: Unable to determine how points were awarded for functionality (COA.59)(M)(A)	Management would ensure that SCM Process is followed at all times and such SLA is covered in terms of circulars issued as well.
COMPLIANCE - SCM: PPR: Bid not evaluated in accordance with preference point system (COA.61)	Management would ensure that SCM Process is followed at all times and such SLA is covered in terms of circulars issued as well.
I/C - compliance - SCM: PPR: B-BBEE points not awarded correctly (COA.60)(M)(A)	Management would ensure that SCM Process is followed at all times and such SLA is covered in terms of circulars issued as well.
I/C - compliance - SCM: Quotations: Reasons for not obtaining three quotations not approved (COA.58)(M)(A)	Management would ensure that SCM Process is followed at all times and such SLA is covered in terms of circulars issued as well. Management would perform Monthly VAT reconciliations. Management would ensure that VAT is reviewed on a monthly basis.
Compliance - AFS, APR, AR: Revised SDBIP, Annual Report and Oversight adoptions (COA.8)(M)(A)	Management will ensure that oversight committee tabled an oversight report within a prescribed legislation by MPAC. Management will ensure that the revised SDBIP is tabled to the council after adjustments.
Compliance - Planning: Consequence Management: No investigations of irregular expenditure (COA.10)(M)(A)	Due to the backlogs of the entire Unauthorized, Irregular, Fruitless and Wasteful Expenditure, Management would ensure a speedy investigations on other the entire populations by MPAC.
Compliance - Expenditure: Payments not made within 30 days (COA.34)(M)(A)	Management would ensure that all payments must be made within 30 days of invoice date.
Compliance - Expenditure management: Steps not taken to prevent UIF expenditure (CoA.44)(M)(A)	Management would ensure that MPAC is sitting as per schedule to ensure that there is consistent reporting for Unauthorized, Irregular, Fruitless and Wasteful Expenditure.
Compliance - SUM (irreg) SCM Business Process: (local content) Non-compliance with the regulations (COA.5)(M)(A)	Management would ensure that SCM Process is followed to ensure that the local content is covered and applied accordingly as recommended.
Compliance / adjusted (irreg))- SCM: Reason for deviation not in line with SCM regulation	Management would ensure that the irregular expenditure is in line with the SCM Policy and other circulars as issued by NT. Management would ensure the consistency in relation to SCM as approved by the Council.
SCM focus area - compliance SCM: Contract Management - No provision	Management would ensure that SCM Process is followed at all times and such SLA is covered in terms of circulars issued as well.

Chapter 5

for dispute resolution in the contract
(CoA.42)(M)(A)

*Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)*

T6.1.1

Auditor-General Report on Financial Performance 2020/2021

Status of audit report:

Unqualified

Annual financial statements: Unqualified audit opinion with material misstatements

Predetermined objectives: No material findings

Please refer to the report of the Auditor General below for more details

T6.2.1

COMPONENT B: AUDITOR-GENERAL OPINION 2020-2021 (CURRENT YEAR)

Report of the auditor-general to the Free State Legislature and the council on the Xhariep District Municipality

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Xhariep District Municipality set out on pages 116 to 173, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Xhariep District Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of

Chapter 5

the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 10 of 2020 (Dora).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. Note 29 to the financial statements indicates that the municipality had a deficit of R6 209 775 during the year ended 30 June 2021 and, as of that date, the municipality's current liabilities exceeded its current assets by R5 990 763. The cash flow challenges of the municipality resulted in payables not being settled in time. These events or conditions, along with other matters as set forth in note 29, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

IRREGULAR EXPENDITURE

9. As disclosed in note 33 to the financial statements, the municipality incurred irregular expenditure of R3 468 843 (2020: R4 381 556) due to non-compliance with supply chain management (SCM) requirements.

Chapter 5

UNAUTHORISED EXPENDITURE

10. As disclosed in note 31 to the financial statements, the municipality incurred unauthorised expenditure of R1 861 390 (2020: R570 013) due to overspending of the budget.

MATERIAL UNCERTAINTY RELATING TO CLAIMS AGAINST THE MUNICIPALITY

11. With reference to note 27 to the financial statements, the municipality is the defendant in various legal claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

RESTATEMENT OF CORRESPONDING FIGURES

12. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2021.

MATERIAL IMPAIRMENT

13. As disclosed in note 4 to the financial statements, trade debtors were impaired by R2 658 406 (2020: R2 084 404).

OTHER MATTER

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

UNAUDITED DISCLOSURE NOTES

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

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless

Chapter 5

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

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

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

20. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected key performance area (KPA) presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
21. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the municipality's annual performance report for the year ended 30 June 2021:

Chapter 5

KPA	Pages in the annual performance report
KPA – basic service delivery and infrastructure development	58-61
	71–75

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
24. I did not identify material findings on the usefulness and reliability of the reported performance information for KPA - basic service delivery and infrastructure development.

OTHER MATTERS

25. I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

26. Refer to the annual performance report on pages 46 to 76 for information on the achievement of planned targets for the year.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA - basic service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

28. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
29. The material findings on compliance with specific matters in key legislation are as follows:

Chapter 5

ANNUAL FINANCIAL STATEMENTS

30. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

EXPENDITURE MANAGEMENT

31. Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the approval, authorisation and payment of funds, as required by section 65(2)(a) of the MFMA.
32. Reasonable steps were not taken to prevent irregular expenditure amounting to R3 697 063 as disclosed in note 33 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with the SCM regulations.
33. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R1 861 390, as disclosed in note 31 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by the overspending of the specific votes in the approved budget.

STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

34. Amendments to the IDP were made without making the proposed amendments available for public comment, as required by section 34(b) of the Municipal Systems Act 32 of 2000 and municipal planning and performance management regulation 3(4)(b) and 15(1)(a)(ii).

PROCUREMENT AND CONTRACT MANAGEMENT

35. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

CONSEQUENCE MANAGEMENT

36. Unauthorised expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
37. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Chapter 5

38. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

OTHER INFORMATION

39. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected KPA presented in the annual performance report that has been specifically reported in this auditor's report.
40. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
41. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
42. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

43. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
44. There was a slow response from the leadership to implement and monitor the audit action plan to address the prior year's audit findings and internal control deficiencies, resulting in material misstatements being subsequently corrected by management and repeated non-compliance with relevant laws and regulations reported. There was again a last-minute effort implemented by management during the audit to resolve the internal

Chapter 5

control deficiencies and material misstatements were corrected towards the end of the audit to avoid audit report matters.

45. The leadership did not take effective steps to ensure that there were consequences for poor performance and transgressions, and council did not ensure that all unauthorised and irregular expenditure incurred was investigated during the financial year.

Auditor-General

Bloemfontein

30 November 2021



Chapter 5

Annexure – Auditor-general’s responsibility for the audit

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

FINANCIAL STATEMENTS

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

Chapter 5

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.

Chapter 5

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.

Chapter 5

Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to

Chapter 5

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

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance				
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance
	FT/PT			%
ClIr NS Mqungquthu	FT	Speaker	ANC	100
ClIr MJ Sehanka	FT	Executive Mayor/Executive Committee	ANC	100
ClIr K Moeketsi	FT	Chairperson of Corporate Services Committee	ANC	72
ClIr JK Sebeco	FT	Chairperson of Budget and Treasury Committee	ANC	90
ClIr MK Matlakala	PT	Corporate Services Committee	ANC	81
ClIr MS Mogapi	PT	MPAC Member	ANC	80
ClIr TS Tseoua	PT	Budget and Treasury Committee	EFF	36
ClIr AJJ Van Rensburg	PT	Planning and Social Development Committee	DA	72
ClIr MJ Moitse	PT	Chairperson of MPAC	ANC	90
ClIr MJ Phaliso	PT	Budget and Treasury Committee	ANC	27
ClIr AN November	PT	Planning and Social Development Committee	ANC	90

APPENDICES

Clr TD Mochechepa	FT	Chairperson of Planning and Social Development Committee	ANC	72	
Clr TV Nthapo	PT	Corporate Services Committee	DA	63	
Clr Van Wyk	PT	Corporate Services Committee	DA	72	
Clr S Riddle	PT	MPAC Member	DA	81	
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					TA

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Oversight Committee	Playing an oversight Role over the finances and the administration of the Municipality
Audit Committee	Performing duties as stipulated in Section 166 of the MFMA
MPAC	Playing an oversight Role over the finances and the administration of the Municipality
T B	

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	
Building regulations	No	
Child care facilities	Yes	
Electricity and gas reticulation	No	
Firefighting services	No	
Local tourism	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	No	
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 harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Storm water management systems in built-up areas	No	
Trading regulations	No	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	
<i>Continued next page</i>		
<i>Continued from previous page</i>		
Municipal / Entity Functions		

APPENDICES

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities	No	
Billboards and the display of advertisements in public places	No	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	No	
Control of public nuisances	No	
Control of undertakings that sell liquor to the public	No	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	No	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	No	
Local amenities	No	
Local sport facilities	No	
Markets	No	
Municipal abattoirs	No	
Municipal parks and recreation	No	
Municipal roads	No	
Noise pollution	Yes	
Pounds	No	
Public places	No	
Refuse removal, refuse dumps and solid waste disposal	No	
Street trading	No	
Street lighting	No	
Traffic and parking	No	
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2020-2021

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2020-2021	Recommendations adopted (enter Yes) If not adopted (provide explanation)
28 August 2020	<ol style="list-style-type: none"> 1. Audit Committee members approved the minutes of the meeting after changes proposed. 2. The Audit Committee recommended that the two formal assessments for Senior Managers should be conducted in September 2020 and Senior Management should report to the Audit Committee members in the next meeting. 3. The Audit Committee took note of the Draft Annual Financial Statements with inputs made and recommended that the inputs should be included on the AFS prior to submission of the AFS to AGSA on the 30th October 2020. 4. Audit Committee members recommend that the Anti-fraud be referred back after engagement on the delegation of Human Resource to conduct investigations. (Subjected to changes) and be reported in the Next Audit Committee meetings 5. The Audit Committee Members approves the following Strategic Documents <ul style="list-style-type: none"> - Internal Audit Charter 2020- 2021 - Internal Audit Methodology 2020 – 2021 	<p>Yes</p> <p>No – Formal Assessment were conducted in September 2020 for Senior Managers due to the municipality not having an evaluation panel for the assessment of Senior Management.</p> <p>Yes</p> <p>Yes</p>

APPENDICES

	<ul style="list-style-type: none"> - Internal Audit Policies for 2020 – 2021 - Quality Assurance and Improvement Programme (QAIP) 2020 – 2021 - Audit Committee Charter for 2020 – 2021 and - Schedule of Audit Committee meetings for 2020-2021 financial year. 	
<p>21 May 2021</p>	<ol style="list-style-type: none"> 1. The Audit Committee Members resolved that the Declaration of interest forms should be circulated with Audit Pack. 2. The Audit Committee resolved that the Resolution register should be recorded accurately and be sent out with the minutes of the meeting. 3. The Audit Committee resolved that FSPT may conduct assessments dates be arranged during the month of June 2021. 4. The Audit Committee Members resolved that Risk Management report to be presented in the next scheduled special audit committee meeting. 5. Audit Committee Members resolved that a special Audit Committee to be convened the on the week ending the 28th May 2021. 6. Audit Committee Chairperson will submit a report on issues that relates to MPAC. 7. The Audit Committee Members approves Three (3) year rolling plan and Annual Internal Audit Plan for 2020 - 2021 to be adjusted as recommended. 8. Audit Committee Members approves Audit Committee schedule for 2020 – 2021 of the meeting to be adjusted as recommended 9. The Audit Committee members noted Section 71 Report and requested that Management to present a report after engagement with COGTA in the next Audit Committee meeting 10. The Audit Committee resolved that the Audit Committee Charter to be presented in the next meeting. 11. The Risk Management Committee and the Audit Committee to be merged. 	<p>Yes</p> <p>Yes</p>

APPENDICES

<p>27 May 2021</p>	<ol style="list-style-type: none"> 1. The Audit Committee Members acknowledges receipts of the declarations of interest forms and will be signed. 2. The Audit Committee Members resolved that Minutes of the Ordinary meeting will be discussed in the ordinary meeting as per Schedule of the Audit Committee Members. 3. The Audit Committee resolved that the Report on outstanding debtors should be submitted in the Next Audit Committee Meeting. 4. The Audit Committee resolved that the top risks with mitigations / actions taken should be reported to the Audit Committee. 5. The Audit Committee member approves the Three Year Rolling Plan and Annual Internal Audit Plan for 2020 – 2021 as amended. 6. The Audit Committee resolved that the meeting between the Audit Committee and the Manager Internal audit to take place the week of the 2nd of June 2021. 7. The audit Committee Charter to be amended and presented in the meeting with the Manager Internal Audit. 	<p>Yes</p>
<p>3 March 2021</p>	<ol style="list-style-type: none"> 1. The Audit Committee noted the Management report from AGSA for 2019- 2021 2. The Audit Committee requested management to draft Audit Action Plan that will be addressing the AGSA Recommendations. 	<p>Yes</p>
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APPENDICES

APPENDIX H – LONG TERM CONTRACTS

Long Term Contracts (Largest Contracts Entered into 2020-2021					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Dipabala Consulting Engineers	Implementation of the Rural roads asset management system	September 2020	August 2023	Mr Sandile Majenge	6,680,614.50
LQ Technologies	Internet Service Provision	September 2020	August 2023	Mr Andile Tyhokolo	1,315,887.35

T H.1

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Service Provider	Project Name	Contract Amount	Project Status	End User Remarks
CCG Systems	Implementation of the integrated financial management systems and internal controls (mSCOA): Municipal Standard Charts of Accounts	5 244 082,00	On-going	Good
Test it Lab	Waste Water and Water Samplings	579 060,08	On-going	Good
Fezi Auditors and Consultants JV Opulentia Financial Service	Insurance of municipal assets	766 213.93	On-going	Good
Khumo Documents t/a Pan Solutions	Supply and Maintenance of telephone systems	483 796.96	On-going	Poor
Mega Works	Supply and Maintenance of printers	409 450.00	On-going	Acceptable
Dipabala Consulting Engineers	Implementation of the Rural roads asset management system	6,680,614.50	On-going	Good
LQ Technologies	Internet Service Provision	1,315,887.35	On-going	Good

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of 2020-2021 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	ClIr MJ Sehanka	Remuneration of the sitting of SALGA meetings
Member of MayCo / Exco		
	K.Moeketsi	Nil
	ClIr MK Matlakala	Nil
	JK Sebeco	Nil
	TD Mochechepa	Shares and Securities in a company Member of a close corporation Other financial interest in business undertaking
	NS Mqungquthu	Nil
Councillor	M Mogapi	Nil
	JM Moitse	Pension(Private)
	N November	Nil
	J Phaliso	PTY LTD, Shareholder, member of board of directors
	MK Matlakala	Nil
	S Tseuoa	Pension GERP 6000
	AJJ van Rensburg	Shares and securities: BKB R200 000.00 AND CMW, R150 000 Other financial Interest: Rustfontein Farming, R25000000.00, Interest in property: Rustfontein ha ,R 3 600000.00 Old Mutual pension R2 000000.00
	Van Wyk	Nil
	TV Nthapo	Nil
	J. Riddle	Shares and securities: Nicks place :R 1 500 000.00 Interest in Trust: Duma Family Trust R 4000 000.00 Employment and Remuneration R 250 000

APPENDICES

		Interest in property: Erf 337 Smithfield: R1 500 000.00 Old mutual: R1000 000.00
Municipal Manager	LY Moletsane	GEPF(pension fund) R3 995.32
Chief Financial Officer	PV Litabe	Share Holder: Calaria(PTY)Ltd (50%) Diabo Accountants & Consulting (80%)
Director: Corporate Services	ZQ Majenge	Director: Nceda Dispute Resolution
Director: Planning and Social Development	MS Mohale	None
<p><i>* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR</i></p> <p style="text-align: center;">SA34A TJ</p>		

APPENDICES

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R '000						
Description	2019-2020	2020-2021			2020-2021 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Agency services						
Transfers recognised - operational	65 777	66.302	68.101	61 352	5	7
Other revenue	104	774	727	81	693	646
Total Revenue (excluding capital transfers and contributions)						
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>						

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APPENDICES

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	N/A	
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model	N/A	
Output: Administrative and financial capability	N/A	
<p><i>* Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.</i></p>		

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VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS



Xhariep District Municipality
(Demarcation, Code DC16)
Annual Financial Statements
for the Year Ended 30 June 2021