



THABAZIMBI LOCAL MUNICIPALITY

**Annual Report
2018/2019**

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ABBREVIATIONS

MFMA	Municipal Finance Management Act No 56 of 2003
MSA	Municipal System Act No 32 of 2000
SDBIP	Service Delivery and Budget Implementation Plan
IDP	Integrated Development Plan
PMS	Performance Management System
NKPA	National Key Performance Areas
KPA	Key Performance Areas
KPI	Key Performance Indicators
S.M.A.R.T	Specific, Measurable, Attainable, Realistic and Timely
BBLM	Thabazimbi Local Municipality
DEA	Department of Environmental Affairs
LED	Local Economic Development
DWA	Department of Water Affairs
VIP	Ventilated Improved Pit
WWTW	Waste Water Treatment Works
EIA	Environmental Impact Assessment
LEDET	Limpopo Economic Development, Environment and Tourism
CDB	Central Business District
SDF	Spatial Development Framework
LUMS	Land Use Management Scheme

AG	Auditor General
RMC	Risk Management Committee
AC	Audit Committee
PAC	Performance Audit Committee
MPAC	Municipal Public Account Committee
AFS	Annual Financial Statements
CoGTA	Cooperative Governance and Traditional Affairs
LGSETA	Local Government Sector Education Training Authority
HRM	Human Resource Management
HRD	Human Resource Development
SPLUMA	Spatial Planning and Land Use Management Act No16 of 2013
OHS	Occupational Health Safety
LFF	Local Labour Forum
IGR	Intergovernmental Relations
ICT	Information Communication Technology
IT	Information Technology
MIG	Municipal Infrastructure Grant
MWIG	Municipal Water Infrastructure Grant
PMU	Project Management Grant
CCTV	Closed-Circuit Television
CSS	Community and Social Services

TSS	Technical Services
CS	Corporate Services
PED	Planning and Economic Development
BTO	Budget and Treasury Office
FY	Financial Year

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

The last few months presented a very challenging, yet revealing experience for myself as Mayor, and the rest of Council as we engaged with stakeholders, to whom we represent on the issues and services that matter to both you and us. I travelled across the entire Municipality affording me an opportunity to view the impact and difference we made as collective also getting your view on what works for you and whether our level of service is acceptable. Indeed the past year has not been easy, though I can safely say that we are slowly turning this ship around.

I am thus grateful for your openness and the positive spirit with which you embraced and engaged this consultation phase, during our integrated planning process. I am very aware of the numerous challenges we face ranging from differing levels of living conditions; informed by limited opportunities within both the public and private sectors, which we are definitely redressing.

Our direct consultation with you formed the foundation for our Five-year plan. The focus of our current IDP together links strongly to our Provincial Growth and Development Strategy as well as our National Development Plan for better-coordinated and integrated development planning in collaboration with all neighbouring municipalities, sector departments and national departments rendering services within the Thabazimbi Local Municipality area.

An imperative that remains is to mobilize required resources and skills in critical areas to enable us to deliver the best available services to all areas of community be made available at the ideal time when opportunities present in our municipality. Though as government we are not directly responsible for the creation of jobs, we have the responsibility to create a conducive environment and conditions as we are seriously on that path with the review of our Local Economic Development Strategy that in all certainty create a more structured and coordinated economic environment.

Together with all relevant role-players, we will thus also focus on developing a Tourism Plan for the entire municipal area to create more and better opportunities for our local community.

The Management with the full blessing of Council is taking bold steps to improve our revenue collection, in partnership with Provincial Treasury we are in the process of ensuring all government officials owning property in the Thabazimbi Local Municipality area own up to that ownership-responsibility of paying for all services they receive.

We are now collectively taking responsibility for creating better-integrated communities, and that responsibility stretches across sectors with which we are forming lasting relationships to redress social and economic imbalances by providing opportunities for all concerned.

Our new Municipal Manager's visionary active leadership and the new management team has assisted this municipality in averting potential crises and his rare strong managerial qualities on future planning harnesses the limited resources with limited capacity towards realizing better services through innovative ways. This year presents challenging yet exciting opportunity for us all to create a better life in partnership with you as I introduce this plan in your benefit.

I look forward to the year in planning, knowing that together we will create a better life for all.

TOGETHER LET'S MOVE THABAZIMBI FORWARD!!!

Cllr. John Michael Fischer

Mayor of Thabazimbi Local Municipality

COMPONENT B: EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview

The IDP 2017/18- 2021/22 (IDP 2018/19 Review), as the strategic planning instrument that guides development planning in a municipal area remains significant for Thabazimbi Local Municipality's Development Agenda. The IDP 2017/18- 2021/22(IDP 2018/19 Review) endeavours to reflect the priorities of Council which are informed by the needs of its citizens.

This plan will also be used to guide the institutional renewal in response to the changing trends and patterns of developmental needs and issues of pertaining to landscape. It will also afford the municipality an opportunity to review its past experiences and successes to re-configure its strategies in order to address previous challenges.

As the municipal administration, it is our responsibility to make things happen as we have an obligation to fulfil tasks that have been assigned to us by Council, mainly, to create an enabling environment that support local democracy, developing, reviewing, and finalizing outstanding policies and by-laws to enhance service delivery. In all our efforts, we will ensure that all existing resources are utilized economically, efficiently, and effectively. Sound municipal administration processes, systems and procedures are a central focus of institutional transformation and organizational development. Emphasis will be placed on improving revenue collection, identifying new growth paths/ areas, rapidly responding to matters that require urgent intervention i.e., the Eskom and water debt, water quality challenges, decaying infrastructure, handling of public enquiries, public participation/consultation and complaints etc.

The 2017/18- 2021/22 IDP (IDP 2017/18 Review) directs us to be true to the provisions in the preamble of our constitution and ensure that as a management collective we will leave no stone unturned in order to establish Thabazimbi Local Municipality as *"To be leading Municipality offering quality services in the most Economic, Affordable Equitable and sustainable manner"*

TG RAMAGAGA

Municipal Manager

1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

Thabazimbi Local Municipality is one of the six Local Municipalities within Waterberg District and it constitutes a total area of approximately 986 264. It is a home to 84 887 population which grows at a rate of 2.63% per annum. It is located in the South-western part of the Limpopo Province and has Botswana as its international neighbour and a mere two (2) hour drive from Tshwane. Thabazimbi is known as “mountain of iron” which is the Tswana name for this peaceful productive town, referring to the highly lucrative iron ore reef first discovered in the Municipality in 1919. The Municipality has Marakele National Park, which is a subsidiary of National Parks Board, and in the same standard as the Kruger National Park and Mapungubwe. The game lodges scattered around the area help to promote environmental sustainability.

Thabazimbi town was proclaimed in 1953. It was mined since the 1930's when iron and steel production started. Until its closure, Iscor Steelworks in Tshwane still drew much of their raw material from the recently closed Thabazimbi Kumba Resources (Iron Ore mine). Apart from Iron Ore the Thabazimbi Municipality is surrounded by Platinum producing areas such as: Northam Platinum mine, Anglo, i.e. Amandelbult and Swartklip mines. Other minerals produced in the area include Andalusite, which is mined by Rhino Mine and limestone for the production of cement by Pretoria Portland Cement (PPC). Thabazimbi Municipality incorporates Thabazimbi, Northam, Leeupoort, Rooiberg and Dwaalboom. Thabazimbi Municipality has shown tremendous growth which should continue for the foreseeable future. The mining sector has huge potential to absorb lots of skills within the municipality. There is also a need to establish mining opportunities in the small scale mining sector. We believe however, that in partnership with relevant stakeholders, we can leverage our society to tap into this major sector of the economy.

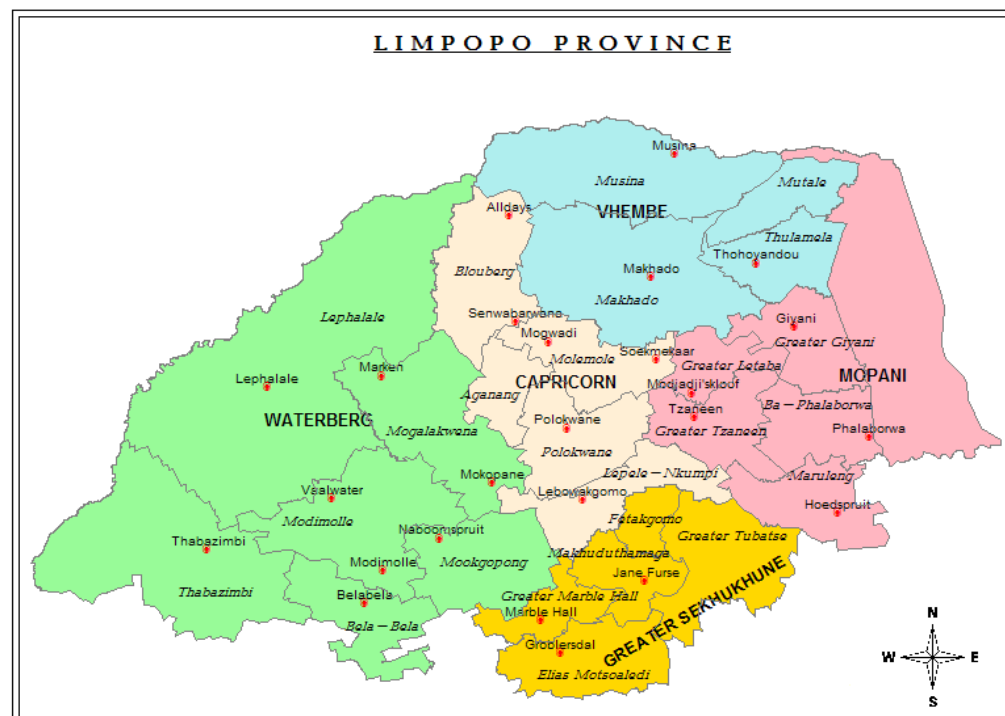
Thabazimbi is one of the country's most sought-after tourist destinations. Agriculture has also proven, in addition to mining, to be a strong economic sector in our municipality. We are growing our economy not in isolation as our goals are seamlessly aligned within those of the Limpopo Economic Growth and Development Plan. The alignment ensures that our growth trajectory bears fruits and that we address the objective of poverty eradication through job creation and business opportunity stimulation.

STRATEGIC CONTEXT

Thabazimbi Local Municipality seeks to be “the leading Municipality offering services in the most economic, affordable, equitable and sustainable manner”. This vision is in line with National Development Plan and Limpopo Development Plan. It is aimed to be achieved through promoting, co-coordinating, implementing and ensuring the financial and environmentally sustainable growth and development of Thabazimbi with a diversified and viable economy that provides an environment and services that benefit all. The Political and Administrative governance of the Municipality ensures that public accountability and stakeholder participation are maximized. These stakeholder relations strengthen the ability of the Municipality to rise beyond the risk management provocations and prompting anti-corruption and fraudulent hubbubs.

While the Municipal workforce upholds to providing services to the best possible abilities, daunting financial curtailments continue to rise. Critical vacancies remain vacant under these circumstances, with employee skills development mechanisms being severely constrained. The intergovernmental relations have seen the Municipality through support of COGHSTA, COGHTA, Provincial and National Treasury to ensure that the Municipal financial performance is stabilized.

This Annual Report for the financial year 2016/17 provides the Municipal performance on issues relating to Basic Service Delivery, Spatial Planning and Development, Local Economic Development, Municipal Institutional Transformation and Development, Financial Viability and Management, as well as Good Governance and Public Participation.



DISTRIBUTION OF THE POPULATION BY AGE AND SEX – 1996, 2001 and 2011

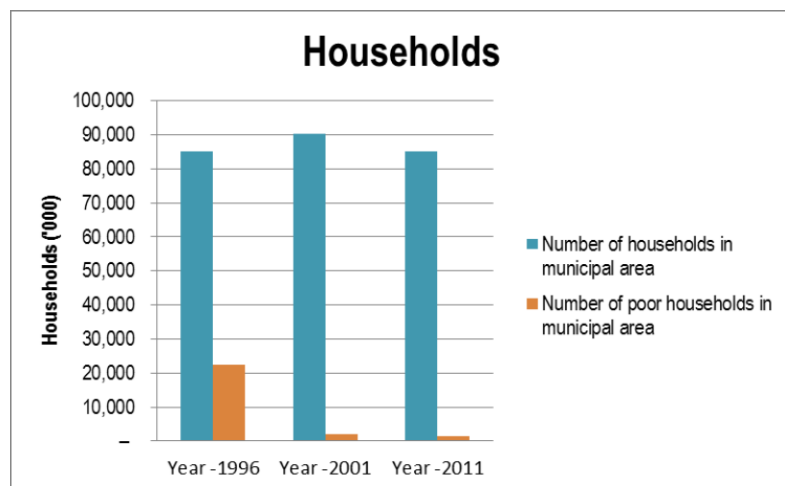
Thabazimbi	1996			2001				2011	
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	2 438	2 325	4 763	3 359	3 515	6 874	4 004	4 058	8 062
5 - 9	2 450	2 414	4 864	2 720	2 682	5 402	2 693	2 607	5 300
10 - 14	2 406	2 169	4 575	2 454	2 332	4 786	2 327	2 290	4 618
15 - 19	1 913	1 940	3 853	2 406	2 502	4 908	2 532	2 478	5 010
20 - 24	2 596	2 032	4 628	2 953	3 022	5 975	5 391	3 792	9 184
25 - 29	3 873	2 241	6 114	3 367	3 566	6 933	7 296	4 447	11 743
30 - 34	4 668	2 260	6 928	3 340	3 260	6 600	6 285	3 566	9 851
35 - 39	5 075	1 878	6 962	3 691	3 026	6 717	4 974	2 968	7 942
40 - 44	3 609	1 479	5 088	3 703	2 275	5 978	3 615	2 570	6 185
45 - 49	2 461	983	3 444	2 503	1 627	4 130	3 650	2 198	5 848
50 - 54	1 491	715	2 209	1 768	966	2 734	3 032	1 621	4 652
55 - 59	1 130	533	1 663	1 051	658	1 709	1 935	1 039	2 975
60 - 64	641	432	1 073	694	456	1 150	827	631	1 458
65 - 69	412	336	748	395	259	654	446	396	842
70 - 74	256	187	443	251	209	460	296	238	534
75 - 79	172	131	303	140	125	265	142	160	302
80 - 84	84	73	157	67	73	140	101	114	216
85 +	78	104	182	52	63	115	87	80	167
Total	35 753	22 232	57 997	34 914	30 616	65 530	49 633	35 253	84 889

DISTRIBUTION OF THE POPULATION BY FUNCTIONAL AGE GROUP, SEX AND MUNICIPALITY – 1996, 2001 and 2011

Table5

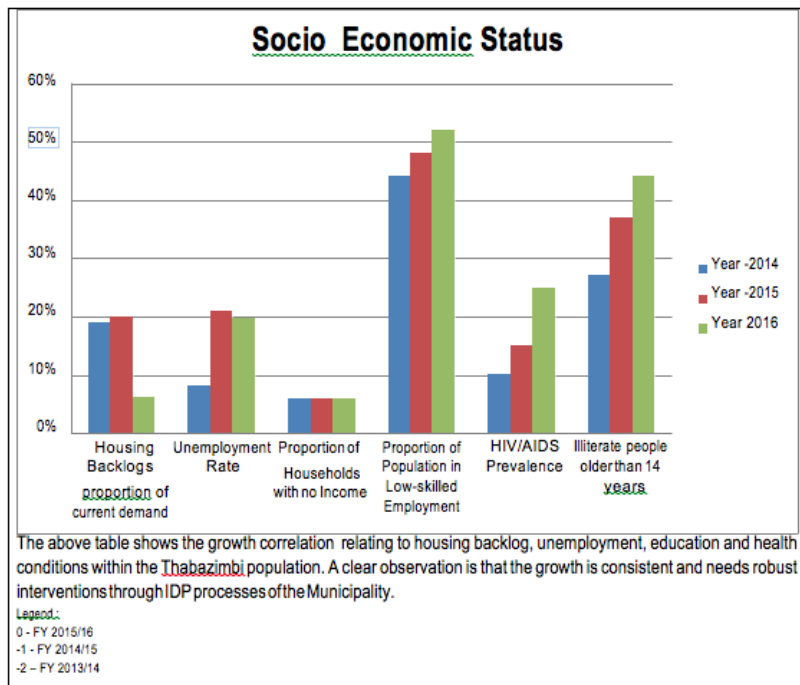
Thabazimbi	1996			2001			2011		
Age	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	2438	2325	4763	3359	3515	6874	4004	4058	8062
5-9	2450	2414	4864	2720	2682	5402	2693	2607	5300
10-14	2406	2169	4575	2454	2332	4786	2327	2290	4618
15-19	1913	1940	3853	2406	2502	4908	2532	2478	5010
20-24	2596	2032	4628	2953	3022	5975	5391	3792	9184
25-29	3873	2241	6114	3367	3566	6933	7296	4447	11743
30-34	4668	2260	6928	3340	3260	6600	6285	3566	9851
35-39	5075	1878	6962	3691	3026	6717	4974	2968	7942
40-44	3609	1479	5088	3703	2275	5978	3615	2570	6185
45-49	2461	983	3444	2503	1627	4130	3650	2198	5848
50-54	1491	715	2209	1768	966	2734	3032	1921	4652
55-59	1130	533	1663	1051	658	1709	1935	1039	2975
60-64	641	432	1071	694	456	1150	827	631	1458
65-69	412	336	748	395	259	654	446	396	842
70-74	256	187	443	251	209	460	296	238	534
75-79	72	131	303	140	125	265	142	160	302
80-84	84	73	157	67	73	140	101	114	216
85+	78	104	182	52	63	115	87	80	167
Total	35757	22245	58002	34915	30617	65532	49634	35253	84887

The above table shows a considerable number and growth of people between ages of 20 – 39 years, which is mostly a Youth group. This growth requires that the Municipality takes substantial efforts to identify and address challenges relating to this age group(s). One of the eminent factors threatening this age group(s) is the continuous unemployment growth.



This table indicates the growth of households per annum. It reveals the gradual growth of indigent households within the Municipal area and in line with the unemployment rate of 20% within the population of the Municipality. This further means that the level of poverty is increasing within the Municipal communities.

Socio Economic Status						
Year	Housing Backlog in Proportion to the current demand	Unemployment Rate	Proportion of Households with no income	Proportion of Population in low-skilled employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year 2014	19%	21%	6%	44%	10%	27%
Year 2015	20%	21%	6%	48%	10%	37%
Year 2016	6%	29%	6%	49%	18%	44%



Settlement Name	Classification	Estimated Pop 2011
Amandelbult	Rural	1 874
Dwaalboom	Urban	618
Farms Thabazimbi LM	Rural	22 487
Kromdraai Plots	Rural	1 990
Kwaggaslaagte (Kwaggasvlakte) Smallholdings	Rural	281

Leeupoort	Urban	2 500
Middeldrift	Rural	1 503
Northam	Urban	11 244
Raphuti	Rural	379
Regorogile	Urban	13117
Rooiberg	Urban	2155
Sentrum	Rural	75
Setaria	Rural	56
Smashblock	Rural	11,244
Spitskop Plots	Rural	296
Swartklip	Rural	3358
Swartkop (Zwartkop)	Rural	116
Thabazimbi	Urban	11 244
Total		84 536

1.3 SERVICE DELIVERY OVERVIEW

CAPITAL PROJECTS

Thabazimbi Local Municipality is a Water Services Authority (WSA) as well as a Water Services Provider (WSP). The Water Services Development Plan is in place and due for review. The Municipal capital projects, which are mostly related to water and sanitation, are basically funded through the Municipal Infrastructure Grant (MIG) and by contributions from the local mines' Social Labour Plans. For a number of financial years, the Municipality could not spend the MIG allocations according to the specified responsibilities. This led to the budget being adjusted downwards considerably during the financial year under review and the entire MIG programme being managed by Waterberg District on behalf of Thabazimbi Municipality

WATER AND SANITATION SERVICES PROVISION

The Municipality has basic service backlogs counted at 11 % of households without access to potable water within the minimum level of service, and 13% of households without access to sanitation within the minimum level of service.

Thabazimbi Local Municipality is a WSA (Water Services Authority) and WSP (Water Service Provider). The Water Services Development Plan is in place but require review in preparation for the new term of Local Government.

Thabazimbi, Regorogile and Northam currently have a quota of 9ML per day from Magalies board. Regorogile and Thabazimbi have additional supply from seven boreholes. The boreholes are located at Group 5, 12, B7 and Thaba Park.

The present allocation from the Vaalkop Dam is 7 MI/d and 2 MI/d for Thabazimbi and Northam respectively. The average abstraction from the boreholes is 4 MI/d. Rooiberg and Leeupoort/Raphuti currently source their water from local boreholes.

Schilpadnest water is also supplied from three working boreholes without any chlorination facilities.

The existing water pump station caters for Thabazimbi town including Regorogile and Ipelegeng. The current capacity of the plant is 28l/second but the average daily flow is about 60l/second. The municipality does not provide bulk water to the mines within its area of jurisdiction.

The Municipality provides water to informal settlements as follows:

Meriting, Raphuthi, Ga Botha, Northam ext 16 & 17, Dwaalboom, Skierlik and Smashblock - water is provided through communal stand pipes which are at RDP level.

The Municipality uses water tankering in Jabulani Mmamoraka Phatsima which is provided once a week due to lack of water provision trucks.

In terms of sanitation services; Thabazimbi town, Rooiberg, Raphuthi and Regorogile use water-borne sewer system. Leeupoort and part of Northam are using septic tanks, Northam is 98% water borne and 2% septic tanks. Both the Thabazimbi and Northam sewer plants require urgent upgrading as they are currently operating beyond design capacity.

ELECTRICITY SERVICES PROVISION

The electricity backlog within the Municipal area covers 10% of the households. The Municipality has a distribution license covering Thabazimbi, Rooiberg and portions of Northam. ESKOM distributes to Northam, Regorogile extensions 1, 3 and 4, farms and mining areas. Most of the Informal settlements are also supplied by ESKOM. It should be noted that the electricity infrastructure in Thabazimbi is ageing and would need to be overhauled urgently.

Roads and Storm Water Services

Access roads are in a fairly good condition. However, internal roads are mainly filled with potholes, no road markings and signs. Storm water channels including bridges have not been maintained and exacerbate flooding due to financial constraints and shortage of resources.

The initial backlog of 65km of roads that needed to be upgraded was reduced to 58km following the completion of MIG projects (A total of 5km of internal roads was upgraded)

The initial backlog of 56km of storm water to be upgraded was reduced to 54.8km (A total of 1,2km storm water was upgraded)

Remaining backlogs will be addressed through MIG funding

Waste Management

There is a backlog of approximately 4000 households which do not have access to waste collection. These households are mainly in informal settlements. The provision of free basic waste is done in correlation with the free basic water and electricity provision. However, the Municipality is only able to collect refuse in the formal settlements which are

Thabazimbi (including Regorogile), Northam, Leeupoort and Rooiberg. A draft Waste Management Plan is in place, as well as the Environmental Management Plan which is due for review.

The status of the land fill sites is as follows:

- Thabazimbi

The Municipality has a licensed landfill site in place which is not properly maintained.

- Northam

The Northam landfill site is full to capacity and this led to the Municipality to use a quarry for waste disposal. A closure and rehabilitation license for the quarry is in place and funded by the Department of Environmental Affairs. There is need for land in Northam for development of a land fill site.

- Rooiberg

The Municipality has a waste management license funded by Department of Environmental Affairs. This means that the existing land fill site is authorized and its proper development should be made.

The waste management challenges in the Municipality include:

- Illegal dumping
 - No adequate fleet to service the entire Municipality
 - Existing landfill sites not maintained.
 - No land for development of landfill site in Northam.
 - No skilled personnel for maintenance and operation of land fill sites
- Lack of awareness education regarding waste management and control

PROJECT MANAGEMENT UNIT (PMU)

MIG Project Management Unit (PMU) is a function within a Municipality, and under normal circumstances, existing personnel within the Municipality should be utilized for this purpose. The duties that need to be performed relates to the planning, organizing, coordinating, controlling and directing of the activities of projects funded through MIG. The Municipality may utilize up to 5% of its MIG allocation to ensure a sustained project management function to support the implementation of the MIG programmes

1.4 FINANCIAL HEALTH OVERVIEW

The Municipality is facing significant financial stress that commenced in the 2011 financial year. The profitability ratio shows us that the municipality is failing to break even on its main operations which are selling of electricity and water and other essential services. The liquidity and solvency position of the municipality is also hugely stressed as the financial commitments entered into by the municipality are beyond the municipal capacity to service them. The municipality will evaluate all the contracts entered into and find ways of terminating non-essential ones. These challenges have further affected the municipality's ability to adequately provide quality service delivery to the community. The tables below provide further evidence of the issues mentioned above.

Financial Overview: Year 2018/19			
R' 000			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	132 198 000.00	159 704 400.00	122 182 496.00
Taxes, Levies and tariffs	205 418 704.00	205 418 704.00	213 234 231.00
Other	27 361 022.00	27 364 022.00	33 559 573.00
Sub Total	364 977 726.00	392 487 126.00	368 976 300.00
Less: Expenditure	363 946 938.00	586 907 323.00	381 200 874.00
Net Total*	1 030 788.00	(194 420 197.00)	(12 224 574.00)
* Note: surplus/(deficit)			T 1.4.2

1.5 ORGANIZATIONAL HEALTH OVERVIEW

The Municipality is facing significant financial stress that commenced in the 2011 financial year. The profitability ratio shows us that the municipality is failing to break even on its main operations which are selling of electricity and water and other essential services. The liquidity and solvency position of the municipality is also hugely stressed as the financial commitments entered into by the municipality are beyond the municipal capacity to service them. The municipality will evaluate all the contracts entered into and find ways of terminating non-essential ones. These challenges have further affected the municipality's ability to adequately provide quality service delivery to the community. The tables below provide further evidence of the issues mentioned above.

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Net Total*	1 030 788.00	(194 420 197.00)	(12 224 574.00)
* Note: surplus/(deficit)			T 1.4.2

COMMENT ON OPERATING RATIOS:

The municipal salary bill is huge for the size of the Municipality and ways must be found of ensuring that the Labour cost is more efficient and effective to the operations of the Municipality. The ratio of repairs and maintenance is too low considering the age of the municipal distribution infrastructure and this certainly points towards lack of adequate efforts to ensure that the municipal assets remain in an efficient state. The norm is usually 8% of operating expenditure, the non-existence of repairs and maintenance plan and the lack of funds may eventually lead to immense water and electricity losses.

Finance charges and impairment losses are too high for Thabazimbi and the critical reasons behind this are the fact that the Municipality has a very huge creditor's book which has been long outstanding, most of these creditors are charging significant interests and penalties for their unpaid invoices.

Impairment points towards an increase in doubtful debts. As the debts remain unpaid over time the recoverability becomes slim. Debt campaigns will be carried out and debt collection strategies will be implemented. Total Capital Expenditure: Year 2015 to Year 2019				
R'000				
Detail	Year -2016	Year -2017	Year 2018	Year 2019
Original Budget	31,096,866.00	14,712,733.00	29,172,000.00	43 612 000.00
Adjustment Budget	31,096,866.00	14,712,733.00	29,172,000.00	97 121 400.00
Actual	31,096,866.00	14,712,733.00	0.00	32 883 463.724
T 1.4.4				

1.6 ORGANIZATIONAL DEVELOPMENT OVERVIEW

1.6.1 AUDITOR GENERAL REPORT

The statutory audit for 2018/19 to commenced during the month of August 2019. The Audit was successfully completed by Auditor General however the final audit and the management report was communicated on the 13TH February 2020

The Municipality communicated their position to National Treasury, Provincial Treasury and the Auditor General. *A Trend Analysis of the Auditor General's Opinion for TLM over the Last Five Years*

2013/14	2014/15	2015/16	2016/17	2017/18	2018/2019
Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Qualification

STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year Financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	July
4	Submit draft year Performance Report to Internal Audit and Auditor-General	
6	Audit/Performance committee considers draft Annual Performance Report of municipality	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Performance Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	January
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	
T 1.7.1		

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

Political Governance

The Thabazimbi Local Municipality is constituted by the following Governance structures including Council, Executive Committee, Section 79 Council Committees, Rules Committee, Ward Committees and Audit Committee (AC). The Municipality has reconstituted its Committees in terms of Section 79 of the Local Government: Municipal Structures Act of 1998, as amended, to perform its functions effectively and efficiently. Council has four (4) full-time Councillors holding the position of the Mayor, Speaker, Chief Whip and a member of Executive Committee.

Political Decisions are the competency of the Municipal Council. Council ordinarily meets at least four (4) times a year and meets as per the approved schedule of meetings and other Council meetings are referred to as special Council sittings. EXCO and Portfolio Committees meet regularly and are effective. By laws are approved by Council but financial constraints cause delays in promulgating them.

The Thabazimbi Local Municipality's Council comprises of 23 Councillors, 12 of whom are Ward Councillors and the remaining 11 are Proportional Councillors (PR).

The Audit Committee is composed of external professionals who are not in the employment of the Municipality. The Municipal Public Accounts Committee consists of non-executive Councillors as per the guidelines for establishment of Municipal Public Accounts Committees published by the Limpopo Department of Co-operative, Governance Human Settlements and Traditional Affairs (COGHSTA).

In terms of Section 160(2) of the Constitution of the Republic of South Africa Act 108 of 1996 the following functions of the Municipal Council may not be delegated to any Council Committee:

- Passing of by-laws
- Approval of budgets
- Imposition of rates taxes, levies and duties, and

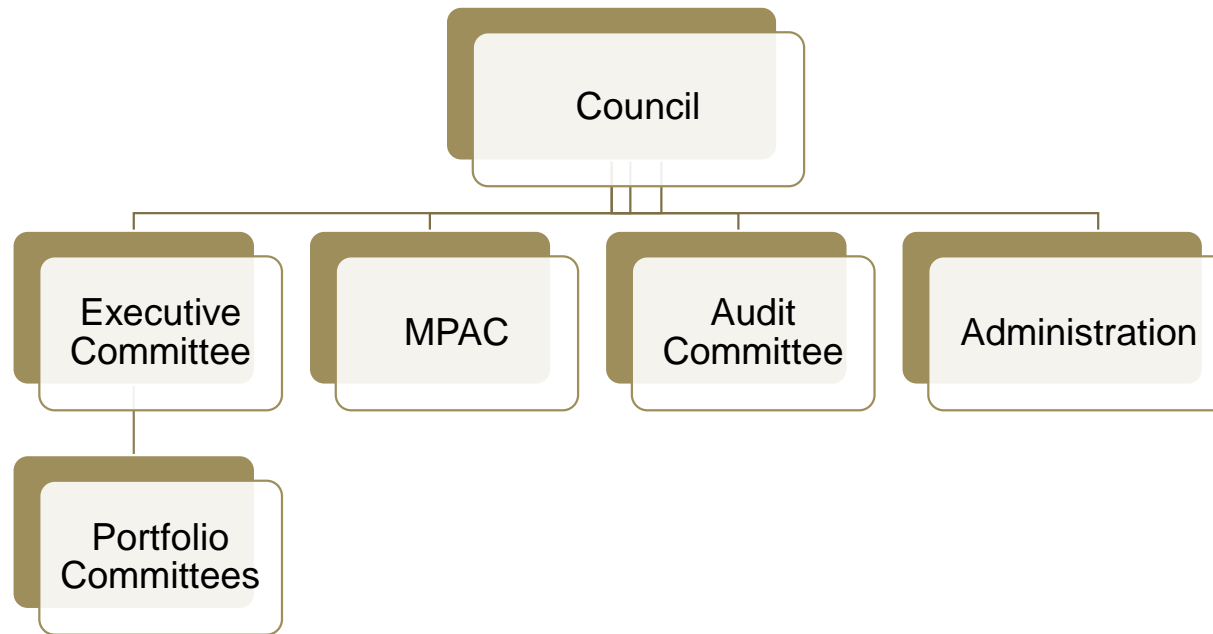
- Raising of loans

The Thabazimbi Municipal Council has the following rights and duties in terms of Local Government: Municipal Systems Act 32 of 2000 (Chapter 2, Section 4),

- (a) Govern the local government affairs of the local community,
- (b) Exercise the Municipality's executive and legislative authority
- (c) Finance the affairs of the Municipality by:
 - (i) Charging fees for services and
 - (ii) Imposing surcharges on fees, rates on property and other taxes, levies and duties.

The Council should further:

- Exercise the Municipality's executive and legislative authority and use the resources of the Municipality in the best interests of the local community.
- Provide democratic and accountable government.
- Encourage the involvement of the local community.
- Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner.
- Consult the local community about:
 1. The level, quality' range and impact of municipal services provided by the municipality, either directly or through another service provider; and
 2. The available options for service delivery.
- Give members of the local community equitable access to the Municipal services entitled to them.
- Promote and undertake development in the Municipality.
- Promote gender equity in the exercise of the Municipality's executive and legislative authority.
- Promote a safe and healthy environment in the Municipality.
- Contribute, together with other organs of state, to the progressive realization of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the constitution
- In addition, the Municipality must in the exercise of its executive and legislative authority respect the rights of citizens and those of other persons protected by the Bill of Rights.



The above are the key TLM's governance structures. They enabled the municipal Council and especially the Mayor as envisaged in s52 (a) of Municipal Finance Management Act (no.56 of 2003) to provide political guidance over the fiscal and general governance affairs of the TLM. The Audit Committee provides opinions and recommendations on performance, financial processes, and annual and oversight reports. The TLM's Audit Committee comprises independent experts in various fields. Oversight report was published separately in accordance with MFMA guidelines

Political structure
The Mayor Cllr. John Michael Fischer

Functions and powers: The Mayor of the Municipality:

- (a) presides at meetings of the Executive Committee;
- (b) performs the duties including ceremonial functions; and
- (c) exercises the powers delegated to the Mayor by the Council and Executive Committee (RSA, 1998:s49)
- (d) Tables in the municipal council a process plan outlining key deadlines for preparation, tabling and approval of IDP/Budget; (RSA MFMA 2003:s21(b);
- (e) Co-ordinates the processes for preparing the annual budget and for reviewing the Municipality's Integrated Development Plan (IDP) and budget related policies and any revisions of the IDP and budget related policies to ensure that they are mutually consistent and credible (RSA, MFMA 2003:s21(a);
- (f) Manages the drafting of the municipality's IDP (RSA, MSA 2000:s30(a) with effect from 1st July; and
Tables the Draft IDP/Budget to the municipal council for adoption (RSA, MSA 2000:s30(c) read with RSA MFMA 2003:s16

The Speaker: Cllr. B Joubert

Functions of the Speaker: The Speaker of the Municipality:

- (a) presides at meetings of the Council;
- (b) exercises the powers delegated to the Speaker Mayor by the Council;
- (c) Ensures that the Council meets at least quarterly;
- (d) Maintain order during meetings;
- (e) Ensure compliance in the Council and Council Committees with the Code of Conduct set out in Schedule 5, and
- (f) Ensure that Council meetings are conducted in accordance with the rules and orders of the Council (RSA, 1998:s37).

The Chief-Whip, Cllr. P Strydom

The Chief Whip's delegation: although the position of the Chief Whip and by extension its function(s) is not legislated, following are the Chief Whip's delegations:

- (a) Maintains sound relations between the municipal government and various political parties. Ensure that relationships are constructive and focused on the key issues at hand;
- (b) Attends to disputes between political parties;
- (c) Ensure political accountability of councillors to ward committees;
- (d) Ensure quorum at Council meetings;
- (e) Advises councillors belonging to various parties to convene party caucuses so as to determine the party position on specific items / motions on the Council's agenda.
Generally, organising the work of councillors in the party caucuses; and
- (f) Collaborates on a regular basis with the Council Speaker in relation to issues of discipline and conduct of councillors;
- (g) Serves as an interface between the Speaker and the Mayor; and also
- (h) Attends IDP Rep Forum.
- (i)

Executive Committee Members (EXCO)

The TLM is a category B municipality¹ with a collective executive system, combined with a ward participatory system. The Executive Committee is:



Cllr JM Fischer



Cllr LM Mokgomo



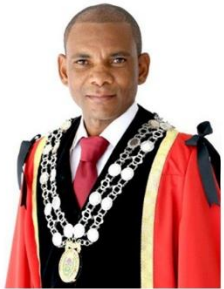
Cllr Makhubela



Cllr S Ndhlovu

Councillors

The TLM has a total of **23** Councillors. Of these **12** are ward Councillors, while **11** have been appointed on the basis of proportional representation (PR). Below are **all** councillors:



Mayor - PR
Cllr JM Fischer



MPAC - PR
Cllr G Gouws



Chief Whip - PR
Cllr P Strydom



EXCO - PR
Cllr L Mokgomo



EXCO - PR
Cllr S Ndhlovu



EXCO - PR
Cllr S Makhubela



Speaker - Ward 2
Cllr Dr B Joubert



Ward 1
Cllr R Mokwena



Ward 3
Cllr D Mampeule



Ward 4
Cllr T Hearne



Ward 5
Cllr F Kokonyane



Ward 6
Cllr I Nengwekulu



Ward 7
Cllr T Molefe



Ward 8
Cllr T Ramoabi



Ward 9
Cllr L Serole



Ward 10
Cllr A Ramogale



Ward 11
Cllr X Nozozo



Ward 12
Cllr M Matshelanokana



PR
Cllr D Comakae



PR
Cllr Z Esply



PR
Cllr O Selokelo



PR
Cllr SC Sikwane



PR
Cllr G Ntshabele

Political Decision Making

The Council of the TLM during the period under review has complied with the requirements of the Municipal Structures Act to ensure that various council committees are set to be functional and effective. The Council is the ultimate decision making-body and decisions of Council were taken in compliance to applicable law of the Republic of South Africa.

2.2 ADMINISTRATIVE GOVERNANCE

The administrative structure of Thabazimbi Municipality consists of five (5) Departments managed by Section 56 Managers. They are reporting directly to the Municipal Manager, who is the Accounting Officer of the Municipality. The Departments are Technical Services, Corporate Services, Budget and Treasury, Planning and Economic Development, Community Services. The responsibilities of these Departments will be detailed later in this section.

- The Following Values and Principles govern the Municipal Administration:
- A high standard of professional ethics
- Efficient, economic and effective use of resources
- A development orientation.
- Public participation in policy making
- Accountability
- Transparency by providing the Impartial, fair, equitable and unbiased services provision
- Responsiveness
- public with timely, accessible and accurate information
- Good human resource management and career development practices to maximize human potential.
- Legislation requires of the administration to be responsive to the needs of the local community.
- Facilitate a culture of public service and accountability amongst staff.
- Take measures to prevent corruption Establish clear relationship and facilitate co-operation and communication between it and the local community
- Give members of the local community full and accurate information about the level and standard of municipal services they are entitled to receive and;

- Inform the local community how the municipality is managed, the cost involved and the persons in charge.

A Municipal Administration must enable it to:

- Deliver services to the community
- Facilitate a culture of public service and accountability amongst staff
- Be performance orientated
- Focus on the object and development duties of local government as set out in the constitution
- Align the roles and responsibilities of its political structures, political office bearers, managers, and other employees with the priorities and objectives set out in the municipality's integrated development plan.
- Assign clear responsibilities for the management and co-ordination of administrative units and mechanism.
- Hold the Municipal Manager accountable for the overall performance of the administration.
- Implement the lawful policies, resolutions and bylaws of the municipal council and the policies and laws of other spheres of government.

Give advice to the council and its structures, administering the affairs of the municipality

Top Administrative Structure

TOP ADMINISTRATIVE STRUCTURE

MUNICIPAL MANAGER

Mr TG Ramagaga

ACTING CHIEF FINANCIAL OFFICER

Mr. Johannes Matlou

MANAGER: TECHNICAL SERVICES

Mr Victor. Makona

MANAGER: CORPORATE SERVICES

MR JJ Van der Merwe

MANAGER: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

Mrs. L Makhaya

MANAGER: COMMUNITY & SOCIAL SERVICES (ACTING)

Mr Victor Makona

FUNCTIONS OF THE MUNICIPAL MANAGER:

- Advises the structures and functionaries of the Municipality
- Carries out the decision of the structures and functionaries of the Municipality
- Administers and implements the Municipality's by-laws, resolutions and policies
- Ensures that the Municipality complies with applicable Municipal Finance Management Legislation
- Implements National and Provincial legislation applicable to the Local Municipality

FUNCTIONS OF THE CHIEF FINANCIAL OFFICER

- Manages Revenue Collections
- Manages Expenditure Controls
- Prepares the Budget as per MBRR (Municipal Budget Reporting Regulations)
- Manages Supply Chain
- Asset Management

FUNCTIONS OF CORPORATE SERVICES

- Render HR Management
- Provide legal advisory services
- Manage and maintain municipal administration
- Manage public participation
- Provide support to political office bearers
- Provide communication to the municipality
- Provide secretariat service to council and its committees

FUNCTIONS OF THE TECHNICAL SERVICES

- Ensure adherence to Council Engineering standards
- Render Waste Management Services
- Provide Projected Management for implementation of infrastructure development
- Water and Waste Management
- Electro technical Management

FUNCTIONS OF PUBLIC SAFETY, SOCIAL AND COMMUNITY SERVICES

- Renders environmental health services to the community.
- Renders social services including Library, Sport, Art and Recreation, Disaster Management, Parks and Cemeteries.
- Traffic Protection Services

FUNCTIONS OF PLANNING AND ECONOMIC DEVELOPMENT

- Manage spatial and land use development
- Facilitate LED initiatives
- Render land use and Town Planning Services and GIS (Geographic Information System)
- Render Strategic Support Services

Alignment of Organogram and Powers & Functions

DEPARTMENT	SUB- FUNCTION	POWERS & FUNCTIONS
Technical Services	<ul style="list-style-type: none">• Water and Sanitation Services• Basic Service Delivery• Public Works• Electricity and Workshop• Civil Work Services (Roads and Storm water)	<ul style="list-style-type: none">• Electricity Reticulation• Storm Water• Water (Potable)• Sanitation• Bulk Supply of Electricity• Bulk Water Supply• Bulk sewage purification and main sewage disposal• Municipal roads• Municipal Public Works

Community Services	<ul style="list-style-type: none"> • Community Services • Protection Services • Solid Waste 	<ul style="list-style-type: none"> • Trading Regulations • Billboards and the display of advertisements in public places • Control of public nuisance • Control of undertakings that sell liquor to the public • Fencing and fences • Noise Pollution • Street Trading • Traffic and Parking • Cemeteries and Crematoria • Fire-Fighting Services • Safety and Security • Municipal Transport Planning
Budget & Treasury	<ul style="list-style-type: none"> • Budget and Reporting • Income • Expenditure • Supply Chain and Asset Management 	<ul style="list-style-type: none"> • The imposition and collection of taxes, levies and duties as relate to the above functions or as may be assigned to the district municipality in terms of national legislation
Corporate Support & Shared Services	<ul style="list-style-type: none"> • Human Resource • Fleet Management • Information Technology • Administration and Council Support • Legal Services 	<ul style="list-style-type: none"> • By- Laws • Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking.
Development and Planning	<ul style="list-style-type: none"> • Building Control • Town Planning • Local Economic Development 	<ul style="list-style-type: none"> • Building Regulations • Local Economic Development • Municipal Planning

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

Thabazimbi Municipality participates in Intergovernmental Structures ranging from Waterberg District to the Provincial Forums. These Intergovernmental Structures are established in terms of the Intergovernmental Relations Act 13 of 2005. The Waterberg District Executive Mayor IGR addresses issues relating to the District and its Local Municipalities. The District Executive Mayor's Forum participates in the Premier's IGR Forum that is conveyed by the Premier to implement resolutions taken at Provincial level. At administrative level, Municipal Managers IGR takes place to recommend issues to be discussed and to implement resolutions of the political IGR.

The following tables indicates the political and administrative IGR in which the Municipality is participating

POLITICAL IGR

Structures	Participants	Responsibilities
Premier 's Intergovernmental Forum	Premier Mayors Heads of Departments Municipal Managers	Co-ordination of intergovernmental relations (Provincial and Local government)
Mayor's Intergovernmental Forum	Executive Mayor/ Mayors Municipal managers	Co-ordination of intergovernmental relations (District and Local Municipalities)
District Speakers' Intergovernmental Forum	Speakers of the Local Municipalities and the District	Co-ordinate Public Participation processes in the Municipalities.

ADMINISTRATIVE IGR

Structures	Participants	Responsibilities
Municipal Managers' Forum	All Municipal Managers within the District	To discuss implementation of IDPs
Technical Committees	Sector Departments Municipal Senior Officials	Provide intergovernmental inputs into the works of clusters
Provincial Development Planning Forum	IDP Managers at District and Local Municipalities Development Planners from the Provincial Sector Departments Parastatals	Provide for a coherent intergovernmental planning Framework and alignment and integration of development plans in the province.
Provincial M & E Forum	Sector Departments M & E Specialists	Provide for a Provincial wide M & E framework for implementation of plans

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

Public Consultation	No. of meetings held
IDP Rep Forums	4
IDP Steering committee meeting	6
Ward Based public consultation	16
Total	26

The above mentioned meetings were held on a regular basis by giving participants sufficient notice of such meetings. The composition of the meetings were done to suit the local circumstances of the Thabazimbi Local Municipality and to ensure that sufficient representation on local level could be achieved. Most of the work was done at the steering committee level, while public participation took place during Representative Forum meetings and public consultation held, where local needs and issues were raised. Reports on progress with the IDP were given to the Representative Forum for discussion

2.5 IDP PARTICIPATION & ALIGNMENT

Thabazimbi Local Municipality has 12 Wards with ten functional Ward Committees. The Municipality has different public participation mechanisms in order to ensure that all communities and Stakeholders participate and contribute towards the development within the Municipal area. These participation mechanisms include Outreach Programmes and IDP Public Consultations. The Municipality has a Communication Strategy in place which guides the interactions of Council with the public.

Table 3: IDP Participation and Alignment Criteria

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

COMPONENT D: COPRPORATE GOVERNANCE

2.6 RISK MANAGEMENT

Risk management, as one of the key pillars of good governance, and it's a continuous process that enables constant improvements in strategy design and strategy implementation as well as the municipality's systems and operations. Council has an existing Risk Management policy and framework that enables management to proactively identify and respond to all significant risks that could impact on business objectives. TLM has developed risk register. Risk Management in the municipality is guided and monitored by various committees at council and administration level such as the MPAC, Risk Management Committee and the Audit Committee. The Municipality has appointed Risk officer as part of the reasonable steps taken to maintain an effective, efficient and transparent system of financial and general risk management.

The top ten (10) risks of the municipality are:

Risk description	Effect	Internal control	Status
Poor revenue collection	Low cash flow	Enforcement of credit control	Control not effective
Ageing infrastructure	<ul style="list-style-type: none">• Water and electricity losses• Inability to provide adequate services	Implementation of master plan and maintenance plan	Control not effective
Inability to service our credit list	Litigations	Revenue enhancement	Control not effective

Non establishment of governance structures	Inadequate oversight	Establishment of governance structure and ensuring fully functionality to the structure	Control not effective
No segregation of duties	Factionous transaction	Segregation of duties	Control not effective
Mushrooming of informal settlement.	Rendering of service for free	Formalisation of informal settlements	Control not effective
Non monitoring of service provider	Payment of inferior services	Enforcement of punitive measures on poor performance	Control not effective

The risk categories have been aligned to the strategic objectives in order to identify those risks that directly affect and/or impede the municipality's ability to achieve those strategic and business objectives.

2.7 ANTI-CORRUPTION & FRAUD

Thabazimbi Council approves an anti-fraud and corruption strategy annually; however this strategy has to be publicized. Employees and the public have to be constantly reminded of their duty to assist with reporting and curbing fraud and corruption activities

2.8 SUPPLY CHAIN MANAGEMENT

The Municipal Supply Chain Management Unit suffers human resources capacity and expertise. The Municipality has since appointed the Divisional Head.. Capacitating the Unit with qualified and relevant personnel will aid with consistent compliance to procurement laws and regulations

2.9 BY-LAWS

The Municipality managed to perform a successful public Participation exercise on the below listed by-laws, however these are not yet promulgated due to financial constraints.

- Credit Control and Debt Collection By-law
- Property Rates By-law
- Tariffs By-law

2.10 WEBSITES

- The Municipal website is hosted by SITA However the Municipality is currently upgrading the website.

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
The previous annual report (Year -1)	Yes
The annual report (Year 0) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes
All service delivery agreements (Year 0)	Yes
All long-term borrowing contracts (Year 0)	Yes
All supply chain management contracts above a prescribed value (give value) for Year 0	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 Year 1	No

Contracts agreed in Year 0 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 Year 0	No
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes

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

COMPONENT A: BASIC SERVICES

3.1 Capital Projects

There has been no capital project implemented by the Municipality during the first half of the year either internally or externally. However the MIG for the Municipality has been outsourced to Waterberg District. The MIG approved Multiyear Amount is R74, 1million.

3.2 Water and Sanitation Services Provision

Thabazimbi Local Municipality is a WSA (Water Services Authority) and WSP (Water Service Provider). The Water Services Development Plan is in place but require review in preparation for the new term of Local Government.

Thabazimbi, Regorogile and Northam currently have a quota of 9ML per day from Magalies board. Regorogile and Thabazimbi have additional supply from seven boreholes. The boreholes are located at Group 5, 12, B7 and Thaba Park.

The present allocation from the Vaalkop Dam is 7 MI/d and 2 MI/d for Thabazimbi and Northam respectively. The average abstraction from the boreholes is 4 MI/d. Rooiberg and Leeupoort/Raphuti currently source their water from local boreholes.

Schilpadnest water is also supplied from three working boreholes without any chlorination facilities.

The existing water pump station caters for Thabazimbi town including Regorogile and Ipelegeng. The current capacity of the plant is 28l/second but the average daily flow is about 60l/second. The municipality does not provide bulk water to the mines within its area of jurisdiction.

In terms of sanitation services; Thabazimbi town, Rooiberg, Raphuthi and Regorogile use water-borne sewer system. Leeupoort and part of Northam are using septic tanks, Northam is 98% water borne and 2% septic tanks. Both the Thabazimbi and Northam sewer plants require urgent upgrading as they are currently operating beyond design capacity.

Basic services backlogs with regard to water and sanitation:

- 11% of households do not have access to portable water within the minimum level of service.
- 13% of households do not have access to sanitation within the minimum level of service.

Pilanesberg bulk water supply scheme to augment future water requirements

Our request from the scheme (North of Pilanesberg) is 13 Ml/d (9Ml/d for Thabazimbi and 4Ml/d for Northam) and this will be for domestic use. The funding required is approximately R250m from Regional Bulk Infrastructure Grant (RBIG). The total cost of the scheme is R439m. Construction is estimated to be completed in December 2019.

3.3 Electricity Services Provision

The municipality has a distribution license covering the following areas:

- Rooiberg
- Rooiberg Ext 2
- Rooiberg North
- Meriting Informal
- Regorogile Ext 2, 5, 6, 7

- Thabazimbi Ext 12, 17, 31, 35, 37, 7, 9
- Thabazimbi Station Housing

ESKOM distributes to Northam, Regorogile extensions 1, 3 and 4, farms and mining areas. The most informal settlements are also supplied by ESKOM. It should be noted that the electricity infrastructure in Thabazimbi is ageing and would need to be overhauled urgently. Basic services backlogs with regard to electricity services 10% of households do not have access to electricity for lighting.

3.4 Waste Management

The municipality has a draft Waste Management Plan in place but there is no free basic waste policy. The municipality provides waste collection from informal to formal settlements and manage 4 land fill sites. Collection is done at informal settlements, Thabazimbi, Northam, Leeupoort and Roosters towns. The Rooiberg Land fill site has not been formalized and needs to be rehabilitated. The Northam land fill site is full and there is a need to engage with the farmers for provision of land for the establishment of a new land fill site. A new waste disposal site is to be provided in Schilpadnest/Kromdraai area.

The waste management challenges in the municipality include:

- Illegal dumping
- No adequate fleet to service the whole Municipality
- Old municipal waste equipment
- Existing landfill site almost full
-

Basic services backlogs with regard to waste management:

5.5% of households (1 381) do not have access to waste removal

COMPONENT B: ROADS & TRANSPORT

3.5 Roads and Storm Water Services

Access roads are in a fairly good condition. However, internal roads are mainly filled with potholes, no road markings and signs. Storm water channels including bridges have not been maintained and exacerbate flooding due to financial constraints and shortage of resources. The initial backlog of 65km of roads that needed to be upgraded was reduced to 58km following the completion of MIG projects (A total of 5km of internal roads was upgraded). The initial backlog of 56km of storm water to be upgraded was reduced to 54.8km (A total of 1,2km storm water was upgraded) Remaining backlogs will be addressed through MIG funding

3.6 Project Management Unit (PMU)

MIG Project Management Unit (PMU) is a function within a Municipality, and under normal circumstances, existing personnel within the municipality should be utilized for this purpose. The duties that need to be performed relates to the planning, organizing, coordinating, controlling and directing of the activities of projects funded through MIG. The Municipality may utilize up to 5% of its MIG allocation to ensure a sustained project management function to support the implementation of the MIG programme. The Municipality has since appointed PMU manager and the supporting staff.

COMPONENT C: PLANNING AND DEVELOPMENT

3.7 PLANNING

The TLM through her Planning and Economic Development (PED) is responsible for the overall spatial planning and land use management within the municipal jurisdiction

3.8 LOCAL ECONOMIC DEVELOPMENT

KEY PERFORMANCE AREA	NO. OF PROJECTS	NO. OF TARGETS	ACHIEVED	NOT ACHIEVED	EVALUATION PER KPA
Local Economic Development	2	2	0	0	0%

Promoting local economic development is a material function and object of the TLM according to the directive from the provisions of s152(c) of the Constitution (RSA, 1996).

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.9 LIBRARIES, ARCHIVES, MUSEUMS, GALLARIES, COMMUNITY FACILITIES, OTHER: HALLS

AREA	COMMUNITY HALLS	SHOW GROUNDS
THABAZIMBI	Cinema Hall Library Hall Trollope Hall Ntswe- Tshipe	Agricultural / Landbougenootskap
NORTHAM	Community Hall	
REGOROGILE	2 Community Halls	
KROMDRAAI	Marula Hall	
DWAALBOOM		Agricultural Show ground
LEEUPOORT	Community Hall	
ROOIBERG	Community Hall	
AMANDELBULT MINE	Rethabile Community Hall	
NORTHAM PLATS MINE	2 Community Hall	
SWARTKLIP MINE	Community Hall	

3.10 CEMETERIES

The municipality is having a challenge in Regorogile regarding cemetery is almost full to its capacity while in Thabazimbi Town and Northam town cemeteries are still in good conditions .The Rooiberg is also still working and no challenges there.

3.11 Child Care, Aged Care, Social Programmes

The child care is not a core of the Municipality, special project officer has manager to launch the Age care group which is non-governmental organisation.

MAYORAL OUTREACH

Mayoral outreach programme is regarded as another form of community consultation. In TLM at least Mayoral Outreach meetings are held per financial year. The schedule of these consultation programmes will be reflected in the process plan. The main purpose of the consultation is to ensure that the political principals get closer the communities and afford members to voice their needs. Hereunder are proposed dates for all Mayoral Outreaches in the Financial Year, 2017/18 financial year.

SPECIAL PROGRAMME

Legislative requirements

- Constitution of the RSA, Act 108 of 1998
- Commission of Gender Equity Act 39 of 1996
- Gender Policy framework go Local Government
- Children's Act 38 of 2005
- National welfare Act 100 of 1978
- HIV and AIDS and STI National Strategic plan
- Disability framework for Local Government
- Non-Profit Organization Act 71 of 1997

In recognition of the need to integrate marginalized communities, Special Programme Unit for the facilitation of the integration and mainstreaming process has been introduced and a Special Projects Coordinator has been appointed. Much work was done on an ad-hoc basis in this regard but was more focused on campaigns rather than economic development programmes. As Statistics South Africa confirms, young people constitute the majority of the population of the Thabazimbi Municipality. Men account for 52% of the municipality's population. In spite of the above reality, young people and women have not been the key beneficiaries in the economic mainstream of the district. A Youth Plan and its implementation plan must be developed. Whilst there are organizations representing disabled people, the reality that faces the municipality is that disabled people are not integrated into the municipality's implementation plan. This has led to low economic development opportunities for disabled people.

A survey must be conducted by Thabazimbi to develop the Disability Plan. Thabazimbi Local Municipality needs to facilitate this process through the implementation of the Disability Plan for the purposes of moving faster in resolving problems faced by disabled people. Children in the municipality also bear the brunt of disorganization. Thabazimbi Local Municipality should embark in the process of establishing a junior council which will be the pace setter for the development of the children's development framework that will promote the participation and consultation of children. As a sector plan, the Special Programmes Strategy sets the framework for the integration and mainstreaming of all the designated groups and needs to be developed. Funding needs to be availed for the implementation of the strategy through the integration of programmes and projects of all clusters and sector plans of Thabazimbi I Local Municipality.

CHALLENGES OF YOUTH, DISABILITY, WOMEN AND CHILDREN

- ***HIGH UNEMPLOYMENT.***
- Access to funding.
- Poor education.
- Access to quality training and skills development
- High level of poverty.

- Violence directed at women and girls
- No support and mainstreaming of people with disability in municipal employment equity to reach 2%, as set by SALGA.
- Diseases.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.12 Pollution Control

The municipality provides waste collection from informal settlements to formal settlements within the jurisdiction and also services the mining residences and Marakele National Park and management of landfill sites in an attempt to mitigate.

COMPONENT F: HEALTH

3.13 Clinics

Service Norms and Standards (Health Centre Clinics and Hospital)

- One (1) doctor per 1000.
- Clinic must serve a radius of 5 km.
- Health centre 10 km radius.
- Hospital must serve radius of 60 km

HEALTH FACILITIES

TYPE		TOTAL	WARDS											
			1	2	3	4	5	6	7	8	9	10	11	12
Hospitals	Public	1	-	-	-	-	-	-	-	-	1	-	-	-
	Private	1	-	1	-	-	-	-	-	-	-	-	-	-

	Mines	3	-	-	-	-	1	1	-	-	-	-	1	-
Clinics		10	1	2	1	2	1	-	-	1	1	1	-	-
Mobiles		3	1	1	-	-	-	-	-	1	-	-	-	-
GRAND TOTAL		18	2	5	1	2	2	1	0	2	1	1	1	0

3.14 Ambulance Services

The Emergency Medical Services function remains with the Waterberg District Municipality.

3.15 Health Inspection

The function remains with the District Department of Health. The local health inspectors are located in local clinics in the municipal area.

COMPONENT G: SPORTS & RECREATION

3.16 SPORTS AND RECREATION

SPORTS FACILITIES

Service Norms and Standards

- One recreational facility per ward
- One Arts and Culture per Municipality

TOWN	NUMBER / TYPE	LOCATION / FACILITIES / CONDITION
THABAZIMBI	3 Sports grounds	2 Municipal grounds that include rugby, cricket, bowls, squash, jukskei, basket ball, tennis
	1 Kumba ground	Swimming pool, gym
	2 School Sport Facilities	Hoerskool FrikkieMeyer
		Laerskool Thabazimbi
REGOROGILE	1 Sports ground	Poor condition, includes soccer, tennis, basket ball
	1 School Sport Facility	Mabogo – Pedi Secondary school
IPELEGENG	1 Sports ground	Kumba Resources (ISCOR) provides soccer, tennis, athletics facilities
BEN ALBERTS NATURE RESERVE	Golf Course 18 holes golf course	Good Condition
NORTHAM	1 Sport Facilities	1 Comprehensive Secondary School 1 Northam Primary School 1 Community Sport Ground
SWARTKLIP	1 Soccer field 9 hole Golf course	Good Condition
AMANDELBULT/ RETABILE	1 Soccer field 9 hole Golf Course	Good Condition
DWAALBOOM	2 Sport Facilities	
GROENVLEISECONDARY SCHOOL	1 Sports ground	Tennis court, netball court and soccer fields need to be upgraded.
LEEUPPOORT	Driving Range (golf course)	Good Condition
TOWN	NUMBER / TYPE	NAME/LOCATION / FACILITIES / CONDITION
THABAZIMBI	4 Active Public Open Spaces	Berg Boegoe Club
		MollieJordaanPark
		Areas along Rooikuispruit
		Children's Playground

COMPONENT H: CUMULATIVE 2017/18 FOURTH (4TH) QUARTER PERFORMANCE REPORT

The table below takes the above further and gives expansive content as well as finer details of the TLM's performance for the reporting year, 2018/19. In order to avoid and/or keep repetition to minimum, it is suggested that the table be read as a high level summary and tailored logic model of the methodological template and/or paradigm envisaged in the MFMA Circular 63 by the National Treasury (2012). It is held that material essence and main variables of this Circular are, in a certain form, and to a certain thematic content, entailed in the log frame presented below:



Name	Title	For Information	For Action
MR TG RAMAGAGA	Municipal Manager		x
MR JJ MATLOU	Acting Chief Financial Officer		x
MR JJ VAN DER MERWE	Director - Corporate Services		x
MR V MAKONA	Director – Technical Services		x
MR V MAKONA	Acting Manager - Community Services		x
MS L MAKHAYA	Director – Planning and Economic Development		x
Mr. M D MANONG	Internal Audit Department		x

KPA 1: SPATIAL RATIONALE

PROJECT: BUILDING CONTROL AND MANAGEMENT

Strategic Objectives	IDP Ref	KPI	Baseline	Target	4th Quarter Target	Performance	Challenges	Mitigation	Portfolio of Evidence	Department
promote integrated and sustainable human settlement and agrarian reform	PED/SR 001	Turnaround time in processing building plans from date of submission by applicant	60 days	28 working days for processing of building plans from date of submission by applicant	28 working days for processing of building plans from date of submission by applicant	Not Achieved	Appointment of additional staff and recruitment of dedicated land use	Appointment of additional staff and recruitment of dedicated land use	Building Register and land use	PED

KPA 2: BASIC SERVICES AND INFRASTRUCTURE DEVELOPMENT

PROJECT: NORTHAM EXTENSION 7 UPGRADING INTERNAL STREETS (PHASE 1)

Strategic Objectives	IDP Ref	KPI	Baseline	2018/19 Target	4th Quarter Target	4th Quarter Actual	Performance	Challenges	Mitigation	Portfolio of Evidence	Department
To ensure quality services to community by improving current infrastructure to sustainable levels and promotes environmental management system	TBS 25	Km of Roads Paved	Poor internal road network resulting in limited accessibility	2.5 Target to be reviewed to 1.5km	Layer works and stabilization	Contractor completed Site Establishment, Roadbed, Sub-Base, Storm water Pipe, Stabilization of the 1km Layer works and stabilization is completed (Achieved)	Achieved Layer works and stabilization completed	None	None	Progress Report	TS
Budget: R9 420 224 (MIG) – TOTAL VALUE OF THE PROJECT											

PROJECT: NORTHAM EXTENSION 7 UPGRADING INTERNAL STREETS (PHASE 2)

Strategic Objectives	IDP Ref	KPI	Baseline	2018/19 Target	4th Quarter Target	4th Quarter Actual	Performance	Challenges	Mitigation	Portfolio of Evidence	Department
To ensure quality services to community by improving current infrastructure to sustainable levels and promotes environmental management system	TBS-15	Km of roads paved	Poor internal road network resulting in limited accessibility	2.5 Target to be reviewed to 1km	Layer works and stabilization	Contractor was appointed and site handover was done Interviews were held Stabilization of the 1km Layer works and stabilization is completed	Achieved Layer works and stabilization Completed	None	None	Progress report	TS
Budget	R 7 560 000.00 (MIG)										

PROJECT: RAPHUTHI PAVING OF INTERNAL STREETS

Strategic Objectives	IDP Ref	KPI	Baseline	2018/19 Target	4th Quarter Target	4th Quarter Actual	Performance	Challenges	Mitigation	Portfolio of Evidence	Department
To ensure quality services to community by improving current infrastructure to sustainable levels and promotes environmental management system	TBS-26	Km of roads Paved	Poor internal road network resulting in limited accessibility	1.9 Target to be reviewed to 1km	Layer works and stabilization	Contractor completed Site Establishment, Roadbed, Sub-Base, Storm water Pipe, Stabilization of the 1km Layer works and stabilization is completed (Achieved)	Layer works and stabilization completed Construction Stage - 55% Achieved	None	None	Progress Report	TS
Budget: R11 626 602, 01 (MIG) - TOTAL VALUE OF THE PROJECT											

PROJECT: NORTHAM UPGRADING OF SPORTS FACILITY

Strategic Objectives	IDP Ref	KPI	Baseline	2018/19 Target	4 th Quarter Target	4 th Quarter Actual	Performance	Challenges	Mitigation	Portfolio of Evidence	Department
To ensure quality services to community by improving current infrastructure to sustainable levels and promotes environmental management system	TBS-	Number of sports facility upgraded	Dilapidated sports facility	1	Appointment of Service Provider	Appointment of Service Provider	Achieved service provider appointed	None	None	Appointment Letter for Service	TS
Budget	R10 800 000 (MIG)										

Upgrading of oxidation ponds at Raphuti

Strategic Objectives	IDP Ref	KPI	Baseline	Target	4 th Quarter Target	4 th Quarter Actual	Challenges	Mitigation	Portfolio of Evidence	Department
To ensure effective provision of services		Number of upgraded package plants at Raphuti		1	Appointment of Service Provider	Service Provider was appointed on the 17 th May 2019 Achieved	None	None	Appointment Letter	TS
Budget: R6 052 068 (Coghsta)										

Provision of water, sewer, electricity, roads and Stormwater at Regorogile Ext 1

Strategic Objectives	IDP Ref	KPI	Baseline	Target	4 th Quarter Target	4 th Quarter Actual	Challenges	Mitigation	Portfolio of Evidence	Department
To ensure effective provision of services		Km of internal streets constructed Km of internal water reticulation complete with yard connection Km of internal sewer reticulation complete with yard connections		Construction of 1.650km internal streets Construction of 1.90km internal water reticulation complete with yard connections Construction of 1.20km internal sewer reticulation complete with yard connections	Appointment of Service Provider	Service Provider was appointed Achieved	None	None	Appointment Letter	TS
Budget: R21 457 332 (Coghsta)										

KPA 3: ECONOMIC DEVELOPMENT

PROJECT: IMPLEMENTATION OF THE SPLUMA¹, 2013

Strategic Objectives	IDP Ref	KPI	Baseline	Target	4th Quarter Target	Performance	Challenges	Mitigation	Portfolio of Evidence	Department
promote integrated and sustainable human settlement and agrarian reform		% Review of the TLM SDF	New project	1	1 % Review of the TLM SDF was not achieved	Not achieved	Tender/Bid specifications not aligned with the Terms of reference for the project	Re-advertise the tender	Terms of reference and progress report	PED
		% Review of the LUMS	New project	1	1 % Review of the TLM SDF was not achieved	Not achieved	Tender/Bid specifications not aligned with the Terms of reference for the project	Re-advertise the tender	Terms of reference and progress report	PED
Budget R 1 000 000.00										

KPA 4: FINANCIAL VIABILITY

STRATEGIC OBJECTIONS TO ENSURE RESTORATION OF EFFECTIVE FINANCIAL MANAGEMENT, VIABILITY AND ACCOUNTABILITY

Strategic Objectives	IDP Ref	KPI	Baseline	Target	4th Quarter Target	Performance	Challenges	Mitigation	Portfolio of Evidence	Department
To insure restoration effective financial management ,viability and accountability	23	Number of Final Budget for 2019/20 FY submitted to council	1	1	1	Achieved Number of Final Budget for 2019/20 FY submitted to council	None	None	Final Budget document and council resolution	Finance
Budget: R2. 000 000.00										
Strategic Objectives	IDP Ref	KPI	Baseline	Target	4th Quarter Target	Performance	Challenges	Mitigation	Portfolio of Evidence	Department
To insure restoration effective financial management ,viability and accountability	24	Number section 71 reports submitted to the Mayor	1	12	12	Achieved Number section 71 reports submitted to the Mayor	None	None	Section 71 reports and council resolution	Finance
Budget: OPEX										

Strategic Objectives	IDP Ref	KPI	Baseline	Target	4 th Quarter Target	Performance	Challenges	Mitigation	Portfolio of Evidence	Department
To insure restoration effective financial management ,viability and accountability	25	Number section 52 reports submitted to the council	4	4	4	Achieved Number section 52 reports submitted to the council	None	None	Attendance register and minutes	Finance
Budget: OPEX										

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

PROJECT: PUBLIC PARTICIPATION PROCESS

Strategic objectives	IDP Ref	KPI	Baseline	Target	4 th Quarter Target	Performance	Challenges	Mitigation	Portfolio of Evidence	Department
Achieving and promoting good governance, transparency and community participation.	30	Number of meetings held with all wards	4	4	4	Achieved Number of meetings held with all wards	None	None	Attendance registers and minutes	Municipal Manager's
Budget : Operational										
Strategic objectives	IDP Ref	KPI	Baseline	Target	4 th Quarter Target	Performance	Challenges	Mitigation	Portfolio of Evidence	Department
Achieving and promoting good governance, transparency and community participation	40	Number of IDP documents printed	200	200	200	Achieved Number of IDP documents printed	None	None	IDP documents	Municipal Manager office

Budget : Operational**KPA 6: TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

Strategic Objectives	IDP Ref	KPI	Baseline	Target	4 th Quarter Target	Performance	Challenges	Mitigation	Portfolio of Evidence	Department
Training of employees	MCS 5	Number of employees trained	71	68	68	Not achieved	Lack of funds	Financial constraints	Certificates and other results	Corporate Services
Number of vehicles leased		Number of vehicles leased	New project	9	9	Not achieved	Financial constraints	Refer to next financial year	Lease agreements	Corporate Services
BUDGET : OPEX										

CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANACE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

This section outlines the extent that Thabazimbi Local Municipality adheres to HR Policies and Plans, as well as ensuring employee wellness in order to create a conducive working environment for all employees. Taking into account the context of the Organizational Structure, it puts an obligation on the Municipality to be performance- orientated and to focus on the objectives of local government. A structure that is operational and effective is needed to mandate the operations of the Municipality.

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEES			
Description	Filled Positions No.	Approved Posts	Vacancies No.
Waste and Sanitation	36	37	1
Electricity	18	19	1
Office of MM	18	24	6

Roads and Stormwater	56	57	1
Finance	46	55	9
Planning	9	12	3
Local Economic Development	4	4	0
Community & Social Services	56	85	29
Environmental Protection	30	33	3
Corporate Policy Officers & others	92	99	7
	365	425	60

SECTION 57 MANAGERS			
Designation	Filled Positions	Approved Positions	Vacant Positions
Municipal Manager	1	1	0
Chief financial Officer	0	1	1
Other Section 57 Managers	3	4	1
	4	6	2

As at 30th of June 2019, the filled positions were 5, and only Director Community service was not filled.

DISABILITY AND EMPLOYMENT EQUITY

The Municipality fills vacancies against an approved Employment Equity Plan. The Plan is approved by Council and has to also be considered by the Department of Labour. The Employment Equity Plan guides and assists the Municipality to achieve equity at the workplace, as well as to identify opportunities to appoint people with disabilities and women in senior positions. This demonstrates the Municipality's intention to create a conducive working environment in order to recruit, develop and retain a diversified workforce; Disabled people are not adequately catered within the Municipality. Whilst there are organizations representing disabled people, the reality that faces Thabazimbi Municipality is that disabled people are not integrated into the Municipality's implementation plan. This has led to low employment opportunities for disabled people within the Municipality. A survey must be conducted by the Municipality to develop the Disability Plan. The Municipality needs to facilitate this process through the implementation of the Disability Plan for the purposes of being able to address the issue of disabilities

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

The Municipal Systems Act (MSA) of 2000 requires Municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration in accordance with the Employment Equity Act of 1998. This ensures that the Municipal workforce be properly capacitated, and disclosures by Senior Managers and Councillors be made. The PMS Framework is also in place and Performance Agreements are signed by all Section 57 Managers. This assists the Municipality to manage performance of all Departments. Quarterly assessments were however not fully disability and employment equity

4.2 POLICIES

POLICY NO.	POLICY NAME	DATE TO LLF	DATE TO COUNCIL	APPROVED/ NOT APPROVED	DATE REVIEWED/ DEVELOPED
HR1	ACTING ALLOWANCE POLICY			Yes	
HR2	ATTENDANCE AND PUNCTUALITY POLICY			No	
HR3	CAREER MANAGEMENT AND RETENTION POLICY			Yes	
HR4	CELLPHONE POLICY			Yes	
HR5	DRESS CODE POLICY			No	
HR6	EAP POLICY			Yes	
HR7	EMPLOYMENT EQUITY POLICY			Yes	
HR8	EMPLOYMENT PRACTICE POLICY			Yes	
HR9	FUNERAL POLICY			Yes	
HR10	INCAPACITY DUE TO ILL HEALTH			Yes	
HR11	INCAPACITY DUE TO POOR WORK PERFORMANCE			No	
HR12	LEAVE POLICY			Yes	
HR13	MOTOR VEHICLE ALLOWANCE POLICY			Yes	
HR14	SUBSISTANCE AND TRAVELLING POLICY				
POLICY NO.	POLICY NAME	DATE TO LLF	DATE TO COUNCIL	APPROVED/ NOT APPROVED	DATE REVIEWED/ DEVELOPED
HR15	OVERTIME POLICY			Yes	
HR16	PERSONAL PROTECTIVE EQUIPMENT POLICY (PPE)			Yes	
HR17	SEXUAL HARASSMENT POLICY			Yes	
HR18	STANDBY ALLOWANCE POLICY			Yes	
HR19	TRAINING AND DEVELOPMENT POLICY			Yes	
HR20	TRAVEL ALLOWANCE POLICY FOR COUNCILLORS			Yes	

4.3 INJURIES, SICKNESS AND SUSPENSION.

Item	2017/2018 Report
Injuries	00
Sickness	220
Suspension	00

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

A Workplace Skills Development Plan was developed and submitted to LGSETA. Skills audit remains a challenge. The Section 57 managers have PDP's (Performance Development Plans) in place. Most employees within the Finance Department do not meet the financial competency levels as per the Regulations. There is need for the Municipality to do a comprehensive competency assessment of all the affected positions and ensure that critical positions are filled by competent officials who are able to deliver on the allocated responsibilities

4.4 SKILLS DEVELOPMENT AND TRAINING

The Municipality has timeously submitted the WSP and ATR to LGSETA which is developed on annual basis on or before 30 April before sending to LGSETA, the training committee endorsed. A Workplace Skills Plan is a strategic document that articulates how the Employer is going to address the Training and Development needs in the Workplace.

The types of learning interventions that are offered in the municipality are amongst others in-house training workshops, on-the-job training etc., with accredited service providers.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.5 EMPLOYEE EXPENDITURE

Workforce expenditure for the period is categorized into section 57 managers and other employee costs.

Table below illustrates the expenses per category.

Category of employees	Total expenditure	% of expenditure
Section 57 Managers	6 358 367.00	5.4%
Other employees	110 444 549.00	94.6%
Total employees expenditure	116 802 916.00	

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: Statement of Financial Performance

5.1 ASSET MANAGEMENT

1. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.
2. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

5.2. FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

The ratios will be calculated upon finalization of the Annual Financial Statements.

COMPONENT B: Spending against Capital Budget

CAPITAL EXPENDITURE.

	Original Budget	Budget adjustments	Final adjustment budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Total capital expenditure	32 612 000.00	32 612 000.00	32 612 000.00	9 784 000.00	22 828 000.00	30%	30 %

5.3 SOURCE OF FUNDING:

Sources of capital funds	Original Budget	Budget adjustments	Final adjustment budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Municipal Infrastructure Grant	32 612 000.00	32 612 000.00	32 612 000.00	9 784 000.00	22 828 000.00	30 %	30 %
Internally generated funds							

5.4 CAPITAL SPENDING ON LARGEST PROJECTS

1. Northam extension 7 upgrading of internal street (phase 1)
2. Northam extension 7 upgrading of internal street (phase 2)
3. Raphuthi paving of internal street
4. Northam upgrading of sports facility.
5. Upgrading of Rooiberg Water Supply
6. Installation of Water Purification Package Plant at Leeupoort/Raphuti
7. Upgrade of the Thabazimbi and Regorogile Bulk Water Supply and Associated Infrastructure
8. Water Conservation and Water Demand Management (WCWDM)
9. Northam Water Supply

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.5 CASH FLOW STATEMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality has a small balance of investments with ABSA and Sanlam remaining from prior years. The Cash management strategies in place at the municipality need to be significantly improved as the finances have completely collapsed with conditional grants being used for purposes other than intended.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

Figures in Rand

Note(s)

2019

Cash flows from operating activities

Receipts

Services charges

Grants

Rates and fines

Interest received on investments

Other receipts

117,058,017

162,692,400

51,265,179

1,304,761

3,006,132

335,326,489

Payments

Employee costs

Suppliers

Finance costs

117,326,500

135,070,188

15,188,089

267,584,777

Net cash flows from operating activities

67,741,712

Cash flows from investing activities

Acquisition of fixed assets

Acquisition of intangible assets

Net cash flows from investing activities

(29,596,080)

-

(29,596,080)

Cash flows from financing activities

Loan Repayments

Finance lease payments

Net cash flows from financing activities

(1,832,860)

-

(1,832,860)

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

36,312,771

523,222

Cash and cash equivalents at the end of the year

36,835,994

5.6 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING:

The municipality obtained long term loans from the Development bank of South Africa (DBSA) for a number of capital projects ranging from Electrification to Roads projects in 1998. Please see schedule below for the remaining balance of the loans.

THABAZIMBI LOCAL MUNICIPALITY
APPENDIX A
SCHEDULE OF EXTERNAL LOANS REGISTER
as at 30 June 2019

EXTERNAL LOANS	Redemption date	Original Loan	Balance at 01 July 2018	Interest paid	Capital redemption	Redeemed/written off during the period/paid	Balance at 30 June 2019	Short Term Portion	Long Term Portion
ANNUITY LOAN DBSA LOAN @9.62%	31.01.2022	5,103,993.39	3,847,578.84	329,278.42	944,681.42	1,273,959.84	2,902,897.42	1,273,959.75	1,628,937.67
ARREARS			659,060.06	6,172.37			106,264.40	106,264.40	
TOTAL EXTERNAL LOANS		5,103,993.39	4,506,638.90	335,450.79	944,681.42	1,273,959.84	3,009,161.82	1,380,224.15	1,628,937.67

COMPONENT D: OTHER FINANCIAL MATTERS

5.7 SUPPLY CHAIN MANAGEMENT

The Municipality has established a Supply Chain Management (SCM) Unit in terms of the Municipal Finance Management Act (MFMA) and the unit has a total of four employees working directly under the unit. The position of the Manager Supply Chain Management is filled.

All the employees currently in the SCM do not meet the minimum competency levels required for SCM officials. However, training programmes including the MFIP have commenced and the officials will see themselves registered and trained.

5.8 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

ANNUAL PERFORMANCE REPORT FOR 2018/19 FINANCIAL YEAR

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Acronyms and abbreviations

AVG	Average
AGSA	Auditor General South Africa
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
BTO	Budget and Treasury Department
Comm.	Community Services Department
Corp.	Corporate Services Department
DWS	Department of Water and Sanitation
HH	Households
HE	Housing and Electricity Department
IDP	Integrated Development Plan
i.e.	That is
i.t.o.	In Terms Of
KPI	Key Performance Indicator
KPA	Key Performance Area
MFMA	Municipal Finance Management Act 56 of 2003
MIG	Municipal Infrastructure Grant
MSIG	Municipal Service Infrastructure Grant
MSA.	Municipal Systems Act No 32 of 2000
MSA	Municipal Structures Act 117 of 1998
MWIG	Municipal Water Infrastructure Grant
P&D	Planning and Development
POE	Portfolio of Evidence
Technical	Technical Services Department
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SLA	Service Level Agreement
VIP	Ventilated Improved Pit Latrine
YTD	Year to Date

1. PURPOSE

The purpose of this report is to give feedback regarding the non-financial performance of Thabazimbi Local Municipality for the 2018/19 financial year. The levels of service delivery to communities will be detailed in this report.

2. INTRODUCTION AND LEGISLATION

The report presents the achievements and challenges for the year under review in terms of the SDBIP targets.

Although the municipality is not pleased to indicate in terms of the Annual Financial Statements for the year 2017/18, the municipality got disclaimer audit opinion, while accepting the challenge on audit of predetermined objectives or performance information, The municipality's must ensure effectively monitoring and evaluation of the service delivery .

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

- Performance of the municipality and each external service provider
 - External Service Provider is defined in Section 1 of the Municipal Systems Act as: an external mechanism referred to in section 76 (b) which provides a municipal service on behalf of a municipality. The meaning of 'external service provider' is synonymous as Entity.
- Section 41(2) of MSA states: *The system applied by a municipality in compliance with subsection (1) (c) must be devised in such a way that it may serve as an early warning indicator of under-performance.*
Each institution needs to collect a wide range of performance information for management purposes, however not all information is relevant in accountability documents. The institution should specify in its planning documents a set of performance targets it will report against in its accountability documents.

The set of indicators selected for accountability reporting ought to provide a holistic view of the institution's performance.
In the case of concurrent functions, national departments need to identify a core set of indicators that need to be reported by provincial and local governments to ensure comparability.
- Performance information is only useful if it is consolidated and reported back into planning, budgeting and implementation processes where it can be used for management decisions, particularly for taking corrective action.
This means getting the right information in the right format to the right people at the right time. Institutions need to find out what information the various users of performance information need, and develop formats and systems
- Comparison of performance against set targets and performance in previous financial year

- Quarterly and annual performance against quarterly and annual targets as per the Adjustment Service Delivery and Budget Implementation Plan (SDBIP) is reported on. The Adjusted SDBIP contains the objectives and indicators as per the Municipal Integrated Development Plan (IDP) as well as General Key Performance Indicators as prescribed in terms of Section 43 of the Municipal Systems Act and Regulation 796 of 2001. The SDBIP for 2018/19 was developed to reflect both *cumulative and non-cumulative performance*, therefore the *status of indicators is also cumulative* and non-cumulative reflection of the overall performance level achieved year to date.
 - The format to calculate the variance between actual annual performance and annual targets are included for each Key Performance Indicator (KPI).
 - The baseline (previous financial year) performance are included for each KPI to reflect progress made from the previous financial year to the reporting financial year.
- Measures taken to improve performance
- Corrective action is included for underperforming targets
 - Section on improvement from challenges in previous financial year's Annual Report as per the Annual Performance Report from the previous financial year

3. OVERALL MUNICIPAL PERFORMANCE / EXECUTIVE SUMMARY

The following tables depict a breakdown of the annual performance report analysis from (01 July 2018 to 30 June 2019) as per Key Performance Areas:

DEPARTMENTS	ANNUAL TARGETS	ACHIEVED TARGETS	TARGETS NOT ACHIEVED	% ACHIEVED	% NOT ACHIEVED
Spatial Rationale	3	0	3	0%	100%
Basic Services and Infrastructure development	5	4	1	80%	20%
Economic Development	9	2	7	22%	78%
Financial viability	9	9	0	100%	100%
Good Governance and Public Participation	13	12	1	92%	8%
Transformation and Organisational Developments	3	0	3	0%	100%
TOTAL	42	27	15	64.28%	35.72%

4. COMPARISON OF PERFORMANCE AGAINST SET TARGETS AND PERFORMANCE BETWEEN 2017/18 AND 2018/19 FINANCIAL YEARS PER KEY PERFORMANCE AREAS

Overall SDBIP Departmental KPAs	2017/18			2018/19		
	Number of KPIs	Actual performance	Variance	Number of KPIs	Actual performance	Variance
Spatial Rationale	3	3	0	3	0	3
Basic Services and Infrastructure development	8	5	3	5	4	1
Economic Development	2	1	1	9	2	7
Financial viability	2	2	0	9	9	0
Good Governance and Public Participation	1	1	0	13	12	1
Transformation and Organisational Developments	6	4	2	3	0	3
Total	22	16	6	42	27	15

5. PROGRESS ON THE IMPLEMENTATION OF KEY PERFORMANCE INDICATORS

There were 42 total numbers of indicators in the municipal SDBIP for 2018/19 as approved by the mayor. The 2018/19 financial year reflects increase in the performance of the Municipality from 21.84% of the achieved targets in 2017/18 financial year to 64.28% in 2018/19 financial year.

The SDBIP contains the objectives and indicators as per the Municipal Integrated Development Plan (IDP) as well as General Key Performance Indicators as prescribed in terms of Section 43 of the Municipal Systems Act and Regulation 796 of 2001. The SDBIP for 2018/19 was developed to reflect **cumulative and non-cumulative performance**, therefore the **status of indicators is also cumulative** and non-cumulative, and reflection of the overall performance level achieved year to date.

KPA 1: SPATIAL RATIONALE

Ref	Key Activities	Current Baseline	KPI	2018/19 Performance	Target	Actual Performance as at 30 JUNE 2019	Evidence	Reason for underperformance	Corrective measure
PED	Building control and management	60 Days	Turnaround time in processing building plans from date of submission by applicant	Not Achieved	28 working days	28 working days turnaround time in processing building from date of submission by applicant was	Building register and land use	Appointment of additional staff and recruitment of dedicated land use administrator	Appointment of additional staff and recruitment of dedicated land use administrator
	Completion of Township Establishment Projects		% in completion of township establishment of Northam Ext 16 & 20 proclamation	Not achieved	100%	Not Achieved % in completion of township establishment of Northam Ext 16 & 20 proclamation	Proclamation certificate	Inadequate number of quotations received	More quotations to be sourced
			% In completion of township establishment of Thabazimbi ext 58(civic center)	Not achieved	100%	% In completion of township establishment of Thabazimbi ext 58(civic center) not achieved	Establishment report	Old project and due to Municipal constraints, service providers were not paid and the project stopped.	Request SG Diagram and small scale diagram form surveyor, general office to resume the project.

KPA 2: BASIC SERVICES AND INFRASTRUCTURE DEVELOPMENT

Ref	Key Activities	Current Baseline	KPI	2018/19 Performance	Target	Actual Performance as at 30 JUNE 2019	Evidence	Reason for underperformance	Corrective measure
TBS-1	Northam Extension 7 upgrading of Internal Streets (phase 1)	Poor internal road network	Northam Extension 7 upgrading of Internal Streets (phase 1)	Achieved	Layer works and stabilization	Layer works and stabilization completed – Achieved Construction stage – 21%	Completion certificate and progress report	None	None
TBS - 2	Northam Extension 7 upgrading of Internal Streets (phase 2)	Poor internal road network	Northam Extension 7 upgrading of internal streets (Phase 2)	Achieved	Layer works and stabilization	Layer works and stabilization completed – Achieved Construction stage – 39%	Completion Certificate and progress report	None	None
TBS - 3	Raphuthi Paving of internal streets	Poor internal road network	Raphuthi Paving of internal streets	Achieved	Layer works and stabilization	Layer works and stabilization completed – Achieved Construction stage – 55%	Completion Certificate and progress report	None	None
TBS - 4	Northam upgrading of Sports Facilities	Dilapidated sports Facility	Northam upgrading of Sports Facilities	Achieved	Appointment of Service Provider	Contractor appointed, project handed over. Currently busy with site establishment. Construction stage – 5%	Appointment letter	None	None
TBS - 5	Raphuti bulk sewer upgrade and Regorogile bulk connection and internal services	New Project	Upgrading of services and internal services in Raphuti and Regorogile	Not Achieved	2	2 Number of Upgrading of services and internal services in Raphuti and Regorogile Not Achieved	Appointment letter	Delay in supply chain process	Coghsta will fast track the appointment of professional services provider for monitoring

KPA 3: ECONOMIC DEVELOPMENT

Ref	Key Activities	Current Baseline	KPI	2018/19 Performance	Target	Actual Performance as at 30 JUNE 2019	Evidence	Reason for underperformance	Corrective measure
PED	Implementation of SPLUMA	New Projects	% Review of the TLM SDF	Not Achieved	1	1 % Review of the TLM SDF was Not Achieved	Terms of reference, appointment letters and progress report	Delay in supply chain process	Coghsta appointed HAD as implementing agent
			% Review of the LUMS	Not Achieved	1	1 % Review of the TLM SDF was Not Achieved	Terms of reference, appointment letters and progress report	Delay in supply chain process	Coghsta appointed HAD as implementing agent
PED	Facilitation of Agricultural Support	New Project	number of agricultural working groups meetings facilitated	Not Achieved	4	4 number of agricultural working groups meetings facilitated not achieved	Report & Attendance register	Lack of communication and coordination with the relevant stakeholders	Revise SDBIP, Strengthen partnership with relevant stakeholders
PED	Local Business Advisory Centre TBZ & Northam	New Project	Number of local business advisory centre established	Not achieved	2	Number of local business advisory centre established not achieved	Quarterly reports	Lack of communication and coordination with the relevant stakeholders	Revise SDBIP, Strengthen partnership with relevant stakeholders
			Implementation of LIBRA	Not achieved	2	Implementation of LIBRA not achieved	Quarterly reports	Lack of communication and coordination	Revise SDBIP, Strengthen partnership with

								with the relevant stakeholders	relevant stakeholders
Ref	Key Activities	Current Baseline	KPI	2018/19 Performance	Target	Actual Performance as at 30 JUNE 2019	Evidence	Reason for underperformance	Corrective measure
PED	SMME Support	New Project	# of business skills Trainings /workshops facilitated	Achieved	4	Target achieved. 3 workshops SMME's and Youth workshops/seminar- 29/05/2019, 27th June 2019 and The Power of U) 28/06/2019,	Attendance register	None	None
PED	Promotion of tourism	New Project	Number of Wildfees Game Expo & sports resuscitated	Not achieved	1	1 Number of Wildfees Game Expo & sports resuscitated not achieved	Report	lack of coordination	Strengthen partnership with relevant stakeholders
			Number of Ketapele Jazz Festivals resuscitated	Not achieved	1	1 Number of Ketapele Jazz Festivals resuscitated not achieved	Report	lack of coordination	Strengthen partnership with relevant stakeholders
			Number of Tourism Indaba Facilitated	Achieved	1	Target achieved 1 facilitated and attended 2-4 may 2019	Report & Attendance register	None	None
PED	Arts & Craft Market Saturdays		Facilitation of Arts Craft Saturdays	Not achieved	4	4 Facilitation of Arts Craft Saturdays not achieved	Registers	lack of coordination	Strengthen partnership with relevant stakeholders
PED	Thabazimbi Mining Forum		Number of mining forums held	Not achieved	3	3 Number of mining forums held not achieved	Attendance register	lack of coordination and poor attendance by mining houses	Improve on stakeholder engagement methods. Combined

									with the IDP Rep forum.(16 may 2019
PED	Stakeholder Engagement Forum		Number of stakeholder engagement forum	Not achieved	2	2 Number of stakeholder engagement forum not achieved	Minutes and Attendance register	Lack of coordination	Improve on stakeholder engagement methods.
Ref	Key Activities	Current Baseline	KPI	2018/19 Performance	Target	Actual Performance as at 30 JUNE 2019	Evidence	Reason for underperformance	Corrective measure
PED	LED Strategy Review		Date of completion of the review of the LED Strategy	Not achieved	1	1 Date of completion of the review of the LED Strategy not achieved	Terms of reference Appointment letter	Tender/Bid specifications not aligned with the Terms of reference for the project	Re-advertise the tender

KPA 4: FINANCIAL VIABILITY

Ref	Key Activities	Current Baseline	KPI	2018/19 Performance	Target	Actual Performance as at 30 JUNE 2019	Evidence	Reason for underperformance	Corrective measure
BTO	Number of Final Budget for 2019/20 FY submitted to council	1	Number of Final Budget for 2019/20 FY submitted to council	Achieved	1	1 Number of Final Budget for 2019/20 FY submitted to council was Achieved	Final Budget document and council resolutions	None	None
BTO	Number of section 71 reports submitted to the Mayor	1	Number of section 71 reports submitted to the Mayor	Achieved	1	1 Number of section 71 reports submitted to the Mayor was Achieved	Reports and council resolutions	None	None
BTO	Number of section 52 reports submitted to the Council	4	Number of section 52 reports submitted to the Council	Achieved	4	4 Number of section 52 reports submitted to council was Achieved	Reports and council resolutions	None	None
	Supplementary Valuation Roll	1	Number of Valuation Roll supplemented	Achieved	1	1 Number of Valuation Roll supplemented achieved	Valuation Roll and council resolution	None	None
	Preparation of AFS for 17/18	1	Number of AFS prepared	Achieved	1	1 Number of AFS prepared not achieved	AFS statements	None	None
	Section 72 reports	1	Number of Mid -year reports submitted to council	Achieved	1	1 Number of Mid - year reports submitted to council achieved	Council resolution	None	None

Ref	Key Activities	Current Baseline	KPI	2018/19 Performance	Target	Actual Performance as at 30 JUNE 2019	Evidence	Reason for underperformance	Corrective measure
	Draft Budget for 2019/20	1	Number draft budget submitted to council for 2019/20	Achieved	1	Number draft budget submitted to council for 2019/20	Council resolution	None	None
	Adjustment budget and SDBIP	1	Number of adjustment budget and SDBIP submitted to council	Achieved	1	1 Number of adjustment budget and SDBIP submitted to council achieved	Council resolution	None	None
	Final budget for 2019/20 FY	1	Number of final budget council for 2019/20 FY	Achieved	1	1 Number of final budget council for 2019/20 FY achieved	Council resolution	None	None

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Ref	Key Activities	Current Baseline	KPI	2018/19 Performance	Target	Actual Performance as at 30 JUNE 2019	Evidence	Reason for underperformance	Corrective measure
MM	Number of meetings held with all wards	4	Number of meetings held with all wards	Achieved	4	4 Number of meetings held with all wards was Achieved	Attendance register and minutes	None	None
MM	Number of IDP documents printed	200	Number of IDP documents printed	Achieved	200	200 Number of IDP documents printed was Achieved	IDP documents	None	None
	IDP public participation process	2	Number of consultation	Achieved	2	2 Number of consultation achieved	Report and Attendance registers	None	None
	Mainstreaming of all focal groups (Youth day, Heritage day, Disability day, HIV, Human Rights, Women day, Family day)	6	Number of all focal groups events held	Not Achieved	6	Number of all focal groups events held not achieved	Report and Attendance registers	Financial constraints	Referred to next financial year
	PMS Policy reviewed	1	Number of PMS reviewed	Achieved	1	1 PMS Policy reviewed - achieved	PMS policy document and council resolution	None	None
	PMS framework reviewed	1	Number of PMS framework reviewed	Achieved	1	1 PMS Framework reviewed - achieved	Council resolution	None	None
Ref	Key Activities	Current Baseline	KPI	2018/19 Performance	Target	Actual Performance as at 30 JUNE 2019	Evidence	Reason for underperformance	Corrective measure

	Audit committee charter approved	1	Number of Audit committee charter approved	Achieved	1	Number of Audit committee charter approved - achieved	Council resolution	None	None
	Internal Audit charter approved	1	Number of internal Audit charter approved	Achieved	1	Number of internal Audit charter approved - achieved	Council resolution	None	None
	Annual internal audit plan approved	1	Number annual internal audit plan approved	Achieved	1	Number annual internal audit plan approved achieved	Council resolution	None	None
	Strategic risk assessment developed	1	Number strategic risk assessment developed	Achieved	1	Number strategic risk assessment developed achieved	Strategic risk assessment report & council resolution	None	None
	Annual report approved by council	1	Annual report for 16/17 approved by council	Achieved	1	Annual report for 16/17 approved by council achieved	Council resolution and annual report	None	None
	Draft IDP submitted	1	Number of draft IDP submitted to council	Achieved	1	Number of draft IDP submitted to council achieved	Council resolution and copy of draft IDP	None	None
	Final IDP submitted for 2019/20	1	Number of final IDP submitted to council 2019/20	Achieved	1	Number of final IDP submitted to council 2019/20 achieved	Council resolution and copy of final IDP	None	None

KPA 6: TRANSFORMATION & ORGANISATIONAL DEVELOPMENT

Ref	Key Activities	Current Baseline	KPI	2018/19 Performance	Target	Actual Performance as at 30 JUNE 2019	Evidence	Reason for underperformance	Corrective measure
TOD	Number of employee's trained	71	Number of employees trained	Not Achieved	68	68 Number of employees trained was not Achieved	Certificates and other results	Financial constrains	Training will be provided in the next financial year
TOD	Number of vehicles leased	New project	Number of vehicles leased	Not Achieved	9	9 Number of vehicles leased was Not Achieved	Lease agreements	Financial constrains	Vehicles will be leased in the next financial year
	By – laws	2	Number of By- laws proclaimed	Not Achieved	2	Number of By-laws proclaimed	Council resolution	Financial constrains	Referred to next financial year

6. PERFORMANCE OF SERVICE PROVIDERS: 2018/19 FINANCIAL YEAR

Capital projects funded from Municipal Infrastructure Grant (MIG) attained 99% as at the end of 2018/19 financial year.

No.	Service Provider	Project Name	Start date	End date	Project Budget	Expenditure by 30/06/2019	Type of project	Performance target 2018/19	Actual performance achieved by the end of 2018/19	Action taken to address poor performance
1	Mika JV	Northam Extension 7 Upgrading Internal Streets (Phase 1)	01/03/2019	03/12/2019	R 9 420 224	R 2,033,456.32	Roads & Storm Water	100%	100%	Intervention meetings
2	Mika JV	Northam Ext 7 Upgrading Of Internal Streets (Phase 2)	01/03/2019	03/12/2019	R 9 830 436	R 3,821,914.04	Roads & Storm Water	100%	100%	Intervention meetings
3	Mexcon Civils cc	Raphuthi Paving Of Internal Streets	01/03/2019	15/09/2019	R 11 626 602, 01	R 3,484,936.75	Roads & Storm Water	100%	98%	Intervention meetings
4	Mac D Projects	Northam Upgrading Of Sports Facility	21/06/2019	10/01/2020	R 11,841,330.90	R0.00	Sports & Recreation	100%	0%	Funds were not allocated for this project during the 2018/19 FY

7. LIMITATIONS OF EVALUATION

- ▶ All budget related data must be verified against the Municipal Financial System. Values input into the Performance Management System should be cumulative expenditure figures to give a true reflection of the actual performance.

8. APPROVAL

MUNICIPAL MANAGER

DATE

CHAPTER 6: AUDITOR GENERAL'S FINDINGS

AUDITED FINANCIAL STATEMENTS AS ANNEXURE A