

**EXTRACT OF THE MINUTES OF THE 132<sup>ND</sup> COUNCIL MEETING HELD ON 28 JANUARY 2022**

**"A2175 ANNUAL REPORT: FINANCIAL YEAR 2020/2021**

(15/1/8/1/1)

**Office of the Municipal Manager**

**RESOLVED**

1. THAT the contents of the Annual Report 2020/2021, attached as Annexure "A", be noted.
2. THAT the report be made available to public.
3. THAT the report be referred to Municipal Public Accounts Committee (MPAC) for oversight".

\*\*\*\*\*

It is hereby certified that this is a true extract from the minutes of a meeting of the Sedibeng District Municipality.

Council held on: 2022/01/28  
Signed by: M. NGATLE  
Designation: ACTING DIRECTOR  
Legal And Support Services  
M. NGATLE

**A2175 ANNUAL REPORT: FINANCIAL YEAR 2020/2021**

(15/1/8/1/1)

**Office of the Municipal Manager**

1. PURPOSE

The purpose of the annual report 2020/2021 is to:

- (a) Provide a record of the activities of the Sedibeng District Municipality during the financial year 2020/2021.
- (b) Provide a report on performance against the budget of the Sedibeng District Municipality for the 202/2021 financial year reported on.
- (c) Promote accountability to the local community for the decisions made throughout the year by Sedibeng District Municipality.

2. BACKGROUND

Annual reports are the key reporting instruments for the Municipality to report against the performance targets and budgets outlined in their strategic plans.

Section 121(1) of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) stipulates that: "Every municipality and municipal entity must for each financial year prepare an annual report in accordance with its guidelines."

That Annual Report includes:

- a) The annual financial statements of the Municipality, and consolidated annual financial statements, submitted to the Auditor-General for audit in terms of section 126 (1) of the MFMA.
- b) The Auditor-General's audit report in terms of section 126 (3) of the MFMA and in accordance with section 45 (b) of the MSA; on the financial statements in (a) above;
- c) The annual performance report of the Municipality as prepared by the Sedibeng District Municipality in terms of section 45(b) of the Local Government: Municipal Systems Act 32 of 2000 (MSA);
- d) An assessment of the arrears on municipal taxes and service charges;
- e) An assessment of the Municipality's performance against the measurable performance objectives referred to in Section 17 (3)(b) of the MFMA for revenue collection from each revenue source and for each vote in the Municipality's approved budget for the financial year.
- f) Corrective action taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d); and
- g) Recommendations of the Municipality's Audit Committee.

3. DISCUSSION

This draft Annual Report, in addition to the Annual Financial Statement and the Audit report for the year under review, contains information on service delivery performance. It reports on how the budget for that financial year was implemented, relative to the objectives set out in the Service Delivery, Budget and Implementation Plan. It further assists other Stakeholders and oversight bodies to measure the performance of the institution against those objectives and targets.

4. ALIGNMENT WITH COUNCIL STRATEGIES

The Annual Report 2020/2021 is submitted as a summative reflection of the performance of the municipality over the financial year under review.

5. FINANCIAL IMPLICATIONS

There are no financial implications in the report given that it is a reporting document; expenditure has already been incurred during implementation of the set targets in line with the municipal budget in the year under review; and such is highlighted in the Annual Financial Statement.

6. LEGAL/CONSTITUTIONAL IMPLICATIONS

This report is in accordance with Section 121(1) of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA)

7. COMMENTS: FINANCE

The report is supported.

8. COMMENTS: COMMUNITY SERVICES

The report is supported.

9. COMMENTS: STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT

The report is supported.

10. COMMENTS: TRANSPORT, INFRASTRUCTURE AND ENVIRONMENT

The report is supported.

11. CONCLUSION

That Annual Report 2020/2021, be regarded as the primary instrument of accountability, in which the Executive Mayor and the Accounting Officer report on institutional performance, relative to the Service Delivery, Budget and Implementation Plan; and the progress made in realising the IDP priorities.

**12. RECOMMENDATIONS**

It is therefore recommended:

- 12.1 THAT the contents of the Annual Report 2020/2021, attached as Annexure “A”, be noted.
- 12.2 THAT the report be made available to public.
- 12.3 THAT the report be referred to Municipal Public Accounts Committee (MPAC) for oversight.

**ANNEXURE**

- \* Annexure “A” - Annual Report 2020/2021



Sedibeng District Municipality

# Annual Report 2020 / 2021



# Chapter 1

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## INTRODUCTION

# Chapter 1

In terms of section 121(2) of the Local Government: Municipal Finance Management Act, 56 of 2003; the purpose of the annual report is:

- a) To provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- b) To provide a report on performance in service delivery and budget implementation for the financial year; and
- c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Annual reports must be aligned with the planning documents and municipal budget for the year under review; which invariably means that the Integrated Development Plan, the Budget and the Service Delivery and Budget Implementation Plan; including quarterly, midyear and annual performance report and the ultimate annual report must be consistent with information to enable synergy and link between all these plans and the actual performance.

Annual reports are the key reporting instruments for municipalities to report against the performance targets and budgets outlined in their strategic plans. Annual reports are therefore required to contain information on service delivery and outcomes, in addition to financial statements. It is meant to be a retrospective document, focusing on performance in the financial year under review and must demonstrate how the budget was implemented and the results of service delivery operations for that financial year.

Section 46 of the Municipal Systems Act, 44 of 2003, requires that:

- (1) A municipality must prepare for each financial year an Annual Performance Report reflecting –
  - a) The performance of the municipality and of each external service provider during that financial year;
  - b) A comparison of the performances referred to in paragraph (a) with target set for and performances in the previous financial year; and
  - c) Measures taken to improve performance.
- (2) An Annual Performance Report must form part of the municipality's Annual Report in terms of the Municipal Finance Management Act, Chapter 12.

Section 127(3)(a) and (b) of the Local Government: Municipal Finance Management Act, 56 of 2003, further stipulates that if the Executive Mayor, for whatever reason, is unable to table in the council the annual report of the municipality, the Executive Mayor must promptly submit to the council a written explanation setting out the reasons for the delay, together with any components of the report that are ready and submit to council the outstanding report or the outstanding components of the annual report as soon as possible.

Therefore, Sedibeng District Municipality presents and tables the Annual Report for 2018/2019 financial year. This report was prepared in compliance with Section 121(4) (a), (b), (e), (g) and (h) of the MFMA, 56 of 2003. Amongst others, this Annual Report includes the following:

- The Municipal Annual Performance Report;
- The Annual Financial Statements of the Municipality;
- The Auditor General's report on municipal performance and financial audit report, including corrective action taken or to be taken by the Municipality on issues raised in the Audit Reports.

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This report provides information about the administration's financial and operational performance for the period under review. It also reflects on the municipal progress against the objectives of its Integrated Development Plan (IDP). The content of this Annual Report is structured around the five R's plus two strategic focus areas (pillars) and their underlying objectives, as contained in the municipality's five-year IDP.

The table below outlines a short summary of the Chapter 12 process

ACTIVITY	TIMELINE
Section 127 (1) of the MFMA:- The Accounting Officer of a municipality must, within six (6) months after the end of financial year, submit the municipality's annual report for that financial year to the municipality	<ul style="list-style-type: none"> <li>31<sup>st</sup> January 2022</li> </ul>
Section 127 (2) of the MFMA The Mayor must within 7 months after the end of the financial year table the draft Annual Report in Council.	<ul style="list-style-type: none"> <li>31<sup>st</sup> January 2022</li> </ul>
Section 127 (3) of the MFMA:- (a)The mayor must promptly submit to council within seven (7) months, a written explanation of as to why the Annual report could not be tabled within the regulated dates and (b) submit to council the outstanding annual report as may be possible	<ul style="list-style-type: none"> <li>31<sup>st</sup> January 2022</li> </ul>
Section 127 (5) (a) (i) of the MFMA and in accordance with section 21A of the Municipal Systems Act - The Accounting Officer must publish the draft Annual Report.	<ul style="list-style-type: none"> <li>Immediately after been tabled at Council</li> </ul>
Section 127 (5) (a) (ii) of the MFMA and in accordance with section 21A of the Municipal Systems Act - The Accounting Officer must invite local community to submit representations in accordance with the annual report.	<ul style="list-style-type: none"> <li>Immediately after been tabled at Council</li> </ul>
Section 127 (5) (b) of the MFMA and in accordance with section 21A of the Municipal Systems Act - The Accounting Officer must submit the draft Annual Report to the Auditor General, Provincial Treasury and the Provincial Department of Local Government.	<ul style="list-style-type: none"> <li>Immediately after been tabled at Council</li> </ul>
Section 129 of the MFMA: Oversight reports on the annual reports:- Council must  (i) Consider the draft Annual Report within 9 months after the end of the financial year; including oversight report (ii) Adopt an oversight report containing Council's comments on the annual report, which incl. approval an/or rejections and or referring back of the annual report for further revision.	<ul style="list-style-type: none"> <li>31 March 2022</li> </ul>

## CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR'S FOREWORD

# Chapter 1



## **Vision**

Sedibeng District Municipality envisions building towards a developmental Metropolitan River City of choice.

## **Mission**

- To promote and sustain Integrated Service Delivery that enhances and supports the municipality to achieve growth and development for its community.
- To promote efficient and effective Integrated Services that addresses the socio-economic and environmental development imperatives of the Region;
- To Implement Prudent and Cost-effective Financial Management and Sustainability;
- To ensure Good Governance and sound management practices; and
- To ensure effective Service Delivery.

## **Key Policy Developments**

Sedibeng District Municipality (SDM) remains committed to the alignment and realization of the National Development Plan, (NDP) vision 2030, Gauteng TMR approach and Sedibeng Growth Development Strategy (GDS 3). The Sedibeng Growth and Development Strategy (SGDS) 1,2 & 3 is developed as a critical tool to guide and coordinate the allocation of local resources and private sector investment to achieve sustainable development outcomes. The GDS 3 reflects not only the thinking of the Municipality's leadership, but also captures the inputs of our local municipalities and stakeholders.

As a reflection of the above-mentioned strategies, the IDP & Budget 2020/21 by commitment continues to set the 5 Rs plus 2 imperatives, being the following:

- ~ Re-activate our economy
- ~ Rebuild our partnership with our communities
- ~ Reviving sustainable environment
- ~ Reintegrating our region
- ~ Re-energise human potential
- ~ Good and financial sustainable governance
- ~ Vibrant democracy

## **Key Service Delivery Improvements:**

- Through a joint effort with the National and Provincial Government on the Economic Reconstruction and Recovery plan, Sedibeng registered the Vaal Special Economic Zone in 2020. To date, the Vaal SEZ has received a financial injection of R16 million from the Department of Economic Development for the next three years and R26 million from the Department of Trade, Industry and Competition for the next three years.
- The tourism and hospitality industry were hit by Covid-19 pandemic which caused a number of businesses to close-down and as a result many residents were left unemployed. To combat this eventuality the Tourism Relief Fund was then set up to assist the sector, twenty-nine (29) businesses in the sector benefited in the value of fifty thousand rand (R50 000) each in 2020.

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- The expansion to the Meyerton Waste Water Treatment Works is a project which will increase the capacity of the plant from 10 Mega litres per Day to 25 Mega litres per Day, which substantially increases the capacity of the municipality to facilitate development for the next 15 to 20 years.
- In 2020, ArcelorMittal South Africa Ltd (Vanderbijlpark Works) settled for R3, 630,000 with the District Municipality for the violation of their Atmospheric Emission License. The administrative fine will be used for maintenance and upgrading of Air Quality monitoring stations. Two air quality coordinators have been employed during the same financial year.
- The district has completed the Integrated Transport Plan (ITP) for the region. This was funded by the Gauteng Department of Roads and Transport Department
- Youth remains the integral part of any community, therefore their development and upskilling are our priority in this region, various studies shared have proved that our region is characterised by unemployment, inequality, lack on income and low levels of skills particularly in – women of colour (African) and youth. In 2020, the district rolled out its partnership with the National Youth Development Agency at the tune of an outstanding debt of just over R1.6 million to provide skills and empowerment programmes.
- The Community Safety a unit within our District Municipality supports the “Okae Molao Crime prevention programme” which is a partnership with the South African Police Services and Traffic Departments, this partnership has helped to lessen the crime and has put the Sedibeng District as the best performing District on crime prevention as compared to other Municipalities in the Province.
- A partnership between Vaal University of Technology (VUT) and Gauteng Community safety resulted in the launch of the first Victim Friendly Centre in the Gauteng Province.

## **Public Participation:**

Council has adopted the District Development Model (DDM) i.e.” a one plan one budget model”, the Terms of Reference and a diagnostic report contained will ensure that integrated development planning and service delivery is improved across all three spheres of government.

Through the implementation of the District Development Model, the district rolled out a Ward Based War Room concept across all 72 wards. Councillors were trained on the ward-based approach and the DDM functions.

The Covid-19 pandemic brought with it too many obstacles including the impact on public participation activities by the district which led to the district to adopting a new normal, a hybrid approach to engage with the communities and the stakeholders as well as rely on the website, social media and local radio stations to keep the residents abreast and updated with the decisions of the district.

## **Ward Based Programs**

Gauteng Department of Health rendered HIV/AIDS and TB ward-based program at a tune of R11 148 million for the district last financial year 2020/2021. Since July 2020-March 2021, 99 Ward based educators were contracted and the number changed to 191 from April-June 2021. The latter consists of 25 Team leaders and 4 Data capturers for the whole District on salary scale of R3800.00 per month, leaving the rest of the educators at R3500.00 per month. Annual allocation rendered was left at R4 107 806 million by June 2021.

## **Aids Council Strengthening Status**

### **1. Civil Society Forums Re-alignment**

# Chapter 1

Gauteng AIDS Council embarked on a roadshow in all Gauteng Municipalities to re-align the Civil Society Forum structures. The District successfully executed the task by embarking on a roadshow aimed at aligning all Civil Society Forums in line with SANAC guidelines. The roadshow then commenced at Midvaal Municipality and 11 Sectors were established (Disability, Men, Women, Children, Traditional Healers, Traditional Leaders, FBO, Older Persons, Sex workers, NGO and LGBTQI Plus) according Terms of Reference. At Lesedi Municipality only 7 sectors were established (Disability, Men, Women, Children, Traditional Healers and PLHIV) according to terms of reference. Expenditure for the roadshow is as follows: Midvaal Municipality at R25 775.00 and Lesedi Municipality at R33 850.00 for Transport and Food. Emfuleni Municipality's roadshows did not take place due to unavailability of funds.

## **2. Monitoring and Evaluation of AIDS Councils**

The Sedibeng District AIDS Council coordinates the implementation and monitoring of the district HIV, TB and STIs response. It relies on secondary data (data from identified key stakeholders who are implementing in the district) in order to monitor progress towards the National Strategic Plan (NSP) on HIV, TB and STIs goals. Sedibeng District AIDS Council Monitoring and Evaluation team was successfully formed and stakeholder engagements were done that will form part of the process to develop the district M&E Plan (a document that outlines how the district will track its progress towards meeting targets of its HIV, TB and STI response).

### **Future Actions:**

- To resuscitate, reconstruct, renovate all the historical Precinct,
- To expedite the implementation of precinct plans and development of land in the region.
- To improve on Inter Governmental Relations (IGR) and work closely within the three spheres of Government to achieve the goals outlined in the District's Funding Model.
- To establish a fully functional Vaal Special Economic Zone in the region.
- To implement the economic development plans/programmes in accordance with the outcomes emanating from the Investment Conference and the SMME Summit.
- To strengthen relations and re-align the District Aids Council with the Civil Society Forums

### **Agreements / Partnerships**

Forming partnerships with developers and the industry players or institutions which are community driven and their mandate is based on service delivery, will assist the Government to meet its obligations. To be able to execute all its commitments to the residents of Sedibeng, the District has entered into agreements and partnerships with the following Government Departments and institution:

- Gauteng Infrastructure Financing Agency (GIFA) at a tune of R15,211,038.00 for the feasibility study, and procurement up to financial close for the development of the Government Precinct;
- National Youth Development Agency – to provide skills and empowerment programmes across the region at the tune of (2018/19: R 1,497,079); (2019/20: R1,618,836)
- Agreement with Gauteng Provincial Government, Department of Sports, Arts, Recreation and Culture to operationalise Boipatong Memorial and Youth Centre at a tune of R2, 515, 000;
- Agreement with Department of Rural Development and Land Reform at a tune of R2,276,613.60 to develop precinct plans for Waterval, Sicelo, Rietfontein, Devon, Doornkuil, Henley on Klip and Langzeekoegat;
- Gauteng Department of Health for rendering HIV&AIDS and TB ward-based programme at the tune of R11 148 000,00 in all local municipalities;

# Chapter 1

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- Agreement with Department of Transport for rendering the Rural Road Asset Management Systems (RRAMS) programme at a tune of R1,831,579 across the district;
- SASOL Ltd donation of 2000lt of sanitisers for COVID-19 response across the region;

We hope to form more tangible partnership in the new 5-year term that will assist with seeing the lives of our people improve and the future of our residents guaranteed, especially the Youth.

## **Conclusion:**

As the region, the challenge for poor service delivery was as a result of a number of factors including–misalignment and proper coordination between what the local government and business seeks to achieve in practical terms. There is a hold back by business as they perceive Government to be acting slow in decision making. In the next term we endeavour to work faster and smarter.

We are ready to take the district to the top levels and keep it topical, however this will be achieved by more partners joining us if we are to reach our potential and put this district on a constructive growth path.. As a result, the district invites businesses and institutions to join in this initiative with an intention to turn things around. The Municipality understands the importance of growing the local economy and creating jobs in order to address the triple threat of unemployment, poverty, and inequality.

Going forward, more emphasis will be placed on sustainable economic growth and development initiatives. In this regard, expertise will be sourced from private and public institutions on issues of economic development, facilitating investments and new export contracts, and greater synergy and integration will be promoted between job creation initiatives and skills development.

Lastly as a political head of this District I take corruption, ill-discipline, misconduct and endless wasteful expenditure by officials as a serious indictment by administration for the residents of Sedibeng. The district is expected to utilize the resources for the benefit of the communities and service delivery initiatives. As such focus will be on pursuing programs and projects that take the residents of Sedibeng forward.

I endeavour

(Signed by :) \_\_\_\_\_

Executive Mayor



# Chapter 1

## COMPONENT B: EXECUTIVE SUMMARY

### MUNICIPAL MANAGER'S OVERVIEW

This draft Annual report for 2020/2021 financial year marks the end of both the financial year and the term of political office which started on the 3<sup>rd</sup> of August 2016 when the new administration was ushered in.

This term had its own ups and downs but what stood out was the advent of Covid-19 pandemic. This pandemic changed the way the world operates; and continues wipe the hard-earned development gains and threatens the stride made in ameliorating the lives of individuals.

While we understand and acknowledge the enormity, Sedibeng District Municipality is in the process of repositioning itself, to take part in local, provincial and international space. This is done through well orchestrated processes which will be led by the new municipal administration; under the leadership of political administrators. This will be done parallel to the strengthening of municipal governance, accountability, transparency and intergovernmental relations.

The municipality continues to face myriad of challenges in terms of administration, financial management and governance. Many of these challenges have recurred over a period of time; and have been repeatedly highlighted in the Municipality's annual and audit reports. The bulk of these challenges are earmarked to reduce once a full contingent of senior management has been appointed.

#### **Unauthorized, Irregular, Fruitless and Wasteful expenditure (UIFW)**

The municipality continued to incur irregular and unauthorized expenditure which was as a result of the previous financial year 2018/19 financial year.

Given the current state of affairs, reasonable steps are being taken to prevent and reduce Unauthorized, Irregular, Fruitless and Wasteful expenditure (UIFW) as required by section 62(1) (d) of the MFMA. Most of these are as a result of non-compliance with Supply Chain Management (SCM) regulation 36(1), poor contract management practices, poor implementation of Human Resources processes, non-compliance to the approved budget well as the lack of consequence management. The municipality through its council has approved the establishment of the Municipal Financial Misconduct Disciplinary Board which will investigate all these expenditures and recommend to council on how to recoup these monies from individuals.

#### **Organizational Structure**

The organizational structure of the Municipality currently has 600 approved positions. In the operational organizational structure, the Municipality is headed by the Municipal Manager (Acting) with the following section 56 managers:

- Corporate Services (Filled)
- Strategic Planning and Economic Development (Filled)
- Transport, Infrastructure and Environment (Acting)
- Community Services (Filled)
- Chief Financial Officer (Acting).

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Three of the six section 56/57 positions within the Municipality are currently vacant and filled by acting appointments. This is done to ensure leadership, stability and accountability.

Due to these vacancies, it becomes difficult to inculcate a culture of belonging and a performance-driven attitude from all employees. These also include the deficiency in skills set that ensures credible performance and reporting. Hence the municipality, in the year under review, never performed to expected norms and standards. This is attested by the fact that the municipality could only achieve 64% (42 targets achieved) out of the 76 targets; compared to 67% achieved in the 19/2020 financial year. Despite other internal challenges, the below expected achievement can also be attributed to the scourge of Covid-19 pandemic; which ravaged through the world of work; where at some stages the workplace was left with minimum staff, due to Covi-19 Lockdown restrictions.

There is a dire need to improve the governance and oversight environment within the Municipality.

## **Risk and Internal Audit and Audit Committees**

The Risk Management, Internal Audit and Performance Management Units are functional, although with not sufficient human and intellectual capital; where all of them are severely under-capacitated and the impact thereof is evident through the overall risk immaturity and lack of Internal and performance appetite by all within the municipality.

## **Supply chain management**

The Municipality experiences the following challenges relating to SCM:

- Lack of skills and expertise in SCM;
- Non-adherence to SCM Regulations;

This is evidenced by the Auditor General findings; which are rudimentary in nature and where under normal circumstances could be averted.

## **Contract management.**

Contract Management is an on-going challenge at Sedibeng District Municipality which is due to the absence of a Contract Management Framework within which to manage contracts.

A holistic Plan is needed to address challenges that have been identified. A number of strategies have been developed, refined and will be implemented in the short, medium and long term through the Plan to resolve the challenges faced by the Municipality to ensure sustainability over the medium to long term.

Sedibeng must move away from short term and reactionary planning to a long term stable and sustainable framework; hence the Municipality must priorities the development of a long-term financial plan that is realistic and achievable and based on sound socio-economic analysis. The financial indicators issued in MFMA Circular 71 should also be used as a basis for such a long-term financial plan.

There is now urgency for officials of the Municipality to perform optimally and key performance areas and related indicators will need to be incorporated in the performance agreements of all employees which will have to be monitored and evaluated on a regular basis to ensure successful outcomes. This would assist in placing the Municipality on a trajectory to meet its obligation to provide services and towards sustainability in the long term.

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Finally, it is emphasised that the responsibility to implement changes to address the above-mentioned challenges vests with Sedibeng and that the strategy to do so, places significant implementation responsibility on myself as the Acting Municipal Manager, Chief Financial Officer and other Senior Managers and regular monitoring by Council and the Executive Mayor is critical to ensure successful implementation.

Yours sincerely

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**M. MAKHUTLE**  
**MUNICIPAL MANAGER (ACTING)**

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## 1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.1.1. MUNICIPAL FUNCTIONS

The administration of the Municipality must:

- Be responsive to the needs of the community
- Facilitate the culture of public service and accountability among its staff
- Take measures to prevent corruption
- Establish clear relationships, facilitate cooperation communication between it and the local community;
- Give members of the local community full and accurate information about level and standards of services they are entitled to receive; and inform the local community how the municipality and cost and the persons in charge

Like other similar District Municipalities in the country, Sedibeng District Municipality is created and classified as a Category C municipality by Section 155 of Constitution of the Republic of South Africa, Act 108 of 1996, in conjunction with Section 4 of the Local Government Municipal Structures Act, 117 of 1998. Upon its creation, certain functions were delegated to it and it can only

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perform those functions and duties allocated by these pieces of legislation. The principal and primary Constitutional mandate of the district municipality such as Sedibeng dictates that it:

- a) provides democratic and accountable government for local communities
- b) ensures the provision of services to communities in a sustainable manner
- c) promotes social and economic development
- d) promotes a safe and healthy environment and
- e) Encourages the involvement of communities and community organisations in the matters of local government.

Other pieces of legislation such as The Local Government: Municipal Structures Act, 1998, Act No 117 of 1998, section 84 (1) sets out the following powers and functions for Sedibeng District Municipality:

- a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
- b) Potable water supply systems.
- c) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.
- d) Domestic waste-water and sewage disposal systems.
- e) Solid waste disposal sites, in so far as it relates to- (i) the determination of a waste disposal strategy;
  - (i) The determination of a waste disposal strategy;
  - (ii) The regulation of waste disposal; and
  - (iii) The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and Waste disposal facilities for more than one local municipality in the district.
- f) Municipal roads which form an integral part of a road transport system for the area of the district municipality
- g) Regulation of passenger transport services
- h) Municipal airports serving the area of the district municipality as a whole
- i) Municipal health services
- j) Firefighting services serving the area of the district municipality as a whole, which includes-
  - (i) Planning, co-ordination and regulation of fire services;
  - (ii) Specialised firefighting services such as mountain, veld and chemical fire services;
  - (iii) Co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures;
  - (iv) Training of fire officers
- k) The establishment conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district
- l) The establishment conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district
- m) Promotion of local tourism for the area of the district municipality
- n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality
- o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality
- p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms

However, the following functions were adjusted by the MEC for Local Government to be performed by the Local Municipalities:

- a) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and where applicable, the generation of electricity.
- b) Domestic waste-water and sewage disposal systems.
- c) Solid waste disposal sites, in so far as it relates to-

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- i. The determination of a waste disposal strategy;
  - ii. The regulation of waste disposal; and
  - iii. The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
  - iv. Municipal roads which form an integral part of a road transport system for the area of the district Municipality as a whole.
- d) Municipal roads which form an integral part of a road transport system for the area of the district Municipality as a whole
- e) Firefighting services serving the area of the district municipality as a whole, which includes-
- i. Planning, co-ordination and regulation of fire services
  - ii. Specialised firefighting services such as mountain, veld and chemical fire services;
  - iii. Co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures;
  - iv. Training of fire officers.

Therefore, functions constitutionally belonging to the district but were adjusted to the locals, form part of other reasons why the municipality is struggling financially and is not viable, compounded by the dwindling, on yearly basis, of the equitable shares and sharp increases of salaries as negotiated and concluded by bargaining council.

## **1.1.2. SEDIBENG DISTRICT BACKGROUND**

### Sedibeng District Profile

The Sedibeng District Municipality is classified as a Category C municipality by the Municipal Demarcation Board in terms of Section 4 of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998). The Municipality was established in the year 2000 through the integration of various councils that had previously served the Vaal and the surrounding areas.

The municipality is the only area in Gauteng province that is situated at the southern tip of the provinces, and strategically borders three provinces, namely, Free State, North West and Mpumalanga. The other fact and strategic niche is that the municipality is the only one in the province that is located on the banks of Vaal River and Vaal Dam; covering the area formerly known as the Vaal Triangle.

Sedibeng is a stone throw away from Johannesburg. Legally, the municipality is comprised of three Local Municipalities i.e. Emfuleni Local Municipality, Midvaal Local Municipality and Lesedi Local Municipality. The District municipality also includes areas of historical epochs such as Sebokeng, Evaton, Sharpeville, Boipatong, Bophelong, Ratanda and towns which include Vereeniging, Vanderbijlpark, Meyerton and Heidelberg.

Sedibeng offers a variety of cultural, heritage attractions and historical experiences. Some of these are the heritage sites related to South Africa Wars of 1899-1902 and the two World Wars that followed. The Sharpeville Precinct still stands as the reminder and the hallmark of the Sharpeville Massacre of 21 March 1960, when 68 people lost their lives during the pass laws protests.

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The Vaal River on the southern border of Sedibeng constitutes one of the most important sources of water in South Africa. Water from the river meets the residential, industrial and agricultural needs for much of Gauteng. The River is also a key supplier of other tributaries located in Mpumalanga, the Free State, North West and the Northern Cape. Construction of the Vaal Dam was completed in 1938 but its capacity was later extended during the 1950s. The tourism town of Vaal Marina is located on the banks of the dam in the Midvaal Local Municipality. Development of irrigation farming, tourism and agro-processing industries are of central importance to Sedibeng, especially in the Midvaal and Lesedi municipal areas.

The Sedibeng District Municipality is located in the southern parts of the Gauteng Province, and features the cities of Vanderbijlpark, Vereeniging and Evaton. Accounting for approximately 33% of the national GDP, the Sedibeng District Municipality is perceived as an integral part of the Gauteng Province. The District Municipality features more than a wide variety of landmarks, such as the Vaal River and Vaal Dam, the Suikerbosrand Nature Reserve, the Sasol refinery, the ArcelorMittal (previously ISCOR) factory, as well as the Emerald Casino and Safari Park.

## Sedibeng District History

Flying over the Sedibeng landscape, reveals the stone circles marking settlements of people that lived in the region from the dawn of time. The area has moved on from its pre-historic roots to play a crucial part in shaping the South Africa we live in. While the landscape has been shaped by the Vaal River, our communities have been carved out of struggles for freedom. The long and bloody history of South Africa's journey through the Boer War, and the long years of apartheid, can all find their story right here in the heart of Sedibeng

The Treaty of Vereeniging (commonly referred to as Peace of Vereeniging) was the peace treaty, signed on 31 May 1902, which ended the South African War between the South African Republic and the Republic of the Orange Free State, on the one side, and the British Empire on the other. This settlement provided for the end of hostilities and eventual self-government to the Transvaal (South African Republic) and the Orange Free State as colonies of the British Empire. The Boer republics agreed to come under the sovereignty of the British Crown and the British government agreed on various details.

None of this meant a great deal during the long, dark, oppressive years of apartheid that were to follow, and the brutal and violent fight to break down a tyranny of oppression and inhumanity. The world will never forget what is now marked as our day of Human Rights in South Africa. On 21 March 1960, events were planned for many parts of the country, for people to protest against one of the unjust laws of apartheid. The Pass Law required all Africans living or working in and around towns to carry documents (known as passes) with them at all times. Failure to carry this document would lead to arrest by the police.

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On this day people decided to go to police stations without their passes and to demand that they be arrested. The idea was that many people would be arrested and the jails would become so full that the country's unjust laws would be exposed to the international world. It was hoped that this would lead to the draconian laws being scrapped. At Sharpeville in Sedibeng, thousands of unarmed people gathered at the police station demanding to be arrested. They were met by 300 police officers who opened fire on the crowd. Sixty-nine people were killed and more than 180 others were injured in the Sharpeville Massacre. This event precipitated the banning of the ANC, and the PAC and the start of the armed struggle. Every year on the 21st March, the people of Sedibeng, the country, and the entire world bow their heads to observe the brutal killings of anti-pass laws and apartheid protestors - making it one of the most historic political events which shook the world and changed the course of history in South Africa.

And so began decades of further oppression and restrictions of freedom that ultimately culminated in the dawning of democracy in 1994. But Sedibeng was to see some much darker days before that beacon of light came into sight. The early 1990s in South Africa, the period when negotiations were unfolding between the ruling National Party and the ANC, is marked as one of the most violent and turbulent times in our history to democracy. And Sedibeng saw some of the worst of it.

On 12 January, 1991, 39 mourners were viciously murdered at an all-night vigil, and over forty were injured. At the Nangalembe Night Vigil Massacre in Sebokeng. Mourners were paying their final respects to their community leader, when a sudden invasion by a gang of armed men resulted in a hand grenade being set off and the aggressors began to shoot randomly into the crowd. The Nangalembe Night Vigil Massacre will go a long way into the books of our history as it heralded an undefined and unresolved period of brutal attacks against the Sebokeng community.

Just over a year later, Sedibeng was to mourn again. On the night of 17 June 1992, a heavily-armed force of Inkatha members, secretly raided the Vaal township of Boipatong and killed 46 people. The Boipatong Massacre caused the African National Congress to walk out of CODESA, the initial formal negotiations to end apartheid, accusing the ruling National Party of complicity in the attacks. The massacre drew the attention of the United Nations Security Council, which passed Resolution 765 on July 16, 1992, urging a full investigation into the incident.

Sedibeng cannot bring back its fallen heroes, but it can certainly celebrate them through its continued struggles to end poverty and bring about economic equality. From 1902, the region seemed to almost have come full circle, and appears to be a most fitting place for the Signing of South Africa's First Democratic Constitution in 1996. The 10th December 2011 marked the 15th Anniversary of the signing of the South African Constitution into law - by the then President of South Africa, Mr. Nelson Mandela, in Sharpeville.

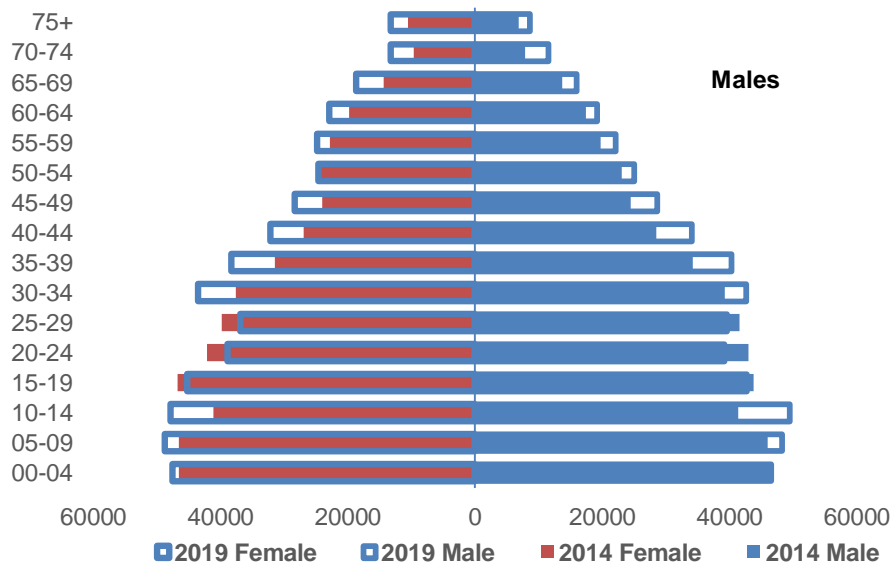
The year 2012 has turned out to be a remarkable and amazing year in the history of South Africa and Sedibeng. This year the ruling party celebrates its centenary, 100th year of a selfless struggle to liberate South Africa and the African continent, making it a historic moment for all the people of South Africa.

### **1.1.3. SEDIBENG DISTRICT POPULATION**

The Sedibeng District Municipality constitutes the second largest municipality in the province geographically, covering a land area of about 3,894 km<sup>2</sup>. The total population of the District is 916 484. Lesedi has a population of 99 520, Midvaal 95 301 and Emfuleni 721 663; with the population density of District as a whole as 198 people per km<sup>2</sup>. It is clear from the stats that 8 out of every 10 people in Sedibeng live in Emfuleni and the vast majority (more than 700 000 people) live in the black township areas especially Sebokeng and Evaton. Source: Stats SA, 2011. In the Gauteng municipalities, Sedibeng is the fourth populated region after the City of Tshwane.

*Figure 1: Sedibeng's Population Pyramid in 2014 & 2019*

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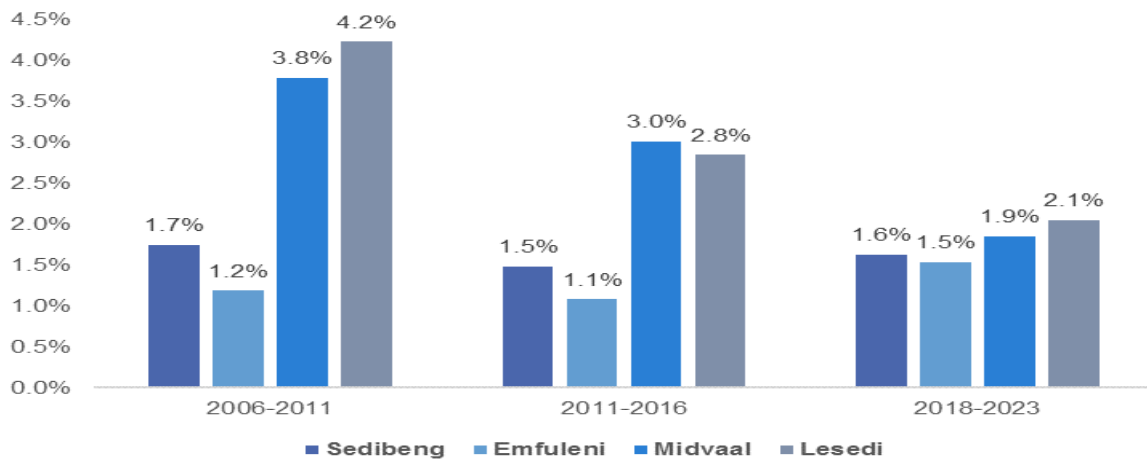
Source: IHS Markit, 2020

Figure 1 shows the population pyramid of the Sedibeng region by gender for 2014 and 2019. The youth population bulge (15-34 age cohort), a situation where most of the population consist of youth, appears stronger in the Sedibeng region, a phenomenon which is more prevalent in all regions in the country. However, another bulge was in those between the ages of 0 to 9 years, indicating that supporting children is a significant factor for the average working-age person in the region. The gender distribution indicates that there are more males than females in the region in the period under review.

Figure2: Average Population Growth Rates



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Source: IHS Markit, 2020

The figure above shows average population growth rates for Sedibeng and its local municipalities from 2006 to 2016 and forecast to the 2023. Average population growth tends to be decreasing in all the municipalities between the years 2011-2016 and is expected to rise slightly between the years 2018-2023. The figure indicates that Lesedi and Emfuleni have the highest growth rates in the periods under review.

## Education levels in Sedibeng District Municipality since 2014-2018

Below is a table depicting a comparative analysis of qualifications in local municipalities during the period 2014 and 2018. The level of education with a decrease of less than 1091 from 21,201 in 2014 to 20,110 in 2018 for those with no school. The numbers of those who have matric only were at 199,565 in 2014 and have increased with 22,666 to 222,231 in 2018. The numbers have increased by 4439 from 44,164 in 2014 to 48,603 in 2018 for people having diplomas with grade 12. There is also significant increase by 4149 from 24,869 in 2014 to 29,018 in 2018 for people with bachelor degrees. There is an increase of people with high degrees (Masters or Doctorate) by 2134 from 11,460 in 2014 to 13,594 in 2018

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Table 1: Sedibeng Qualifications between 2914 and 2918

Qualifications	Emfuleni				Midvaal				Lesedi				Sedibeng			
	2014		2018		2014		2018		2014		2018		2014		2018	
	no	%	no	%	no	%	no	%	no	%	no	%	no	%	no	%
Grade 0-2	14,663	100.0%	13,823	2.8%	2,654	3.8%	2,589	3.3%	3,883	5.7%	3,698	4.9%	21,201	3.5%	20,110	3.1%
Grade 3-6	14,663	100.0%	7,738	1.6%	1,163	1.7%	1,159	1.5%	1,843	2.7%	1,819	2.4%	11,262	1.9%	10,716	1.7%
Grade 7-9	14,663	100.0%	31,572	6.4%	4,237	6.1%	4,324	5.6%	5,678	8.4%	5,809	7.6%	42,418	7.1%	41,705	6.5%
Grade 10-11	14,663	100.0%	68,261	13.9%	9,558	13.7%	9,533	12.3%	10,672	15.8%	11,085	14.6%	90,285	15.1%	88,878	13.8%
Certificate / diploma without matric	14,663	100.0%	127,586	26.0%	16,280	23.3%	17,871	23.1%	17,866	26.4%	21,240	27.9%	150,851	25.2%	166,697	25.8%
Matric only	14,663	100.0%	2,637	0.5%	534	0.8%	511	0.7%	409	0.6%	405	0.5%	3,626	0.6%	3,552	0.6%
Matric & certificate / diploma	14,663	100.0%	170,231	34.6%	24,850	35.5%	29,063	37.5%	19,612	29.0%	22,938	30.2%	199,565	33.3%	222,231	34.4%
Matric & Bachelor's degree	14,663	100.0%	38,079	7.7%	5,036	7.2%	5,910	7.6%	4,040	6.0%	4,614	6.1%	44,164	7.4%	48,603	7.5%
Matric & Postgrad degree	14,663	100.0%	21,586	4.4%	3,927	5.6%	4,597	5.9%	2,331	3.4%	2,835	3.7%	24,869	4.1%	29,018	4.5%



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## HIV and AIDS

A healthy labour force contributes to the economic productivity of a region and thus to the output. This section provides analysis on the HIV and AIDS indicators.

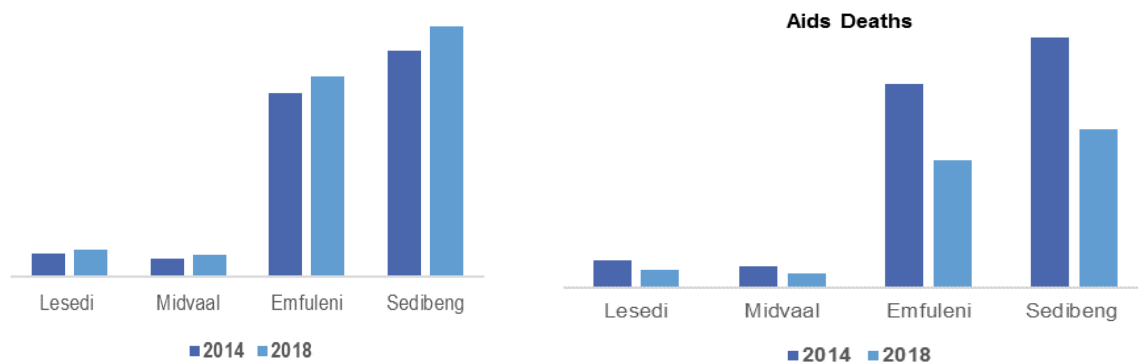
### HIV/AIDS prevalence rates

In recent years, the world has committed to ending the AIDS pandemic by 2030. While this world dream remains the mountain to climb; there are signs in many countries that this feat is achievable. South Africa is amongst the first countries in the world with the largest HIV and AIDS programme. This has drastically and amazingly reduced AIDS-related deaths. In the last two years, the number of people on antiretroviral drugs has increased by almost a third.

South Africa aligning with the World Health Organisation (WHO) 90-90-90 strategy, adopted a commitment of ending HIV and TB co-infections by 2030. In a country challenged by emergence and increase of multidrug resistance TB, it has been necessary to establish collective collaboration through multi-sectoral approach that included Global funding partners. The development of National Strategic Plan 2017/22, has committed all sectors' involvement, to reach set goals with support from AIDS Councils. Through this strategy and the support of Global partners, enrolment and uptake of antiretroviral drugs has increased and mortality rate decreased. Also.

To ensure efficient implementation and monitoring mechanisms, Council has placed HIV & AIDS Secretariat Unit directly within the Office of the Executive Mayor. This includes enhancement of both the internal and external controls with regard to the implementation of 2019/20 HIV & AIDS Business Plan.

Figure 3: HIV Estimates and Aids Deaths in 2014 & 2018



Source: (IHS Markit, 2020)

Figure 3 shows the number of people living with the Human Immunodeficiency Virus (HIV) in the Sedibeng district and its local municipalities. In Sedibeng, we observe a marginal increase in the number of people who are HIV positive between 2014 and 2018. Further increases were also prevalent in the district's local municipalities. Despite these increases, the number of AIDS death estimates declined across the region.

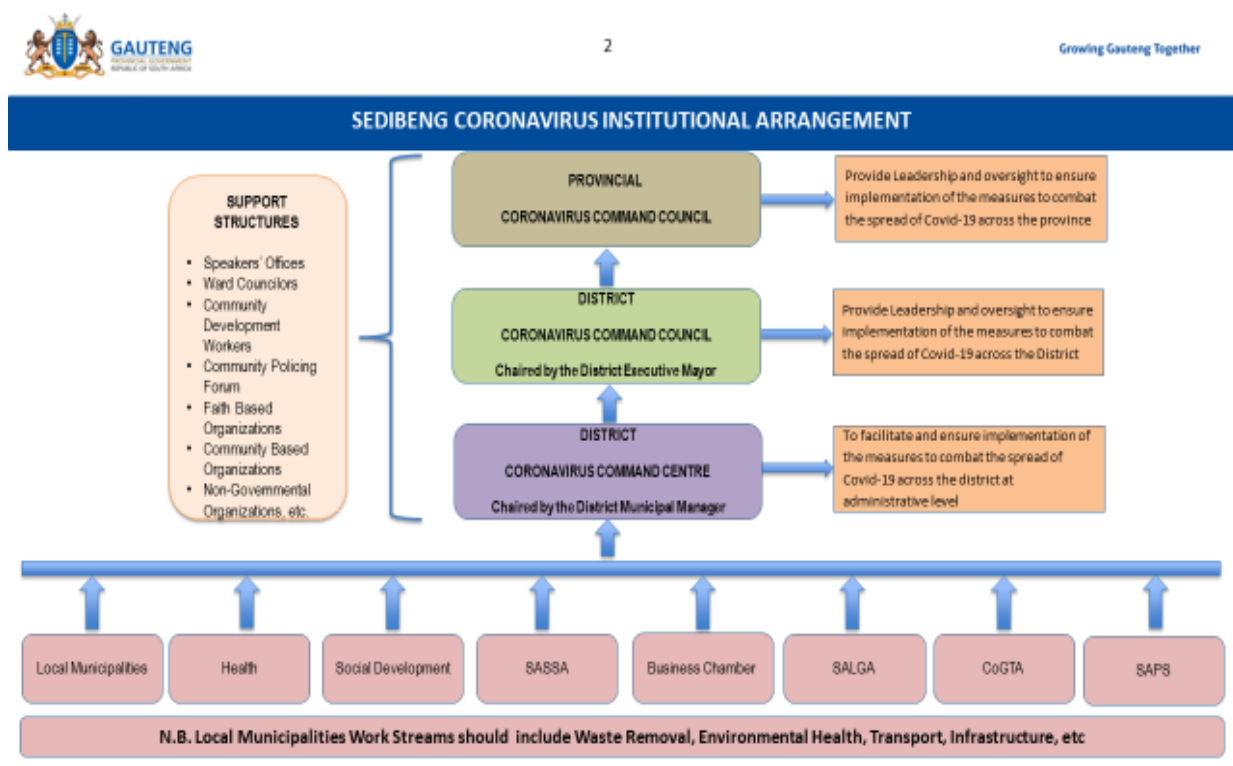
## Covid-19 in Sedibeng District

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On Sunday, the 15th of March 2020, President Cyril Ramaphosa declared a National State of Disaster due to the sporadic spread of the Corona Virus (COVID-19) in South Africa and globally. Subsequently, on Monday, 23rd March 2020, the President announced the “Lockdown” which became effective on Friday, 27th March 2020. As an organ of the state, the Sedibeng District Municipality and its locals followed suit to implement all directives issued regarding the announced lockdown, as result of COVID-19. Senior officials of the District and Locals attend Provincial meetings for appropriate guidelines. The district and its locals have prioritized safety of employees, as well as the communities.

On the daily basis, the district and its locals are responding to the issues of the COVID-19 in its different measures of service delivery. The district and its locals have been established to channel the municipal services to respond to the measures of containing the virus.

## Covid-19 Sedibeng region Institutional arrangements



1. District Command Council deals with political and strategic matters relating to COVID19 – Executive Mayor and Municipal Manager
2. District Command Centre: Coordination and reporting–Managed by Director for Disaster Management and Emergency services
3. District Work-streams: Coordination and reporting by senior management at District and Locals.
4. District JOCOM: Chaired by General Molefe and Brigadier Mokoena Local JOCs/Technical Teams
5. Sedibeng Community Services Cluster: Review and Consolidation of District plans and reports by Executive Director Community Services

Most visibly, the lockdown has resulted in staggering levels of hunger, as household incomes have collapsed and nutritious food has become increasingly difficult to access. Other social impacts, such as job losses, interruptions to public health

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programmes, loss of access to educational and other child support services, growing challenges with mental health, and increased gender-based violence are collectively deepening destitution in many communities.

These social impacts will leave a legacy long after the virus itself is eventually brought under control through a vaccine or effective treatment. National Government has recognized the urgency of providing social support. Ensuring that resources are directed to the areas of most urgent need requires a localized understanding of South Africa's diverse human and physical geography.

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## Provision of Health Services in the region

Health related indicators remain vital for a region's development. A healthy labour force can contribute much more to the economic productivity of a region and thus to the output. This section provides analysis on the health-related indicators. Health services in the region are provided by both Public and Private sector.

In Sedibeng District Municipality, there are three (03) public hospitals, namely Kopanong which is a District Hospital and Sebokeng Hospital which is a Regional Hospital, both are located within Emfuleni Local Municipality and Heidelberg District Hospital which is located at Lesedi Local Municipality. There is no Tertiary Hospital within Sedibeng region. In addition to these public hospitals there are six (06) private hospitals of which four (04) are within Emfuleni Local Municipality, and one is located in Lesedi Local Municipality and Midvaal Local Municipality. Based on this scenario it is evident that hospitals services are more clustered in Emfuleni Local Municipality.

It should be noted that, Primary Health Care (PHC) and Emergency Medical Services (EMS) are the competency of Gauteng Department of Health in terms of the Constitution and the Health ACT 61 of 2003. However; Sedibeng District Council plays a crucial coordinating role through its Intergovernmental Relations (IGR) Forum, namely; District Health Council.

Sedibeng District Health has a total number of thirty- eight (38) Primary health Care Facilities; four (04) Community Health Centres; three (03) Community Day Centres and thirty-one (31) clinics.

The table below illustrates the number of health facilities in the district per sub-District and the type of service rendered: financial year 2012/21.

Table 2: Number of Health Facilities

Municipality	Clinics	Community Day Centres	Community Health Centres	District Hospitals	Regional Hospital	Other Hospitals
<b>Emfuleni</b>	20	01	04	01	01	06
<b>Lesedi</b>	08	0	0	01	0	02
<b>Midvaal</b>	03	01	0	0	0	01
<b>Sedibeng</b>	<b>31</b>	<b>02</b>	<b>04</b>	<b>02</b>	<b>01</b>	<b>09</b>

Source: DHIS

There are four (04) Maternity Obstetric Units (MOU) and all these are located within Emfuleni Sub-District, three (03) of the MOU and the PHC operates 24hrs and therefore; there is a backlog of MOUs in Lesedi and Midvaal. In light of these, both Lesedi and Midvaal lack fully fledged Community Health Centres that will operate 24hrs and alleviate the pressure from the district hospitals.

### 1.1.4. ENVIRONMENTAL OVERVIEW

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Environmental quality has been an ongoing concern in the Sedibeng Region for a number of years. Other strategies, The Growth and Development Strategy in particular, through the pillar of “Reviving Our Environment” if effectively implemented, will finally give the region the means to comprehensively address this issue and ensure that its citizens live in an environment that supports a positive quality of life for them, their children and future generations. Sedibeng has identified awareness as a key intervention to assist communities to understand issues around the environment. Lack of environmental skills in the region is addressed through the implementation of career exhibition programs which are supported by various stakeholders.

## Air Quality:

Air quality is affected by the climate, the landscape, natural and economic activities that take place in an area. There are different sources of Air pollution: emissions from industrial processes, domestic fuel burning, vehicle exhaust emissions and waste facilities. Sedibeng District Municipality is regarded as one of the most polluted municipality because of the level of industrialization in the areas within the Emfuleni Local Municipality and Midvaal Local Municipality.

Emfuleni Local Municipality and Midvaal Local Municipality have been declared to be part of the first national priority areas in Vaal Air-shed Priority Area, because of the elevated level of pollution within the area. Lesedi local Municipality is also included in the second declared priority area, the Highveld Priority Area which includes areas in Mpumalanga and Ekurhuleni. Particulate matter has been identified as a pollutant of concern within the region and the major contributors for particulate matter (PM10) is both industrial sources and domestic sources especially in winter.

In an attempt to improve the quality of air in the region, Sedibeng is participating fully in priority area Air-shed implementation forums that seek to ensure the implementation of projects that are identified in the priority area plans (Vaal Triangle Air-shed Priority Area and Highveld Priority Area Air Quality Management Plan).

The plans have been adopted by Sedibeng District Municipality as the region's Air Quality Management plan in order to inform the management of air quality within the region. The objectives of the priority area plans are the same as the district objectives that of achieving clean air for the residents of the region.

However, the municipality is currently having a number of challenges with regard to availability of both human and financial resources to efficiently execute the function of air quality management. The lack of these minimum resources results in the district not being able to implement fully programmes that are directed at reducing air pollution within the region.

Despite the number of challenges to date the municipality has managed to issue a number of licenses to industries in the region. The licensing of industries has been identified as a critical mechanism of ensuring that industries are regulated and emissions improved. The focus is rather not on issuing licenses only, but exercises are conducted in the region, supported by the local municipalities and with the support from province compliance monitoring unit.

The Sedibeng District Municipality has two Ambient Air Quality Monitoring Stations which are operational namely:

- Meyerton Ambient Air Quality Monitoring Station
- Vanderbijlpark Ambient Air Quality Monitoring Station
- The raw data collated from both stations is forwarded to SAQIS for verification.

## Water Pollution:

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Sedibeng is faced with serious water pollution challenges in river systems and water bodies, notably the Kliprivier and Blesbokspruit which are polluted from runoffs from industrial areas, townships and waste water treatment works. The Kliprivier is one of the most polluted rivers in the Sedibeng District as a result of mining and industrial activities in the upper catchments, outside the borders of the Sedibeng.

The state of Sedibeng's surface and ground water quality is influenced by activities within and beyond the boundaries of Sedibeng. External pressures, emanating from mining and industrial activities on the West Rand (Roodepoort and Randfontein) and East Rand (Germiston, Boksburg, Brakpan and Springs), are major contributing factors to the current state of surface and ground water quality in Sedibeng.

The largest internal pressures are limited to the industrialized and urban areas in Emfuleni, including Meyerton, Vanderbijlpark and Vereeniging. Rural areas in Midvaal and Lesedi, where agricultural activities dominate, have a lesser, but nonetheless important influence on the surface and ground water quality. Heidelberg and Devon, which are the main urban areas of Lesedi, also contribute to surface and groundwater deterioration through urban-associated pollution. The main pressures on the quality of surface and groundwater resources in the Sedibeng District are the following:

- Mining activities, including physical mining practices and mining effluent release from mineral extraction and mine dumps;
- Industrial activities;
- Water treatment works;
- Informal settlements, which usually lack services;
- Poorly serviced high-density residential settlements;
- High-density urban areas;
- Coal combustion on the Mpumalanga Highveld, which results in acid rain in the Sedibeng District;
- Water abstraction for urban and agricultural use;
- Flow reduction in streams and rivers as a result of dams and weirs; and
- Agricultural activities.

## Waste:

Sedibeng's history with regards to waste management is not that different to the South African situation in general. The issue of waste as with most local, provincial and national departments has many facets including economical, physical, social and political. Waste management has traditionally taken place on an ad-hoc basis to meet the current needs, with very little foresight into the future needs of an ever-increasing population.

Identification of landfill sites has generally taken the form of unplanned site location with little or no thought of design to reduce potential impacts to the environment, neighbouring communities, etc. With the development of the minimum requirements by the Department of Water Affairs and Forestry (DWAF) for waste disposal by landfill the identification of landfill sites now take a much more pro-active approach in reducing further negative consequences related to an activity such as planning and design.

Local authorities in Sedibeng have indicated that they have neither sufficient funding nor adequate trained staff, to effectively plan and execute their waste management functions in a sustainable manner. Communities have also not been involved in the identification of the landfills, which has resulted in community resistance and/or limited support. The level of services varies from area to area, and in particular the previously disadvantaged areas have been left without proper waste management services. The Sedibeng District's Integrated Waste Management Plan was approved by the Province for inclusion in the IDP as per the Waste Act, in November 2014; and the implementation thereof will assist in achieving the National Waste Management Strategy's goals which are as follows;

- Promote waste minimization, reuse, recycle and recovery



# Chapter 1

- Ensure the effective and efficient waste services
- Grow the contribution of the waste sector to the green economy
- Ensure that people are aware of the impact of waste on their health, well-being and environment
- Achieve waste management planning
- Ensure sound budgeting and financial management of waste services
- Provide measures to remediate contaminated land; and
- Establish effective compliance with the enforced Waste Act

## Biodiversity

Sedibeng District Municipality has various critical biodiversity areas and protected areas which play critical role in biodiversity conservation. The biodiversity areas include Suikerbosrand Nature Reserve (situated in the north eastern edge of Midvaal Local Municipality and north western portion of Lesedi Local Municipality), Alice Glockner Nature Reserve (Located in the south of Heidelberg in Lesedi Local Municipality, The Kliprivier, Vaal Dam and Vaal river).

The Sedibeng District Municipality falls within priority areas identified in the National Spatial Biodiversity Assessment (NSBA, Driver et al. 2004), and is home to a disproportionately high percentage of rare and threatened species and threatened ecosystems.

It is therefore critical that Sedibeng District Municipality develops a Bioregional Plan for the conservation of biodiversity in the region. Bioregional plan is one of a range of tools provided for in the Biodiversity Act that can be used to facilitate biodiversity conservation in priority areas and outside the protected area network. The purpose of a bioregional plan is to inform land-use planning, environmental assessment and authorizations, and natural resource management.

## Climate Change:

The Sedibeng District Municipality has developed a Climate Change Response Plan in 2016. The plan was developed through assessing vulnerability risks assessment focusing on Agriculture, Biodiversity, Environment, Human Health, Human Settlement and Water. The vulnerability risks assessment focused on the following parameters:

- Exposure,
- Adaptive capacity,
- Sensitivity

Natural Resources	
Major Natural Resource	Relevance to Community
Vaal River	Tourism and fishing which creates jobs and improve the economy of the region
Arable land	Farming which will create jobs, thereby reducing poverty and improve the economy of th region
Suikerbosrand Nature Reserve	Opportunity for tourism which will create jobs and improve the economy

The Municipality must embark on establishing and implementing Environmental Management Plan which should assist in identifying environmentally sensitive areas and awareness campaigns about tourist areas for better utilisation of opportunities.

### 1.1.5. Economic Performance of the Region

Sedibeng is the fourth largest contributor to the Gauteng economy. The predominant economic sector in the region is the manufacturing of fabricated metal (mainly steel) and chemicals. This subsection reviews the recent economic performance

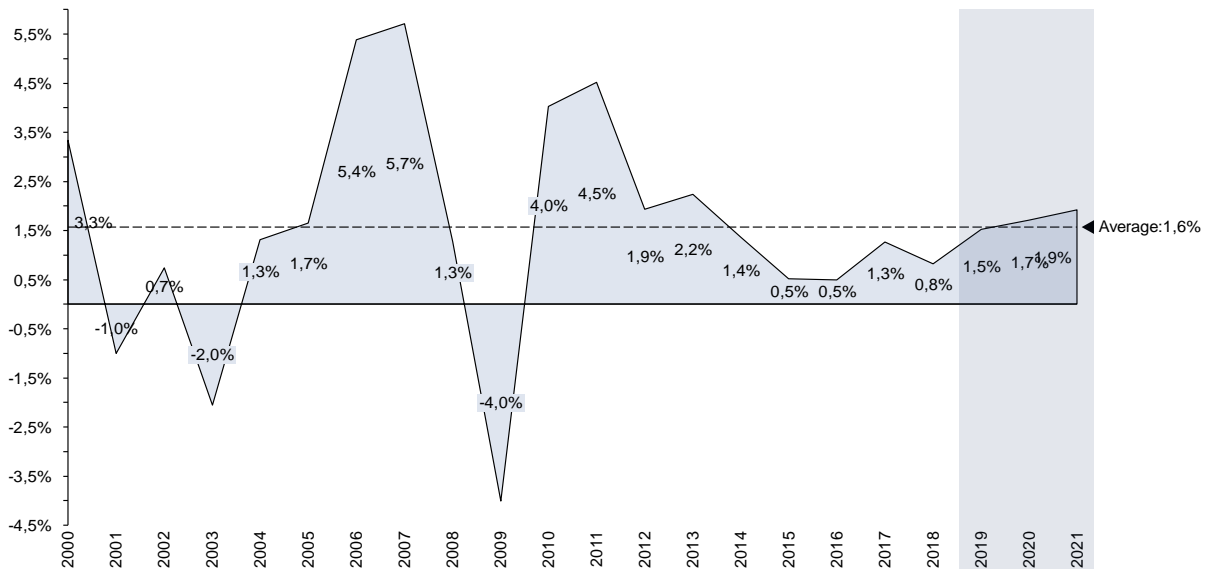
# Chapter 1

trends in Sedibeng and its local municipalities. GDP Growth Performance and Expected Growth Sedibeng's economy recovered to 1.3 per cent in 2017 after growing by 0.6 per cent in 2016. This recovery, however was slowed in 2018, with economic growth estimated at 0.8 per cent. The slow pace of economic recovery in the region in 2018 was driven by negative growth in manufacturing output which accounts for 24 per cent of economic activity in the region. The finance sector, which also accounted for a noticeable share of economic activity (21 per cent), grew at much slower pace in 2018.

In 2019, Sedibeng's economy contracted by 0.3 per cent and this was driven mainly by the contraction in the mining, manufacturing and electricity sectors. The constraints associated with energy supply disruptions have contributed to the economic woes of the country and its region Education levels in Sedibeng District Municipality since 2014-2018

With the decline of the manufacturing sector in the Southern Corridor, the municipalities of Sedibeng have experienced significant slowdown in economic activity, particularly Emfuleni where manufacturing activity is dominant. This had major negative effects on the region's economic growth rate. Output growth in other sectors was outweighed by the contraction in the economic activity in the three sectors (construction, manufacturing and mining). In 2019, the manufacturing sector accounted for about 25 per cent of the total Sedibeng economic activity.

Figure 4: GDP Growth of Sedibeng, 2000 - 2021



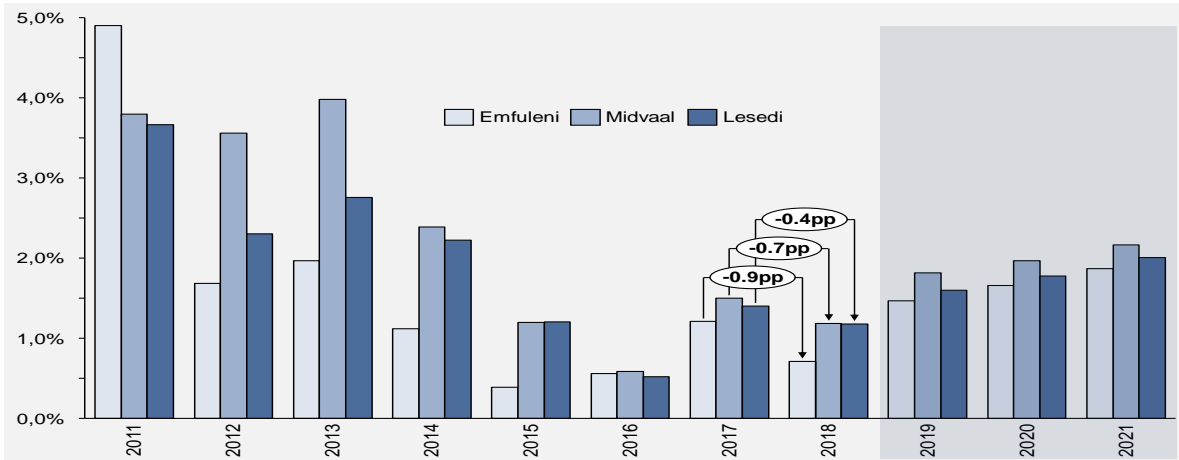
Source: IHS Markit 2019

Note: Shaded Areas illustrates forecasts

Sedibeng's economy recovered to 1.3 per cent in 2017 after growing by 0.6 per cent in 2016. This recovery, however, was slowed in 2018, with economic growth estimated at 0.8 per cent. The slow pace of economic recovery in the region in 2018 was driven by negative growth in manufacturing output which accounts for 24 per cent of economic activity in the region. The finance sector, which also accounted for a noticeable share of economic activity (21 per cent), is estimated to have grown at a much slower pace in 2018.

Figure 5: GDP Growth of Local Municipalities, 2004 – 2021

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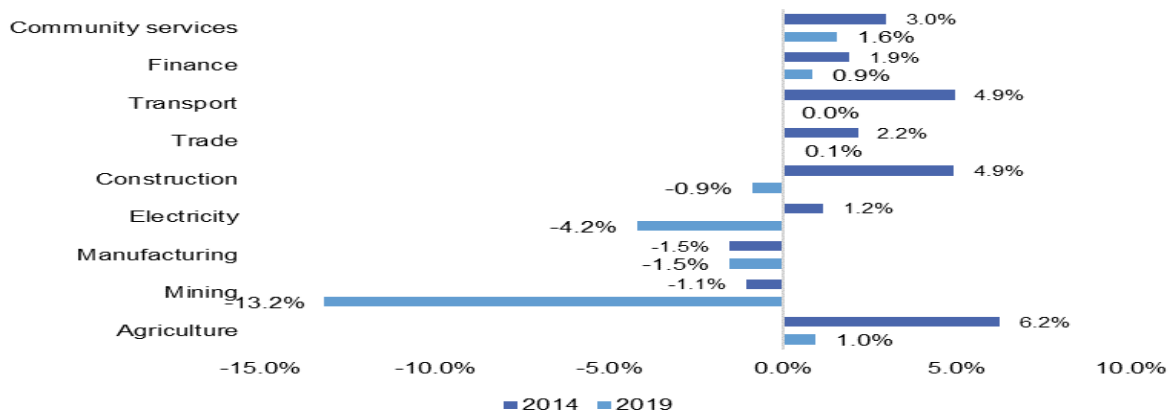
Source: IHS Markit, 2019

Note: Shaded area illustrates forecasts

Similar to the district, growth is expected to have slowed in the Sedibeng local municipalities in 2018. Emfuleni, which is the largest local municipality in the region, is expected to have recorded the lowest growth rate of 0.7 per cent, which is down from 1.2 per cent in 2017. The Midvaal economy is expected to have grown at 1.2 per cent, compared with 1.5 per cent in 2017. Lesedi is estimated to have grown at 1.2 per cent in 2018, down from 1.4 per cent in 2017. The economies of Emfuleni and Midvaal were negatively affected by the negative growth in the manufacturing sector while Lesedi somewhat benefited from better growth in its manufacturing and agriculture sectors.

Similar to the district, growth was slowed in the Sedibeng local municipalities in 2018. Emfuleni, which is the largest local municipality in the region, recorded the lowest growth rate of 0.7 per cent, which was down from 1.2 per cent in 2017. The Midvaal economy grew at 1.2 per cent, compared with 1.5 per cent in 2017, while Lesedi also grew at 1.2 per cent in 2018, down from 1.4 per cent in 2017. The economies of Emfuleni and Midvaal were negatively affected by the negative growth in the manufacturing sector while Lesedi somewhat benefited from better growth in its manufacturing and agriculture sectors.

Figure 6: Sector Growth, 2014 & 2019



The graph above depicts the economic activity decline in the Sedibeng region, which in the main was due to a decline in the mining, electricity and the dominating manufacturing sector in 2019. Output growth in other sectors was outweighed by the

# Chapter 1

contraction in the economic activity in the three sectors. In 2019, the manufacturing sector accounts for about 25 per cent of the total Sedibeng economic activity.

## Tourism:

The Sedibeng region has a number of areas with intrinsic potential for tourism. These include areas such as Suikerbosrand nature reserves, the Vaal dam area, areas along the Vaal River, sites in Sharpeville and numerous other historical sites. To unlock and maximize the tourism potential a Tourism Development Strategy for the area was developed and adopted in 2003 and tourism principles, programmes and projects were encapsulated in the Sedibeng Growth and Development Strategy (2004) and the Sedibeng 2010 Strategy (2007).

In 2019 the Sedibeng Tourism Development Strategy was reviewed with the purpose to align it with new and existing legislation, as well as national and provincial strategies and policies. These Strategies and Policies include the National Development Plan 2030, the New Growth Path, the National Tourism Development Strategy 2016-2026, the Gauteng Transformation, Modernisation, Reindustrialization Strategy (2014) (TMR), the Gauteng Tourism Development Strategy (2017), the Sedibeng Growth and Development Strategy, and the Sedibeng Spatial Development Framework (2019).

Amongst others, the Tourism Strategies have the following goals:

- Develop a common understanding of the Tourism industry, defining the roles and the responsibilities of Government in particular and the broader stakeholder groups, in growing the Tourism industry in Sedibeng.
- Develop and formulate strategies to be implemented by each stakeholder group in relation to their respective roles taking the strengths and weaknesses of the Sedibeng tourism sector in consideration.
- Build the capacity of the three major stakeholder groupings (government, private sector and community) to grow tourism and subsequently economic and job opportunities.

In order to realize these objectives, the following key performance areas have been identified:

- Tourism Policy, Strategy, Regulations, Monitoring and Evaluation
- Tourism Institutional Arrangements
- Tourism Demand: Destination Marketing
- Tourism Supply: Product and Skills Development

## Promotion of the development of Tourism Infrastructure

The Sedibeng District Municipality has embarked on a major drive to promote and develop the Tourism Industry in the region as a direct result of the decline in economic activity in the Steel and related sectors of the region. Special emphasis is on the development of township tourism.

## Tourism Potential:

The Sedibeng region with its diverse tourism offerings, embedded in rich cultural and natural heritage products, has the potential to grow into a major tourism destination. Sedibeng district has been classified as an area with above average tourism potential.

The classification is based on the following:

- Natural Resources

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- Cultural Heritage Resources
- Scenic Attractions
- Close proximity to Johannesburg and major travelling routes
- Proximity to markets and airports
- Strong infrastructure
- Inland water resources
- Tertiary Education Facilities
- Quality medical facilities

Figure 7: Total Employment by Economic Sector in Sedibeng 2014 & 2018

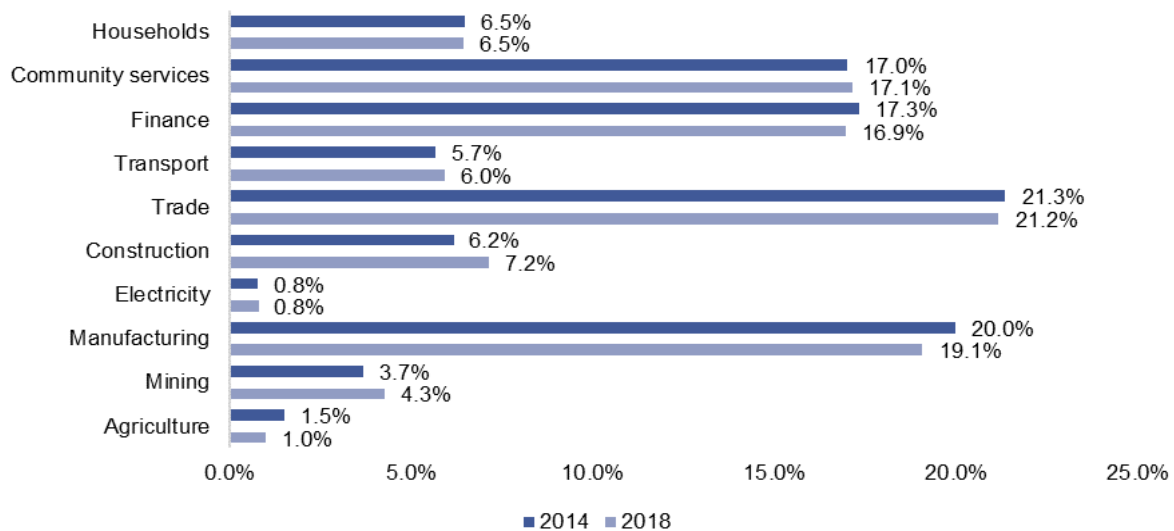


Figure shows employment by sector in Sedibeng for 2014 and 2018. It worth noting that the sector that dominates economic activity, which is manufacturing, is not the biggest employing sector in the region. The trade sector is the biggest employing sector at 21.2 per cent in 2018, while manufacturing is at 19.1 per cent during the same period.

## 1.2. SERVICE DELIVERY OVERVIEW

Constitutional provisions do not give Sedibeng as a District Municipality, powers to provide basic services. Although the District supports and coordinates the provision of such in Local Municipalities; there are direct services mandated by legislation, which the Municipality provides. These include the Air quality Management; Driver Licensing Testing Centres (DLTC's); Motor Vehicle Registration and Licensing; Public Halls (Vereeniging City Hall); Theatres (Mphatlalatsane and Vereeniging Civic Theatres); Aerodromes; Disaster Relief; Heritage Centres (Vaal Teknorama, Sharpeville Monument); and Taxi ranks

### Core Support Functions:

- Support to Local Municipalities

# Chapter 1

The Sedibeng District continues to support the local municipalities, wherever possible. The district provides resources wherever possible, although at the moment financial constraints prevents it from monetary support to municipalities. The shrinking Capital Budget of the District has seen diminishing support in capital projects.

- Facilitating Development

This remains one of the key areas that the district plays in both the socio-economic development, the District stimulates investment and facilitates development. For the year under review, the municipality has played a prominent role in assisting in the coordination and facilitation for the developments of projects such as Savanah City.

## Performance Management System and Overview of Performance:

The deliverables set at the beginning of the financial year 2019/2020 IDP and SDBIP were implemented and most of them achieved. The overall performance of the municipality with regards to SDBIP objectives and targets is enunciated further in the chapters that will follow.

### 1.3. FINANCIAL HEALTH OVERVIEW

For the financial year ending 30 June 2021, the municipality's total liabilities (R237,3 million) exceeded the municipality's total assets (R116,1 million) and the municipality's deficit net worth position has decreased further (from R93,9million in 2019/20 to R121,1million in 2020/21). This places the municipality in an unattractive standing on the open investment market.

The municipality further declares an operating deficit of R27,2 million where the total revenue of R376,2 million was insufficient to meet the operational expenditure of R403,4 million for the financial year ending 30 June 2021. This is primarily attributed to the municipality's limited ability to grow and raise revenue from rendering of municipal functions as assigned, as well as from the disproportionate staff structure, which is the primary operating cost of the municipality. The problem is further exacerbated by the municipality rendering a number of "legacy" functions outside of the core district functions as envisaged in section 84 of the Municipal Structures Act (117/1998) placing greater demand on the limited financial resources of the municipality. The equitable share distribution does not make provision for these functions and the funding is directed to the provincial and national sector departments under the Division of Revenue Act, leaving the municipality to fund these programmes from our own limited internal funds.

Financial Overview: Year 0			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	313,062,190	303,622,190	296,096,293
Taxes, Levies and tariffs	0	0	0
Other	104,661,059	85,557,511	80,087,574
Sub Total	417,723,249	389,179,701	376,183,867
Less: Expenditure	417,221,171	402,662,545	403,397,473
Net Total*	502,078	-13,482,844	-27,213,606
* Note: surplus/(defecit)			T 1.4.2
Operating Ratios			
Detail	%		
Employee Cost	76%		

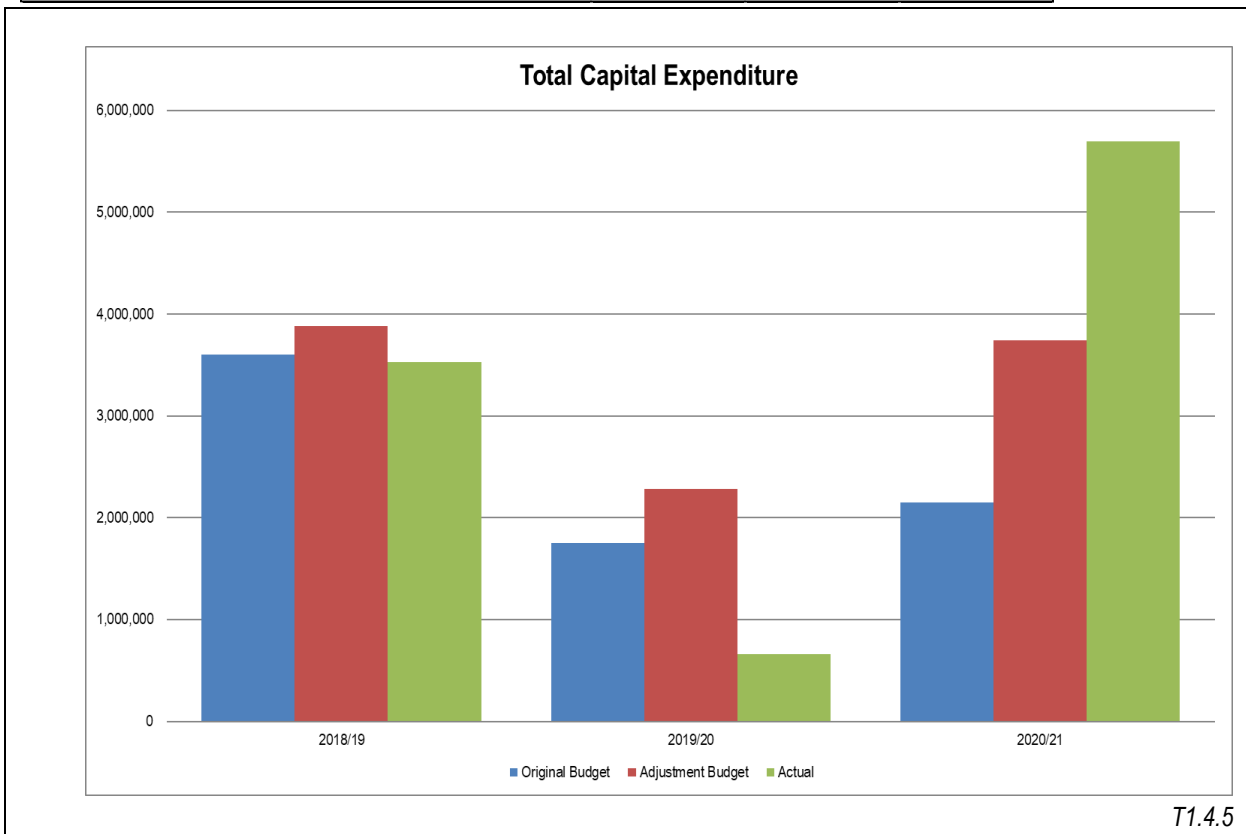
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Repairs & Maintenance	1%
Finance Charges & Impairment	0%
	<i>T 1.4.3</i>

## COMMENT ON OPERATING RATIOS

Employee costs is expected to be approximately 30% to total operating cost; 'Repairs and maintenance' 20%; Finance Charges and Impairment 10%. The Municipality's employee cost is much higher than the expected percentage and therefore the reduction in repair and maintenance cost and general expenses in order to compensate for the employee cost,

Total Capital Expenditure: Year -2 to Year 0			
Detail	2018/19	2019/20	2020/21
Original Budget	3,600,000	1,750,000	2,150,000
Adjustment Budget	3,885,589	2,282,713	3,740,000
Actual	3,529,932	660,410	5,693,418
			<i>T 1.4.4</i>



## COMMENT ON CAPITAL EXPENDITURE

The District Municipality is not capital intensive based on the current power and functions. The higher-than-expected capital amount is due to grant funding from HIV/AIDS utilized for procurement of capital items.

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## 1.4. ORGANISATIONAL DEVELOPMENT OVERVIEW

For the period under review, the Human Capital of Sedibeng District Municipality comprised of 662 appointed employees, Elected Councillors and appointed community members serving on ad hoc committees. Section 67 of the Municipal Systems Act 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 1998.

In an effort to mainstream systems, processes and procedures, the municipality employed the following:

- Four (4) out of Six (6) section 57 were vacant, i.e. Municipal Manager, Chief Financial Officer, SPED and TIE. These positions had acting heads, till to date.
- Based on the changing circumstances and the world of work emerging trends, some new policies were developed while other existing ones were reviewed. These were tabled at various council fora for noting and approval at certain levels.
- The district managed to gather and consolidate individual employees' Personal Development Plans, in line with individual job description; and subsequently developed and submitted the Workplace Skills plan for review and soliciting of funds for training.
- The municipality electronic clocking system is being implemented; with electronic leave management adhered to by all employees. Although still having some hiccups with synergising the electronic biometric with the employees' electronic leave management system and the financial system to ensure effective and efficient leave management; there is positive progress that has been made; which will ensure accountability of employees and correct leave credits.
- Through the Employees Assistance Programme roadshows, employees were empowered on psychological and socio-economic programmes as well as work-related enhancement programmes.
- For the period under review, there are no fatalities emanating from work-related accidents; as will be observed in the table relating to workplace injuries.
- Participation by employees on Employee Equity Programme is implemented.
- Although the Local Labour Forum is fully functional and issues are deliberated and resolved at that level; which has assisted effective delivery of services; we are still to move with job evaluation; where the latter should be finalised once SALGA has appointed the service provider to train the Job Evaluation Committee members.
- The municipality, although in the midst of financial constraints, still continues to pay for employees' personal development and career pathing.

## 1.5. AUDITOR GENERAL REPORT

While the aim is always to ensure that the municipality receives a clean audit; for the period under review, the municipality received an unqualified audit with material findings in the performance information and material non-compliance with laws and regulations. Overall picture indicates a regression as opposed to prior year due to repeat findings that have been identified during this audit cycle and further non-compliance relating to asset management.

The municipality has already developed a remedial action plan to address matters raised in the management letter of the Auditor General. The Accounting Officer has put in place various systems to enable improved systems of internal control and the development of processes to enhance reporting throughout the financial year.



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## 1.6. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
		<i>T 1.7.1</i>

# Chapter 2

## CHAPTER 2 – GOVERNANCE



### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 POLITICAL GOVERNANCE

Chapter 7 of the Constitution of the Republic of South Africa, Act 108 of 1996 implores that the legislative and executive functions of a municipality are vested within its Municipal Council.

Sedibeng District Municipality exercised its mandate by separating executive and legislative functions. This it did by delegating certain executive powers to its Executive Mayor. With the introduction of the Municipal Public Accounts (MPAC) and its implied oversight role, there has been a further implied split between the two functions. The MPAC, as a structure of the legislative function, which is Council; assist by providing an oversight role over the executive function (the Executive Mayor). The Speaker leads Council which is constituted of all 49 Councillors. Below is the narrative relating to political structures of the municipality.

#### Political Structures and Functions:

Political Head	Functions
 <p data-bbox="224 1266 407 1293">Cllr. Lerato Maloka</p>	<p data-bbox="573 951 735 978"><u>Executive Mayor</u></p> <ul data-bbox="621 1020 1443 1381" style="list-style-type: none"> <li>• Besides the powers and functions accorded to the Executive Mayor in terms of legislation i.e. the MSA, MFMA and others, the Executive Mayor is delegated with the executive function of the Council, as the appointed head of the executive function.</li> <li>• The Executive Mayor exercises political oversight of the administration, except for the Office of the Speaker.</li> <li>• The Executive Mayor presides over the Mayoral Committee Meetings.</li> <li>• Recommends to the Municipality Council strategies, programmes and services to address priority needs through the IDP, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans</li> </ul>
 <p data-bbox="224 1707 415 1734">Cllr. Andiswa Mosai</p>	<p data-bbox="573 1381 760 1409"><u>Speaker of Council</u></p> <ul data-bbox="621 1451 1443 1852" style="list-style-type: none"> <li>• The Speaker of Council performs duties and exercises the powers delegated to the Speaker in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act no 32 of 2000);</li> <li>• Presides over Council meetings, and advice on major legislative compliance issues.</li> <li>• Ensures that the council meets at least quarterly;</li> <li>• Maintains order during meetings</li> <li>• Ensures compliance in the council and council committees with the Code of Conduct set out in Schedule 1 of the Local Government Municipal Systems act 32 of 2000; and</li> <li>• Ensures that council meetings are conducted in accordance with the standing rules and orders of the council.</li> </ul>

# Chapter 2





Cllr. Assistance Mshudulu

## Chief Whip of Council:

- The Chief Whip of Council is the chairperson of the ruling party Caucus, Whippers, Multiparty, and Political Management Team (PMT) in council and also plays advisory to the Speaker of Council.
- The Chief whip is responsible for allocation of Councillors in different committees of Council and to ensure the attendance and maximum participation in those committees.
- The Chief Whip is responsible for administering the Whipping system that ensures that members of the party attend and vote in Council as the party leadership desire.
- The following functions are delegated by Council to the Whip of Council, in terms of national conventions on the duties and functions of the Whippers. The Chief Whip of Council is required to:
  - Ensure the effective and efficient functioning of the Whips Committee and the Whippers system;
  - Assist with the smooth running of Council meetings by:
    - Determining, prior to Council meetings, items on the agenda which political parties may wish to discuss and advising the Speaker accordingly;
    - Ensuring that all political parties have nominated councillors to represent their parties and lead discussion on those areas identified by the party, and forwarding such names to the Speaker at least 12 hours before the time set for the Council meeting to commence.
    - Allocating speaking times for each of the political parties, in line with the principles of democracy.

## **MEMBERS OF MAYORAL COMMITTEE**

Name & Surname	Portfolio
 <p>Councillor P.B. Tsotetsi</p>	<p><u>MMC for Finance</u></p> <ul style="list-style-type: none"> <li>• Provides Political Oversight on the rendering supply chain management and financial management services and the increase of revenue collection</li> </ul>
 <p>Councillor S. Maphalla</p>	<p><u>MMC for Administration</u></p> <ul style="list-style-type: none"> <li>• Provides Political Oversight on the rendering of centralised Human Resources Services; Information Communication and Technology support services; Municipal Buildings and Sites; Management of Fleet, General Workers; Protection Services; Corporate and Secretariat support.</li> </ul>

# Chapter 2

	<p><u>MMC for Sports, Recreation, Arts, Culture, Heritage &amp; Community Safety</u></p> <ul style="list-style-type: none"> <li>Provides Political Oversight on the facilitation and coordination of efficient and effective public safety; promoting a proper understanding and the preservation of local/region history and its impact on the society; coordinating and strategically facilitate sports, arts, culture and recreational facilities development;</li> </ul>
	<p><u>MMC for Social Development</u></p> <ul style="list-style-type: none"> <li>Provides Political Oversight on the provision of comprehensive, integrated, sustainable and high quality health and social development; and the development and implementation of holistic and integrated disaster management planning and practice in a cost effective and participatory manner.</li> </ul>
	<p><u>MMC for Development Planning and Human Settlement</u></p> <ul style="list-style-type: none"> <li>Provides Political Oversight on the coordination of Human Settlement, and Development Planning</li> </ul>
	<p><u>MMC for Local Economic Development and Tourism</u></p> <ul style="list-style-type: none"> <li>Provides Political Oversight on the coordination of the Local Economic Development and Tourism, Integrated Development Planning (IDP),</li> </ul>
	<p><u>MMC for Environment and Clean Energy</u></p> <ul style="list-style-type: none"> <li>Provides Political Oversight on the establishment of a safe environment with clean energy and build partnerships to ensure integrated environmental awareness, planning and management:</li> </ul>
	<p><u>MMC for Transport and Infrastructure</u></p> <ul style="list-style-type: none"> <li>Provides Political Oversight on the provision of safe, efficient, effective and integrated public transport system and facilities within the region</li> </ul>

# Chapter 2

## Committees of Council

Sedibeng District Municipality has established all committees and subcommittees to enhance efficiency and effectiveness of governance structures. Such committees operate with clearly defined roles and responsibilities. For instance, the Section 79 and 80 Committees are set up to deal with oversight roles and provide an advisory role to Council. Council convenes on quarterly basis.

The Municipality's Audit Committee members have been appointed and are functional. The Audit Committee is accountable to Council; and it provides opinions and recommendations on financial processes and performance; and provides comments to the Oversight Committee on the Annual Report. The Sedibeng District Municipality also established a Section 79/Oversight Committees. Some of these committees also include Councillors. The following committees were established:

- Municipal Public Accounts Committee (MPAC)

The Municipal Public Accounts Committee (MPAC) plays an oversight role to Council in respect of the Annual Report, and its oversight report is submitted and published in accordance with the Municipal Finance Management Act requirements and guidance. It also ensures the economic, efficient and effective use of municipal resources. By doing so the Committee helps to enhance the public awareness on financial and performance issues of Council. The MPAC consist of members of the majority and opposition parties.

- Gender Committee

The committee oversees and reviews the alignment, efficiency and effectiveness of gender policy, mainstreaming strategy to implementation. It also oversees and ensures that civic education and awareness programmes, gender analysis and impact assessments are activated within the municipality and across the district.

## Petitions Management Committee

The Petitions Committee has been established as a Section 79 Committee reporting directly to Council. The committee meets at intervals not exceeding six months to submit to Council a report indicating all the petitions received, referred and resolved and a summary of the response to the petitioners/community.

## Ethics Committee and Rules committee

Sedibeng resolved to consolidate Ethics and Rules committee to form one committee which is Rules and Ethics Committee. The Committee helps the Speaker with the performance of the delegated functions; while it also exists to create a clear road map on the implementation of rules within the Sedibeng District Municipality.

It enforces compliance in all sittings and official gatherings of the council. It also puts into place systems that enhance the development of members of the council in terms of conducting fruitful gatherings within the Council. Lastly the committee enforces discipline among its employees during council sittings and public gatherings.

## Remunerations Committee

# Chapter 2

The Remuneration Committee is established and functional; although it has not set for some time. It is chaired by the Executive Mayor, and is constituted by other members of the Mayoral Council and opposition parties. Corporate Services provides a secretarial service to the committee i.e. responsible for meeting registers, minutes and all other logistics. The committee deals with all remuneration matters of the municipality, including the performance bonuses for the Section 56 employees.

## Other Committees include:

### ▪ Audit/Performance and Risk Committee

The Audit and Risk Committee was functional for the period under review with four members, audit chairperson, deputy chairperson and two ordinary members. As per the legislative mandate, the Internal Audit Plan was executed by the Internal Audit team, with reports noted with recommendations by the Audit Committee. These reports included the Performance Information, Finance and Operational Audits. The committee also emphasized the need for management to implement remedial action plans timeously to effect the changes required to improve the municipality's internal control environment.

### ▪ Section 80 (MSA 32 of 2000) Committees

All 10 Section 80 Committees are established, chaired by relevant members of Mayoral Council, and fully operational. The Municipality has appointed a highly competent and capable administrative leadership led by the Municipal Manager. The administrative wing of governance consists of the Municipal Manager, five Executive Directors, and four Directors (representing the office of the Municipal Manager, Executive Mayor, Speaker and Chief Whip). These members constitute a Management Committee (MANCO) which sits on a fortnightly basis to address both strategic and operational issues.

The municipality has an active inter-governmental relations functions, which is shared across the entire organization. There are constant engagements with all intra-, inter- and external stakeholders, thus to ascertain that information sharing, challenges and updates are communicated on continuous basis. External stakeholders include all spheres of government, and established entities like the office of the Auditor General.

## Political Decision-Making:

The administration develops reports based on requests from councillors, communities, individuals, and various stakeholders. These reports are then submitted to various committees established under Section 80 of the Local Government: Municipal Structures Act, 1998 (as amended). These committees, after extensive deliberations and consideration of the reports in their meetings, they recommend to the Mayoral Committee and Council for resolutions of Council. By law, all Municipal council meeting should be open to the public. In addition, it is common and acceptable, based on the Rules of Council; that Councillors submit motions for consideration by full Council.

Municipal Council passes, amongst others, the following:

- Approving budget and monthly expenditure
- Approving Council Policies
- By-Laws
- Tariffs




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## 2.2. ADMINISTRATIVE GOVERNANCE

While legislatively the Executive Mayor exercises political oversight over the administration; MFMA section 60 (b) directs that the Municipal Manager of a municipality is the Accounting Officer of the municipality. This warrants that he/she provides compliance guidance to the political office bearers and officials of the municipality and any entity under the sole or shared control of the municipality.

In any municipality, the administrative wing of governance consists of the Accounting Officer, Managers directly accountable to the Municipal Manager. In Sedibeng District Municipality, Management Committee consists of the Accounting Officer, managers directly accountable to the municipal manager and the directors in the Political Offices. This has been a long-standing arrangement which enable coordination, integration and synergy between the two governance wings. Management Committee meetings are held on fortnightly basis

### Administration Structure and Functions

Name and Surname	Position and Functions
 <p>Mr. M. Makhutle</p>	<p><u>Municipal Manager:</u>  <u>Purpose:</u> The formulation, development and management of an economical, effective and accountable administration, in accordance with the Local Government: Municipal Structures Act, 1998 and other applicable legislation</p> <ul style="list-style-type: none"> <li>• Finance Cluster</li> <li>• Corporate Services Cluster</li> <li>• Community Services Cluster</li> <li>• Strategic Planning and Economic Development Cluster</li> <li>• Transport Infrastructure and Environment</li> <li>• Internal Audit</li> </ul>
 <p>Ms. K. Wiese</p>	<p><u>Acting Chief Financial Officer</u></p> <p><u>Purpose:</u> To render accounting supply chain management and financial management services for the Municipality, and to increase revenue collection.</p> <ul style="list-style-type: none"> <li>• Financial Management and Budgets</li> <li>• Organisational Supply Chain Management</li> </ul>
 <p>Mr. C. Ramotsedisi</p>	<p><u>Executive Director: Corporate Services</u></p> <p><u>Purpose:</u> To execute functions relating to the rendering of a centralised Human Resources Service; Information Communication and Technology support services; Municipal Buildings and Sites; Management of Fleet, General Workers; Protection Services; and Corporate and Secretariat support:</p> <ul style="list-style-type: none"> <li>• Human Resources</li> <li>• Information and Communication Technology Management</li> <li>• Corporate and Secretariat Services</li> <li>• Protection Services</li> <li>• Facilities Management</li> </ul>

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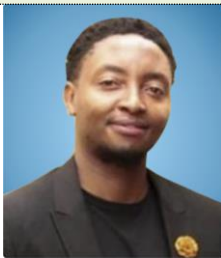


Ms. J. Medupe

## Executive Director: Community Services

Purpose: To execute functions relating to the provision of comprehensive, integrated, sustainable and high quality health and social development; facilitating and coordinating efficient and effective public safety; promoting a proper understanding and the preservation of local/region history and its impact on the society; coordinating and strategically facilitate sports, arts, culture and recreational facilities development; developing and implementing holistic and integrated disaster management planning and practice in a cost effective and participatory manner.:

- Health and Social Development
- Community Safety
- Disaster Management
- Sports, Recreation, Arts, Culture and Heritage



Mr. T. Mutlaneng

## Executive Director: Strategic Planning and Economic Development

Purpose: To execute functions relating the coordination of Strategic Planning and Economic Development; which include Human Settlement, Integrated Development Planning (IDP) Land use management (LUMS), Precinct developments, Local Economic development and Tourism:

- Local Economic Development
- Development Planning
- Human Settlement



Mr. B. Ngobese

## Executive Director: Transport, Infrastructure and Environment

Purpose: To execute functions relating to the provision of safe, efficient, effective and integrated public transport system and facilities; the establishment of a safe environment where all people can develop to their full potential; and build partnerships to ensure integrated environmental awareness, planning and management:

- Transport
- Infrastructure Planning
- Environment
- Clean Energy



Mr. A. Mokonane




## Director: Office of the Executive Mayor

Purpose: To execute functions relating to members of the public who approach it for assistance on issues that concern them. The office looks after the Executive Mayor's political projects and campaigns; and provide political oversight on all Council events:

- Protocol
- Research
- HIV&AIDS
- Service Delivery Monitoring
- Youth Programmes
- Stakeholders Management
- Communications



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	<p><u>Director: Office of the Speaker of Council</u></p> <p><u>Purpose:</u> To execute functions relating to Councillors Welfare; Public Participation; Capacity Building; Committees; Research and MPAC:</p> <ul style="list-style-type: none"><li>• Councillors Welfare</li><li>• Capacity Building</li><li>• Public Participation</li><li>• Research</li><li>• Committees</li></ul>
	<p><u>Director: Office of the Chief Whip of Council</u></p> <p><u>Purpose:</u> To execute functions relating to Caucus, Whippery, Multiparty, and allocation of Councillors in different committees of Council and to ensure the attendance and participation is maximal in those committees.</p> <ul style="list-style-type: none"><li>• Committees</li><li>• Research &amp; Protocol</li><li>• Caucus and Capacity Building</li></ul>
	<p><u>Director: Office of the Municipal Manager</u></p> <p><u>Purpose:</u> To execute functions relating to Risk Management; Organisational Performance Management; and Internal Audit.</p> <ul style="list-style-type: none"><li>• Risk Management</li><li>• Organisational Performance</li><li>• Intergovernmental Relations</li></ul>

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

The Sedibeng District Municipality established functional structures to undertake its objectives on Inter-Governmental Relations (IGR). The IGR Unit, located in the office of the Municipal Manager, was capacitated with staff in order to fulfil its objective of close interaction with all spheres of government, thus playing a demanding coordination role.

The 'unqualified audit' status of the Sedibeng District Municipality has encouraged constant engagement with other municipalities, entities and government departments on learning, networking and benchmarking. The unit still sits actively in all district, provincial and national forums.

### 2.3 INTERGOVERNMENTAL RELATIONS

#### National Intergovernmental Structures

The Sedibeng District Municipality actively participates in various key forums at a national level. The key forums include the South African Local Government Association (SALGA) and the National Anti - Fraud & Corruption IGR Forum. In SALGA, the

# Chapter 2

Directorate of Community Safety represents Sedibeng District Municipality at the Civilian Secretariat for Police Working Group and Plenary Forums.

These platforms are responsible for policy development and reviews related to the Community Policing Forums, Community Safety Forums, Green Paper on Policing, Rural Safety, etc.

Participation at this level enables the Sedibeng District Municipality to expand and further build its strategic networks, impacting positively in terms of acquisition of best models for the benefit communities within Sedibeng. Information attained from these forums assist the municipality during its policy and procedure processes undertaken on an annual basis.

## Provincial Intergovernmental Structure

Sedibeng District Municipality also participates in various structures at provincial level, namely the Gauteng Intergovernmental Safety Coordinating Committee, MEC/Mayoral Committee Forum, Gauteng Speaker Forum, Premier's Coordinating Forum, and SALGA Working Groups & Functional Areas. SDM is fully represented by the relevant clusters and members of the Political Management Team. Their participation and continuous feedback keep the municipality informed of current issues related to amendments in legislation and new developments in municipal management and strategies

The Municipality has set up these Forums and Committees to advise on direct operationalization of policies, systems, projects and programmes as mentioned above. They advocate integration, coordination and synergy in the region, thus curbing duplications and possible waste of time and public resources.

## Relationships with Municipal Entities

Sedibeng District Municipality established and registered an entity; a state owned company called Vaal River City Promotion Company. The objective of the Vaal River City Tourism Promotion Company (SOC) is to promote and develop the Sedibeng Region as the destination of choice for domestic and international tourists. This, is envisaged that it will be done through various coordinated marketing initiatives such as promoting Vaal River City brand and encouraging the hosting of unique integrated events. This structure is meant to advance district-wide delivery of desired services towards realization of the Growth and Development Strategy (GDS).

## District Intergovernmental Structures

Sedibeng District Municipality, in consultation with all local municipalities in its municipal area, has set up relevant IGR forums to advance cooperation and consultation towards coordinated development and advancement of the region. These structures meet on monthly, quarterly and bi – annual basis. Sedibeng District Municipality and three local municipalities, namely Emfuleni, Lesedi and Midvaal Local Municipalities, are fully represented in these Forums. Some of these are aligned to both national and provincial structures for direct implementation of plans as designated at higher levels.

The Municipality has set up these Forums and Committees to advise on and direct operationalization of policies, systems, projects and programmes as discussed. Various forums like the CFOs Forum, Safety Management Forum, Municipal Environmental Health Forum, Transport and Roads Forum, IDP Task Team Forum, IDP Steering Committee, IDP District wide Lekgotla, and many more were established. These structures advance district-wide delivery of desired services towards realization of the growth and development strategy.

The following Forums are established and operational:

- Joint Mayors Forum; Sedibeng Speakers Forum; Sedibeng Chief Whips Forum; Joint Municipal Managers Forum; Chief Financial Officers Forum; Community Safety Forum; Municipal Environmental Health Forum; Transport and Roads Forum; Legal IGR Forum; Disaster Management Forum; IDP Task Team Meetings; IDP Steering Committee; IDP District-wide Lekgotla; and many more.

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## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### Communication, Participation and Forums

The Sedibeng District Municipality planned for public engagements, including meetings, events and consultations led by both political and administration principals. These occasions were planned according to Sedibeng District Municipality outcomes as aligned to legislative requirements and annual plans; and the District Municipality's Communication Department played a major role to reach all stakeholders, physically and through electronic media, including website information. However due to Covi-19 pandemic, public gatherings were allowed and as such most of the planned forums were deferred.

- WARD COMMITTEES

The Sedibeng District Municipality has no Ward Committees. However, through the Office of Speaker and in collaboration with local municipalities, it provides oversight, capacity building and support to all Ward Committees.

- PUBLIC MEETINGS

Public Meetings						
Nature and purpose of meeting	Date of events	Number of participating Municipal Councillors	Number of participating Municipal Administrators	Numbers of Community Members attending	Yes/(No) Issues Addressed	Date of feedback given to community
IDP Stakeholders Meeting	11 November 2020	Deferred due to Covid 19 pandemic	Deferred due to Covid 19 pandemic	Deferred due to Covid 19 pandemic	Deferred due to Covid 19 pandemic	Deferred due to Covid 19 pandemic
Mayoral Breakfast Meeting	2 December 2020	Deferred due to Covid 19 pandemic	Deferred due to Covid 19 pandemic	Deferred due to Covid 19 pandemic	Deferred due to Covid 19 pandemic	Deferred due to Covid 19 pandemic
IDP Stakeholders Meeting (Feedback Session)	19 May 2021	Deferred due to Covid 19 pandemic	Deferred due to Covid 19 pandemic	Deferred due to Covid 19 pandemic	Deferred due to Covid 19 pandemic	Deferred due to Covid 19 pandemic

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Public meetings						
Nature and purpose of the meeting	Date of Events	Number of Participating Councilors	Number of Participating Municipal Administrators	Number of community members attending	Issues addressed (Yes/No)	Dates and manner of feedback given to community
IDP Mayoral Breakfast Session						Engagements with business community and encouraging them to invest in the municipal future plans.
IDP Stakeholders Engagement						Provide Stakeholders with feedback on municipal prioritized plans informed by budget implications and constraints.

## COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

To ensure there is an active participation of communities in the affairs of municipalities as a fundamental aspect of contemporary local government. The emphasis of it all is that local communities within a municipal area must work in partnership with the municipality's political and administrative structures and thereby creating an environment conducive to the engagement of the public in the affairs of the Municipality so that the Municipality performs its duties and obligations as set out in legislation with regard to public.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

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

## COMPONENT D: CORPORATE GOVERNANCE

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Sedibeng District Municipality has a strong governance system. All political and administrative structures are set in terms of relevant legislations and aligned in operation to the revised King Report. Municipal Council embraces various circulars from Cooperative Governance and Traditional Affairs (COGTA) and Treasury Departments, to enhance municipal governance.

Sedibeng District Municipality through its Intergovernmental Structures, liaise with all stakeholders at Local, Provincial and National levels. Section 79 and 80 Committees are established to assist political leadership, the Executive Mayor and the Members of the Mayoral Committee with oversight on the total efficiency and effectiveness of the municipal systems. MPAC provides the overall oversight report of the municipality.

Audit Committee is also a critical institution set up as a Section 79 Committee of Council. SDM has built internal capacity in Internal Audit Function, working close with the Audit Committee and technically coordinated and supported by the Chief Audit Executive. The Risk Management Unit, manages and deals decisively with issues of Business Continuity Planning, Ethics & Integrity Management and Anti-Fraud & Corruption related-matters. The Local Labour Forum advocates for harmonious workplace relationship between employer and employees.

The following were achieved during the period under review:

- Intergovernmental Framework is implemented and the coordination is functional and effective.
- All MEC/MMC meetings are attended and reports brought back to the Mayoral Committee.
- Fraud and Corruption issues are addressed as and when they are reported.
- Capacity-building programmes are continuously undertaken by Sedibeng District Municipality.
- Code of Conduct for Councillors and Officials is distributed to all on an annual basis.
- Sedibeng District Municipality is engaged in capacity building programmes for officials to meet minimum competency requirements.
- Adherence to all legislative and compliance requirements.
- All Committees of Council are fully functional.
- Oversight Committees which are Audit and Municipal Public Accounts Committees are functional.
- Political Management Team is fully functional and provide Politico-administrative direction.

## 2.6 RISK MANAGEMENT

The Risk Management Unit should provide a comprehensive support service to ensure systematic, uniform and effective Enterprise Risk Management (ERM). The Risk Management Unit plays a vital communication link between operational level management, senior and executive management, risk management committee and other relevant stakeholders. The Risk Management Unit is the custodian of the Enterprise Risk Management strategy and framework, the coordinator of the risk management processes throughout the institution and the institutional advisor on all risk management matters. Top 9 Strategic Risks of Sedibeng District Municipality are:

- Declining economy within the district;
- Difficulty in fulfilling the Districts' mandate;
- District not Operating as a Going Concern (Financial Unsustainability);
- Fraud and Corruption; and
- Inadequate Disaster Management in the District.
- Threat to quality of life (District Citizens)
- Inability to continue operations in the event of a disaster (BCM)
- Dilapidated Infrastructure (Municipal Buildings)
- Loss or Unauthorised Access to the Districts' confidential Information (Reputational Risk)

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## 2.7 ANTI-CORRUPTION AND FRAUD

Sedibeng District Municipality subscribes to the principles of good corporate governance, which requires conducting business in an honest and transparent manner. Consequently, SDM is committed to fighting fraudulent behaviour at all levels within the organization. The Municipal Manager bears the ultimate responsibility for fraud and corruption and risk management within the Municipality. This includes the coordination of fraud risk assessment, overseeing the investigation of suspected fraud corruption and facilitation of the reported employees or other parties.

In Sedibeng District Municipality, there is an Anti-Fraud and Corruption Unit which comprises of 2 Internal Investigators who report directly to the Municipal Manager. Sedibeng District Municipality reviewed their Fraud Prevention Plan, together with the Fraud Policy & Response Plan.

The plan is premised on the organizations core ethical values, intent and commitment to prevent fraud and corruption together with the planning and organizational measures required in achieving that outcome. Effective planning is essential for preventing fraud and corruption and responding promptly and appropriately when it occurs.

## 2.8 SUPPLY CHAIN MANAGEMENT

Local Government: Municipal Finance Management Act (Act 56 of 2003) requires the municipality to have and implement a Supply Chain Management Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'. MFMA section 110 – 119, SCM Regulations 2005, and relevant Local Government: Municipal Finance Management Act (56 of 2003) Circulars, set out required processes and guidance manuals to help ensure that Supply Chain Management arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption. The Supply Chain Management Unit resides within the Finance Cluster.

Local Government: Municipal Finance Management Act (56 of 2003) Supply Chain Management Regulations effected June 2005 require that in order to perform the oversight role of Council, the accounting officer must submit a quarterly report to the Mayor of the municipality on the implementation of the supply chain management policy. The reviewed Supply Chain Management Policy (review as per Council Resolution A1631 of 31 May 2017 and item R03 of 42nd Special Council sitting on 07 June 2019) was adopted by Council resolution A1532 on 08 June 2016, in line with the prescripts of Section 111, Local Government: Municipal Finance Management Act (56 of 2003). Reports are compiled monthly to assist Council to perform this oversight function, as well as to promote the municipality's procurement principles of transparency, equal treatment, effectiveness, competitiveness, fairness, ethics, proportionality, uniform application, responsibility, openness, value for money and Commitment to safety, health and the environment.

In addition, the Preferential Procurement Policy Framework Act (Act 5 of 2000) requires an organ of state to determine its Preferential Procurement Policy and to implement it within the framework prescribed. The following bid committees were established and are fully functional:

- Bid Specification Committee;
- Bid Evaluation Committee; and
- Bid Adjudication Committee.

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The Bid Adjudication Committee was established in terms of the provisions of Municipal Finance Management Act (Act 56 of 2003) Supply Chain Management Regulation 29. This committee consist of officials with authority to make final recommendation to the Accounting Officer to award bids in accordance with their terms of reference.

Bids were evaluated in accordance with criteria set out in the Preferential Procurement Policy Framework Act (Act No: 5 of 2000), Preferential Regulations published in terms of Government Gazette No. 22549, Broad Based Black Economic Empowerment Act (Act No. 53 of 2003), Construction Industry Development Board Act (Act No: 38 of 2000) and also the criteria set out in terms of Municipal Finance Management Act (Act 56 of 2003) Circular 53. Other criteria for technicality, capability and functionality are determined at the cross-functional bid specification stage, wherein due consideration is also given to achievement of Council strategy, project risk assessment, and alignment to the national Expanded Public Works Programme (EPWP).

In terms of “National Treasury Municipal Finance Management Act (Act 56 of 2003) Circular 62 dated 20 July 2012,” accounting officers must approve a plan containing all planned procurement for the financial year in respect of goods, services and infrastructure projects anticipated to exceed R200,000. An approved procurement plan for 2020/2021 had been compiled in conjunction with the approval process for the 2019/2020 Medium Term Revenue and Expenditure Framework of Council. The 2019/2020 procurement plan as approved by the accounting officer, had also been submitted to National and Provincial Treasury, as part of the 2020/2021 Medium Term Revenue and Expenditure Framework package (as per the guidance of “National Treasury Budget Circular 94 dated 08 March 2019”). The Demand Management function shall monitor procurement requests against this plan. Monthly reporting of progress against the 2020/2021 procurement plan was submitted to Gauteng Provincial Treasury for monitoring purposes, as per “Gauteng Provincial Treasury: Municipal Supply Chain Management Circular No. 1 of 2014.”

The annual 2020/2021 procurement plan had furthermore been updated and approved as per the amendments arising from the annual adjustment budget for 2020/2021 which was approved by Council in February 2021. The cross-functional bid specification committee convened on an as-and-when required basis in accordance with the requirements of the approved procurement plan.

The SOLAR system has the database of suppliers and is updated on a daily basis through manual processes. It gives effect to all the Supply Chain Management and legislative requirements. The department receives new applications on a daily basis which show the interest of suppliers in the local economy, while existing suppliers are required to update their vendor information as and when required.

National Treasury have developed a centralised supplier database (CSD) to optimise the efficiency of service delivery. The CSD is interfaced to South African Revenue Service (SARS) to enable tax clearance status verification of suppliers throughout the Procure-to-Pay process and the Companies and Intellectual Property Commission (CIPC) for vetting of business registration and business ownership. All municipalities were required to migrate onto the CSD by 01 July 2016. The SCM unit at the municipality is registered onto the CSD and the SCM Demand Unit has begun incorporating information from CSD onto the existing SOLAR database, on an as and when required basis. The Acquisition Unit has also begun running parallel processes for the sourcing of quotations between R1, 000 up to R30, 000 on both, the SOLAR database and the CSD in order to not disadvantage any existing suppliers on the municipal database set.

It should be noted that as these processes are currently not automated, they are being managed internally on a manual basis and this has as a result increased the Supply Chain Management Acquisition Unit’s turnaround time, in order to assure Council that compliance with legislation is not being compromised. SARS has furthermore phased out the issuing of Tax Clearance Certificates and suppliers are encouraged to submit their Personal Identification Number (PIN) codes to municipalities in order to verify their good standing status. The municipality’s SCM unit cross-references these letters of good standing against the CSD for verification purposes.

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Regulation 36 of the Supply Chain Management Regulations allow for the accounting officer to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only in an emergency; (if such goods or services are produced or available from a single provider only) for the acquisition of special works of art or historical objects where specifications are difficult to compile; acquisition of animals for zoos; or in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

There were a total of ten (10) Regulation 36 procurement transactions approved as deviations during the 2019/2020 financial year to a value of R 1,545,219.74. The details per transaction and reasons are recorded and disclosed in the notes to the Annual Financial Statements.

Furthermore, Supply Chain Management regulation 17(1) (c) requires a municipality to maintain a register recording the reasons where three quotations were not obtained, and report on those awards on a monthly basis. A total of forty (40) procurement transactions were duly ratified by Council to the total value of R 1,508,291.54 as minor breaches of a technical nature from procurement transactions as per Council policy and as per SCM Regulation 36(1)(b).

Regulation 32 of the Supply Chain Management Regulations allows the Accounting Officer to procure goods or services for the municipality under a contract secured by another organ of the state, but only if-

- a. The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of the state;
- b. The municipality has no reason to believe that such contract was not validly procured;
- c. There are demonstrable discounts or benefits for the municipality to do so; and
- d. That other organ of the state and provider has consented to such procurement in writing.

An application under Supply Chain Management Regulation 32 was made by the Municipal Manager to Emfuleni Local Municipality and Lesedi Local Municipality in the month of June 2019, to procure services from their property valuation service provider(s) under the contracts secured by these local authorities by means of competitive bidding processes. The municipality was still awaiting responses at the time of reporting.

National Treasury under Municipal Finance Management Act (Act 56 of 2003) Circular 100 issued on 19 March 2020 provided guidance on emergency procurement under the Disaster Management Act in reaction to the Covid-19 pandemic. Provisions were made for municipalities to procure protective personal equipment and medical consumables under National Treasury transversal contracts. Circular 100 was subsequently replaced by MFMA Circular 101 "Covid-19 Bulk Central Procurement Strategy for Government Institutions" where procurement of high demand medical personal protective equipment (PPE) was centralised under National Treasury's bulk procurement procedures to assist government institutions with defeating artificially inflated prices, as well as to respond to high demand for specific medical goods such as alcohol based hand sanitizer and face masks. National Treasury also were in conjunction with National Department of Health vetting the goods procured against minimum acceptable quality standards. The municipality made one (01) application for procurement of Personal protective clothing under the prescriptions of Circular 101 during the month of April 2020, however, this transaction was subsequently recalled when National Treasury Municipal Finance Management Act (Act 56 of 2003) Circular 102 "Emergency Procurement in Response to National State of Disaster" dated 05 May 2020 replaced MFMA Circulars 100 and 101.

Contract management is the function of the cross-functional Contract Management Committee which resides with the Municipal Manager Office: Legal and Support, and their reporting obligations lie under the Office of the Municipal Manager Legal Portfolio. The Supply Chain Management Policy places the responsibility to conduct performance evaluation based on the vendors' performance with regards to delivery of goods/ services against pre-determined criteria as entered into through



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service delivery contracts on the end-user departments as the project managers. These performance evaluations are reported on a quarterly basis through to the Contract Management Committee. The service providers are being evaluated on a scale of 01 (Poor) to 05 (Excellent) in the following criteria:

- Delivers Goods/Services Timeously; and
- Provides Products/Services That Meet Specifications/Requirements.

## 2.9 BY-LAWS

Section 152 (2) of the Constitution of the Republic of South Africa empowers the district to promulgate and implement By-laws; to enable effective and efficient administration of its matters.

These By-laws are anticipated to be reviewed annual and some as and when the need and circumstance arise. For the year under review, only one By-law as promulgated regarding Tariffs. This is done annually as mandated by legislation so that they talk to the Budget of the municipality.

By-laws Introduced during Year 0					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
	Municipal Tariffs	Yes	During IDP process	Yes	26-Jun-19

## 2.10 WEBSITES

Legislation requires that the municipality publishes its business activities in the website. This assists the community to assess how the municipality is doing in terms of programmes and projects, inclusive of the financial spending. Corporate Services Cluster has the responsibility of overseeing the operations of Internal Communication; where the website unit resides. This Unit is responsible for the design, layout and uploading of all relevant documentation related to the District functions and compliance onto the website. It is therefore required of the municipality clusters and departments to furnish the webmaster, on monthly basis, the information to be uploaded in the website.

The Internal Communication Unit has finalised a new and easily accessible website. The website is fully functional on all devices (Personal Computers, laptops, tablets and phones). In collaboration with the External Communications Department, notices and information is posted on social media which then leads stakeholders to the website, other online platforms such as SEO (Search Engine Optimization) are utilised to lead users to the website.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing

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		Date
Current annual and adjustments budgets and all budget-related documents	Yes	14-Jul-20
All current budget-related policies	Yes	14-Jul-20
The previous annual report (Year -1)	Yes	3-Jun-20
The annual report (Year 0) published/to be published	Yes	14-Jul-20
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	4-Feb-19
All service delivery agreements (Year 0)	Yes	July 2021
All long-term borrowing contracts (Year 0)	N/A	None to disclose
All supply chain management contracts above a prescribed value (give value) for Year 0	N/A	None to disclose
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	N/A	None to disclose
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	5-Nov-19
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	None to disclose
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	3-Jun-20

The Public can access information on [www.sedibeng.gov](http://www.sedibeng.gov). 24 hours a day by viewing some information on respective pages. Some other information is available as downloads i.e. PDFs (Readable with Acrobat Reader). In addition, the district has also established an Anti-Fraud and Corruption hotline. 0860 061 022; which is linked to the Office of the Municipal Manager.

The website can be accessed at public libraries for members of the community who do not have devices and can be accessed at public Wi-Fi hotspots for members of the community who have limited data. The website consists of 80%

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Hyper Text Mark-up Language (HTML) and Cascading Style Sheets (CSS) code which means it does not consume too much network data on any device and can be comfortably viewed on free data.

ACTIVITY	BYTES	
	2018/2019	2019/2020
<b>HITS</b>		
Total Hits	553 478 904	5573297
Average hits per day	117663	12352
Average hits per visitor	8	17
<b>Visitors</b>		
Total Visitors	202456	214999
Average visitors per day	458	612
Average time spent	5 minutes	3 minutes
Total Unique IPs	4723	14752
<b>Resources Accessed</b>		
Total Page views	1 736	867629
Average Page Views per Day	2042275	1668
Total File Downloads	515636	4789332
Average File Downloads per day	1412	10185
Average File Downloads per visitor	3	16
<b>Other Resources</b>		
Total other Resources per Day	N/A	N/A
Total other resources per Visitor	N/A	N/A
<b>Images</b>		
Total Images	85	85
Average images per day	5	5
Average images per Visitor	8	8
<b>Bandwidth</b>		
Total Data Transfer	553478904	507063533
Average Data Transferred per Day	1516380	1103868
Average Data Transferred per Hit	12887	1519
Average Data Transferred per Visitor	2733	30662

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

SDM has no constituency; as such did not conduct public satisfaction levels surveys; however the municipality relies on the public participation for such as the social media. These and public participation engagements have given the municipality the nod from members of the public.

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

### COMPONENT A: BASIC SERVICES

This Chapter provides information and gives account of all services that were provided by the municipality during the year under review. However, it is noted that basic services such as the provision of water (3.1); waste water (sanitation) (3.2); electricity (3.3); waste management (3.4); housing services (3.5); and some free basic services (3.6) are provided at local municipality level. The district plays a facilitating and coordinating role in direct liaison with local municipalities.

Furthermore, this chapter closely focuses at what the district municipality set out to achieve at the beginning of the financial year; and the achievements thereof. All anticipated projects and programmes are enshrined in the IDP and SDBIP; and all are also outlined in the 5+2 Pillars of the IDP. The pillars are:

- Re-invent our Economy
- Renew our Communities
- Re-integrate our Region
- Revive our Environment
- Release Human Potential
- Good Governance
- Deepening Democracy

The Transformation, Modernization and Reindustrialization (TMR) Programme pursued by the Gauteng Province 5th Administration; which brought a sign of urgency and renewed hope is included in the objectives of the municipality as a guiding principle. The municipality achieved most of its objectives in the year under review. The municipality's powers and functions doesn't allow it to offer basic services; as such the municipality renders very few services directly to residents. These include:

- Licensing on agency basis
- Emergency Medical Services
- Facilities e.g. Theatre, Hall

Comprehensive information on the above mentioned services is captured under the same titles later in the report. While local municipalities provide the following basic services as outlined below, Sedibeng District Municipality only plays a coordinating and facilitating role in housing and transport. They are water, sanitation, electricity, waste management, some free basic services, including indigent services.

# Chapter 3

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## 3.1. WATER PROVISION

The provision of water is primarily a function of local municipalities.

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## 3.2. WASTE WATER (SANITATION) PROVISION

This services is primarily a function of local municipalities.

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## 3.3. ELECTRICITY PROVISION

Some functions are provided by local municipalities while a certain portion is provided by ESKOM.

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## 3.4. WASTE MANAGEMENT

Local Municipalities' primary function is to provide waste management.

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## 3.5. HOUSING

Schedule 4 of our Constitution stipulates what functions each sphere of government is responsible for. It states that housing is a function of our National and Provincial Governments. But in reality, although the finance for housing development is provided by National Government, through Provincial Government, the management of the implementation of housing projects has become the responsibility of Sedibeng District Municipality. Because of the resources required to take on this responsibility, this is often referred to as an under-funded or unfunded mandate, which are mandates or responsibilities where Sedibeng performs certain functions or activities for which they do not have any clear source of funds. In particular, Sedibeng is expected to carry out functions that are not specified or not allocated in the Constitution.

The human settlements development function in Sedibeng Region is administered by Gauteng Department of Human Settlements (GDHS) and like in the last financial year, is characterized by different challenges like slow delivery of houses, water logged stands, invasion of houses, delay in allocation to beneficiaries, community protests, delays in electricity reticulation in the almost complete projects etc.

# Chapter 3

Sedibeng District Municipality (SDM) role is only to coordinate and monitor human settlements programs through established Human Settlements Coordinating Forum. The Forum is made up of GDHS, the three local Municipalities and the District. The Forum discusses issues such as provision of houses, title deeds, engineering services, land use applications and etc. Sedibeng District Municipality received funding from the Gauteng Provincial Treasury (GPT) to register and transfer Title Deeds to beneficiaries. Sedibeng District Municipality subsequently appointed conveyancers to assist with this process which is currently underway. Major concern is that as a district, we are still struggling with the registration and transfer of title deeds

Quarterly progress reports “regarding human settlements are compiled and submitted to Section 80 Committee and Council. Hostels’ budget allocation that was missing in the 1st quarter was made available in the 3rd quarter through the intervention by Sedibeng District Municipality. Major concern is that as a district, we are still struggling with the registration and transfer of title deeds.

## COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Housing is a function of Province and therefore the district municipality can only coordinate and facilitate where it is permitted to do so. The district municipality can only eradicate the current housing backlogs and other related challenges once the function of housing is relocated to the district.

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### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic services, including Indigent support are implemented by local municipalities

## COMPONENT B: ROAD TRANSPORT

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### 3.7 ROADS

The provision of roads planning and infrastructure resides within local municipalities in the district. The Sedibeng district municipality is however developing the rural roads asset management system for the local municipalities. This digital system will help municipality to better manage the road infrastructure and develop preventative maintenance plans.

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### 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

# Chapter 3

The Sedibeng District Municipality is currently not providing the bus services. The Public bus services in the district is provided by the Gauteng Provincial Government through the Department of Roads and Transport.

The Sedibeng District Municipality is currently developing the Sedibeng District Integrated Plan (DITP) inclusive of the associated local municipalities ITP's consisting of Emfuleni, Lesedi and Midvaal Local municipalities. The plan will include but not limited to:

- Commuter Rail Information
- Rail Infrastructure
- Road based public transport information
- Transport needs assessment

## MOTOR VEHICLE LICENSING AND REGISTRATION

Sedibeng District, on an agency basis and on behalf of Provincial Department of Roads and Transport; runs a successful vehicle licensing and operations. This is attested by the increasing number of clients utilising the services.

However, there are incidents of misconducts by employees. These are handled jointly by province and Sedibeng District Municipality. The Service Level Agreement between province and the municipality is in the process of review. In addition, the municipality is looking at reviewing the Strategy; which will be in line with the province and the municipality's strategies, goals and objectives.

The risks regarding cash at licensing centres still remain a concern but the municipality is engaging relevant banks to reinforce cash management; which should reduce theft and potential and current robberies at these centres.

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Financial Performance Year 0: Transport Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	56,891	97,691	74,436	65,232	-50%	
Expenditure:						
Employees	69,524	70,825	72,664	72,996	3%	
Repairs and Maintenance						
Other	11,283	27,874	13,530	10,507	-165%	
<b>Total Operational Expenditure</b>	80,807	98,698	86,195	83,503	-18%	
<b>Net Operational Expenditure</b>	23,916	1,007	11,758	18,271	94%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.8.5	

Capital Expenditure Year 0: Transport Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	0	0	0			
Project A						
Project B						
Project C						
Project D						
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.8.6	



# Chapter 3

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

These services is provided by Local municipalities

### COMPONENT C: PLANNING AND DEVELOPMENT

#### INTRODUCTION TO PLANNING AND DEVELOPMENT

The district municipality is responsible for planning the development of space in the region and for managing economic development. Through local economic development, the district is responsible for tourism, agriculture and investor/business relations. The greatest challenge in the region at present is the aged and dilapidated bulk infrastructure. This weakness has a negative effect on the economic growth of the region.

The Vaal River, Vaal Dam, Suikerbosrand Nature Reserve and rich political history of the region present premier tourism opportunities for the region. The arable land and currently vacant industrial sites present opportunities for the agro-industry to excel in the region. The N1, N3, N17, R59, R42 and R82 routes are a great opportunity for corridor developments and logistics related land uses.

#### 3.10 PLANNING

##### Spatial Planning:

The latest SDF was adopted by Council in 2019 and it is in alignment with the Spatial Planning and Land Use Management Act, 2013. The district is currently in the process of developing five (5) precinct plans to accelerate and direct development in rural spaces. Part of this process is to also conduct two (2) pre-feasibility studies on previously adopted rural precinct plans.

##### Geographic Information Systems:

The GIS project is currently at a halt due to lack of funding.

##### Land Use Management:

The municipality is currently in the process of conducting a land use audit in the region.

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The district municipality has in 2018 adopted a Southern Corridor Regional Implementation Plan. This plan is an implementation tool for all strategic and game-changer projects in the region. The listed projects in the plan will contribute massively to the Gauteng City Region and give the region a competitive advantage in the global market. From the 14 listed projects, the following projects were identified as short-term projects that warranted immediate action and intervention from all spheres of government. The projects are as follows:

1. Sedibeng Regional Sewer Scheme

There is slow progress on this project due to funds being allocated to Rand Water as an implementing agent of the project.

2. Sedibeng Government Precinct

A Transaction Advisor was appointed by the Gauteng Infrastructure Financing Agency to conduct a Feasibility Study for the project. Due to lack of participation from both the province and national departments in the project, the Project Steering Committee resolved to treat the project as an office accommodation project for the municipal employees. However, the project has hit an impasse due to the recommended solutions options as proposed by the Transaction Advisor. The municipality is in the process of engaging GIFA on the way forward.

3. Vereeniging Fresh Produce Market

The Feasibility Study was approved by Council in 2019 and the process is currently at the TVR II phase with the National Treasury.

The following table outlines progress made, challenges and interventions:

Table 8: Projects

PROJECT	PROGRESS	CHALLENGES AND SDM INTERVENTION
Sedibeng Regional Sanitation Scheme	<ul style="list-style-type: none"> <li>ERWAT appointed by National Government however contract terminated in April due to non-performance</li> <li>Community protests halt progress on site</li> <li>Module 6 commenced to commence on the 1<sup>st</sup> of July</li> </ul>	<ul style="list-style-type: none"> <li>Government shortfalls hinder plans to combat crime on site</li> <li>Powers and Functions to be re-allocated to the district. Action on facilitation dragged due to lock down.</li> <li>New implementing agent to be introduced to SDM and three local municipalities as well as PSC. Updating of report on progress and challenges</li> </ul>

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PROJECT	PROGRESS	CHALLENGES AND SDM INTERVENTION
		to be followed up by SDM. SDM and Rand Water to arrange virtual meetings where technical meeting can't take over.
Sedibeng Government Precinct	<ul style="list-style-type: none"> <li>Pricewaterhouse Coopers appointed as Transaction Advisors for the project.</li> <li>Project is currently at market analysis phase.</li> </ul>	<ul style="list-style-type: none"> <li>Department of Infrastructure Development and Department of Public Works are not showing appetite for the project. These entities are pivotal to the success of centralizing government services at one point as a means to improve service delivery to Sedibeng communities.</li> <li>Sedibeng has sent letters to both entities requesting letters of interest to be sent to indicate desire to partake in the project.</li> </ul>
Vereeniging Fresh Produce Market	<ul style="list-style-type: none"> <li>Feasibility study finalized and ready for advertisement.</li> <li>Notice has been promulgated inviting public comments on the feasibility study until the 6<sup>th</sup> of October 2020.</li> </ul>	<ul style="list-style-type: none"> <li>No challenges at present.</li> </ul>
Vaal Logistics Hub	<ul style="list-style-type: none"> <li>Feasibility study has been concluded.</li> <li>Need to invite public comments on the feasibility study.</li> </ul>	<ul style="list-style-type: none"> <li>Project not coordinated by the district.</li> <li>DM has indicated to both GIFA and Emfuleni of the desire to be part of the project team.</li> </ul>
GraceView.	<ul style="list-style-type: none"> <li>Township application has been approved by Midvaal Local Municipality.</li> </ul>	<ul style="list-style-type: none"> <li>Sewer is a major challenge.</li> <li>Solution is part of the Sedibeng Regional Sewer Scheme.</li> </ul>
The Graceland	<ul style="list-style-type: none"> <li>Application has been approved by Midvaal Local Municipality.</li> </ul>	<ul style="list-style-type: none"> <li>Sewer is a major challenge.</li> <li>Solution is part of the Sedibeng Regional Sewer Scheme.</li> </ul>
Heidelberg CBD	<ul style="list-style-type: none"> <li>Project is ready for implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of funds to implement the plan.</li> <li>District in the process of packaging all projects that are ready for implementation to make them bankable and ready for investment.</li> </ul>
Vaal River City	<ul style="list-style-type: none"> <li>Tender for a new road interchange has been advertised by GAUTRANS.</li> <li>In the process of delineating earmarked areas for Special Economic Zone submission to the DTI.</li> <li>A letter has been sent to GIFA for assistance with</li> </ul>	<ul style="list-style-type: none"> <li>Delay by the Gauteng Department of Human Settlement to declare Phase 1 of the project as "Restructuring Zone".</li> <li>Department of Agriculture, Land Reform and Rural Development delays on the transfer/donation of land to the district municipality.</li> <li>The PSC will assist the municipality to both coordinate and facilitate matters</li> </ul>

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PROJECT	PROGRESS	CHALLENGES AND SDM INTERVENTION
	<p>conducting a feasibility study for the planned National Airport.</p> <ul style="list-style-type: none"> <li>In the process of forming a Project Steering Committee for the project.</li> </ul>	<p>pertaining the project.</p>
R59 Corridor	<ul style="list-style-type: none"> <li>Plan has been approved by the Midvaal Local Municipality and incorporated in the Spatial Development Frameworks of both the district and the province.</li> </ul>	<ul style="list-style-type: none"> <li>Project still stagnant due to lack of bulk services and currently no funding for implementation.</li> </ul>
Sicelo Precinct	<ul style="list-style-type: none"> <li>Request made to MLM for appointment of independent valuation to be conducted on the site.</li> <li>The land owner has submitted his new property evaluation. His old value was found by SDM and MLM project team as too expensive.</li> </ul>	<ul style="list-style-type: none"> <li>MLM to perform valuation and make available for purchase negotiations.</li> <li>Property evaluation of land owner and that one of LLM to be compared and if there is conflict, the two evaluators to sit and agree on one consolidated value.</li> <li>Project identification and presentation to Programme of interest of Department of social development to be facilitated.</li> </ul>
Lesedi Transit Hub	<ul style="list-style-type: none"> <li>Developer in place (Tecino);</li> <li>Warehouse port is at the Environmental Impact Assessment (EIA) stage;</li> <li>Commercial development in Kwa-Zenzele awaiting township establishment.</li> </ul>	<ul style="list-style-type: none"> <li>Project communication to take place on virtual meetings and other forms to keep updated.</li> </ul>
Doornkuil Precinct	<ul style="list-style-type: none"> <li>CADRE Planning Pty Ltd has been appointed to conduct a feasibility study on the plan.</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility study process to commence in August 2020.</li> </ul>
Devon Tannery	<ul style="list-style-type: none"> <li>CADRE Planning Pty Ltd has been appointed to develop a Precinct Plan for the area.</li> </ul>	<ul style="list-style-type: none"> <li>Project is in the analysis phase and progress presented in the PSC.</li> </ul>
Langzeekoegat Precinct	<ul style="list-style-type: none"> <li>CADRE Planning Pty Ltd has been appointed to conduct a feasibility study on the plan.</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility study process to commence in August 2020.</li> </ul>

### Geographic Information Systems (GIS)

An integrated GIS system has been developed for the district and local municipalities. The system includes a central server which is located at the district offices and a viewer which is accessed by all municipalities.

Lesedi Local Municipality is the only Local Municipality that is not connected to the central server. This is due to the fact that the municipality is not on the centralized ICT network of the Sedibeng District Municipality; which poses a challenge in terms of data transfer and storage.

More funds are required to complete the GIS project that will enable the district and its' local municipalities to make well informed decisions on development of land and land programmes.

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	
4 - 6	2	10	10	0	0%
7 - 9	0	7	7	0	0%
10 - 12	2	2	2	0	0%
13 - 15	2	3	3	0	0%
16 - 18	0	0	0	0	
19 - 20	0	0	0		
<b>Total</b>	<b>6</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>0%</b>

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.10.4

Financial Performance Year 0: Planning Services						R'000
Details	Year -1	Year 0			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
<b>Total Operational Revenue</b>	4,456	7,700	3,160	1,205	-539%	
Expenditure:						
Employees	25,628	25,097	26,037	26,041	4%	
Repairs and Maintenance						
Other	1,944	2,174	2,077	1,948	-12%	
<b>Total Operational Expenditure</b>	<b>27,572</b>	<b>27,270</b>	<b>28,113</b>	<b>27,989</b>	<b>3%</b>	
<b>Net Operational Expenditure</b>	<b>23,116</b>	<b>19,570</b>	<b>24,953</b>	<b>26,784</b>	<b>27%</b>	

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* T 3.10.5

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## COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The role of the district is to guide and manage the development of land in the region. Tools such as the Geographic Information Systems are pivotal in executing such a task in that with such a tool, trends can be tracked and disasters can be averted. The district therefore needs financial and human capacity to execute GIS related activities.

### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

#### Promote and Develop the Tourism Sector

To unlock and maximize tourism potential in the Sedibeng region the Sedibeng Tourism Development Strategy was developed and tourism principles, programmes and projects were encapsulated in the Sedibeng Growth and Development Strategy and the Sedibeng Integrated Development Plan (IDP) 2017-2021 and the Sedibeng Spatial Development Framework (2019). The aforementioned strategies and frameworks have the following goals:

- To address the pillar on “Reinventing the Economy”, as stipulated in the IDP;
- To utilise the existing natural, cultural-historic and man-made resources towards the development of Tourism Precincts and Tourism Corridors throughout the District;
- To develop a common understanding of the tourism industry, defining the roles and the responsibilities of government in particular and the broader stakeholder groups, in growing the tourism industry in Sedibeng.
- To develop and formulate strategies to be implemented by each stakeholder group in relation to their respective roles taking the strengths and weaknesses of the Sedibeng tourism sector into consideration.
- Build the capacity of the three major stakeholder groupings (government, private sector and community) to grow tourism and subsequently economic and job opportunities.

In order to realise these objectives, the following strategic objectives have been identified:

- Tourism Policy, Strategy, Regulations, Monitoring, Evaluation and Transformation
- Partnerships, linkages, enabling institutional framework and relationships
- Tourism Demand: Regional Destination Marketing;
- Tourism Supply: Product and Skills Development;
- Promote the Development of Tourism Infrastructure.

During the 2020/2021 financial year the following deliverables were achieved:

#### Tourism Demand: Regional Destination Marketing

Through the collective effort of government, private sector stakeholders and the community, participation in marketing initiatives for tourism products and related tourism packages benefit a tourism destination.

Through the Gauteng Tourism Authority (GTA), South African Tourism (SAT), and the Gauteng Department of Economic Development (GDED), marketing initiatives are developed for tourism products to take advantage of. The Sedibeng District Municipality has facilitated or coordinated the following marketing initiatives of 2020/2021, including:

- the sharing of marketing related information, such as leisure events, to GTA, SAT and local publications;
- the participation in South African Tourism’s Tourism Recovery Survey;
- the participation of tourism destination content creation for ENCA with Gauteng Tourism Authority;
- the implementation of the Domestic Tourism Scheme with the National Department of Tourism and Gauteng Tourism Authority;
- the participation in the Gauteng Tourism Authority’s provincial marketing initiative;

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- the participation of tourism products in South African Tourism's Pan-Indian engagements, Country-wide Insights and Halaal Tourism training;
- the participation of local tourism products in the South African Tourism's speed marketing sessions
- the participation of local tourism products for Gauteng Tourism Authority's virtual marketing session with the Indian based, Akbar Holidays;
- the development of regional itineraries as part of Gauteng tourism routes for the European tourism market, through South African Tourism and the Gauteng Tourism Authority;
- the participation in the National Tourism Association's "Villages, Towns and Small Dorpies Project" with South African Tourism and Gauteng Tourism Authority.

## Tourism Supply: Product and Skills Development

Regular training and information sharing within the industry is critical to ensure that quality services are provided at tourism establishments, which will ensure sustainability and growth in tourism businesses, and transformation of this sector. The Sedibeng District Municipality has facilitated a number of product and skills development initiatives in the region in the 2020/2021 financial year. These include:

- Tourism skills training for tourism stakeholders (114 stakeholders were trained in Customer Service and 38 stakeholders were trained in Events Coordination);
- Covid-19 Tourism Relief Measures and Information;
- Gauteng SMME Sustainability Support Programme;
- National Department of Tourism's Service Excellence Programme;
- Gauteng Province Local Government Peer Learning Session;
- National Tourism Information Monitoring System data collectors' training programme;
- National Tourism Equity Fund;
- Gauteng Visitor Information Services' Consultative Forum;
- Gauteng Institutional Framework;
- Gauteng Department of Economic Development's Tourism, Trade and Investment Working Group;
- National Department of Tourism's Food and Safety Assurers Training Programme;
- Gauteng Tourism Infrastructure Assessment.

Relief and Mitigation Measures for the Tourism Sector in Response to the Covid-19 Pandemic and National Lockdown, with the announcement by the President of South Africa that a nationwide lockdown (enacted in terms of the Disaster Management Act) would be effective from 27 March 2020 to curb the spread of Covid-19, numerous restrictions and regulations were introduced.

The subsequent lockdown in a phased approach in South Africa has allowed for the tourism and event industries to slowly begin operating again. However, operational and financial challenges are experienced across the board due to amendments of these regulations (such as curfew and the sale of alcohol) and changes in lockdown levels, which determine the level at which establishments and services may operate. This has impacted the tourism sector negatively.

The Tourism Department has ensured that tourism stakeholders in the region have been informed of available national relief funds, information on national and provincial recovery plans and Gazetted Directions that are of relevance to the tourism industry.

To support tourism business and products within the Sedibeng region, the Tourism Department facilitated the sharing of meetings, marketing initiatives, information and training sessions, which were hosted on virtual platforms, with tourism stakeholders.

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Sedibeng is the fourth largest contributor to the Gauteng economy. The predominant economic sector in the region is the manufacturing of fabricated metal (mainly steel) and chemicals. This sub-section reviews the recent economic performance trends in Sedibeng and its local municipalities.

## GDP Growth Performance and Expected Growth.

Sedibeng's economy recovered to 1.3 per cent in 2017 after growing by 0.6 per cent in 2016. This recovery, however, is expected to have slowed in 2018, with economic growth estimated at 0.8 per cent. The slow pace of economic recovery in the region in 2018 and 2019 was driven by negative growth in manufacturing output which accounts for 24 per cent of economic activity in the region. The finance sector, which also accounted for a noticeable share of economic activity (21 per cent), is estimated to have grown at much slower pace in 2018.

The constraints associated with energy supply disruptions have contributed to the economic woes of the country and its regions, Sedibeng's economy contracted by 0.3 per cent in 2019 and this was driven mainly by the contraction in the mining.

With the decline of the manufacturing sector in the Southern Corridor, the municipalities of Sedibeng have experienced significant slowdown in economic activity, particularly Emfuleni where manufacturing activity is dominant. This had major negative effects on the region's economic growth rate.

The decline in economic activity in the Sedibeng region was mainly due to a decline in the mining, electricity and the dominating manufacturing sector. Output growth in other sectors was outweighed by the contraction in the economic activity in the three sectors. In 2019, the manufacturing sector accounts for about 25 per cent of the total Sedibeng economic activity.

## COMMENT ON LOCAL JOB OPPORTUNITIES:

The district comprises high levels of poverty and low levels of employment, however there are opportunities in the rural economy such as tourism and agriculture. These two (2) sectors should lead the economy recovery plans of the region and supported by logistics and manufacturing

## TOURISM

The Sedibeng District Municipality has embarked upon a major drive to promote and develop the Tourism Industry in the region as a direct result of the decline in economic activity in the Steel and related sectors of the region. Special emphasis is on the development of township tourism.

The Sedibeng region, with its diverse tourism offerings, embedded in rich cultural and natural heritage products, has the potential to grow into a major tourism destination. Sedibeng district has been classified as an area with above average tourism potential.

A Tourism Development Strategy for the area was developed and adopted in 2003 and principles, programmes and projects were encapsulated in the Sedibeng Growth and Development Strategy (2004) and the Sedibeng 2010 strategy (2007).

The Tourism Strategies have the following goals:

- Develop a common understanding of the tourism industry, defining the roles and responsibilities of government in particular and the broader stakeholder groups, in growing the Tourism Industry in Sedibeng;
- Develop and formulate strategies to be implemented by each stakeholder group in relation to their respective roles taking the strengths and weaknesses of the Sedibeng Tourism Sector into consideration;



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- Build the capacity of the three major stakeholder groupings (Government, Private Sector and Community) to grow tourism and subsequently create economic and job opportunities.

In order to realize these objectives, the following deliverables have been identified:

- Tourism Institutional Arrangements
- Tourism Demand: Destination Marketing
- Tourism Supply: Product and Skills Development
- Promote the Development of Tourism Infrastructure

## Tourism Institutional Arrangements

- Support Regional Tourism Organisation (Vaal River City Tourism Promotion Company (SOC))

The Sedibeng District Municipality has coordinated the establishment of a Regional Tourism Organisation, with Public, Private and Community Stakeholders, to create an enabling and facilitating environment for the Tourism Industry in the Sedibeng Region as informed by the National Growth Path, the Constitution of the Republic of South Africa and the National and Provincial Tourism Development Strategies.

A state owned company (Vaal River City Promotion Company (SOC)) was registered in August 2013. The objective of the Vaal River City Tourism Promotion Company (SOC) is to promote and develop the Sedibeng Region as the destination of choice for domestic and international tourists, through various coordinated marketing initiatives, such as promoting Vaal River City as a brand and encourage the hosting of unique integrated events.

The Board consists of five Board Members, chaired by Advocate G Malindi.

- Provided technical support to the Municipal Manager
- Tourism demand through targeted tourism marketing initiatives
- Marketing and Exhibitions

The Tourism Department is involved with many exhibitions and events on an annual basis. This platform is an excellent marketing tool to raise the tourism profile of the region. A Generic Tourism Brochure, profiling the tourism offering in the region, is distributed. A Sedibeng tourism website has been developed, which includes accommodation establishments, tourism attractions, packages and events.

Listed graded establishments are linked to their respective websites. Sedibeng District Municipality submits information to the National Department of Tourism, Gauteng Tourism Authority, N3 Gateway and Vaal Meander to be included on their respective websites and digital platforms. The Sedibeng District Municipality and tourism stakeholders participated in numerous exhibitions, such as the International Tourism Indaba, World Travel Market 2018. Hundred and eighty three (183) Events and Packages in the region were submitted to the N3 Gateway Association, Gauteng Tourism Authority, Vaal Meander, the Sedibeng, External Communications Department and Emfuleni, Midvaal and Lesedi Tourism Departments for inclusion in marketing initiatives.

## Accommodation and Tourism Product Audit:

The Tourism Department has conducted an audit on the graded and non-graded accommodation facilities in the region. This is an on-going process. A total of 19 databases have been developed and maintained regularly.

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- There are 94 graded establishments in the region and 132 non-graded establishments. Approximately 4426 beds (2700 Graded and 1726 Non Graded), ranging from luxury to budget accommodation, are on offer to tourists.
- There are 75 Conference and Function venues with capacity for 20 to 4000 pax.

## Tourism Product Development:

The Sedibeng District Municipality has participated or submitted inputs for the development of National and Provincial policies, strategies, studies and plans. These include the Gauteng Suikerbosrand Repositioning Strategy, Gauteng Township Tourism Programmes, and Tourism Signage for Gauteng Township Destinations.

- Tourism Training, Capacity Building and Skills Development.

Sedibeng, in partnership with the National Department of Tourism, Gauteng Enterprise Propeller, Gauteng Tourism Authority and tertiary institutions, conducts skills development and tourism awareness workshops on a regular basis for emerging and established tourism establishments. The Sedibeng Tourism Department, with relevant stakeholders, facilitated and participated in the following workshops:

- ✓ Gauteng Positioning and Working Group Workshop
- ✓ Economic Township Tourism Stakeholder Engagement Session
- ✓ Gauteng Global City Region Seminar
- ✓ BBBEE Awareness Workshop
- ✓ Township Tourism Coordination Workshop
- ✓ Women in Tourism Workshop
- ✓ Gauteng Tourism Safety Monitors
- ✓ GDED Awareness Workshops
- ✓ Sedibeng Cookout Event
- ✓ My Run Programme

Information on training, capacity building and skills development opportunities by tourism departments and organisations, such as the National Department of Tourism, Gauteng Department of Economic Development, Gauteng Tourism Authority, FEDHASA, N3 Gateway, SAHRA, etc. are sent to all stakeholders to participate.

The Sedibeng District Municipality facilitated the implementation of a National Training Programme, namely The Tourism Youth Hospitality Programme. 47 learners graduated in the programme and 8 got permanent employment.

- Promote the Development and Maintenance of Tourism Infrastructure
- ✓ Facilitated a Township Tourism site audit with the Gauteng Department of Economic Development for the development of Township Tourism.
- ✓ Facilitated the application for the approval and installation of Tourism Directional signage of 3 tourism products in Sharpeville.
- ✓ Submitted information to the Gauteng Department of Economic Development for the inception report on tourism signage for Gauteng Township destinations.
- ✓ An audit on Tourism Infrastructure in the region was conducted and submitted to the Emfuleni Tourism Routes Working Committee, Midvaal and Lesedi Local Municipalities, Gauteng Department of Economic Development, Gauteng Tourism Authority and the Sedibeng Heritage Department for the consideration in the planning of tourism routes and the maintenance of infrastructure.

# Chapter 3

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0				
4 - 6	3	3	4	0	0%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	
13 - 15	6	6	3	3	50%
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
<b>Total</b>	<b>11</b>	<b>11</b>	<b>9</b>	<b>3</b>	<b>27%</b>

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.11.8

Financial Performance Year 0: Local Economic Development Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>						
Expenditure:						
Employees	3,762	3,778	3,975	3,971	5%	
Repairs and Maintenance						
Other	41	46	50	44	-5%	
<b>Total Operational Expenditure</b>	<b>3,803</b>	<b>3,824</b>	<b>4,024</b>	<b>4,015</b>	<b>5%</b>	
<b>Net Operational Expenditure</b>	<b>3,803</b>	<b>3,824</b>	<b>4,024</b>	<b>4,015</b>	<b>5%</b>	

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.11.9

Capital Expenditure Year 0: Economic Development Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	0	0	0			
Project A						
Project B						
Project C						
Project D						

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.11.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

# Chapter 3

The district municipality is a granted dependent municipality and therefore currently does not have capital budget to implement projects nor execute plans. These subsequently limits the ability to coordinate and facilitate local economic development in the region.

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This is a community-based cluster which seeks to release human potential from low to high skills and build social capital through united, non-racial, integrated and safer communities. This is done by providing support services to various areas such as disaster management services, community safety, health care services, social development, youth development, sports, recreation, arts, culture and heritage in the region. Key priority areas of this cluster include the following:

- Promoting and building safer communities
- Promoting disaster resilient communities
- Promoting efficient delivery of primary health care, social development, gender and women programs
- Promoting sports, recreation, arts and culture across the region
- Preserve heritage and museums, including promotion of historical commemorative days
- Facilitate geographical name change process

The following delivery areas outline indicative measures put in place during the year to improve performance and service delivery for the communities of Sedibeng

### 3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Part A schedule 4 and 5 of the Constitution of South Africa, 108 of 1996 lists the following as provincial competencies: Archives, other than National Archives, Libraries, other than National Libraries, Museums, other than National Museums, Provincial Cultural matters, Provincial Recreation amenities and Provincial Sports.

The Gauteng Department of Sports, Arts, Culture and Recreation operate within the Constitutional Mandate. Part B of the same schedule lists competencies in which the Provincial Department has a role to support and monitor local government i.e., amusement facilities, local amenities, sports facilities, municipal parks and recreational facilities

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other						R'000
Details	Year -1		Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	333	595	215	225	-164%	
Expenditure:						
Employees	3,000	17,465	17,623	17,448	0%	
Repairs and Maintenance						
Other	27,898	534	513	476	-12%	
<b>Total Operational Expenditure</b>	30,898	17,999	18,136	17,924	0%	
<b>Net Operational Expenditure</b>	30,565	17,404	17,921	17,699	2%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.12.5	

### 3.13 CEMETORIES AND CREMATORIIUMS

This function is performed by Local Municipalities

# Chapter 3

## 3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

### CHILD CARE

The main service delivery priorities within this area operation is to promote social development of our communities, support women and gender programmes, including facilitating the implementation of youth development programmes through National Youth Development Agency (NYDA) partnership. However; it should be noted that the services relating to children, and old persons are the primary functions of the Provincial Department of Social Development in accordance to the Child Care Act. Therefore; Sedibeng District Municipality mainly coordinate and give support to the Local Municipalities in collaboration with the province to give effect for the implementation of these programmes. Various programmes have been implemented in conjunction with the Municipality Local Municipalities focused on the designated groups i.e., youth, children, women and gender and people with disability.

SDM support the Early Childhood Development (ECD) through collaborative effort with the Local Municipalities, Department of Social Development and Sedibeng District Health. Following the State of the Nation Address by His Excellency. Honorable President Cyril Ramaphosa in 2019 February, in his speech, he indicated that ECDs will migrate from the Department of Social development to the Department of Basic Education, and the administrative processes thereof should be completed by April 2022.

The following are key delivery areas identified for this financial year (2020/21):

#### Facilitate Implementation of Gender and Women Programmes

As a District we uphold to take issues of women and gender seriously and stepping up to ensure that this key delivery area is supported; based on empowerment, capacity building for the target groups. As a result; three (03) women and gender programmes were implemented.

This includes amongst others, Family Law session facilitated by Claudine Coetzee Incorporated, Attorney, Notary& Conveyance, focusing primarily on generating an increased awareness and intervention of drafting a legal will, imparting legal information and educating participants about the process of drafting a will, the program was held on the 09th December 2020 at De-Deur Police Station with 20 delegates in attendance.

A two (02) days Gender Based Violence (GBV) Workshop was held on the 24-25 March 2020. This was a Virtual Workshop crafted for Social Workers in the Sedibeng region, Dept. of Social Development, and the three (03) Local Municipalities (Emfuleni, Midvaal and Lesedi). The Workshop was focused on building a sense of teamwork and collaboration, build capacity intergovernmental relations, multi-sectoral teams to prevent and to respond to Gender Based Violence (GBV).

On the 14th May 2021 Sedibeng women and gender unit together with MMC for Health and Social development held a Covid-19 Vaccine Roll out awareness, education and registration campaign for older persons from 60 years and above, focusing on Evaton West which falls within Ward 28. About 29 older persons were assisted with the registration and education of the importance of vaccination.

The gender-based violence training was also organized for Stakeholders Men's Forum at Emfuleni, held at Bophelong Community Library activity room on the 08 & 09 June 2021. The sessions were aimed to train, transfer and express a proactive approach in terms of applying knowledge and skills gained during the training in practice.

GBV sessions are planned to serve as a mechanism to support government's outcomes on the protection of women, children and other vulnerable groups.

The training sessions was attended by fifteen (15) men delegates based on the capacity and responding to covid-19 rules and regulations in the Emfuleni area. Training was facilitated by Be Sure Foundation.

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## Support Social Development Programmes

Sedibeng People with Disability (PWD) Technical Committee has been established and is fully functional. It holds its meetings on quarterly basis for implementation and monitoring of its programme of action, the participants are the officials from the locals, Regional Department of Social Development, Sedibeng District Health, VUT and Gauteng Department of Sports Arts and Culture.

Vaal Disability Forum members which are the office bearers from all three local municipalities hold their meeting quarterly too with the support of the Sedibeng PWD technical committee. It is in these meetings where the decisions for PWD programmes of action are planned. Sedibeng District Municipality is to support and coordinate all the locals.

Sedibeng has eight (08) residential facilities for older persons, per sub district are as follows:

- Emfuleni Local Municipality has five residential facilities funded by DSD
- Lesedi Local Municipality has two residential facilities, one funded and the other one is unfunded.
- Midvaal Local Municipality has one funded residential facility.
- Flu vaccine was administered to all Elderly Persons by the Sedibeng District Health during March 2021, and all the elderly persons in the homes were vaccinated for Covid 19 from the 17 May 2021
- The residential facilities were visited by family physicians from Sedibeng District Health.
- Food distribution is done to the homes of older persons

All the facilities were sanitized by the Scientology ministry and each was provided with 10 litres of sanitizer. The Department of Social Development is a lead department in the provision of Older Persons programmes. The role of Sedibeng is to coordinate and support the Local Municipalities and DSD.

## Facilitate Youth Development Programmes through the National Youth Development Agency (NYDA)

Whether it is gender equality, climate crisis, sustainable supply chains, human rights or community transformation; every adult child & young person needs the motivation, mindsets, and skills to lead themselves and others to be change-makers.

Youth development is regarded as a critical area that will ensure that youth readiness for self-sustenance and growth is achieved. This is facilitated through various developmental programmes that are implemented in partnership with National Youth Development Agency (NYDA) that was launched in the region in June 2019 at Mafatsane Thusong Centre. The implementation of Youth Development in the region is through SDM and NYDA

Partnership resulting to the signed MOA in 2018. NYDA paid four Sedibeng employees' salaries for two years and currently there are two Sedibeng employees who are still seconded and working at NYDA Mafatsane Full-service branch.

Since the establishment of Sedibeng NYDA Mafatsane Branch young people within the region are benefiting from the following programmes: Business Management Training, BBB-EE, Sales Pitch, Cooperative Governance Training, Life Skills Workshops, Job Preparedness, Job Placement, Mentorship and Grants. The grant programme consists of four thresholds, 1. R1000 – R10 000; 2. 10,001 – R50 000; 3. 50 001 – R100 000; 100 001 – R200 000. As a result, young people benefited from threshold 1, 2 and 3 grants for their businesses as the Sedibeng NYDA Mafatsane Branch offers them except threshold 4. NYDA paid R715 388 to 39 youth owned businesses like Beauty salon, Printing, Garden services, cooking lessons, Décor and events etc.; to create job opportunities for 61 young people.

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The SDM Community Service Cluster partnered with Hydraform and Conloy to train young people on Brick Laying. Therefore, the report on partnership for building was approved by Council for the house project in Evaton West where a young girl wrote a letter to the MMC for Health and Social Development requesting a better livelihood for herself and sibling (brother) and the project was approved by Sedibeng Council in December 2020.

The project started in April 2021 where 20 learners from disadvantaged families were trained by Colony on Brick Laying, to gain experience by assisting Hydraform on building projects. NYS registered the project and young people were given stipend, machinery was delivered and about 4000 building blocks have been manufactured by learners. Emfuleni Local Municipality approved the house plan with the aim of completing the building by September 2021, if there are no hindrances.

These reports are in line with the “releasing human potential strategy” of the SDM which seeks to promote efficient delivery of health services and promote social development of our communities, and thus contributing to the growth and development of the region.

The performance of child care, aged care, social programmes overall The overall performance of Social Services for this period has been successful. The department units have respectively achieved most of its objectives as stipulated in the service delivery and budget implementation plan (SDBIP) for 2020/21 financial year.

The expected outcome of coordination and support to promote social development for our communities has been achieved through collaboration with various stakeholders from our communities including the local municipalities and the provincial departments relevant for empowerment of our communities.

Number of programmes such as forum meetings, awareness programmes and stakeholder technical engagements were implemented during this period through the Microsoft virtual meeting to mitigate the spread of Covid-19. These is inclusive of the Regional IGR structures and the Provincial IGR forum chaired by the DSD HOD in preparation for the MEC/MMC IGR.

Issues relating to children care services are a core functionality of the province in accordance to the Child Care Act. The District continues to provide relevant support in conjunction with the locals including the ECD Steering Committee (ECD). It should further be noted that, relocation of the ECD from the DSD to the Department of Basic Education as of April 2022, emanated from the Honorable President Cyril Ramaphosa’s State of the Nation Address in February 2019. Gauteng DSD currently is on top of the processes, now consultative meetings are in progress and the cabinet memo is signed, the process is set to be completed and hand over with finances be completed by April 2022.

Key Strategic Objective: “Promote disaster resilient communities”									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year 01		Year 0			Year 02	Year 03	
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>Service Objective: To conduct community awareness campaigns</b>									
District Health Council meetings held	Facilitate District Health activities	04	04	04	04	04	03	03	03
Gender and women programmes supported	Facilitate implementation of gender and women programmes	03	06	04	03	03	03	02	03

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Employees: Disaster Management Services					
	Year 01	Year 02			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No	No	No	No	%
0 – 03	01	01	01	0	0%
04 – 06	02	04	02	02	0%
07 – 09	12	15	12	05	0%
<b>Total</b>	<b>15</b>	<b>20</b>	<b>15</b>	<b>0</b>	<b>0%</b>
NB: Seven (07) employees (Levels: 07 – 09) seconded to the National Youth Development Agency					73.23.3

## THE PERFORMANCE OF CHILD CARE, AGED CARE, SOCIAL PROGRAMMES OVERALL

The overall performance of Social Services for this period has been successful. The department units have respectively achieved most of its objectives as stipulated in the service delivery and budget implementation plan (SDBIP) for 2019/20 financial year.

The expected outcome of coordination and support to promote social development of our communities has been achieved through collaboration with various stakeholders from our communities including the local municipalities and the provincial departments relevant for empowerment of our communities.

Number of programmes such as forum meetings, awareness programmes and stakeholder technical engagements were implemented during this period. Issues relating to children care services are a core functionality of the Province in accordance to the Child Care Act. The District continues to provide relevant support in conjunction with the locals including the Early Childhood Development Steering Committee.

## COMPONENT E: ENVIRONMENTAL PROTECTION

Environmental protection within the District is covered by a number of Clusters. The district has a specific role to play in terms of air quality management in terms of licensing of listed activities and is performed by the air quality officer of the District. Pollution control is a program within Municipal Health Services and which is rendered by the District Municipality.

The poor air quality in Sedibeng District Municipality can be attributed to a number of sources; industrial sources, domestic fuel burning, windblown dust, and biomass burning.

Air Quality Management objectives are to:

- (i) Manage the Section 21 industries through Atmospheric Emission Licensing,
- (ii) Ensure the availability of air quality data through Ambient Air Quality Monitoring and National Atmospheric Emission Inventory System (NAEIS); and
- (iii) Provide awareness and education on the impacts of air pollution on health to the communities through Awareness Programmes, Implementation Task Teams, and multi-stakeholders engagement.

In order to tackle the Air Quality Management problems in the district, two coordinators were appointed in October 2009 under Ambient Air Quality Monitoring and Atmospheric Emission Licensing. This brings the total number of employees under Air Quality Management to three.



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## 3.15 POLLUTION CONTROL

The Pollution control programme is managed by Sedibeng District Municipality as one of the nine programs under Municipal Health Services. The service is rendered through a service level agreement with the local municipalities who perform the function on behalf of the District. Pollution control activities do not differentiate between communities and the service is rendered equally throughout the District. Priority is given to all related complaints and referred to relevant departments (where applicable) for attention and action. Most of the complaints relating to solid waste removal and sanitation were referred to the responsible service departments only in instances where Environmental Health Practitioners could not resolve the matter and needed assistance.

Table: Complaints

Data element	Emfuleni	Midvaal	Lesedi	Total District
Air pollution	23	6	8	37
Environmental Pollution	5	0	5	10
Unhygienic conditions	56	12	24	92
Food related	6	9	11	26
Insects/ Pests	8	3	2	13
Noise	44	7	5	56
Sanitation	20	5	12	37
Dust	0	2	0	2
Illegal burning	2	3	2	7
Offensive odour	2	12	4	18
Keeping of animals	20	02	12	34
<b>TOTAL</b>	<b>186</b>	<b>61</b>	<b>85</b>	<b>332</b>

All communities living in poverty has access to the Municipal Health Services. The top priorities within the program are:

- Water pollution control
- Air pollution control
- Noise control

Municipal Health Services deals with water quality monitoring of which the main objective is to ensure that the water which is provided to communities is safe and sound for consumption. Samples are normally taken at the end user of which the result indicate compliance or non -compliance to SANS standards. The water provided to communities by the municipalities was found to be safe and sound for human consumption.

Table: Water Sampling

Data element	Emfuleni	Midvaal	Lesedi	Total District
Drinking Water	132	108	264	504 (*6)
Bore hole	0	24	12	36 (*22)
Storage tanks	0	28	0	28 (*6)
Municipal Reservoir	0	0	8	8
<b>TOTAL</b>				<b>576</b>

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*\*Samples not in compliance*

Of great concern is the pollution of the Vaal River and Rietspruit with raw sewerage from the municipal pump stations or water care works. All complaints are handled in line with the complaints protocol and referred to the relevant authorities where and when applicable. Major efficiencies can be summarised as follows:

- Sedibeng District Municipality has a water sampling program in place which monitor the provision of drinking water to communities. No water borne diseases were reported to the Sedibeng District Municipality during the year under review.
- All aspects around indoor air pollution are covered on a routine basis. All complaints are addressed and referred where necessary. No data is kept specifically for indoor pollution per se. The activity is part of the protocol on the surveillance of premises)
- Noise control complaints are handled and resolved or referred where applicable. A total of 56 noise related complaints were received and managed by Environmental Health Practitioners. Most of the cases refer to the playing of loud music, festivals, parties, industrial equipment, barking dogs or the keeping of roosters. All of the complaints were duly handled and resolved
- Communities living in poverty has access to the service, directly and indirectly. MHS are rendered to all communities and are rendered at community level where people live. All complaints and request for services are prioritised. Municipal Health Service is a preventative health service which have a direct impact on the health and well-being of citizens where they live, work or recreate.

Financial Performance Year 0: Pollution Control					
Details	R'000				
	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	1,445	1,575	2,347	2,351	33%
Expenditure:					
Employees	2,211	2,498	2,772	2,885	13%
Repairs and Maintenance					
Other	39	46	49	52	11%
<b>Total Operational Expenditure</b>	2,250	2,544	2,821	2,936	13%
<b>Net Operational Expenditure</b>	805	969	474	585	-66%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.15.5

## THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

Although the staff and resources are stretched to the limit, Environmental Health Officers at local municipalities, on behalf of the Sedibeng District Municipality continue to provide pollution control activities through routine inspections. If some meaningful strides the quality of services are to be realized, engagements and consultations should begin to review of the equitable share model to district municipalities, to enable the provision of expanded work that needs to be covered by staff.

Most of the pollution within communities relates to dumping of household waste and issues relating to sanitation which are attended to by the relevant services department.

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The several successes have been recorded in the management of air quality in the district. The municipality has appointed two coordinators. The draft VTAPA AQMP has been published for comments, bringing the process closer to completion. In line with Section 105A of the Criminal Act of 1977, the municipality and DEFF instituted a case against Arcellor Mittal SA (Vanderbijlpark Works) and won the case.

After being non-operational due to a lightning incident that occurred in May 2018, the Meyerton Station has finally being brought back to operation, although not yet reporting valid data to SAAQIS. Preplanned stakeholder engagements, awareness campaigns and other engagement have been cancelled due to Covid 19 regulations.

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

Sedibeng District Municipality has various critical biodiversity areas and protected areas which play critical role in biodiversity conservation. The biodiversity areas include Suikerbosrand Nature Reserve (situated in the north eastern edge of Midvaal Local Municipality and north western portion of Lesedi Local Municipality) , Alice Glockner Nature Reserve (Located in the south of Heidelberg in Lesedi Local Municipality, The Kliprivier, Vaal Dam and Vaal river). The Sedibeng District Municipality falls within priority areas identified in the National Spatial Biodiversity Assessment (NSBA, Driver et al. 2004), and is home to a disproportionately high percentage of rare and threatened species and threatened ecosystems.

It is therefore critical that Sedibeng District Municipality develops a Bioregional Plan for the conservation of biodiversity in the region. Bioregional Plan is one of a range of tools provided for in the Biodiversity Act that can be used to facilitate biodiversity conservation in priority areas and outside the protected area network. The purpose of a bioregional plan is to inform land-use planning, environmental assessment and authorizations, and natural resource management.

The three priority service delivery projects are as follows:

- Wetlands Rehabilitation,
- Clear River campaign and
- Maintenance of open space area through grass cutting.

The progress made thus far linked to service delivery priorities include the following:

- Conducting education and awareness on the value played by wetland, Wetlands rehabilitation through re-vegetation and tree planting,
- Clear River clean-up campaigns and Continuous maintenance of open spaces through grass cutting and beautification.

### COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

There were no capital projects under these focus areas due to lack of budget allocation.

## COMPONENT F: HEALTH

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### 3.17 CLINICS

Promotion of Effective Delivery of Primary Health Care Services Primary Health Care (PHC): Addresses the main health problems in the community that provides and promote preventative, curative and rehabilitative services. According to the

# Chapter 3

World Health Organisations (WHO's) 1978 Alma Ata Declaration, "primary health care is essential healthcare based on practical, scientifically sound and socially acceptable methods and technology made universally accessible to individual and families in the community through their full participation and at a cost that the community and country can afford to maintain at every stage of their development in the spirit of self-reliance and self-determination. It forms an integral part on both of the country's health system, of which it is the central function and main focus, and of the overall social and economic development of the community. It is the first level of contact of individuals, the family and community with the national health system bringing healthcare as close as possible to where people live and work, and constitutes the first element of a continuing health care process".

In accordance with the Health Act No. 61 of 2003, health care service is a competency of Provincial Department of Health. However; Local government as the closest sphere of government to communities is also expected to coordinate and support this function.

As a result; Council has established an intergovernmental relations structure in the form of a District Health Council (DHC) for support and oversight purposes. This DHC structure was established and appointed by the MEC for Health, the meetings for this Council are held on quarterly basis and chaired by the MMC for Health and Social Development of. It is at this forum whereby various stakeholders from multidisciplinary health sector provide regular reports that give synoptic overview of health care services in the region.

The DHC Microsoft visual meeting chaired by District MMC for Health and Social Development was held on Tuesday 01st September 2020, with section 80 councillors in attendance and Local MMC's for Health and Social Development. The discussion in this meeting was around the readiness of the hospitals in relation to Covid 19 and four (4) critical reports were discussed from Sebokeng, Heidelberg, and Kopanong Hospitals inclusive with the Emergency Medical Services (EMS).

From April 2020 to date the daily Coordination of Health screening and testing for COVID -19 within the region was done and all the daily reports formed part of the situational report that was compiled daily and send to Gauteng Disaster Management Council, Provincial Command Council, Local Government Work stream, District Command Centre and Council.

The second meeting covered the period of April to June 2021 as one of the DHC function is an oversight role as outlined in the Health Act 61 of 2003, on the 18th May 2021 DHC had an oversight visit to verify Covid-19 registered vaccination sites at Sebokeng hospital and Levai Mbatha clinic. The Sebokeng hospital lacked water and the Emfuleni MMC for Health and Social Development contacted Metsi a Lekoa immediately and water tanks were dispatched. Levai Mbatha clinic was faced with more patients and less vaccines and there was a meeting held with the facility manager and the matter was resolved with pharmacist to deliver additional vaccine. All Covid-19 protocols were adhered to. The picture below is the vaccination site at Sebokeng Hospital.

Clinic Committees are statutory bodies appointed by the Member of Executive Council (MEC) for Health, according to Section 42 of the National Health Act, No. 61 of 2003. Their main objectives include promoting effective and efficient governance through public participation, to assist the clinics in addressing the health needs of the communities served, to ensure accountability and effective management of facilities and to ensure that the Primary Health Care Facility, known as a clinic is responsive to community needs.

On Tuesday the 8th June 2021 the Sedibeng District Municipality MMC for Health and Social Development and Emfuleni MMC convened a hand over appointment letter for PHCFC at Thusong Service Centre Mafatsane NYDA offices in Evaton and Palm Springs. Later the meeting continued to be at Sebokeng Masoheng Municipal building for all the Sebokeng clinics including Boitumelo. Lastly the meeting was held in Bophelong library to meet with the clinic committee members from Sharpeville, Bophelong, Boipatong and Johan Heyns. All Covid 19 protocols were adhered to. The term of office is from 2021 to 2024.

The picture below, depicts handing over of Appointment letters by MMCs of Health and Social Development from both Sedibeng District and Emfuleni Local Municipalities to Johan Heyns PHCFC members.

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Sub District	No of Clinics
Emfuleni	28
Midvaal	04
Lesedi	08
Total Sedibeng	40

Key Strategic Objective: "Promote the efficient delivery of Primary Health Care"									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year 01		Year 0		Year 02	Year 03		
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>Service Objective: To ensure effective service delivery</b>									
District Health Council meetings held	Facilitate District Health activities	04	04	04	04	04	03	03	03
Gender and women programmes supported	Facilitate implementation of gender and women programmes	03	06	04	03	03	03	02	03

## 3.18 AMBULANCE

It is noted that Ambulance services are a provincial competence; therefore this service was migrated to province some year ago.

## 3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

Municipal Health Services (MHS) is a Metropolitan and District municipality function. The Municipal Structures Act determine that the above-mentioned municipalities can render the service by itself to communities (if it has the capacity to do so) or can appoint a service provider to render the service on its behalf. The Sedibeng District Municipality opted for the latter option and resolved in 2004 to appoint the local municipalities to render the service as agents for the Sedibeng District Municipality. This arrangement is formalized through a service level agreement and is renewed on annual basis by the parties to this agreement. The service is coordinated at District level whilst implementation (operational activities) take place at local municipality level. The local municipalities effectively act as agents for the Sedibeng District Municipality and are contracted to render those specific services defined as Municipal Health Services within the Health Act, (Act 61 of 2003) as amended.

- Water quality monitoring
- Food control
- Waste Management
- Health surveillance of premises

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- Surveillance and prevention of communicable diseases excluding immunization.
- Vector Control
- Environmental pollution control (Noise, air, water and land)
- Disposal of the dead
- Chemical safety and hazardous substances control

The National norms and standards for premises and monitoring standards, as approved by the Minister of Health, forms the basis of the agreement between the District and its local municipalities and serve as a guideline on how services are to be rendered and at what frequency.

The top 3 service delivery priorities are:

- water quality monitoring
- Health surveillance of premises
- Disposal of the dead

- Water quality monitoring

This comprises of the monitoring and surveillance of water quality and availability thereof that is intended for human consumption, recreational, commercial and industrial use. Continuous monitoring of drinking water throughout the District is a preventative measure and serves as an early warning system in the control, management and provision of water to communities which is safe and sound for human consumption.

- The Health surveillance of premise

This programme concerns the identification, monitoring and evaluation of health risks, nuisances, hazards and the instituting remedial and preventive measures at all premises. Food premises are prioritized due to the impact that non-compliance can have on the health of people. Compliance of Butcheries and spaza shops in terms of hygiene and structure in the township areas is a challenge. Persons in control of premises are informed of non-compliance issues and requested to rectify the problem areas. Statutory notices or prohibition orders are issued as a last resort where there is continuous non-compliance that needs to be addressed.

Table: Inspection at food premises

Data element	Emfuleni	Midvaal	Lesedi	Total District
Food premises inspected (Number of inspections)	3288	1512	1840	6640

Notices issued for non-compliance
146

In an effort to improve the general hygiene standards and assist owners in getting their premises to comply with the minimum environmental health standards, Environmental Health Practitioners targeted Early Childhood Development facilities for inspections.

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The district was able to perform the required inspection intervals as prescribed in the National Norms and standards. A total number of 2460 activities and inspections were conducted at Early Childhood Development premises during this period. The involvement of Environmental Health Practitioners in the partnership between Social Services and Hollard yielded good results as a large number of facilities were assisted. The assistance includes the upgrading of their premises and the installation of window to ensure adequate ventilation in the structures.

Seventy (72) Early Childhood Development premises were also recommended to and approved for participation in the feeding scheme as administered by provincial department of health. The approach from Environmental Health Practitioners around Early Childhood Development facilities is developmental in nature and aims to assist owners to meet minimum environmental health requirements to enable easy registration with Social Services for possible grant funding by the very department.

- Disposal of the dead

This refers to compliance monitoring of funeral undertakers, mortuaries, embalmers, crematoria, graves and cemeteries; including the management, control and monitoring of the exhumations and reburial or disposal of human remains.

The industry is closely monitored for compliance and assisted where needed to meet the minimum requirements. Eighteen (18) Certificates of Compliance were issued during the period under review. Environmental Health Practitioners attend and monitor the general hygiene conditions during exhumations; and a total of fifteen (15) exhumations were monitored.

Table: No of funeral undertakers' premises

Type of premises	Number of premises
Funeral undertakers	52
Mortuaries	11
Crematoria (Non-operational)	1

Table: Surveillance of premises (inspections)

Data Element	Emfuleni	Midvaal	Lesedi	Total District
Funeral undertakers	146	41	83	270
Mortuaries	1	0	1	2

## Chemical Safety

Chemical safety includes the monitoring, identification, evaluation and prevention of the risks of chemicals that are harmful to human health. This includes the following but is not limited to:

- Complaint investigation.
- Monitoring safe disposal of chemical waste.
- Law enforcement by serving compliance notices where necessary
- Compliance monitoring in terms of legislative requirements and provisions and instituting remedial and preventative measures including the removal of chemical spillages.
- Health promotion and training.

Although the provincial Department of Health is responsible for management and control of hazardous substances,

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Environmental Health Practitioners routinely conduct inspections at all hardware stores, supermarket chain stores, paint dealers, spray painters and other related industrial activities to monitor the safe storage and handling of chemical products. The Monitoring of Chemical safety is part and parcel of the inspection protocol and is applied during all inspections on premises. Data is not specifically kept for these premises as chemicals are available on all premises.

## THE PERFORMANCE OF HEALTH INSPECTIONS

It must be stressed once again that the resource constraints and inadequate funding the district to render the service is affecting services negatively. The current Covid-19 pandemic has demonstrated insufficient and/or lack of Environmental Health Practitioners in times of a disaster. However, Environmental Health Practitioners still managed to render an acceptable standard of service despite all the challenges. Fact is that Municipal Health Services are rendered equitably to all communities throughout the district, and in line with the National Norms and Standards. The good working relationship with the Local Municipalities and the fact that the municipalities are still willing to render the service on behalf of the district, despite the resource constraints has yielded a fairly good result for the District and its communities.

The 4<sup>th</sup> Quarter of the financial year under review saw a total change in direction in the way services have being rendered as Environmental Health Practitioners were called on to take the lead in many fields and answer the call by National Department of Health to walk the extra mile as essential services in the management of the covid-19 pandemic in the district.

The Sedibeng District Municipality was audited by The National Department of Health on the rendering of Municipal Health Services. The final audit report indicated that the District performed above normal and was awarded for this achievement with the Alfred NZO Excellence Award as second runner up nationally at the World Environmental Health Day celebrations in Kimberley.

Financial Performance Year 0: Health Inspection and Etc						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>						
Expenditure:						
Employees	833	897	473	704	-27%	
Repairs and Maintenance						
Other	18,720	19,952	19,932	18,882	-6%	
<b>Total Operational Expenditure</b>	19,552	20,849	20,405	19,586	-6%	
<b>Net Operational Expenditure</b>	19,552	20,849	20,405	19,586	-6%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.19.5	

## COMPONENT G: SECURITY AND SAFETY (COMMUNITY SAFETY)

### 3.20 POLICE

This service is a National competence; however the district plays a coordination and facilitation role to enhance and enable smooth Police operations.

#### COMMUNITY SAFETY

##### Implementation of the Community Safety Strategy 2018 – 2022

In terms of Section 152 (1) (d) of the Constitution of the Republic of South Africa Act, 108 of 1996, municipalities are required to provide safe and healthy environments for the residents. As a result; an intergovernmental relations structure, namely;



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Sedibeng Community Safety Forum was established to ensure proper coordination for the implementation of this key object. It is common knowledge that community safety should be every person's concern. Various organizations, community groups and the residents are expected to contribute to the creation of a safe and cohesive living environments. As a result; Sedibeng District Municipality through its Community Safety IGR Forum has been actively involved in fostering joint crime and violence prevention across the region. These safety programmes include schools' safety, community police relations, community corrections, gender-based violence, social crime prevention, stakeholder relations and road safety programmes. This implementation process is conducted within the parameters of the Sedibeng Community Safety Strategy, which is aimed at responding to the following key performance areas:

- Promote institutional arrangements which will produce effective and sound crime prevention networks,
- Encourage active community participation and guardianship to challenge unacceptable behaviour and maximize reporting of incidents,
- Improve crime prevention through increased levels of social responsibility and tolerance through education, awareness, intervention and information sharing,
- Promote road safety awareness and education through active stakeholders' participation, and
- Monitor and evaluate the impact of adopted interventions towards elimination and reduction of crime within our communities.

NB: It should further be noted that Sedibeng District Municipality does not have a competency for Traffic Police Services, Fire and Rescue Services, and Emergency Medical Services. These competencies are located at the Local Municipality and Provincial levels, respectively. The following achievements have been recorded during the financial year: 2020-2021.

Promotion of stakeholder's relations forms an integral part of the Community Safety Strategy. Community Safety Forum is therefore; regarded as a key programme in pursuance of promoting and enhancing intergovernmental relations within the region. As a result; monthly Community Safety Forum meetings were held throughout the year, whereby planning for and implementation of crime prevention programmes were discussed.

Furthermore; various joint community safety programmes were implemented as part of monitoring and enforcement of Covid-19 lockdown regulations. Joint Operations Committee Meetings (JOCOM) were held for planning of operations that would ensure enforcement and compliance to the lockdown regulations at identified hotspot areas

Safety and security of our children at schools and institutions of higher learning are of utmost importance. It is common knowledge that these facilities are often targeted for criminal activities such as rape, house robberies, drug dealing, etc. As a result; Sedibeng Community Safety Forum and Gauteng Department of Community Safety approached Vaal University of Technology (VUT) with the intention of establishing a Victim Empowerment Centre (VEC) at the University. The facility would serve as a trauma and counselling unit for victims of crime, especially sexual offence victims. This VEC was ultimately launched by Gauteng MEC for Community Safety, Hon. Ms. Faith Mazibuko on the 27 November 2020 at the Vaal University of Technology.

Gender Based Violence (GBV) and Human Trafficking were identified as some of the most prevalent crimes taking place in the country. As a result; Sedibeng Community Safety Forum embarked on an awareness campaign to sensitize communities on precautionary and safety measures to take to mitigate the scourge. On the 25 September 2020 a joint march against gender-based violence and human trafficking was undertaken in Sebokeng whereby a memorandum was handed over to Sedibeng Deputy Cluster Commander at Sebokeng Police Station

There were also other Human Trafficking Awareness programmes conducted in this regard which include awareness campaign on the 29 October 2020 at the Vanderbijlpark Taxi Rank. Another programme implemented in response to GBV include Men's Dialogue which was held on the 13 November 2020 at Bophelong Community Hall.

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Road safety promotion is one of the key pillars of the Sedibeng Community Safety Strategy. To ensure that this is successfully achieved, awareness campaigns are being conducted across the district. Some of these awareness programmes were held at the Evaton Mall and Palm Springs Mall on the 09 February 2021. Another road safety awareness programme was conducted at Matsie Steyn Primary School and Seliba Primary School in Sharpeville as part of the 6th Global Road Safety Week on the 21st May 2021. Some activities of the day included painting of road marking for Pedestrian Crossings and Scholar Patrol Crossings and distribution of pamphlets on road safety promotion.

Crime Analysis Report – The impact of Disaster Management Act Lockdown Regulations has been noted with regard to a decrease on general crimes. This can be attributed to various lockdown restrictions which resulted in controlled people movement (curfew) and selling of alcohol. However; as much as the lockdown regulations played a significant role in crime reduction, other areas such as burglary at schools has become problematic as many incidents of burglaries and theft at schools have been reported across Sedibeng region.

The following table is a SAPS Sedibeng District Crime Comparative Analysis Report for the period; 30 April 2020 – 01 March 2021

## Comment on the performance of Community Safety overall

Generally, crime statistics as released by the SAPS shows a decline in some problematic crimes in the area. However; emphasis still needs to be directed towards by-law enforcement in the region to address issues of illegal dumping, street vendors, and other CPTED related challenges in the region.

## FIRE SERVICES

Firefighting services in terms of Schedule 04, Part B of the South African Constitution is the responsibility of local government with national and provincial oversight. The Fire Brigade Services Act (FBSA), 1987 (Act No. 99 of 1987) is the primary piece of legislation regulating fire services and provides for the establishment, maintenance, employment, co-ordination and standardization of fire brigade services. In terms of the FBSA, local authorities are allowed to establish and maintain a fire brigade service for the following purpose:

- Preventing the outbreak or spread of a fire;
- Fighting or extinguishing a fire;
- The protection of life or property against a fire or other threatening danger;
- The rescue of life or property from a fire or other danger

In terms of Section 85 of the Municipal Structures Act No. 117 of 1998, the MEC has the power to adjust certain powers and functions between category B and C municipalities, which includes firefighting services. The MEC for Local Government in Gauteng opted to make adjustment/divisions for the function and accordingly, Sedibeng District Municipality is only responsible for Section 84 (1) (j) of the Municipal Structures Act 117 of 1998, which includes:

- planning, co-ordination and regulation of fire services;
- specialized firefighting services such as mountain, veld and chemical fire services;
- co-ordination of the standardization of infrastructure, vehicles, equipment and procedures; and
- Training of fire officers.

During the year in question key Delivery Priorities of the district were as follows:

- Provision of specialized firefighting services. Claims received from the local municipalities regarding specialized firefighting services as per Section 84 (1) j have been received and processed.
- Emergency Services Forum sittings. The main objective of this forum is to strengthen relations amongst all the Emergency Services within the region and also assist in planning and standardization of the function, inclusive of resources.

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- Monitoring of MOAs between the 3 sub-districts and the district, with regard to execution of section (84) 1 j of the Municipal Structures Act.

## Comments on the performance of fire services overall

Sedibeng District Municipality is only responsible for Section 84 (1) (j) of the Municipal Structures Act and does not render Fire brigade operational duties. In ensuring that principles of cooperative governance are promoted as well as integrated and coordinated efforts, the Emergency Services Forum met 3 times for the year under review. All the sittings were convened by the Sedibeng Emergency Management Services Directorate. The forum sittings were virtual due to COVID 19 restrictions.

## Introduction to Disaster Management

The Sedibeng Emergency Management Services, as established within the Community Services Cluster, herewith; presents the annual report for 2019-2020 financial year in compliance with Section 50 of the Disaster Management Act (Act 57 of 2002, as amended). The Act provides for an integrated and coordinated approach to Disaster Management that is focused on rapid and effective response, recovery from disasters as well as reduction of disaster risk. The key purpose of the function is to promote an integrated and coordinated system of disaster prevention, mitigation and risk management, thus ensuring the preparedness of our communities to prevent and respond to possible disasters incidents.

This annual report presents:

- An overview of the activities undertaken by the directorate during the period under review, relating to the implementation of the Disaster Management Act and the Disaster Management Framework.
- The incidents that occurred during the year
- Progress on the regular review/updates of the Disaster Management Plan
- Progress made in line with the objective of promoting an integrated and coordinated system of disaster management, with special emphasis on prevention, by organs of state and other role-players involved in disaster management.

## Service Delivery Priorities

- Implement mechanisms for Disaster Risk Reduction measures,
- Ensure the state of readiness and alertness aimed at combating potential disaster situations within the region, and
- Ensure effective response and recovery efforts.

## REVIEW OF THE REGIONAL DISASTER MANAGEMENT PLAN

Sections 52 and 53 of the Disaster Management Act (Act 57 of 2002) compel each municipality to develop a disaster management plan. This plan establishes the arrangements for disaster risk management within the Sedibeng District Municipality and has been prepared in accordance with the requirements of the Disaster Management Act, (Act 57 of 2002).

The plan provides guidelines and a plan of action for the management of incidents that can be classified as a Disaster or may progress into a Disaster, if not managed (as determined by the Disaster Management Act, Act 57 of 2002). It establishes procedures for disaster risk reduction planning as well as the procedures to be implemented in the event of a disaster occurring or threatening to occur in council's area.

To ensure that the above-mentioned legislative provisions are adhered to, the Disaster Management Directorate, through the support from SANTAM, reviewed the Disaster Management Plan, during the year under review. The plan has been assessed/reviewed by the National Disaster Management Centre and was adopted by the Sedibeng council in July 2021.

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## PREVENTION AND MITIGATION INITIATIVES

During the year under review, the directorate initiated and carried out various disaster prevention and mitigation initiatives. These include the commemoration of commemoration of special days with intention of informing, educating and empowering communities, disaster management campaigns, etc.

## IMPLEMENT MECHANISMS FOR DISASTER RISK REDUCTION MEASURES

The Disaster Management directorate, facilitates and continues to accelerate disaster awareness and education campaigns within communities in the region. Such programs are aimed at educating community members on the prevalence of most of the top identified risks and also to create disaster resilient communities. Moreover, the programs are focused on addressing local disaster risk dynamics and even response to disaster incidents. Through the programs, there is also fostering of partnerships with relevant stakeholders to enhance Disaster Management education and training programmes.

In implementation of the programmes the directorate and other relevant stakeholders strives to instil the culture of risk avoidance, improve response mechanisms and even share indigenous knowledge in dealing with incidents. Hence, the efforts are multi-disciplinary in focus and continuous in nature. Section 44 (1) (h) of the Disaster Management Act, 2002 (Act No. 57 of 2002) calls for the MDMC to “promote disaster management capacity building, training and education, including in schools, in the municipal area. Advocacy and public awareness, as defined in Enabler 2 of the Disaster Management Policy Framework, mandates us to promote the culture of risk avoidance through integrated education, training and public awareness.

In efforts to combat disaster risks, the following programs were implemented for the year under review:

### 2020 INTERNATIONAL DAY FOR DISASTER RISK (IDDR) COMMEMORATION

The annual commemoration of the International Day for Disaster Reduction (IDDR) is a celebration of how people across the globe are reducing their risk to disasters, advocating for risk reduction and raising awareness about the importance of mitigating the disasters they face. This commemoration provides a platform for encouraging individuals, communities, government and civil society to contribute and become agents of change in building disaster resilient communities, countries and regions.

The IDDR is celebrated on 13 October every year per Resolution 64/200 of the United Nations General Assembly; which, amongst other deliverables, reaffirmed the International Strategy for Disaster Reduction as the primary mechanism for development, promotion and improvement of disaster reduction method. The need to build capacities of institutions at local, national and regional levels as a way of building resilience was also highlighted, as well as systematic incorporation of DRR approaches in the implementation of emergency preparedness, response and recovery programmes, as well as long term development plans.

The IDDR 2020 is themed: “It’s all about governance: Substantially increase the number of countries with national and local disaster risk reduction strategies” which is closely linked with Target E of the Sendai Framework: Substantially increase the number of countries with national and local disaster risk reduction strategies by 2020. In striving to advocate for the theme, the Sedibeng Disaster Management directorate rolled out awareness programmes at Wys-Neusies Day and Care Best Is Good Enough Day Care and Pre-School on the 09 & 22 October 2020, respectfully. The programs were aimed at educating ECD centres on the popularity of most of the top identified risks and also to promote the culture of risk avoidance. Moreover,

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the programmes focused on addressing local disaster risk dynamics and even response to disaster incidents or emergencies. This was achievable through collaboration and partnership with the following stakeholders:

- Sedibeng District Municipality Disaster Management
- Lesedi, Midvaal and Emfuleni local municipalities: fire PIER units
- City of Ekurhuleni Metro Fire PIER Unit

This multifaceted approach assists in terms of consolidated resources and approaching the targeted areas from a central point. Moreover, the following information sessions were held during the programmes:

- Candle safety methods through the use of 2 Litre empty bottles.
- Stop, Drop and Roll in case your clothes catch fire.
- Crawl low under the smoke if there is fire in the house.
- The Entertainment by Reggie the Rhino and Manzi road show

The benefits and outcomes of the 2020 IDDR commemoration included the following, as per the SFDRR:

- Understanding disaster risk;
- Strengthening disaster risk governance to manage disaster risk;
- Investing in disaster risk reduction for resilience; and
- Enhancing disaster preparedness for effective response and to “Build Back Better” in recovery, rehabilitation and reconstruction.

COVID-19 International Health protocol were observed during the rolling out of the programme

## DISASTER MANAGEMENT RISK REDUCTION AWARENESS PROGRAM: NGO'S WORKSHOP ON COVID 19 09TH – 12TH OF FEBRUARY 2021

In attempts to increase awareness to our communities, Sedibeng District Municipality, in collaboration with other stakeholders (Department of Social Development and North West University Vaal Campus) held a workshop with the intent of making NGOs aware of the peril of the COVID 19 pandemic. Key focus areas of the workshop, amongst others includes the following:

- Informing, educating and encouraging the NGO's and Universities about the importance of adhering to regulations,
- Encouraging communities to participate in public screening and testing.
- Ensuring crowd movement management
- Social distancing
- Adherence to Health protocols
- Compliance to Occupational Health and Safety regulations
- COVID 19 workplace Compliance

## DISASTER MANAGEMENT RISK REDUCTION AWARENESS PROGRAM: CURBING THE SPREAD OF COVID-19: FOCUS ON ELDERLIES/OLDER PEOPLE

### 18TH OF SEPTEMBER 2020

The focus of the programme was on elderlies. There have been observations from the Disaster Management perspective that older people have specific needs related to health, safety and even access to essential services that are seldom given due

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consideration in disaster response programmes. It is therefore crucial that an inclusive approach in Disaster Risk Reduction programmes is adopted and inclusive of older people as:

- In need: older people have specific requirements which must be understood and responded to within all DRR activities.
- Invisible: Older people's vulnerabilities and capacities are often overlooked
- Invaluable: Older people have years of knowledge, skills and wisdom which are invaluable assets in DRR and must be acknowledged, valued and engaged by supporting older people to participate in DRR. The intent of the program was to make our elderly aware of the peril of the pandemic, with special focus on the following:
  - Informing, educating and encouraging the community of the importance of adhering to regulations,
  - Encouraging communities to participate in public screening and testing.
  - Ensuring crowd movement management
  - Social distancing
  - Adherence to Health protocols
  - Compliance to Occupational Health and Safety regulations

Moreover, the elderly in attendance of the programme were provided with Smoke detectors. Such devices are an important part of safety at home. These fire protection devices will automatically detect and warn one of the presence of smoke and can save lives in the event of fire.

## 2021 WINTER AWARENESS PROGRAMS

In efforts to educate communities at risk, The Sedibeng District Municipality: Disaster Management spearheaded the following campaigns as part of 2021 winter awareness programmes. The theme for all the campaigns was:

“As temperature decline, let us put safety in our minds”.

- 26 May 2021: Midvaal Local Municipality Sicelo Social Houses
- 10 June 2021: Lesedi Local Municipality: Andicort Kwazenzele Informal Settlement
- 17th June 2021: Emfuleni Local Municipality: Barrage informal settlement

The Midvaal and Lesedi campaigns were build ups towards the Provincial Winter Awareness campaign that was held on the 17th of June 2021. Key educational themes covered during the campaigns are as follows:

### COVID 19 Safety protocols

- Fire home safety and candle safety
- Water and swimming safety
- Road Safety “Be bright and be seen pedestrian awareness”
- GBV Victim Empowerment Social Crime and Community safety Awareness
- Youth Skills Development Programme

Other participating stakeholders:

- Lifesaving South Africa
- Indibano VEP NGO

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- Community safety youth desk
- SAPS
- Kotulong skills development NGO

The MMC/Portfolio Head, Ward Councillors and community leaders were in the forefront of the programmes.

Financial Performance Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					
Expenditure:					
Employees	8,873	8,705	9,225	9,277	6%
Repairs and Maintenance					
Other	250	129	156	206	37%
<b>Total Operational Expenditure</b>	9,123	8,835	9,382	9,483	7%
<b>Net Operational Expenditure</b>	9,123	8,835	9,382	9,483	7%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.22.5

## Comment on the performance of Disaster Management

The directorate achieved its objectives as stipulated in the Service Delivery and Budget Implementation Plan (SDBIP) for the financial year in question. For the region to enhance compliance and to ensure effective implementation of the guidelines as set by the NDMC, it is critical that there is a move towards ensuring that all KPAs are implemented. The KPAs are informed by specific objectives and KPIs to guide and monitor progress

## COMPONENT H: SPORT AND RECREATION

### 3.23 SPORT AND RECREATION

#### Promote and support sport and recreation in the region

Of specific importance is the impact of the National Government Gazette 1060 on the 7th October 2020 by the National Minister of Arts and Culture in the second quarter of the 2020/21 financial year that placed a moratorium on most public participation and involvement in all categories of operations of Sports, Recreation, Arts, Culture and Heritage functions, notwithstanding the complete schedule 5, COVID19 Protocol lockdown that started in March 2020, that only fluctuated in

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October 2020 during the adjusted Levels when the Government Gazette 1060 mentioned above placed complete restrictions on almost the entire spectrum of operations of SRACH which was further exacerbated by the limited staff compositions schedules including working from Home to minimise the impact of the Pandemic.

The Sport and Recreation division had to migrate to digital virtual platforms to effectively continue to facilitate the coordinating functions with strategic stakeholders/partners in pursuance of performance targets as per the SDBIP and IDP operational prescriptions which remains unadjusted to the reality of the impact of the COVID 19 Pandemic, however despite these conditions the Sports and Recreation Division sought to comply with the strategic outcomes of the SDBIPs to the best of its ability and continued with its coordination role by assisting and supporting Provincial DSACR, DE, Tertiary Institutions and Local Municipalities in assessing their development trajectory in the 09 Prioritized Sporting Development Codes identified, including giving priority to the Sports Council's in achieving strategic developmental outcomes of the various sports disciplines which is at different phases of development and maturity within Sedibeng region.

The overall impact across all sphere's of Government has necessitated the re-think of how business continuity remains viable in the current conditions and the natural migration to a digital platform has brought very interesting and dynamic innovations to the fore that would require in the current conditions complete migration and/or partial re-invention of how to be more effective and sufficient in a re-worked 'Possible Developmental Challenges Document of 2012' for SRACH that can create a conducive environment in fulfilling the Vision and Mission through identified new/modified options of rising to the current challenges as was evident in the collective rendering of the 'Signage of the Constitution' commemorative joint SRACH Program on the 10th December 2020 with picture inserts (below) of how we had to manage a joint SRACH Program within the new protocols environment of COVID 19, on social distancing, wearing of masks, temperature monitoring and trace documentation of participants.

Our Core Responsibilities of Sports and Recreation Division remains constant:

- Is to assist in developing the 9 priority Sporting Codes as identified in Gauteng Province.
- Create Sports and Recreation as a platform that assist in understanding Cultural Diversity and tolerance in Nation Building and the development of a Patriotic Society through integration.
- Establish and assist with the continued development of Sports in collaboration with the Sports Councils/Confederations in the Region.
- Develop the turnaround strategy of our Region through our Sports Plan.
- Facilitate the impact of the Recreational Policy for the Region once approved.
- Facilitate Strategic Partnerships in pursuance of our goals and objectives.

On the 10th of December 2020 at our joint signature event of the 'Signage of the Constitution', SRACH managed to combine our programs as the protocol level afforded the opportunity of having certain outdoor activities with a controlled number of participants which had to be clearly processed within the controlled environment on Constitution Square Vereeniging in the second quarter of our SDBIP's highlight.

Programmes which were scheduled for the third and fourth quarter of 2021, could not be progressively implemented due to a National State of Disaster which has been declared as a result; of Covid-19 pandemic. Most Sectoral programs other than role out limited physical activity programs had to be conducted within the confinement has been on lockdown under Level 03 as per Disaster Management Act No. 57 of 2002 Regulations issued in terms of Section 27 (2) and the prescriptions of the National Arts & Culture Government Gazette 1060 of 7th of October 2020 respectively.

Promote and Support Arts & Culture Programmes



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The SRACH Directorate in the Arts and Culture Division has the responsibility to manage and operate three major Theatres in the Region being the Vereeniging Theatre, Mphatlalatsane Theatre (Closed as stated earlier) and the Sharpeville Hall/theatre daily which currently under the directive of both the Disaster Management Act 57 of 2002, section 27(2) and the National Government Gazette 1060 as expressed above as indoor facilities could not operate adequately due to the limitations and cost effective sustainability of productions and events, of critical importance is that the Vereeniging Theatre in a joint program with the Health Directorate had established a functional COVID 19 Community free testing station adjacent to the theatre that operates from the facilities in the Vereeniging Theatre of particular consequence is that being cognitive of the testing station utilising the kitchen and latrine facilities within the Vereeniging Regional Theatre currently has an knock-on impact of Arts and Culture patronage at the theatre.

Ongoing strategic partnerships within the Arts & Culture fraternity through good diplomacy and client management principles have managed to continue with drastically scaled down as per Covid 19 Protocols theatrical development of stage productions and plays in the various genres of the art's in collaboration with private sector practitioners in the various fields of Arts and culture which has created a catalyst for developmental opportunities with the underprivileged communities by giving them the expediency necessary to develop within their preferred sectors of the Arts and Culture Industry, Key focus areas in this regard include the following:

- Re-visit/re-draft and modify the strategic 'Possible Development Challenges Document of 2012' In the different sectors and genres of the Arts and other SRACH Divisions based on the best options within the COVID 19 procedures, noting that it might remain a constant situation within the 'New Normal'.
- Create an understanding in Cultural Diversity and Tolerance in Nation Building, the creation of a Patriotic Society fully integrated especially given the xenophobic and societal race issues that is becoming more urgent in processing both the 'National Question' and Social Cohesion in South Africa.
- Establish the Development of the Creative Industries as a New Economic Driver that links to Heritage and Sports Programs that would focus on the unique Memorabilia development for the Region.
- Develop the turnaround strategies for Arts & Culture and Theatres in our Region.
- Develop the South Corridor "School of the Arts" in our Region at our major facilities in a more nuanced method.
- Facilitate Strategic Partnerships and peculiar adoptions of specific sectors/programs through Social Responsibility mechanisms around taxation and the issuing of this types of exemptions as a strategy to overcome under development in our various Divisions within SRACH Holistically (5% write off) as we pay a lot of taxes on salaries but cannot apply for most Government support grants.
- Consider Public, Private, Partnerships that can create mutual beneficiation opportunities for all our operations to advance the development of our various sectors and divisions within SRACH.

Specific High lights during the period that Arts & Culture had managed to facilitate within the period of the Annual Report is the following:

- Gospel Goes Indigenous 25th April 2021.
- External partnership Klipdraai Talent Search Competition 5th & 6th June 2021.
- Participated with numerous Virtual Webinars with DSACR, GFC & other meetings etc.
- We had established as SRACH a WhatsApp Management site for communication and weekly meetings.
- We have managed to process our service providers documentations & payments including SCM issues.

## Promote and support Heritage & Museums in the Sedibeng Region:

From the perspective of Heritage & Museums basically most of our Commemorative Events was/is categorized as 'COVID 19 Super Spreader Events' that at different periods could not be implement as both National and Provincial Government have all

# Chapter 3

been impacted by the working conditions under the pandemic as Museums is still categorized as not being operational since the lockdown in March 2020 till the current period, we have however suffered major infections and loss of life across the entire institution and specific staff components who functioned under the scheduled work attendance programs including those who work from Home.

Out of our six signature events identified by the SDBIP's for the 2020/21 period we had only managed to facilitate the following programs of Commemorative Events though most of the groundwork and support processes were implemented numerous cancellations/postponements had occurred:

The Heritage & Museums Division had engaged with numerous Webinars on programs and process planning with various National, Provincial and Local Governance structures on processing support for a range of our SDBIP Programs in particular the Commemorative Days program, Geographic Name Change Programs, Identification and registration of Heritage Sites in the Region and direct interactions with both the National Heritage Council and PRAG around source work related to UNESCO for Sharpeville and Boipatong Museum respectively.

- Signage of the Constitution on the 10th of December 2020 on Constitution Square Vereeniging.
- The Sebokeng Night Vigil Massacre on the 12th of January 2021.
- Preparatory processes for the Human Rights programs for March 2021 despite the main event being cancelled due to the COVID 19 Protocols & Levels we have managed to do associated build-up programs for Human Rights Month 2021.
- 31st of May 2021 partnership with Afrikaner entities who during the course of the year had done numerous repair and maintenance at the Peace Monument including the removal and placement of the Voortrekker miniature monument at the Peace Monument etc

Financial Performance Year 0: Sport and Recreation					R'000
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>					
Expenditure:					
Employees	1,420	1,454	1,555	1,555	6%
Repairs and Maintenance					
Other	10	10	10	11	10%
<b>Total Operational Expenditure</b>	1,430	1,464	1,565	1,566	7%
<b>Net Operational Expenditure</b>	1,430	1,464	1,565	1,566	7%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.23.4

## Comment on the performance of Sports, Recreation, Arts, Culture & Heritage

The SRACH Department has not fully met its obligations of the SDBIP for the period with some challenges in in all Divisions of SRACH, however despite some severe difficulties we congratulate our collective team on a sterling performance despite the elements of COVID 19 and the new phenomenon of having our facilities consistently being burgled regularly including vandalization, We remain vigilant in aspiring to render service delivery where possible on both Geographic Name Changes and declaration processes that goes through other Provincial and National responding Agencies/Departments, In Arts and Culture we have very serious capacity challenges and financial challenges that impacts the outcome of the division, the same can be classified for Sports and Recreation.

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It should also be noted that programmes which were scheduled for the fourth quarter could not be implemented as most functions and facilities have been on lockdown throughout from Level 05, which started on the 26 March 2020 to date, under Level 03 as per Disaster Management Act No. 57 of 2002 Regulations issued in terms of Section 27 (2)

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## 3.24 EXECUTIVE AND COUNCIL

On the 3rd of August 2016, South Africa conducted Local Government Elections. Emanating from this process, there were changes in the municipality; where new Councillors were ushered in Council. Subsequently Sedibeng Council was established on the 18th of August 2016; with new political parties constituting Sedibeng Council. Effective corporate governance is a central focus that distinguishes Sedibeng District Municipality from other municipalities. The District Municipality has established important committees to encourage compliance with all legislation and to enhance ethical consideration by all its employees and Councillors.

### INTRODUCTION TO EXECUTIVE AND COUNCIL

The Executive and Council include all administrative support that is provided to the offices of the Executive Mayor, the Speaker of Council, the Municipal Public Accounts Committee Chairperson and Councillors. Normally these would include all meetings of Council and those of other committees of council.

The support is rendered by the Committee Section within the Corporate Services Cluster. The primary function of this unit is to ensure support to the Executive Mayor and Speaker of Council; ensuring efficient, well-coordinated and smooth running of the meetings, including minutes recording and archiving of all Mayoral, Council and other Committees of Council minutes.

### SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

For the period under review, the following tables depict the number of meetings held by Mayoral Committee and Council:



	Finance	Corporate	Community Services			Strategic Planning and Economic Development			Transport, Infrastructure and Environment	
			Health & Social Development	Public Safety	SRAC	Strategic Planning	LED & Tourism	Development Planning and Human Settlement	Transport & Infrastructure	Environment and Clean Energy
Number of Ordinary Meetings										

MAYORAL COMMITTEE MEETINGS	
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COUNCIL MEETINGS	
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## COMMENTS ON THE PERFORMANCE OF EXECUTIVE AND COUNCIL

For the period under review, Executive performed well, albeit under financial constraints.

Financial Performance Year 0: The Executive and Council					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					
Expenditure:					
Employees	47,525	48,818	49,334	47,770	-2%
Repairs and Maintenance					
Other	7,057	8,441	5,450	6,173	-37%
<b>Total Operational Expenditure</b>	54,582	57,260	54,785	53,943	-6%
<b>Net Operational Expenditure</b>	54,582	57,260	54,785	53,943	-6%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.24.5

### 3.25 FINANCIAL SERVICES

This Cluster is regarded as the aorta for the municipality; hence prudent, effective and efficient service is the blood within this cluster. It is divided into two Directorates, namely, the Financial Management Directorate and the Supply Chain Management Directorate, all reporting the Chief Financial Officer.

The Cluster sees to it that there is prudent spending on all municipality projects. The cluster is highly regulated and ignorance is no excuse in executing duties and responsibilities. Below is graphical and tables enunciating what transpired in terms of financial movements.



Financial Service Policy Objectives Taken From IDP									
Service Objectives  <i>Service Indicators</i>	Outline Service Targets	Year 0		Year 1		Year 2	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<b>Service Objective xxx</b>									
<i>Increase in speed of payment of tariffs, tax demands, invoices</i>	No more than x% of creditors raised (in Rand value) during the year outstanding (o/s) at year end	No more than T0% of current yr creditors o/s at yr end	No more than A0% of current yr creditors o/s at yr end	No more than T1% of current yr creditors o/s at yr end	No more than T1% of current yr creditors o/s at yr end	No more than A1% of current yr creditors o/s at yr end	No more than T2% of current yr creditors o/s at yr end	No more than T5% of current yr creditors o/s at yr end	No more than T5% of current yr creditors o/s at yr end
<i>Reducing the number of invoices raised by increasing advance payment for services rendered (A project requiring participation by all departments but let by the central finance department)</i>	x% reduction in number of invoices raised over the previous year's target	T0% reduction in invoices raised; target limit of invoices	A0% reduction in invoices raised; target limit of invoices	T1% reduction in invoices raised; target limit of invoices	T1% reduction in invoices raised; target limit of invoices	A1% reduction in invoices raised; target limit of invoices	T2% reduction in invoices raised; target limit of invoices	T5% reduction in invoices raised; target limit of invoices	T5% reduction in invoices raised; target limit of invoices
<i>Improving speed of legal measures to recover revenues</i>	Commence legal proceedings for recovery of revenues within 4 weeks of the due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date	% of legal proceeding commenced within 4 weeks of due date	% of legal proceeding commenced within 4 weeks of due date	% of legal proceeding commenced within 4 weeks of due date
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; **Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									T 3.25.3

Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	3	1	25%
4 - 6	4	9	3	6	67%
7 - 9	7	8	7	1	13%
10 - 12	0	6	0	6	100%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	17	29	15	14	48%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.25.4

Financial Performance Year 0: Financial Services					
Details	R'000				
	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	275,094	282,176	286,165	286,014	1%
Expenditure:					
Employees	17,308	12,206	11,861	18,176	33%
Repairs and Maintenance					
Other	8,741	8,382	7,714	6,774	-24%
<b>Total Operational Expenditure</b>	26,049	20,587	19,575	24,950	17%
<b>Net Operational Expenditure</b>	(249,045)	(261,588)	(266,590)	(261,064)	0%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.25.5

### 3.26 HUMAN RESOURCE SERVICES

Section 51 of Municipal Systems Act, requires that municipality must within its administrative and financial capacity establish and organize its administration in a manner that would enable the municipality to- (a) be responsive to the needs of the local community;(b) facilitate a culture of public service and accountability amongst its staff;(c) be performance orientated and focused on the objects of local government set out in section 152 of the Constitution and its developmental duties as required by section 153 of the Constitution;(d) ensure that its political structures, political office bearers and managers and other staff members align their roles and responsibilities with the priorities and objectives set out in the municipality's integrated development plan;(e) establish clear relationships, and facilitate co-operation, co- ordination and communication; (f) organize its political structures, political office bearers and administration in a flexible way in order to respond to changing priorities and circumstances;(g) perform its functions; (h) assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms;(i) hold the municipal manager accountable for the overall performance of the administration;(j) maximize efficiency of communication and decision-making within the administration; (k) delegate responsibility to the most effective level within the administration ;(l) involve staff in management decisions as far as is practicable; and(m) provide an equitable, fair, open and non-discriminatory working environment. The Directorate is designed to maximize employees' performance of municipality's IDP Strategies and Objectives; paying particular attention to policies,

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systems and processes. The Directorate is responsible for overseeing employees' benefits design, employee recruitment, training and Development, performance appraisal, and rewarding. It is also tasked with organizational change and industrial relations such as the balancing of organizational practices with requirements arising from collective bargaining and governmental laws.

As at the end of the year under review, this Directorate had carried out the following deliverables and objectives:

- Successfully submitted Workplace Skills Plan and Training Plan with LGSETA within prescribed time period;
- Capacitated employees on code of conduct, including conditions of employment;
- Implemented electronic leave management system;
- Established Occupational Health and Safety Committee;
- Established Employment Equity Committee and it is fully active in equity matters relating to employees;
- Actively participated in the mitigation and management of Covid-19 scourge among employees;
- Participate in the Local Labour Forum meetings and the implementation of its resolutions;
- Developing Job Descriptions and evaluating existing and new job levels.
- Capacitating employees through internal bursaries;
- Recorded yet again zero fatalities and injuries in the workplace.
- Continued with Wellness programmes aimed at empowering employees on a variety of socio-economic issues or challenges faced by employees; including personalised one-on-one Psycho-social support;
- Developed and reviewed human resources policies

Through active participation and cohabitation with organised labour, the Municipality has successfully maintained harmonious workplace relations by proactively preventing disputes, disruptive workplace activities and resolving workplace disputes by application of various dispute resolution mechanisms; for which the testimony is the zero protests by employees.

## SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Employees: Human Resource Services					
Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Level 12 -13	0	0	0	0	0%
Level 9-11	5	4	4	0	0%
Level 6-8	1	1	1	0	0%
Level (4-5)	6	6	6	0	0%
Level 2-3	2	3	2	1	33%
Level 1	0	0	0	0	0%
Level 0	0	0	0	0	0%
Total	14	14	13	1	7%



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Financial Performance Year 0: Human Resource Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	403	442	442	317	-39%	
Expenditure:						
Employees	7,685	7,761	8,246	8,481	8%	
Repairs and Maintenance						
Other	283	577	921	749	23%	
<b>Total Operational Expenditure</b>	7,968	8,337	9,167	9,230	10%	
<b>Net Operational Expenditure</b>	7,565	7,896	8,725	8,913	11%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.26.5	

## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

Among other activities performed by the Human Resources Directorate, the following were the key:

- Human Resources Development
- Employee Relations
- Recruitment and Selection
- Health and Safety
- Employment Equity
- Development of HR policies
- HR Administration (HR systems and Leave management)

## 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information technology is critical for the Sedibeng District Municipality's (SDM) mission and its successful operations, and information technology is needed to create a strategic advantage for the municipality. When information technology initiatives align with the strategic goals of SDM, the impact can be transformative – empowering Departments to improve business operations to deliver quality services, and fomenting change through the intelligent use of data.

Accountability and responsibility for the corporate governance of ICT in SDM is assigned to the following:

- The Accounting Officer (MM) is accountable for implementing the Corporate Governance of ICT;
- The Executive Director Corporate Services is responsible for implementing the Corporate Governance of ICT; and
- The SDM Governance Champion is assigned to the Executive Director Corporate Services and is responsible for the operationalization of the Corporate Governance of ICT in SDM.

The Directorate of Information and Communication Technology (ICT) Services is situated in the Corporate Services Cluster and reports to directly to the Executive Director: Corporate Services. The Department is headed by the Director ICT and supported with a staff compliment of sixteen. The staff consists of highly skilled technical support personnel, administrative personnel as well as switchboard operators.

The priorities of the Directorate for the year included the following:

### 3.27.1.1 The corporate governance of ICT.

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ICT Governance (Information and Communication Technology Governance) is a process used to monitor and control key information technology capability decisions - in an attempt –to ensure the delivery of value to key stakeholders in an organization. The Corporate Governance of ICT is about ICT decisions that have an impact on business value. The Directorate endeavoured to control and monitor objectives to deliver key value. The imperatives for alignment were identified and responded to as follows:

*Affordability* – the ICT Directorate contained costs and focused on value for money.

*Ease of use* – the Directorate endeavoured to ensure that the ICT technology would be easy to use for all users and supported end-users in numerous ways. Through the Help Desk 802 users were assisted with ICT related queries and 26 audio visual meetings were supported. Training of users in the use of MS Teams are ongoing to ensure compliance with work-from-home requirements through reducing physical contact.

*Reliability - Systems need to functions as intended at all times. ICT supported this objective vigorously and sustained high uptime of systems, servers and hardware. For the period server services were available at 99.916%, internet and electronic mail access at 99.416% and fibre connectivity at 97.583%. Indeed, excellent achievement within budget and scope.*

*Security* - Firewalls, anti-virus programs and facilitation of administrators' rights are in place and monitored on an ongoing basis. No security breaches or unusual activities were detected during for the period. Licenses were renewed on time as to ensure a secure environment. The anti-virus system functioned fully in the period and patches and updates are downloaded on a continuous basis to both servers and other tools of the trade.

## 3.27.1.2 Management of the fibre optic infrastructure.

The Information and Communication Technology (ICT) Department of the Sedibeng District Municipality (SDM) maintains approximately 110 km of fibre underground for fibre-optic communication purposes. This network connects buildings and offices throughout the Sedibeng region and facilitates communication, data sharing and exchange. The functionality of the fibre is vital to ensure connectivity throughout the district, as this infrastructure forms part of the vital fibre optic backbone linking SDM and its local municipalities.

The Directorate maintained a 97.583% uptime in the period. Down-time was caused by a Faulty fibre link at the Meyerton Licensing centre and a tree interfered with radio transmission at the Lesedi Testing Station. After trees were trimmed at the Lesedi Testing station and a new radio was installed at the Meyerton Licensing centre, all remote links came online. No down time further reported. Links are functional and point-to-point communication is available at all off-site locations.

## 3.27.1.3 Securing the ICT operating environment.

The ICT Department is tasked with securing the data and electronic communications environment of Sedibeng. Securing the environment requires physical and technical efforts to build resistance to prevent unauthorised access to servers, data and information. To mitigate any attempt at breaching security, dedicated ICT staff members maintain and regularly review system access violation logs to identify possible hacking attempts. Threats identified are investigated, reviewed and reported to implement a suitable action plan to thwart and prevent any unsolicited attack/breach.

The Sentinel Log Manager application logs and reports such events. In the period the log manager did not report any attempt at infiltration and successfully quarantined any malicious software that attempted to infiltrate the ICT environment.

The ICT Department succeeded in protecting the ICT assets of SDM in the period. Not only was the physical hardware protected, but information stored on computers and networks were protected from unauthorised access and malicious attacks. Daily monitoring of systems is ongoing.

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## 3.27.1.4 Approving and implementing the SDM ICT Strategic plan.

The Information and Communication Technology Strategic Plan (ICTSP) for 2020-2025 provides a blueprint for achieving the vision of leveraging reliable and emerging technologies and information resources to support the mission and vision of the SDM.

The Strategic plan, as approved by Council, was monitored and reported on quarterly. All financial responsibilities in terms of capital expenditure, licensing and other operational expenses were timely met and expenditure on votes remained within the approved budget.

The twelve approved objectives stipulated in the Strategic Plan were all reported on and were successfully met. Policies were continuously enforced and monitored, whilst change management took place within the ambit of approved policies. Service delivery on all objectives were high and the Directorate was dedicated to the implementation of the strategic plan to ensure the achievement of goals and objectives.

## 3.27.1.5 Review and monitor approved contracts in the ICT Department.

The ICT Department currently have four operational service level agreements in place. A summary of the service level agreements is as follow:

*8/2/2/11-201*- Network cabling and repairs with Netplus CC. Vendor performance was reviewed quarterly and the vendor performed excellent in all performance areas. The contract expires on 31/07/2021 and a new tender will be published to appoint a new vendor in line with Supply Chain Management regulations.

*VPN2021* - VPN Technologies provide IT networking engineering support and internet services. The contract is valid until 2024 and quarterly performance review took place along with monthly security meetings. Service delivery on this contract is in line with service deliver objectives stipulated in contract.

*TMD2021*- High-mast rental through TMD Communications. The contract is valid until 2023and service availability on this contract was 100% uptime in the period.

*SLINK2017*- Telecommunication system (office telephones and switchboard) with the service provider SecureLink CC. This contract was extended on a month-to-month basis in the year because a successful bidder could not be appointed after a full tender process. The bid was re-advertised. The current service provider continued with servicing SDM diligently and in line with service objectives.


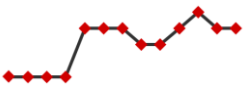

## 3.27.1.6 Performance and improving risk

The ICT risk assessment register was completed with input from the Gauteng Provincial Government Audit Services (GAS). The objective of the ICT risk assessment was to identify ICT risks that could influence the achievement of organisational achievements. To this effect thirteen risks were identified. Of these two had a lower inherent risk rating and the remainder had a high residual risk rating.




Substantial progress was made on improving some of the identified risks. The lack of budget allocation hampered achieving significant improvement in high-risk areas as reducing the risk in these identified areas requires substantial capital investment in ICT. The lack of specialist training of ICT is also of concern.

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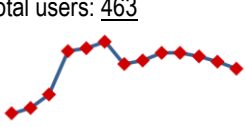

The lockdown and subsequent extended lockdown severely hampered progress on achieving outcomes identified in the risk register. The finalisation and approval of the ICT strategic plan was a significant achievement for the Department. The plan will provide the ICT Department with a blueprint for achieving the mission and vision of the Sedibeng District Municipality.  
T 3.27.1

SERVICE STATISTICS FOR ICT SERVICES			
ICT Service Statistics 2020/2021			
ICT Governance			
Reporting on the status quo of the ICT operational environment regarding the compliance with the corporate governance of information and communication technology (ICT) policy framework (CGICTPF) as approved by Council.			
Imperative	Operational Requirements	ICT Environment	
Affordability	SDM require ICT costs to be low and are focused on value for money	<b>ICT expenditure included (in Rand):</b>	
		Mobile communication	239,188
		Telephony	2,630,665
		High mast rental	91,445
		Internet and firewall services	335,280
		Software license fees	3,811,421
		DSTV & SABC TV Licenses	45,267
		Repair and maintenance of hardware	85,268
		Repair and maintenance of network infrastructure	557,854
		Printing peripherals	545,209
		Capital expenditure computers and peripherals	411,522
		Capital expenditure networking/fibre	144,332
		Ease of use	The ICT technology should be easy to use for all users.
 <p>Activity remained restrained due to the ongoing restrictions experienced due to the SARS Covid-19 pandemic.</p>			
Reliability	Systems need to functions as intended at all times	Audio and visual support were delivered to 26 events.	
		 <p>Again, activity remained reserved due to the ongoing restrictions experienced due to the SARS Covid-19 pandemic.</p>	
Reliability	Systems need to functions as intended at all times	Fibre optic availability: <b>97.583%</b>	
		 <p>The fibre optic infrastructure delivered consistent performance in the period under review. Downtime as mainly caused by operational infractions that was resolved timely.</p>	
		ICT Operational environment availability: <b>99.916%</b>	

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		<p>The servers continue to deliver high uptime and functionality. Downtime occurred due to a sustained power outage (single incident).</p>  <p>Investment in upgrading the aging hardware is essential and should be observed as recommended in the approved ICT Strategic Plan.</p>														
		<p>Internet and electronic mail availability: <b>99.416%</b></p>  <p>Overall the performance was excellent with the software and systems continuing to provide very high uptime to users. Downtime was caused by a Telkom cable failure that affected large areas of Johannesburg and the surrounding areas.</p>														
Security	<p>Unauthorized access to data should be prevented and integrity of data/system protected. The SDM host-based intrusion detection system (HIDS) reported and blocked packets on the network interface after analysing exchanged packages. No breaches in security occurred in the year 2020/2021 as the statistics reflect</p>	<table border="1"> <thead> <tr> <th>HIDS data sources</th> <th>12-month total</th> </tr> </thead> <tbody> <tr> <td>Serious malware attack(s)</td> <td>0</td> </tr> <tr> <td>Firewall Version</td> <td>PfSense 2.4.5 release P1 Free BSD 11.3</td> </tr> <tr> <td>Firewall Status</td> <td>Stable</td> </tr> <tr> <td>Floating rules</td> <td>33</td> </tr> <tr> <td>Services published</td> <td>6 Telkom SA</td> </tr> <tr> <td>Top five countries of origin attacks</td> <td>United States of America China Taiwan South Korea Russian Federation</td> </tr> </tbody> </table>	HIDS data sources	12-month total	Serious malware attack(s)	0	Firewall Version	PfSense 2.4.5 release P1 Free BSD 11.3	Firewall Status	Stable	Floating rules	33	Services published	6 Telkom SA	Top five countries of origin attacks	United States of America China Taiwan South Korea Russian Federation
		HIDS data sources	12-month total													
		Serious malware attack(s)	0													
		Firewall Version	PfSense 2.4.5 release P1 Free BSD 11.3													
		Firewall Status	Stable													
		Floating rules	33													
Services published	6 Telkom SA															
Top five countries of origin attacks	United States of America China Taiwan South Korea Russian Federation															
Audit and internal controls	<p>An accurate reflection of processes and procedures is vital to ensure compliance to best practices, ICT standards and regulatory requirements</p>	<p>A full regulatory audit took place in February 2021 through the office of the Auditor General (AG).</p> <p>The AG found that there were slight improvements noted in the area of IT governance while IT systems remained stagnant. As a result, the IT general controls were not effective to support reliance on IT controls and systems. The improvement in IT governance was due to the effectiveness of action plans implemented in the IT function. The stagnation of IT systems was due to the ageing of IT infrastructure, which did not allow for the effective implementation of IT controls. Furthermore, the budget allocated to the ICT function was not adequate to address the weaknesses in the environment</p>														
		<p>No internal audit review of ICT services took place in the period.</p>														
<b>ICT Operational Services</b>																
Vendor performance monitoring																
Manage mobile subscriptions	<p>A total of 67 mobile subscription contracts are managed by the ICT Department.</p> <p>Total cost of contracts managed: R 616,660.</p>															

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<p>Management of switchboard, lines and peripherals</p>	<p>Calls made in the period: <u>284,388</u>            Total users: <u>463</u></p> 	<p>Expenditure in the period: <u>R 2,985,934</u></p> 
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ICT Services Policy Objectives Taken From IDP									
Service Objectives  <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>WORLD-CLASS ICT INFRASTRUCTURE IN SUPPORT OF A “SMART SEDIBENG”</b>									
Maintain the Council’s optic fibre network ensuring high availability with efficient and effective resource utilization	Report on repairs, maintenance and performance of optic fibre network	4	4	4	4	4	4	4	4
Coordinate and implement ICT shared service connectivity with local municipalities	Number of municipalities participating in the ICT related shared services	4	4	4	4	4	4	4	4
Ensure functionality of the ICT Steering Committee	To provide oversight to ICT operations	4	4	4	4	4	4	4	4

T 3.27.3

# Chapter 4

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3(12-13)	0	0	0	0	
4 - 6(9-11)	8	8	8	0	0%
7 - 9(6-8)	14	14	14	0	0%
10 - 12(4-5)	6	6	0	6	100%
13 - 15(2-3)	1	1	1	0	0%
16 - 18(1)	0	0	0	0	
19 - 20(0)	0	0	0	0	0%
<b>Total</b>	<b>29</b>	<b>29</b>	<b>23</b>	<b>6</b>	<b>21%</b>

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.27.4

Financial Performance Year 0: ICT Services					
Details	R'000				
	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	10,964	11,607	6,618	6,618	-75%
Expenditure:					
Employees	20,093	20,357	16,613	16,798	-21%
Repairs and Maintenance	3,142	3,054	2,805	2,281	-34%
Other	15,709	12,191	13,233	11,919	-2%
<b>Total Operational Expenditure</b>	<b>38,945</b>	<b>35,602</b>	<b>32,650</b>	<b>30,998</b>	<b>-15%</b>
<b>Net Operational Expenditure</b>	<b>27,981</b>	<b>23,995</b>	<b>26,032</b>	<b>24,381</b>	<b>2%</b>
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.27.5

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL



# Chapter 4

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During the 2019/2020 period the ICT Department performed excellent albeit under difficult circumstances. The reduction in the capital and operation budget allocations lead to innovative actions to ensure that the standard of service and availability of systems remained high. Hardware consistently performed well, but as technology age and newer technology becomes available, it is inevitable that upgrades will need to be made, which will require capital allocation to computer hardware. The fibre infrastructure availability remained in the high ninety percent range, despite power failures and damage by external parties.

The approval of the ICT Strategic Plan 2020 – 2025 will create a sense of technology direction in Sedibeng. The plan will increase operational efficiencies, increase durability and improved sustainability of ICT. The ICT Strategic Plan will ensure that SDM moves to a proactive ICT capability, reduce risk and align ICT resources with SDM's organisational objectives.

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## 3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

### Legal Services:

The key objective for Legal Services is to ensure an enabling legal environment for Council to operate in. This is achieved by the, inter alia, rendering of support in the development and vetting of contract, the provision of legal advice to council committees and other functionaries, the perusal of reports and other documents and providing legal comments thereon and the rendering of legal support in the development of by-laws, policies and other documents. Legal Services is also tasked with the management of legal cases instituted by the municipality and the defence of actions that are instituted against the municipality.

The overall objective for the department is ensuring the proper management of Council business. Its other divisions are the committee administration section which renders effective secretarial services to Council and its committees, the records section which continues to be the best nationally and auxiliary services, which provides a courier service and a printing service to the organisation.

The presence of Legal Services is felt in every aspect of Council work, municipalities being a highly regulated environment with a myriad of legislation and regulations that need to be complied with. Legal Services assist in this regard by providing advice when called upon to do so, maintaining a presence at meetings, providing advice in relation to the interpretation of legislation and other legal instruments.

A crucial part of the service that this unit provides is in the development or vetting of contracts. This function is potentially fertile ground for legal challenges and consumes a lot of time and expertise to perform effectively. It is an important indicator of the department's effectiveness in this regard that there has not been a single instance where the municipality was sued as a result of its contracts, this despite the large number of contracts that were dealt with in the period being reported on.

Contract management and administration in particular, and legal services in general cannot be done by the staff in the department. It is a support services department and its work feeds off the inputs and instructions provided by the rest of the organisation. The quarterly contract management meetings are an example of the

# Chapter 4

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symbiotic relationship the department has with the other offices, and are aimed at improving the understanding of each functionary of what contract administration entails, the red flags that all should be on the look-out for etc. It is intended that information sessions that go beyond the administration and management of contracts be held going forward, in order to improve performance, efficiencies and cooperation among the internal stake-holders. The key objective for Legal Services is to provide legal services to the political and administrative arms and to ensure an enabling legal environment for Council to operate in. This can be achieved by ensuring that Legal Services performs its core functions accurately. The core functions of the directorate include, but are not limited to the following:

## Litigation management

- Defending all legal action/applications instituted against SDM by third parties,
- Instituting legal action/applications on behalf of the SDM against third parties,
- Management of external attorneys and service providers.

## Corporate and Council legal compliance

- Providing legal comments on all reports submitted to SDM committees, the Mayoral Committee and the Council,
- Providing legal opinions to the Council and the Directorates,
- Drafting SDM by-laws and assisting directorates with policy-making that are pertinent to the Municipality,
- Providing legal support to the Council,
- Providing specialised legal services in respect of projects or initiatives of the SDM and serving on the technical task teams concerned,
- Providing specialised legal support in respect of commercial ventures and related contracts,
- Managing the legal process to recover damages from third parties regarding SDM property Alienation, acquisitions and development law,
- Administering and rendering effective secretarial services to Council and its committees.

## Procurement Services

The Supply Chain Management Unit resides within the Finance Cluster. The Local Government: Municipal Finance Management Act (Act 56 of 2003) requires the municipality to have and implement a Supply Chain Management Policy (SCM Policy) which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

# Chapter 4

In addition, the Preferential Procurement Policy Framework Act (Act 5 of 2000) requires an organ of state to determine its Preferential Procurement Policy and to implement it within the framework prescribed. The following bid committees were established and are fully functional:

- Bid Specification Committee;
- Bid Evaluation Committee; and
- Bid Adjudication Committee.

All municipal procurement is conducted against the annual procurement plan that has been approved by the Accounting Officer. Demand management performance has been monitored and reported on a monthly basis to the senior management team for oversight and control purposes.

## SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

A number of contracts were drafted and vetted. Monthly Mayoral and Council meetings are attended. Ad hoc committee meetings are also attended. There were litigation matters for the financial year. Some of these matters were against the municipality; while other matters were the municipality instituting proceedings against third parties.

Financial Performance Year 0: Property; Legal; Risk Management (Corporate Services)						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>				1,214	100%	
Expenditure:						
Employees	50,319	50,593	54,137	54,624	7%	
Repairs and Maintenance	1,739	1,696	1,455	2,195	23%	
Other	38,934	29,867	26,013	29,768	0%	
<b>Total Operational Expenditure</b>	90,992	82,156	81,605	86,587	5%	
<b>Net Operational Expenditure</b>	90,992	82,156	81,605	85,373	4%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.28.5	

## COMPONENT J: MISCELLANEOUS

# Chapter 4

Sedibeng manages both the Vereeniging and Heidelberg Airports. These are fully functional and for the period under review, Vereeniging has continued to improve its services, amidst old infrastructure, of supply of fuel and general maintenance.

The Heidelberg Airport is operated by the local flying club and a pilot training school is also based at the facility. The former Vanderbijlpark Airport has been deregistered.

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

The purpose of this report is to provide summary analysis of Sedibeng District Municipal performance for the 2019/2020 financial year. This is dictated to by the Municipal Systems Act 32 of 2000; which prescribes that the municipality must establish performance management system that is:

- a. Commensurate with its resources
- b. Best suited to its circumstances and:
- c. In line with its priorities, objectives, indicators and targets as contained in the Integrated Development Plan

Currently, Sedibeng is implementing manual organisational performance management system; in line and compatible with all the legislation that governs performance. The system has been in use for about 3 years now, albeit some challenges with regards to principles of objectives and indicators; which we hope to improve on going forward.

The municipality performance system is in line with the vision and mission of the municipality; and also juxtaposed with the 5Rs+2 of the second generation GDS III; which are: Reinvent the Economy; Renew our Communities; Reviving a Sustainable Environment; Reintegrating our Region; Releasing Human Potential; Good and Financial Sustainable Governance; Vibrant Democracy. Progress is tracked every quarter and is accompanied by POEs, signed off by the HOD of respective Clusters and PMT offices. Although there was notable improvement in performance, there are still challenges with regards to implementing the principles underpinning objectives and indicators. We subsequently developed Standard Operating Procedures (SOPs) to guide and support objectives and indicators against the targets.

# Chapter 4

## 2020/21 ANNUAL PERFORMANCE REPORT - SUMMARY REPORT

The tabulation below illustrates that the overall **Annual Performance of the Municipality for 2020/21 FY is 64 % for Administration** compared to the previous performance of **67% in 2019/20 FY**. The decrease in the performance may be attributed to a number environmental factors, which included the impact of Covid-19 pandemic; and changes in leadership and administration. This prevented employees from coming to work and those who operated from home, had no sufficient tools of trade. Let it also be noted that the calculations done are correct, as per the targets as set out in the SDBIP.ADMINISTRATION Calculation of the annual achievement was based on the overall achievement of targets set as supported by evidence made available for the purposes of this report.

2020/21					2019/20 FY				
Office	Total targets planned	Total targets achieved	Variance	(%) annual achievements 2020/201	Office	Total targets planned	Total targets achieved	Variance	(%) annual achievements 2020/201
<b>ADMINISTRATION (AUDITOR GENERAL MEASURABLES)</b>					<b>ADMINISTRATION (AUDITOR GENERAL MEASURABLES)</b>				
Office of the Municipal Manager	8	5	3	63%	Office of the Municipal Manager	10	7	3	70%
Finance	9	9	0	100%	Finance	9	5	4	56%
Corporate Services	34	11	23	32%	Corporate Services	13	8	5	62%
Community Services	9	4	5	44%	Community Services	7	4	3	57%

# Chapter 4

2020/21					2019/20 FY				
Office	Total targets planned	Total targets achieved	Variance	(%) annual achievements 2020/201	Office	Total targets planned	Total targets achieved	Variance	(%) annual achievements 2020/201
Transport, Infrastructure & Environment & Licensing	7	5	2	71%	Transport, Infrastructure & Environment & Licensing	8	6	2	75%
Strategic Planning & Local Economic Development	11	8	3	73%	Strategic Planning & Local Economic Development	11	9	2	82%
Overall					Overall				
Organizational Performance	78	42	36	64%	Organizational Performance	58	39	19	67%

# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART

The Organizational Development Unit in the Human Resources Directorate serves as key transformation agent dealing with the structure of the Municipality. This is done to ascertain that the municipality remains relevant and is aligned to its strategy, job description and evaluation process; including paradigm shift by all in the municipality; hence the unit operates separately within the Human Resources Department. The municipality needs to change to enable its responsiveness to citizen's needs, sustainability and resilience; including competitive edge. The municipality has to develop strong competitive advantage for impending evolution, including adoption of the 4<sup>th</sup> Industrial Revolution aspects.

The municipality therefore subscribes to the notion that “clearly defined and espoused organisational values as the compass for the journey towards organisational effectiveness. Values are the behaviours particularly valued in an organisation. They are defined as a set of core beliefs or principles that influence the way people and groups behave and are demonstrated through the behaviours they encourage. They provide a consistent point of reference to steer direction, inform decisions and measure outcomes enabling the organisation to achieve its visions”. The municipality therefore aspires to consistently consult, engage and focus in a manner that is consistent with the intention of those values

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

The National Development Plan impresses on the attainment of a capable and developmental state; amongst others, the right quality and quantity of human resources. Therefore, adequately balanced and skilled workforce invariably enhance the quality and sustainable provision of service by the municipality. Although currently out of reach and seems impossible, the municipality is on a concerted efforts for appropriately sized organisation; where skills would match the core functions of the municipality.

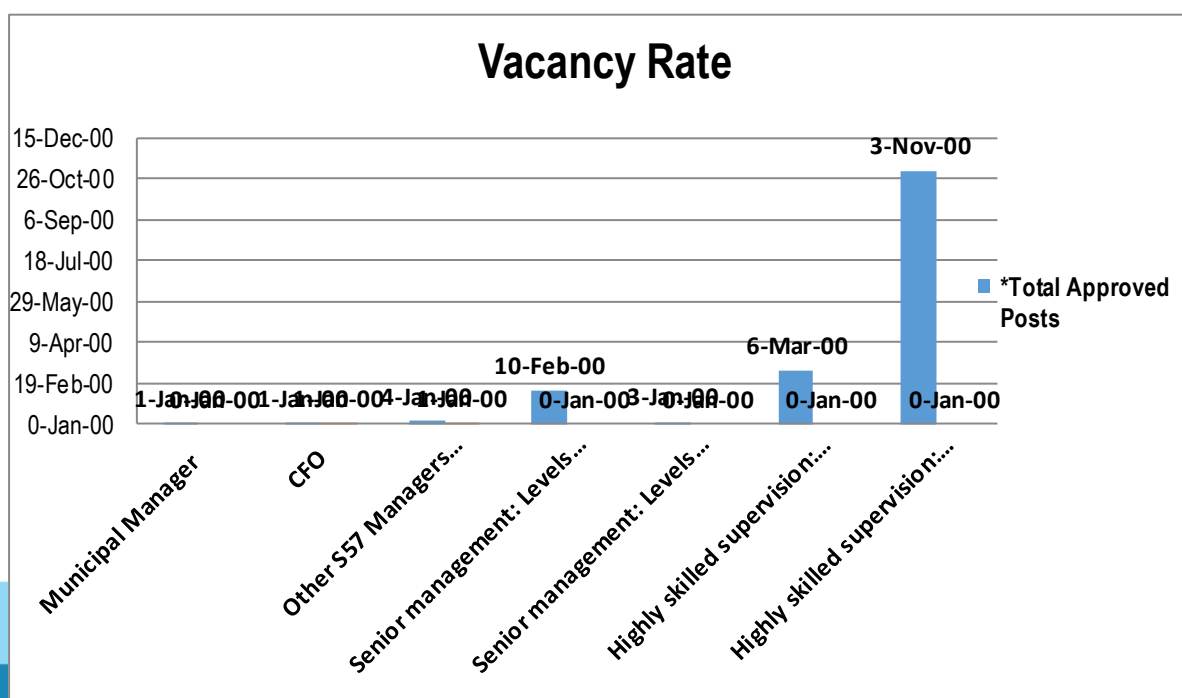
As at 30 June 2019, Sedibeng District Municipality had a total workforce of 628 employees, distributed to various departments. The Table below depicts the number of employees and vacancy rate per departments.

#### 4.1. EMPLOYEE TOTALS, TURNOVER AND VACANCIES

TOTAL NUMBER OF STAFF INCLUDING COUNCILLORS FOR JUNE 2020											
CATEGORY	CLUSTERS										
	Councillors	Office of the Mayor	Office of the Speaker	Office of the Chief Whip	Office of the MM	Finance	Corporate Services	TIE	Community Services	SPED	Total Number per Category
Permanent Staff	0	17	10	5	21	14	154	181	85	55	542
Contract Staff	0	2	3	1	1	1	3	1	2	2	16
Section 57 Staff	0	0	0	0	1	0	1	0	1	1	4
Interns	0	0	0	0	0	4	0	3	0	0	7
Committee Members	0	0	0	0	5	0	0	0	5	0	10
Councillors	45	1	2	1	0	0	0	0	0	0	49
<b>TOTAL</b>	<b>45</b>	<b>20</b>	<b>15</b>	<b>7</b>	<b>28</b>	<b>19</b>	<b>158</b>	<b>185</b>	<b>93</b>	<b>58</b>	<b>628</b>

# Chapter 4

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	1	100.00
Other S57 Managers (excluding Finance Posts)	4	1	25.00
Senior management: Levels 2-3 (excluding Finance Posts)	41	0	0.00
Senior management: Levels 2-3 (Finance posts)	3	0	0.00
Highly skilled supervision: levels 4-6 (excluding Finance posts)	66	0	0.00
Highly skilled supervision: levels 4-6 (Finance posts)	308	0	0.00
<b>Total</b>	<b>424</b>	<b>2</b>	<b>0.47</b>



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Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year -2	616	35	6%
Year -1	595	21	4%
Year 0	628	19	8%



# Chapter 4

It should be acknowledged that Sedibeng, like other municipalities in the country, experiences financial constraints. As such some vacancies, although approved, will still remain vacant until such time that the municipality's finances improve. It is also commendable that the municipality's vacancy rate is lower than 10%.

The turnover rate is also at the minimal; where in the main the attrition is caused by normal retirements, resignations and deaths, while very low percentage is due to dismissals. Otherwise the average age of the workforce at this municipality is between 30 and 45 years of age; therefore high turnover rate is unlikely.

## COMMENT ON VACANCIES AND TURNOVER

Sedibeng, like any other municipality, is experiencing staff turnover. During the year under review, in the main, staff turnover has been due to retirements and/or deaths; which unfortunately the municipality cannot fill most of them because of efforts to reduce staff.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Workforce management is a core function of each line manager and supervisors; hence the consistent development and reviewal of policies, processes and standards ensure fair and reasonable standardisation in managing the workforce; and those are adopted and approved by various structures within the municipality. Sec 67 of the Municipal Systems Act 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 1998.

In an effort to uphold the provisions of legislation, the municipality reviewed and workshop were held on policies for councilors. Conducted road shows for staff to reinforce and enlighten them about some crucial systems such biometric for time and attendance, code of conduct; and procedures such as grievance procures.

### 4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Career Pathing Policy	100%		5-Dec-18
2	Succession Planning Policy	100%		5-Dec-18
3	Retention Policy	100%		5-Dec-18
4	Internship Policy	100%		5-Dec-18
5	Learnership Policy	100%		5-Dec-18
6	Essential Services	100%		26-Nov-14
7	Employee Assistance / Wellness	100%		26-Nov-14
8	Employment Equity	100%		26-Nov-14
9	Exit Management	100%		26-Nov-14
10	Grievance Procedures(SALGA/Labour Collective Agreement)	100%		26-Nov-14
11	HIV/Aids	100%		26-Nov-14
12	Human Resource Development	100%	100%	1-Dec-18

# Chapter 4

13	Incapacity Policy	100%	100%	5-Dec-18
16	Occupational Health and Safety	100%		26-Nov-14
17	Official Housing	100%		26-Nov-14
18	Official Journeys	100%		26-Nov-14
19	Official transport to attend Funerals (reflected on the Bereavement Policy)	100%		26-Nov-14
21	Organisational Rights	100%		26-Nov-14
22	Bereavement Policy	100%	100%	31-Mar-15
24	Recruitment, Selection and Appointments	100%		7-Jul-10
25	Remuneration Scales and Allowances	100%		26-Nov-14
26	Resettlement Relocation	100%		26-Nov-14
27	Sexual Harassment	100%		26-Nov-14
28	Flexi Time Policy	100%		26-Nov-14
29	Smoking	100%		26-Nov-14
31	Work Organisation	100%		26-Nov-14
32	Uniforms and Protective Clothing	100%		26-Nov-14
33	Other:			

## COMMENTS ON WORKFORCE POLICY DEVELOPMENT

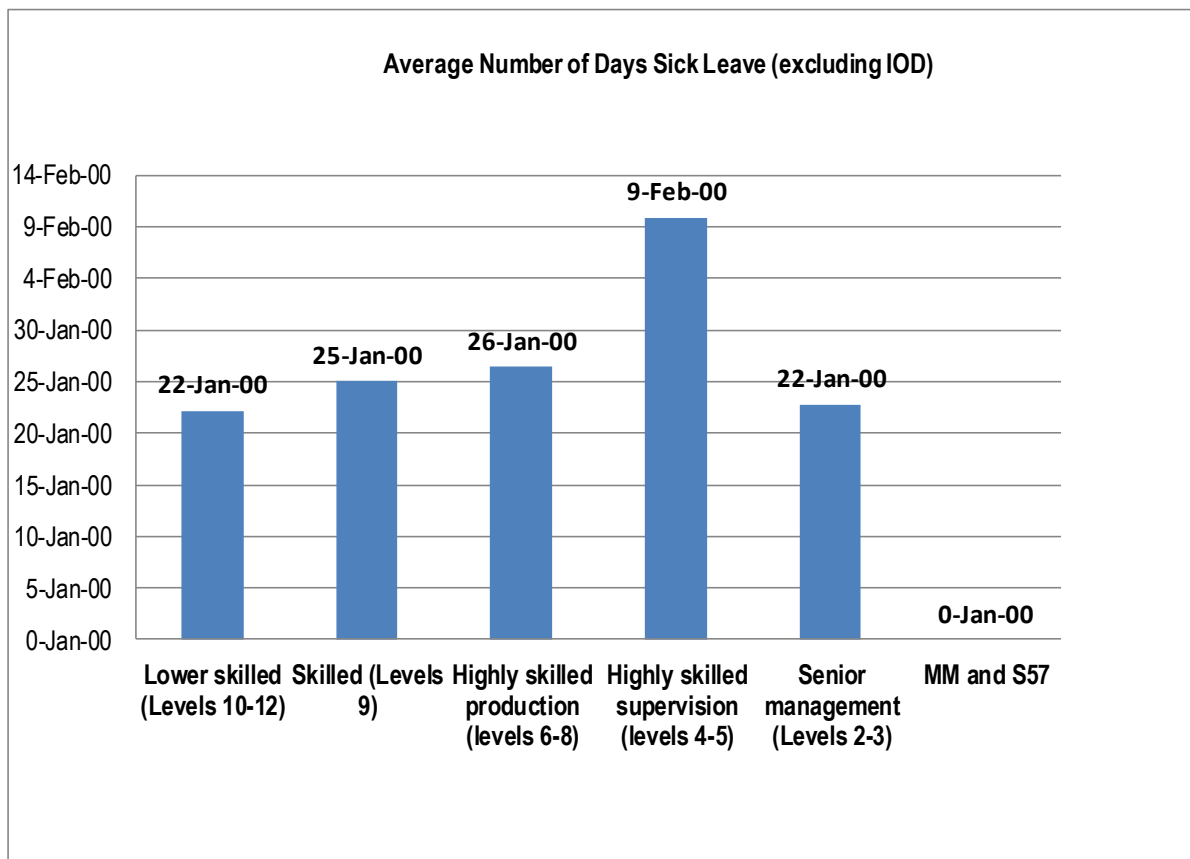
In any organisation, policies and procedures are instrumental for orderly and logical carrying of particular duties. The review and development of policies are influenced in the main by the changing circumstances and situations such as the municipality trajectory in pursuing particular vision. Most policies carry reviewal period with them; while others are reviewed based on circumstances. The exercise of the development and/or review of policies is not desk- or laptop driven, but rather a concerted, coordinated and synergised effort; where all and sundry in the municipality should be involved

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	60	5	8%	12	60
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
<b>Total</b>	<b>60</b>	<b>5</b>	<b>8%</b>	<b>12</b>	<b>60</b>

T 4.3.1

# Chapter 4



COMMENT ON INJURY AND SICK LEAVE:

It is noted with concern that applications for sick leave is more predominant in highly skilled to senior management; which hamper smooth running of the municipality.

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
N/A	N/A	N/A	N/A	N/A

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Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
N/A	N/A	N/A	N/A

4.4 PERFORMANCE REWARDS

# Chapter 4

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 10-12)	Female	0	0	0	0%
	Male	0	0	0	0%
Skilled (Levels 9)	Female	0	0	0	0%
	Male	0	0	0	0%
Highly skilled production (levels 8)	Female	0	0	0	0%
	Male	0	0	0	0%
Highly skilled supervision (levels 4-6)	Female	0	0	0	0%
	Male	0	0	0	0%
Senior management (Levels 2-3)	Female	0	0	0	0%
	Male	0	0	0	0%
MM and S57	Female	0	0	0	0%
	Male	0	0	0	0%
Total					

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Like any other municipality currently in the country, there are no sufficient funds to capacitate employees that need personal development. This has to a large extent been compounded by a lack of a comprehensive, holistic and integrated framework for human capital development that will guide and integrate key processes such as training needs analysis, career pathing and planning, succession planning, management and leadership development, knowledge exchange and innovation. However, the municipality provided financial assistance (bursary) to employees who needed to further their education; mostly in line with their Personal Development Plans.

During the year under review Council approved several policies. The municipality also complied with the Skills Development Act requirement of submitting to the Local government SETA (LGSETA) the Workplace Skills Plan (WSP) on the due date on the 30th April 2020.

### SKILLS DEVELOPMENT AND TRAINING

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The smartest people are those who adopt a positive attitude toward life-long learning; those who realize that there is always a lot to learn, and those who spend their time accumulating knowledge to improve their skills development process.

Learning is, then, a life-long process; there is never a point at which one can say that he or she has learnt everything, or know enough. Irrespective of positions employees hold, all need some skills to improve careers and personal life.

# Chapter 4

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South Africa enacted the Skills Development Act in 1998; and it was hoped that it would help address the skills shortage the country as a whole was and is currently facing. This increased investment in skills development was intended to translate into greater returns on investment for employers, while simultaneously generating a more competent workforce with improved future employment prospects.

Through providing access to further training and education in a controlled environment, the Skills Development Act sought to empower employees while enticing employers to participate with promises of increased profit. The Skills Development Act of 1998, and Skills Development Levy Act of 1999, set the bar for focussed skills development programs, and the Sector Education and Training Authorities (SETAs) were implemented to monitor skills development efforts and ensure that energies spent were in line with the overall Sector Skills Plans.

As a municipality, we pride ourselves with much focussed skills development for our employees and unemployed community members, especially youth. The municipality has, for several years now, complied with the dates for submission of submission dates for skill Development Plans. These plans have subsequently earned the municipality approval for various LGSETA interventions. For the year under review, the municipality got approval for LGSETA Interventions for our employees; and subsequently have paid for those employees who sought financial assistance to further their studies. Below is the table that enunciates training programmes paid for by the municipality

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0
MM and s57	Female		5	0	0	0	0	0	0	0	1	0	0	1
	Male		5	0	0	0	0	0	0	1	2	0	1	2
Councillors, senior officials and managers	Female		2	0	0	0	0	0	0	3	3	0	3	3
	Male		3	0	0	0	0	0	0	4	4	0	4	4
Technicians and associate professionals*	Female		4	0	0	0	0	0	0	2	2	0	2	2
	Male		8	0	0	0	0	0	0	8	9	0	8	9
Professionals	Female		8	0	0	0	0	0	0	6	6	0	6	6
	Male		6	0	0	0	0	0	0	2	2	0	2	2
Sub total	Female		19	0	0	0	0	0	0	11	12	0	11	12
	Male		22	0	0	0	0	0	0	15	17	0	15	17
<b>Total</b>		<b>0</b>	<b>82</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52</b>	<b>58</b>	<b>0</b>	<b>52</b>	<b>58</b>

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

T 4.5.1

# Chapter 4

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials	7	0	7	4		4
<i>Accounting officer</i>	1	0	1	1	1	1
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	2	0	2	2	0	2
<i>Any other financial officials</i>	1	0	1	1	0	1
Supply Chain Management Officials	4	0	4	4	0	4
<i>Heads of supply chain management units</i>	1	0	1	1	0	1
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>1</b>	<b>5</b>

\* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations June 2007) T 4.5.2

# Chapter 4

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1	0	0	0	0	0	0	3000	0
	Male	3	0	0	0	0	0	58000	12000	58000
Legislators, senior officials and managers	Female	41	0	0	0	0	0	58000	10701	58000
	Male	74	0	0	0	0	0	58000	19314	58000
Professionals and associate professionals	Female	24	0	0	0	0	0	0	15051	0
	Male	20	0		0	0	0	0	9987	0
Technicians	Female	48	0	0	0	0	0	0	15051	0
	Male	41	20000	0	0	0	0	27229	9987	27229
Clerks	Female	139	180000	0	0	0	0	18945	9987	18945
	Male	79	20000	0	0	0	0	30433	15051	30433
Service and sales workers	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Plant and machine operators	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Elementary occupations	Female	66	0	0	0	0	0	0	99858	0
	Male	53	0	0	0	0	0	0	80189	0
Sub total	Female	309	180000	0	0	0	0	76945	0	76945
	Male	260	40000	0	0	0	0	173662	0	173662
<b>Total</b>		<b>559</b>	<b>220000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250607</b>	<b>300000</b>	<b>250607</b>
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R

T4.5.3



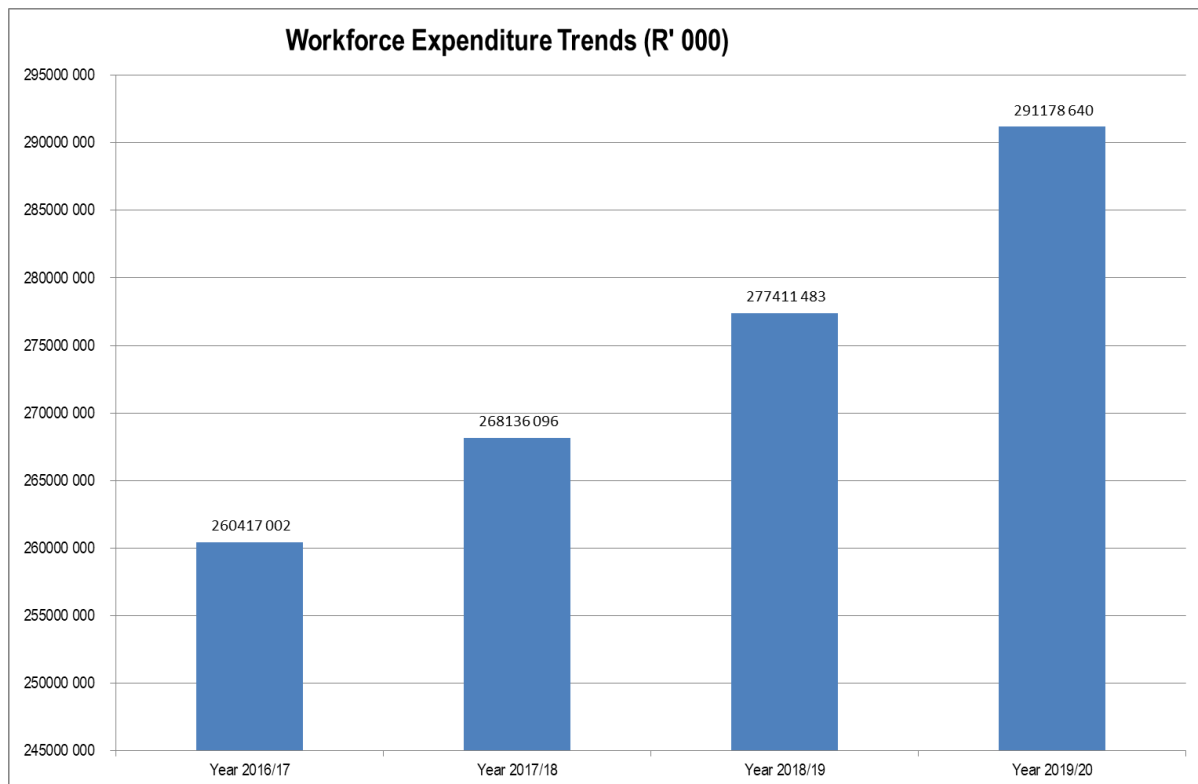
COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Although received late, there is progress made with regards to training of youth and other individuals regarding LGSETA funds.

**COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE**

INTRODUCTION TO WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE



COMMENT ON WORKFORCE EXPENDITURE:

Normal increase as per bargaining council was implemented for the 2019/20 financial year. An additional increase in leave provision had to be made as a result of the Covid-19 pandemic where leave days were not utilized during the period

# Chapter 4

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels9-12)	Female	0
	Male	0
Senior management (Levels13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

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

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at Appendix K.

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#### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

# Chapter 5

Financial Summary						
Description	Year -1	Current: Year 0		Year 0 Variance		R' 000
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates					%	%
Service charges					%	%
Investment revenue	3,307	2,700	1,743	1,718	-36.38%	-1.46%
Transfers recognised - operational	284,349	313,062	303,022	293,453	-6.26%	-3.16%
Other own revenue	73,793	101,961	83,814	78,370	-23.14%	-6.50%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>361,449</b>	<b>417,723</b>	<b>388,580</b>	<b>373,540</b>	<b>-10.58%</b>	<b>-3.87%</b>
Employee costs	286,347	285,792	290,739	293,775	2.79%	1.04%
Remuneration of councillors	13,198	13,863	13,126	12,448	-10.20%	-5.16%
Depreciation & asset impairment	16,834	11,272	11,272	13,438	19.22%	19.22%
Finance charges	-	-	-	-	%	%
Materials and bulk purchases					%	%
Transfers and grants	-	15,825	1,214	2,055	-87.01%	69.29%
Other expenditure	97,293	90,470	86,311	81,681	-9.71%	-5.36%
<b>Total Expenditure</b>	<b>413,672</b>	<b>417,221</b>	<b>402,663</b>	<b>403,397</b>	<b>-3.31%</b>	<b>0.18%</b>
<b>Surplus/(Deficit)</b>	<b>(52,223)</b>	<b>502</b>	<b>(14,083)</b>	<b>(29,857)</b>	<b>-6046.72%</b>	<b>112.01%</b>
Transfers recognised - capital	39		600	2,644	%	%
Contributions recognised - capital & contributed assets					%	%
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(52,184)</b>	<b>502</b>	<b>(13,483)</b>	<b>(27,214)</b>	<b>-5520.19%</b>	<b>101.84%</b>
Share of surplus/ (deficit) of associate					%	%
<b>Surplus/(Deficit) for the year</b>	<b>(52,184)</b>	<b>502</b>	<b>(13,483)</b>	<b>(27,214)</b>	<b>-5520.19%</b>	<b>101.84%</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	39	-	600	2,644	%	%
Public contributions & donations					%	%
Borrowing					%	%
Internally generated funds	660	2,150	3,140	3,050	41.85%	-2.87%
<b>Total sources of capital funds</b>	<b>699</b>	<b>2,150</b>	<b>3,740</b>	<b>5,693</b>	<b>164.81%</b>	<b>52.23%</b>
<b>Financial position</b>						
Total current assets	20,956	24,512	14,206	11,971	-51.16%	-15.74%
Total non current assets	111,155	99,013	100,173	104,176	5.21%	4.00%
Total current liabilities	(226,032)	(152,280)	(223,429)	(237,281)	55.82%	6.20%
Total non current liabilities	-	-	-	-	%	%
Community wealth/Equity	(93,921)	(28,755)	(109,049)	(121,135)	321.26%	11.08%
<b>Cash flows</b>						
Net cash from (used) operating	(4,761)	(1,336)	(1,047)	(901)	-32.52%	-13.88%
Net cash from (used) investing	(612)	(2,050)	(3,640)	(5,658)	175.99%	55.43%
Net cash from (used) financing	-	-	-	-	%	%
<b>Cash/cash equivalents at the year end</b>	<b>16,131</b>	<b>23,659</b>	<b>11,444</b>	<b>9,572</b>	<b>-59.54%</b>	<b>-16.36%</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	16,131	23,659	11,444	9,572	-59.54%	-16.36%
Application of cash and investments	-	-	-	-	%	%
<b>Balance - surplus (shortfall)</b>	<b>16,131</b>	<b>23,659</b>	<b>11,444</b>	<b>9,572</b>	<b>-59.54%</b>	<b>-16.36%</b>
<b>Asset management</b>						
Asset register summary (WDV)	111,155	99,013	100,173	104,176	5.21%	4.00%
Depreciation & asset impairment	16,834	11,272	11,272	13,438	19.22%	19.22%
Renewal of Existing Assets	-	-	-	-	%	%
Repairs and Maintenance	5,785	6,189	6,000	5,827	-5.84%	-2.88%
<b>Free services</b>						
Cost of Free Basic Services provided	-	-	-	-	%	%
Revenue cost of free services provided	-	-	-	-	%	%
<b>Households below minimum service level</b>						
Water:	-	-	-	-	%	%
Sanitation/sewerage:	-	-	-	-	%	%
Energy:	-	-	-	-	%	%
Refuse:	-	-	-	-	%	%

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1

T 5.1.1

# Chapter 5

Financial Performance of Operational Services							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
<b>Operating Cost</b>							
Water					#DIV/0!	#DIV/0!	
Waste Water (Sanitation)					#DIV/0!	#DIV/0!	
Electricity					#DIV/0!	#DIV/0!	
Waste Management					#DIV/0!	#DIV/0!	
Housing	(1,525)	(1,530)	(1,612)	(1,623)	5.74%	0.73%	
Component A: sub-total	(1,525)	(1,530)	(1,612)	(1,623)	5.74%	0.73%	
Waste Water (Stormwater Drainage)					#DIV/0!	#DIV/0!	
Roads					#DIV/0!	#DIV/0!	
Transport	(12,358)	11,604	268	(5,674)	304.50%	104.73%	
Component B: sub-total	(12,358)	11,604	268	(5,674)	304.50%	104.73%	
Planning					#DIV/0!	#DIV/0!	
Local Economic Development					#DIV/0!	#DIV/0!	
Component B: sub-total	-	-	-	-	#DIV/0!	#DIV/0!	
Planning (Strategic & Regulatory)	(23,022)	(23,823)	(22,510)	(23,974)	0.63%	6.11%	
Local Economic Development		-	-	-	#DIV/0!	#DIV/0!	
Component C: sub-total	(23,022)	(23,823)	(22,510)	(23,974)	0.63%	6.11%	
Community & Social Services	(26,073)	(31,543)	(26,937)	(32,800)	3.83%	17.87%	
Environmental Protection	(4,407)	(4,788)	(5,165)	(5,236)	8.56%	1.36%	
Health	(21,924)	(23,192)	(21,618)	(21,122)	-9.80%	-2.35%	
Security and Safety	(7,839)	(4,767)	(5,045)	(5,464)	12.77%	7.68%	
Sport and Recreation	(2,728)	2,779	(2,940)	(2,942)	194.43%	0.09%	
Corporate Policy Offices and Other	47,653	75,762	72,074	71,623	-5.78%	-0.63%	
Component D: sub-total	(15,318)	14,251	10,370	4,059	-251.13%	-155.50%	
<b>Total net Expenditure</b>	<b>(52,223)</b>	<b>502</b>	<b>(13,483)</b>	<b>(27,214)</b>	<b>101.84%</b>	<b>50.46%</b>	
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.1.2	

## COMMENT ON FINANCIAL PERFORMANCE

See note 42 within the financial statements for detail on variances above 10%.

# Chapter 5

Grant Performance							R' 000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>269,689</b>	<b>282,832</b>	<b>282,832</b>	<b>282,482</b>	-0.12%	-0.12%	
Equitable share							
Municipal Systems Improvement Department of Water Affairs	-	-	-	-	#DIV/0!	#DIV/0!	
Levy replacement	268,626	281,832	281,832	281,832	0.00%	0.00%	
Other transfers/grants NDPG	80						
Other transfers/grants FMG	983	1,000	1,000	650	-53.79%	-53.79%	
<b>Provincial Government:</b>	<b>13,041</b>	<b>17,258</b>	<b>17,258</b>	<b>11,457</b>			
Health subsidy							
Housing							
Ambulance subsidy							
Sports and Recreation	2,093	2,654	2,654	1,206	-119.98%	-119.98%	
MSP							
EPWP grant	1,173	1,000	1,000	1,000	0.00%	0.00%	
LED grant							
Other transfers / Grants	1,832	2,456	2,456	427	-475.07%	-475.07%	
HIV & AIDS grant	7,943	11,148	11,148	8,824	-26.34%	-26.34%	
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,214</b>			
<i>Emfuleni</i>				1,214			
<b>Other grant providers:</b>	<b>1,618</b>	<b>1,995</b>	<b>1,995</b>	<b>943</b>			
NYDA	1,618	1,995	1,995	943			
<b>Total Operating Transfers and Grants</b>	<b>284,349</b>	<b>302,085</b>	<b>302,085</b>	<b>296,096</b>			
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						T 5.2.1	

## COMMENT ON OPERATING TRANSFERS AND GRANTS

Roll over application was done for the rural roads asset management grant as well as the Boipatong memorial grant due to the Covid-19 pandemic where projects could not be finalized

# Chapter 5

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year -1	Actual Grant Year 0	Year 0 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<b>Foreign Governments/Development Aid Agencies</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<b>Private Sector / Organisations</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<i>Provide a comprehensive response to this schedule</i>						<i>T 5.2.3</i>

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

Note: Refer to Note 1.5 and 1.6 of the Annual Financial Statements for further details on asset management accounting policy, as well as notes 2 to 5 on the reconciliation of non-current assets.

The municipality is not involved in infrastructure assets projects and the bulk of the asset register is comprised of movable assets. Assets are capitalized once procured and will be depreciated over the expected life span of the asset as per the accounting policy and asset management policy. Useful lives has been adjusted during the financial year of assets fully depreciated.

# Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
<b>Asset 1</b>				
Name	IT Equipmnet			
Description	Information Technology procurement of ICT equipment			
Asset Type	Computer Hardware (Own Assets)			
Key Staff Involved	Information Management Department			
Staff Responsibilities				
	2017/18	2018/19	2019/20	2020/21
Asset Value	62,272	647,934	340,052	2,273,548
Capital Implications				
Future Purpose of Asset	IT Communication			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management- , IT policies			
<b>Asset 2</b>				
Name	Internal Networks			
Description	Cabelling of Council buildings to link IT network with different servers and hubs.			
Asset Type	Computer Hardware (Own Assets)			
Key Staff Involved	Information Management Department			
Staff Responsibilities				
	2017/18	2018/19	2019/20	2020/21
Asset Value	666,624	524,329	23,780	144,332
Capital Implications				
Future Purpose of Asset	IT Communication			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management- , IT policies			
<b>Asset 3</b>				
Name	Furniture & Equipment			
Description	Moveable asset procurement - Office furniture & Equipment			
Asset Type	Furniture & Equipment			
Key Staff Involved	Facilities			
Staff Responsibilities				
	2017/18	2018/19	2019/20	2020/21
Asset Value	1525192	357244	218350	41706
Capital Implications				
Future Purpose of Asset	Furniture & Equipment for offices			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management policy			
				T 5.3.2

## COMMENT ON ASSET MANAGEMENT:

Note: Refer to Note 2 of the Annual Financial Statements for greater detail.



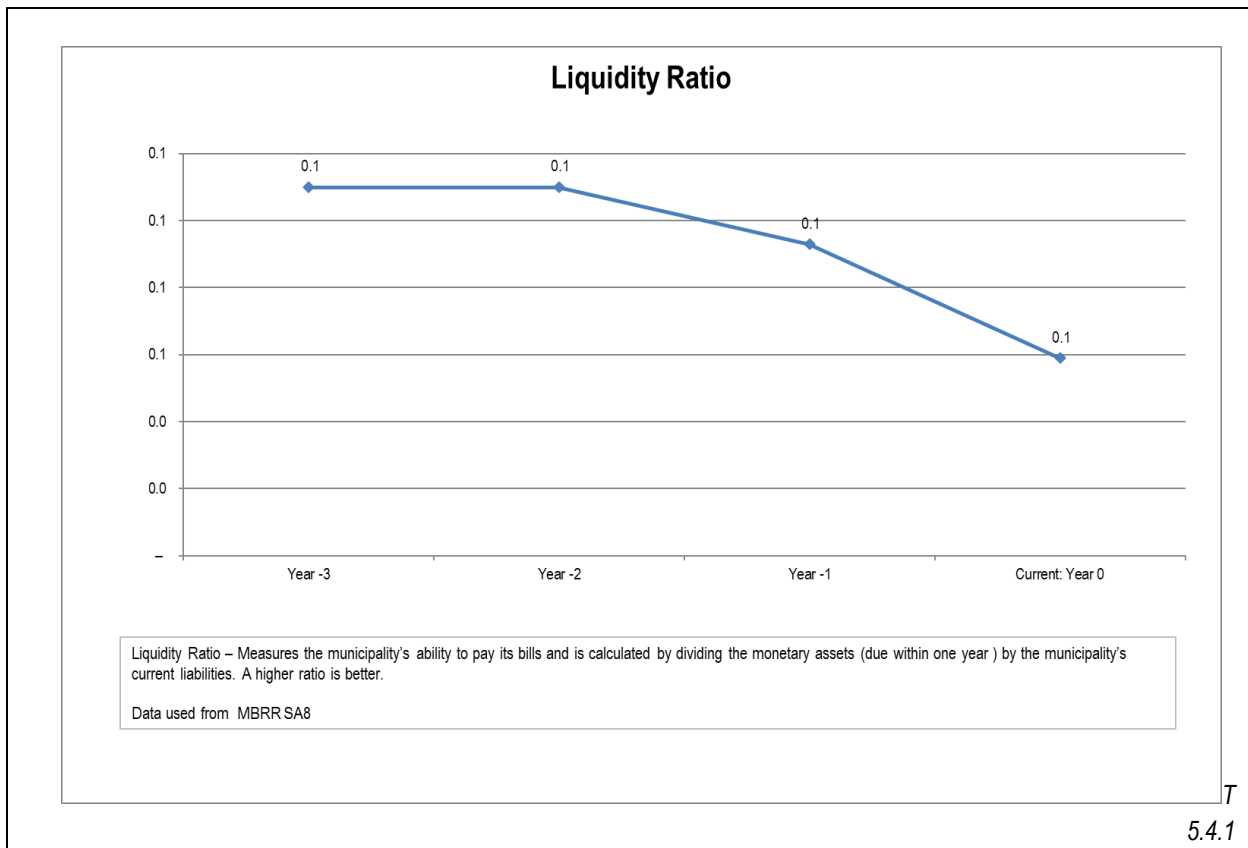
# Chapter 5

Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	6,189	6,000	5,827	3%
<i>T 5.3.4</i>				

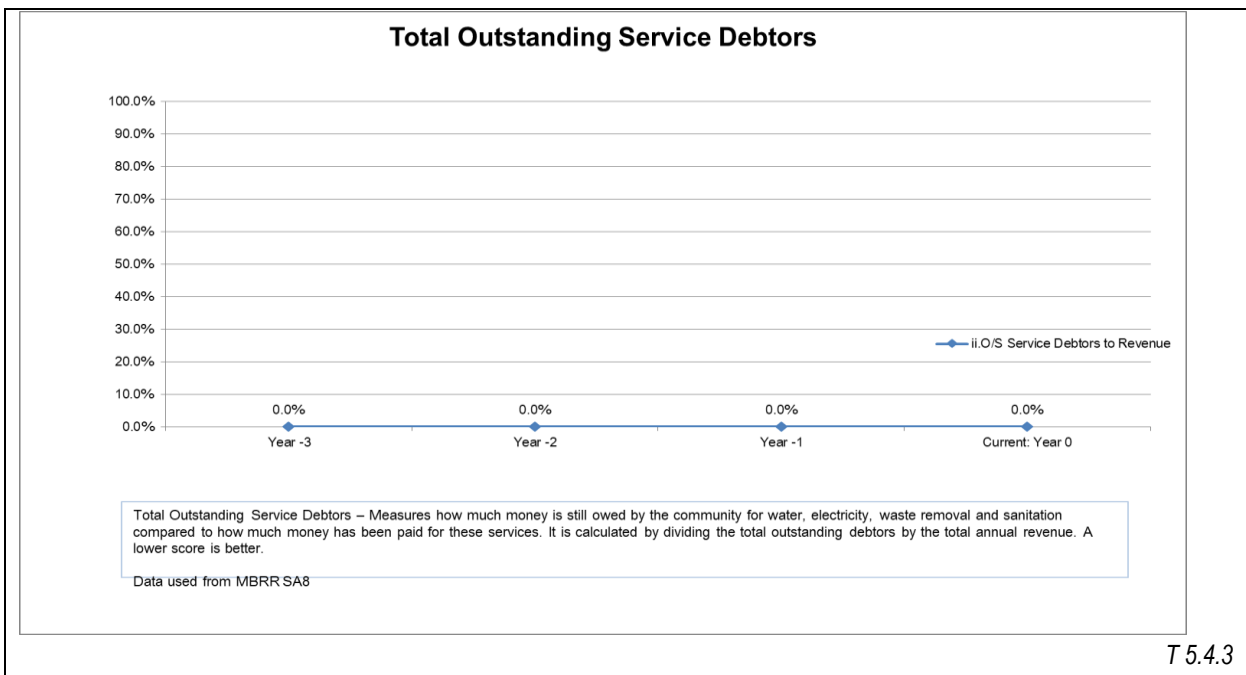
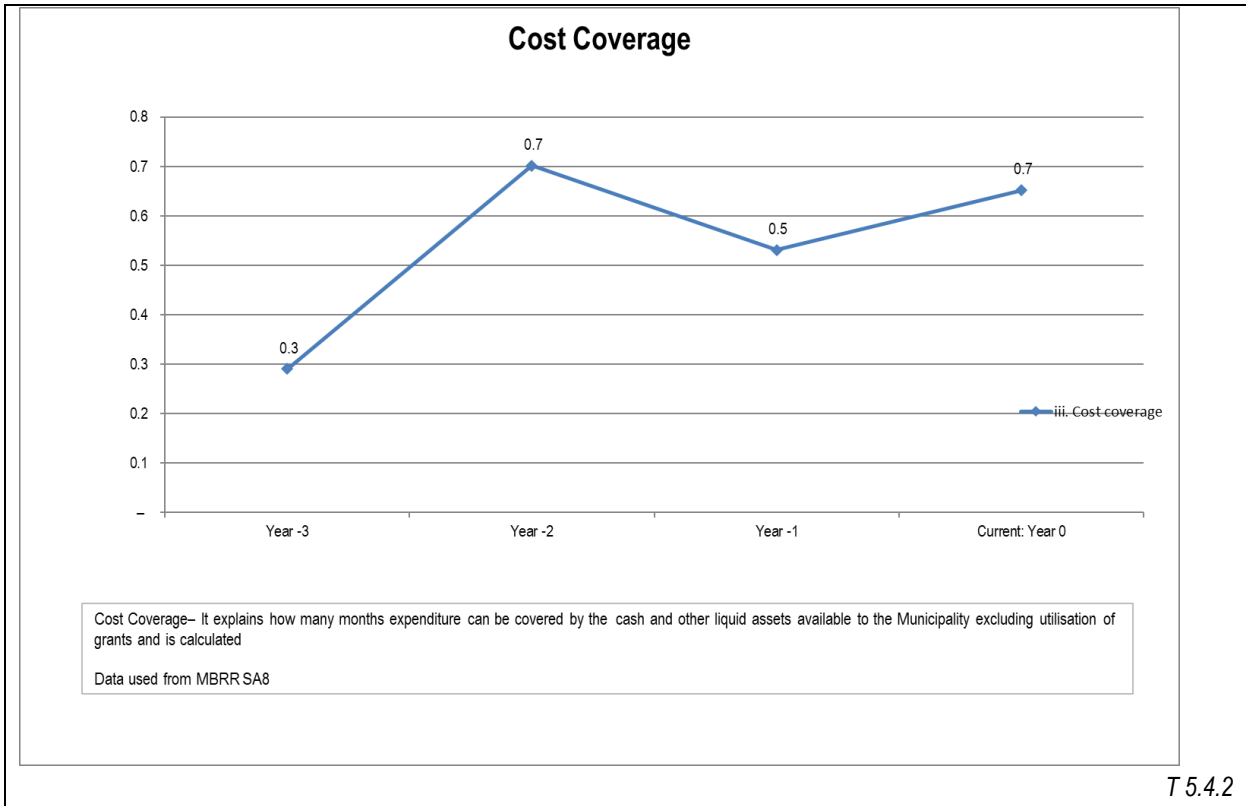
## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

Due to financial constraints, the municipality was not in a position to budget at the 8% benchmark for repairs & maintenance as prescribed by Treasury Norms and Standards

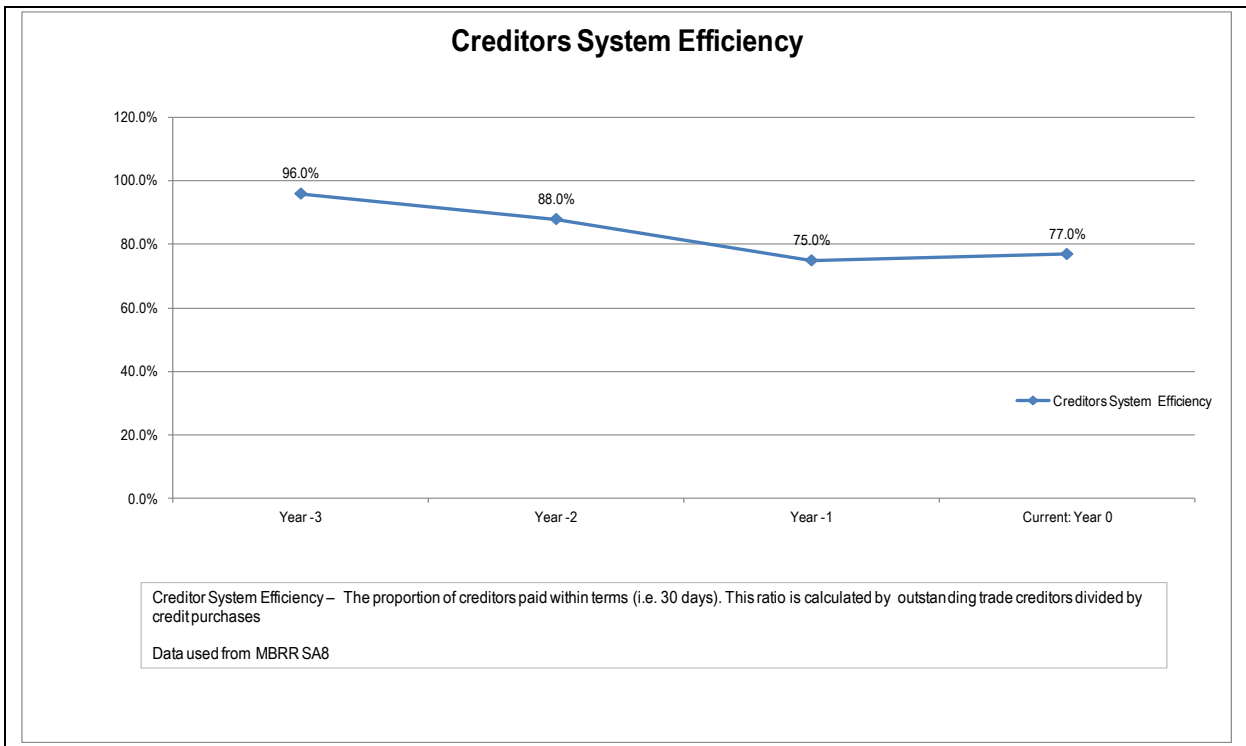
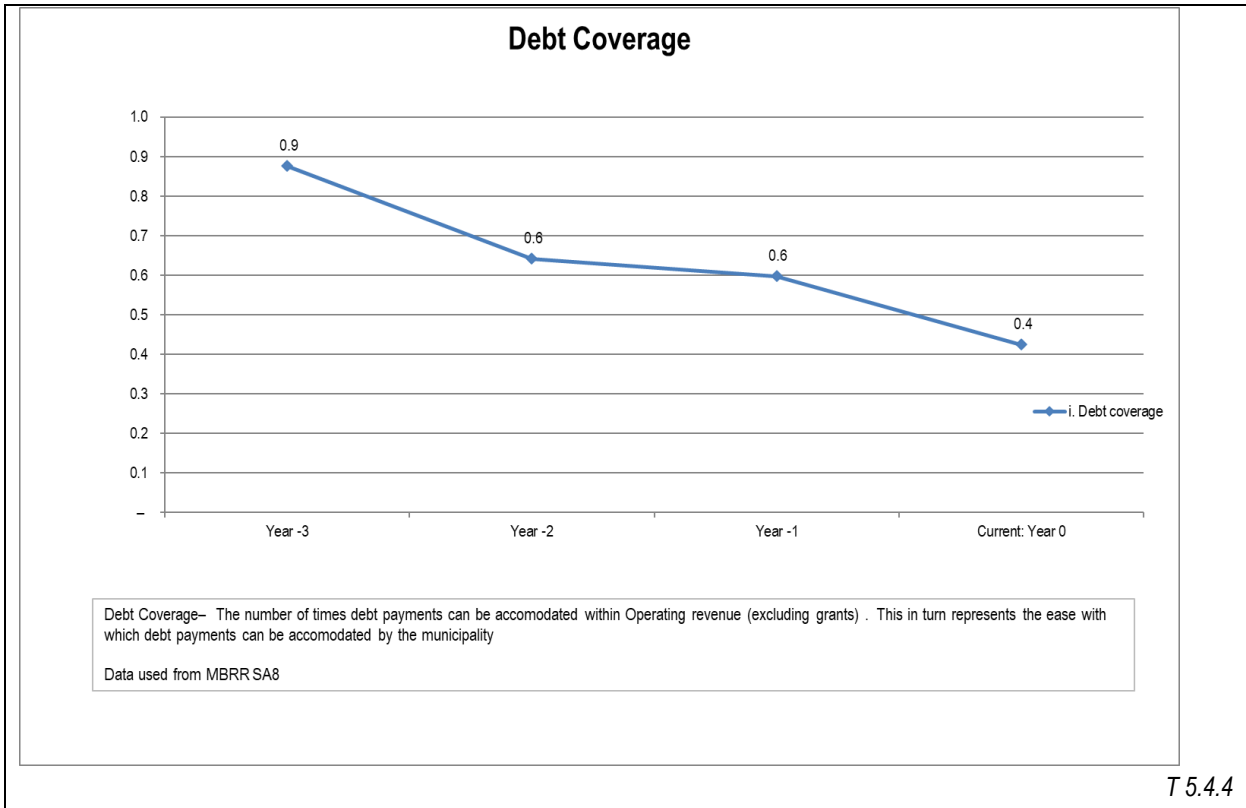
## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



# Chapter 5

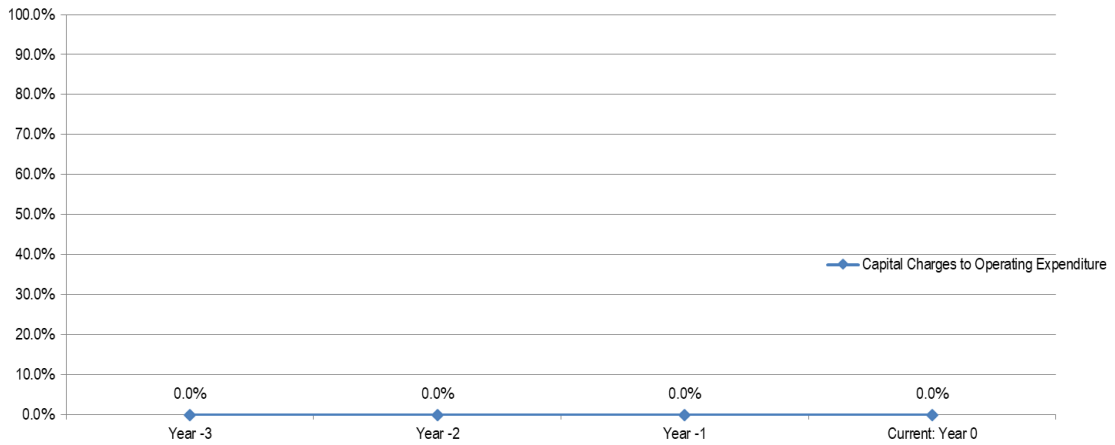


# Chapter 5



# Chapter 5

## Capital Charges to Operating Expenditure



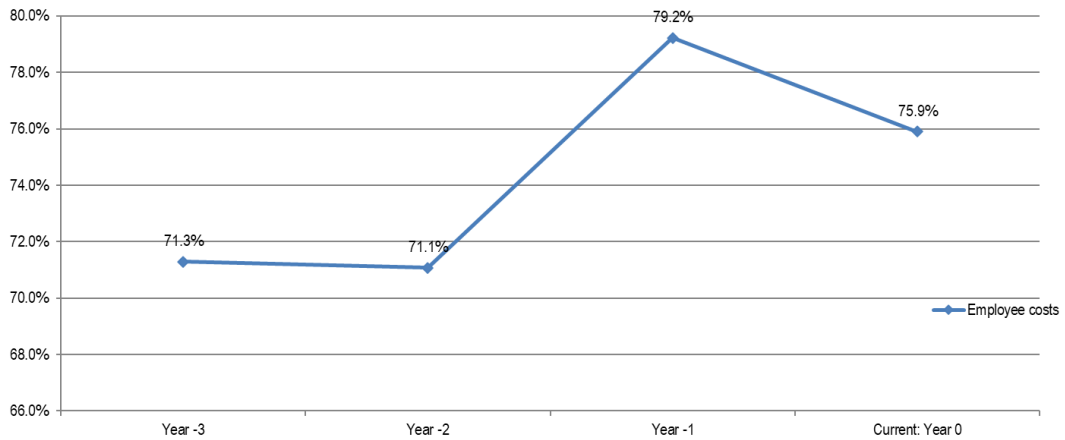
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T

5.4.6

## Employee Costs

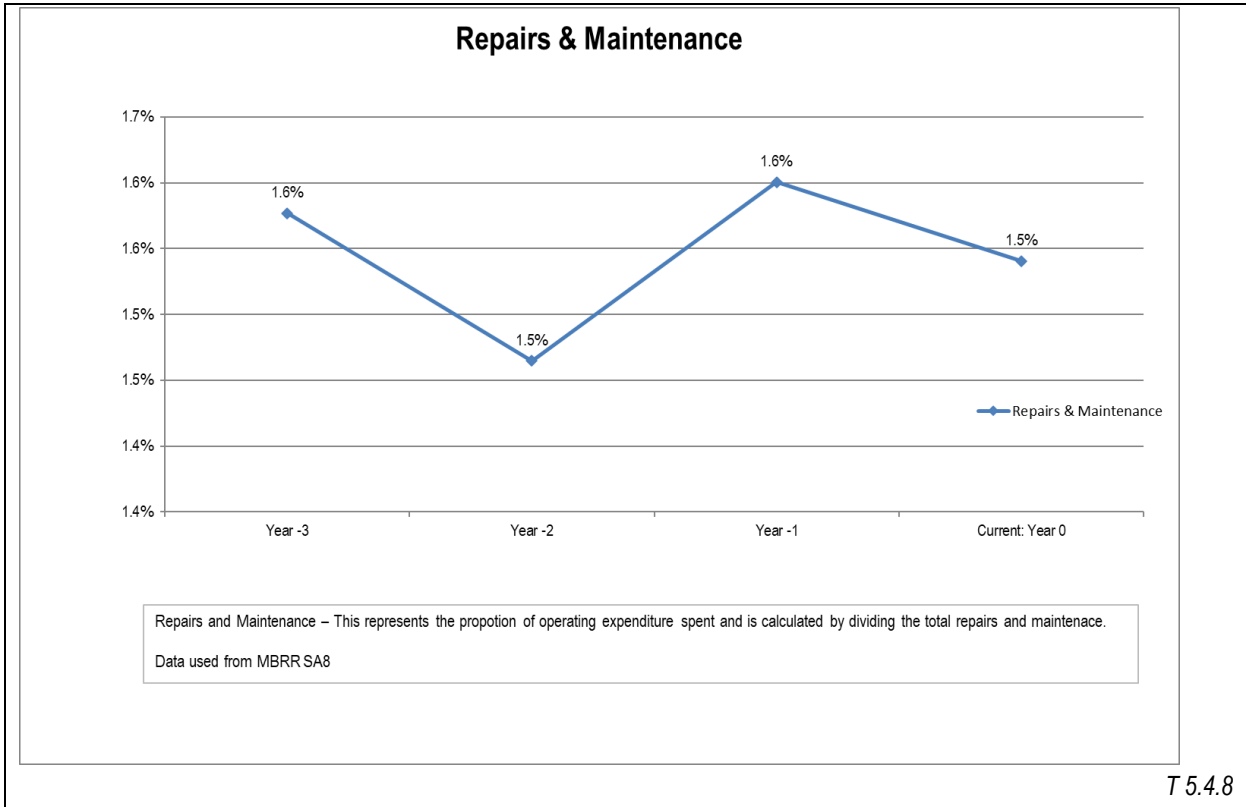


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

# Chapter 5

T 5.4.7



## COMMENT ON FINANCIAL RATIOS:

MFMA Circular 71 issued 17 January 2014 prescribes the framework for a holistic financial analysis of the municipality of all financial aspects of the institution that should be considered. Ratios are divided into various categories to address the different financial aspects and operations of a municipality or municipal entity.

- Financial Position
- Financial Performance
- Budget Implementation

The application of financial ratio analysis enables and informs our public office bearers and stakeholders decision making with regards to:

- Ability to meet long-term commitments;
- Ability to meet short-term commitments from liquid resources;
- Determine whether investments are yielding acceptable returns;
- Reduce risks arising from below average performance; and
- Make recommendations to address challenges

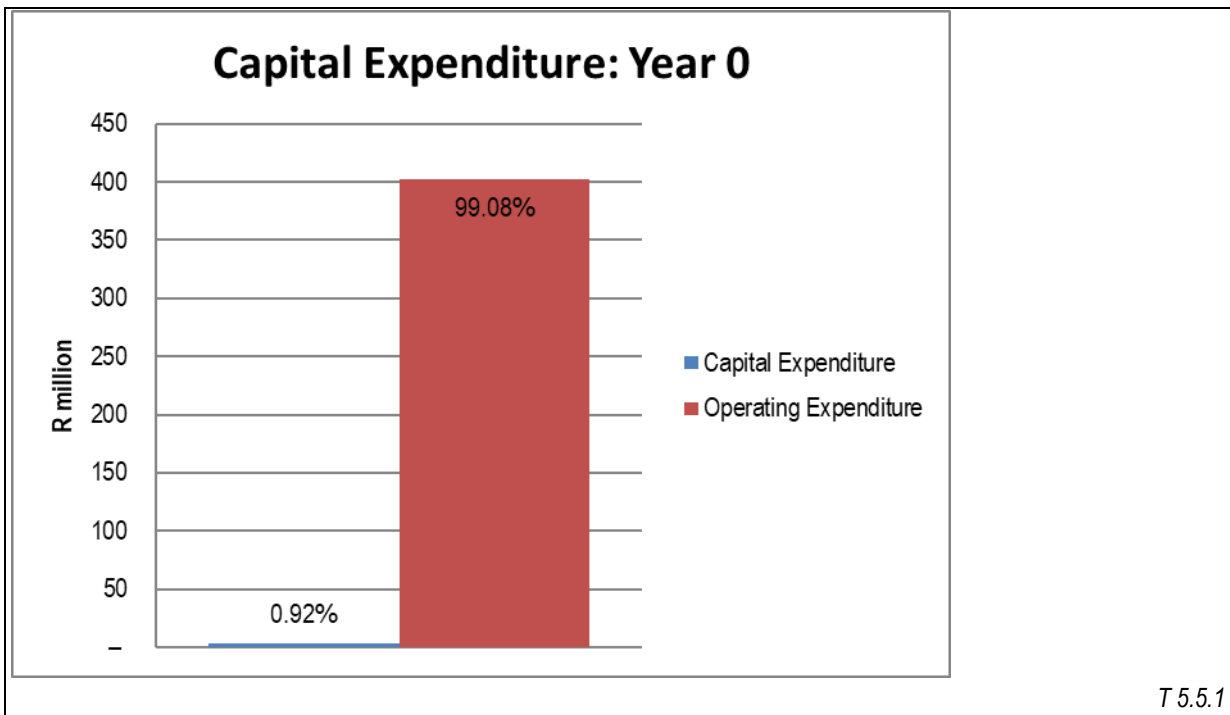
# Chapter 5

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

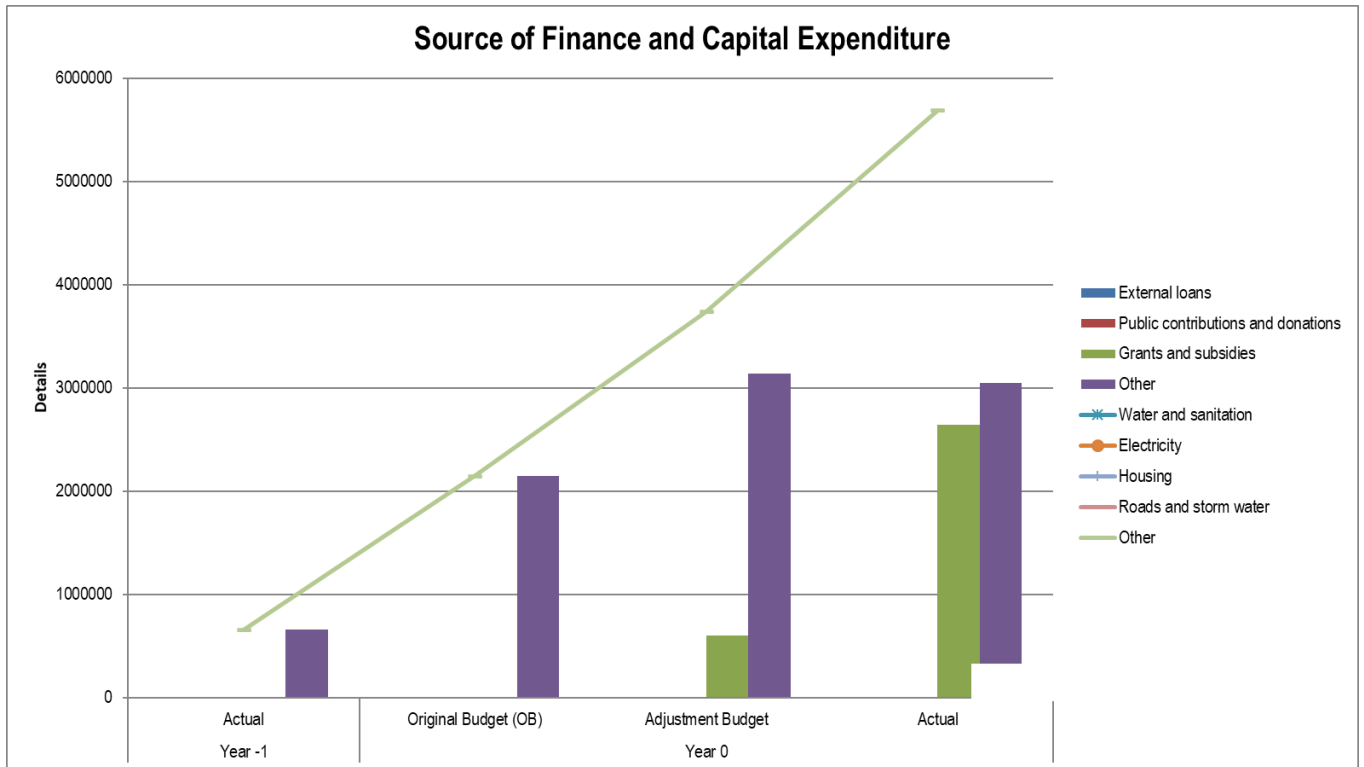
The municipality does not have any bulk infrastructure grant funding and all capital expenditure was budgeted from internal funds. Due to financial constraints, the municipality could not afford to provision for major capital works.

#### 5.5 CAPITAL EXPENDITURE



#### 5.6 SOURCES OF FINANCE

# Chapter 5



# Chapter 5

Capital Expenditure - Funding Sources: Year -1 to Year 0							R' 000
Details	Year -1	Year 0					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
External loans							
Public contributions and donations							
Grants and subsidies			600	2,644			
Other	660	2,150	3,140	3,050	46.05%	41.85%	
<b>Total</b>	<b>660,410</b>	<b>2,150,000</b>	<b>3,740,000</b>	<b>5,693,418</b>	<b>46.05%</b>	<b>41.85%</b>	
<i>Percentage of finance</i>							
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Grants and subsidies	0.0%	0.0%	16.0%	46.4%	0.0%	0.0%	
Other	100.0%	100.0%	84.0%	53.6%	100.0%	100.0%	
<b>Capital expenditure</b>							
Water and sanitation							
Electricity							
Housing							
Roads and storm water							
Other	660	2,150	3,740	5,693	217.2%	238.9%	
<b>Total</b>	<b>660410</b>	<b>2150000</b>	<b>3740000</b>	<b>5693418</b>	<b>217.17%</b>	<b>238.93%</b>	
<i>Percentage of expenditure</i>							
Water and sanitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Electricity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Roads and storm water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Other	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
						<i>T 5.6.1</i>	

## COMMENT ON SOURCES OF FUNDING:

The municipality was not a recipient of capital projects grant funding and the three capital projects were funded internally

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS



# Chapter 5

Capital Expenditure of 5 largest projects*					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
	A - Computer Equipment	400	428	290	28%
B - Internal Network	200	200	144	28%	0%
C - Transport assets	1,350	2,737	2,237	-66%	-103%
D - Name of Project					
E - Name of Project					
* Projects with the highest capital expenditure in Year 0					
<b>Name of Project - A</b>					
Objective of Project	External Networking				
Delays					
Future Challenges	none				
Anticipated citizen benefits	IT Communication				
<b>Name of Project - B</b>					
Objective of Project	Internal IT Networking				
Delays					
Future Challenges	none				
Anticipated citizen benefits	Internal IT connectivity				
<b>Name of Project - C</b>					
Objective of Project	Transport assets				
Delays					
Future Challenges	New to further enhance fleet as current fleet is old and unreliable.				
Anticipated citizen benefits					
<b>Name of Project - D</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
<b>Name of Project - E</b>					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
T 5.7.1					

## COMMENT ON CAPITAL PROJECTS:

No major capital projects occur as they will be done at local municipality level.

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Service Backlogs as at 30 June Year 0				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%

% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to \* formal and \*\* informal settlements.

T 5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure Year 0 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
<b>Infrastructure - Road transport</b>				%	%	
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
<b>Infrastructure - Electricity</b>				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
<b>Infrastructure - Water</b>				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
<b>Infrastructure - Sanitation</b>				%	%	
Reticulation				%	%	
Sewerage purification				%	%	
<b>Infrastructure - Other</b>				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
<b>Other Specify:</b>				%	%	
				%	%	
				%	%	
<b>Total</b>				%	%	

\* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.8.3

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Information about cash flows may be useful to users of the municipality's financial statements in assessing Council's cash flows, assessing Council's compliance with legislation and regulations (including authorised budgets) and for making decisions about whether to provide resources to, or enter into transactions with Council. These users and stakeholders are generally interested in how Council generates and uses cash and cash equivalents. Municipalities need cash for operations related to service delivery. Municipalities use cash to pay for the goods and services they consume, to meet ongoing debt

# Chapter 5

servicing costs, and, in some cases, to reduce levels of debt. According to the standards of GRAP all entities are required to present a cash flow statement.

It must be noted that the municipality is heavily dependent on the equitable share as its main source of revenue and cash inflows are determined around the triennial disbursement cycle of the equitable share. The municipality closed with a cash balance of R16.1 million which shows an increase of cash of R5.3 million from the previous year. The municipality held no investments during the 19/20 year.

## 5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	242,629	102,073	332,487	284,838
Government - operating	283,829	313,062	303,622	301,627
Government - capital				
Interest	3,307	2,700	1,743	1,718
Dividends				
<b>Payments</b>				
Suppliers and employees	(534,527)	(419,171)	(638,899)	(589,085)
Finance charges				
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(4,761)</b>	<b>(1,336)</b>	<b>(1,047)</b>	<b>(901)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	48	100	100	36
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets	(660)	(2,150)	(3,740)	(5,693)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(612)</b>	<b>(2,050)</b>	<b>(3,640)</b>	<b>(5,658)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
<b>Payments</b>				
Repayment of borrowing	-			-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(5,373)</b>	<b>(3,386)</b>	<b>(4,687)</b>	<b>(6,559)</b>
Cash/cash equivalents at the year begin:	21,504	27,045	16,131	16,131
Cash/cash equivalents at the year end:	16,131	23,659	11,444	9,572
Source: MBRR A7				T 5.9.1

COMMENT ON CASH FLOW OUTCOMES:

# Chapter 5

The municipality under collected against projections against rental of municipal facilities, agency services rendered on behalf of the Department of Transport, and Gains on disposal of assets. The municipality did not realize higher than anticipated collection on air quality license and permits. Grants and subsidies received were lower than projected due to withholding of unspent conditional grants. There was an unfavorable variance of R10.8 million between the budgeted and actual net cash flow

## 5.10 BORROWING AND INVESTMENTS

Not applicable as the municipality do not have ant borrowing or investments

Actual Borrowings: Year -2 to Year 0			
	R' 000		
Instrument	Year -2	Year -1	Year 0
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>	0	0	0
<b>Municipal Entities</b>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Entities Total</b>	0	0	0

T 5.10.2

# Chapter 5

<b>Municipal and Entity Investments</b>			
Investment* type	Year -2	Year -1	R' 000
	Actual	Actual	Actual
<b>Municipality</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	0	0	0
<b>Municipal Entities</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>	0	0	0
<b>Consolidated total:</b>	0	0	0
			<i>T 5.10.4</i>

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

Not applicable

## COMPONENT D: OTHER FINANCIAL MATTERS

## 5.12 SUPPLY CHAIN MANAGEMENT

## 5.13 GRAP COMPLIANCE

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## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

Auditor-General Report on Financial Performance: Year – 1	
Audit Report Status: <i>Unqualified with Material Findings</i>	
Remedial Action Taken	
Development of a fit-for purpose Audit Action Plan that will assist the Municipality to remediate on its short-comings in order to deliver on its core- mandate	
T.6.1.1	
Auditor-General Report on Service Delivery Performance: Year – 1	
Audit Report Status: <b>Disclaimer: Disclaimer</b>	
Non- Compliance Issues	Remedial Action Taken
The municipality did not clearly indicate which infrastructure project it was going to be monitoring. Number of Regional Infrastructure Projects Monitored I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement for the indicator. This was due to a lack of measurement definitions and processes. I was unable to test whether the indicator was well-defined and verifiable by alternative means. As a result, I was unable to audit the reliability of the achievement of monitored implementation of one regional infrastructure project and report bi-annual.	Review and update the Performance Information KPI's, Targets and Measurement criteria to align to the Framework for Managing Programme Performance Information.
T.6.1.1	

# Chapter 5

Auditor-General Report on Financial Performance: Year – 0	
<b>Audit Report Status:</b>	<i>Unqualified with Material Findings</i>
T.6.2.1	

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT YEAR 0

#### **Report of the auditor-general to the Gauteng Provincial Legislature and Council on Sedibeng District Municipality Report on the audit of the financial statements**

##### **Opinion**

1. I have audited the financial statements of the Sedibeng District Municipality set out on pages ... to ..., which comprise the appropriation statement, statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net asset and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Sedibeng District Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practices (SA Standards of GRAP) and the requirements of

the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2019, (Act No. 16 of 2020) (DoRA).

##### **Basis for opinion**

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

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

##### **Material uncertainty relating to going concern**

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

7. I draw attention to note 35 to the financial statements, which indicates that the municipality incurred a net loss of R26 760 548 during the year ended 30 June 2021 and, as of that date the municipality's current liabilities exceeded its total assets by R121 278 906. As stated in note 35, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

## **Emphasis of matters**

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

## **Restatement of corresponding figures**

9. As disclosed in note 34 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2021.

## **Significant uncertainties**

10. With reference to note 33 to the financial statement, the municipality is the defendant in various lawsuits. The ultimate outcome of the matters cannot be presently determined and no provision for any liability that may result has been made in the financial statements.

## **Irregular expenditure**

11. As disclosed in note 39 to the financial statements, the municipality incurred irregular expenditure of R55 026 925, as it did not follow supply chain management regulations.

## **Other matter**

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

## **Unaudited disclosure notes**

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

## **Responsibilities of the accounting officer for the financial statements**

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA standard of GRAP and the requirements of the MFMA and DoRA and the requirements of the MFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the financial statements**



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

17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## **Report on the audit of the annual performance report**

### **Introduction and scope**

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

19. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the municipality's annual performance report for the year ended 30 June 2021:

<b>Key performance area</b>	<b>Pages in the annual performance report</b>
KPA - Transport, Infrastructure and Environment	x – x

21. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

22. The material findings on the usefulness and reliability of the performance information of the selected key performance area are as follows:

Transport, Infrastructure and Environment

Number of Regional Infrastructure Projects Monitored

23. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information or that related systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement for the indicator. This was due to a lack of measurement definitions and processes. I was unable to test whether the indicator was well-defined and verifiable by alternative means. As a result, I was unable to audit the reliability of the achievement of monitored implementation of one regional infrastructure project and report bi-annually.

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## Other matters

24. I draw attention to the matters below.

### Achievement of planned targets

25. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and management's explanations provided for the under/overachievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) [x to x] of this report.

### Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Transport, Infrastructure and Environment. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## Report on the audit of compliance with legislation

### Introduction and scope

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

28. The material findings on compliance with specific matters in key legislation are as follows:

### Annual financial statements and annual report

29. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of 5property, plant and equipment, commitments and contingent assets identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

### Asset management

30. 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.

### Strategic planning and performance management

31. The performance management system and related controls were inadequate as it did not describe how the performance planning monitoring, measurement, review, reporting and improvement processes should be managed, as required by municipal planning and performance management regulation 7(1).

### Utilisation of conditional grants

32. Performance in respect of programmes funded by the schedule 5 grants were not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 4 of 2020).

### Expenditure management

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33. Reasonable steps were not taken to prevent irregular expenditure amounting to R55 026 925, as disclosed in note 39 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with the requirements of Municipal Supply Chain Regulations (SCM regulations).

34. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R 27 849 389, as disclosed in note 37 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by personnel expenditure

## **Procurement and contract management**

35. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c).

36. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c). Similar non-compliance was also reported in the prior year.

37. Some of the quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM Regulation 43.

38. Sufficient appropriate audit evidence could not be obtained that some contracts were only accepted from bidders whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.

39. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1). Similar non-compliance was also reported in the prior year.

40. Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM

## **Regulation 13(c). Similar non-compliance was also reported in the prior year.**

41. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM Regulation 5.

42. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

43. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA. Similar non-compliance was also reported in the prior year.

## **Consequence management**

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

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

## **Other information**

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46. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, the audit committee's report and accounting officer's report. The other information does not include the financial statements, the auditor's report and the selected key performance area presented in the annual performance report that have been specifically reported in this auditor's report.

47. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

48. In connection with my audit, my responsibility is to read the other information and, in doing so consider whether the other information is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

49. When I do receive and read the report of the accounting officer, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary. Internal control deficiencies

50. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

51. The accounting officer did not exercise adequate oversight responsibility regarding financial reporting, performance reporting and compliance with laws and regulations and implementation of consequence management for poor performance and transgressions

52. Senior management did not ensure that adequate controls were in place over the preparation of accurate and complete financial, performance reporting and there was inadequate review of reports which resulted in repeat audit findings. In addition, action plans that were developed were not monitored regularly by management to ensure that they have been adequately implemented.

## **Annexure – Auditor-general's responsibility for the audit**

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

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also: identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.

- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer

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- Conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Sedibeng District Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

## Communication with those charged with governance

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

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

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

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

T 6.2.5

## GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give "full and regular" reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service

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

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Members	Full Time / Part Time FT/PT	Committees Allocated	Ward and / or Party Represented	%Percentage Council Meetings Attendance	Parentage Apologies for non-attendance
Cllr Baloyi PB	FT	Council Sitting (8)	DA	37.5%	4 Apologies, 1 Absent
		Gender (6)	DA	80%	4 Meetings, 2 Absent
Cllr Baloyi HH	FT	Council Sitting (8)	EFF	75%	2 Apologies
		Petition (4)	EFF	20%	3 Absent
Cllr Buthongo CT	FT	Council Sitting (8)	ANC	62.5%	2 Apologies, 1 Absent
		Gender (6)	ANC	90%	1 Absent
Cllr Coertze Y	PT	Council Sitting (8)	DA	87.5%	1 Apology
MMC Dlangamandla JM	FT	Council Sitting (8)	ANC	87.5%	1 Apologies
MMC Gamede LSA	FT	Council Sitting (8)	ANC	87.5%	1 Apologies
Cllr Gomes MM	FT	Council Sitting (8)	DA	87.5%	1 Apologies
Cllr Hlanyane P	PT	Council Sitting (8)	DA	100%	-
		Petition (4)	DA	100%	4 Meetings
MMC Hlongwane NG	FT	Council Sitting (8)	ANC	100%	-
Cllr Hlophe NC	PT	Council Sitting (8)	DA	100%	-
		Petition (4)	DA	100%	4 Meetings
Cllr Jones RF	FT	Council Sitting (8)	DA	100%	-
		MPAC (6)	DA	100%	6 Meetings
Cllr Khoali AN	PT	Council Sitting (8)	ANC	100%	-
MMC Khomoeasera ML	FT	Council Sitting (8)	ANC	75%	2 Apologies
Cllr Lubbe AA	FT	Council Sitting (8)	FF+	87.5%	1 Apology
		MPAC (6)	FF+	80%	4 Meetings, 2 Absent
		Rules (1)	FF+	100%	1 Meeting



Cllr Machitje LM	FT	Council Sitting (8)	EFF	87.5%	1 Apology
		MPAC (6)	EFF	80%	4 Meetings, 2 Absent
		Rules (1)	EFF	100%	1 Meeting
Cllr Mahlase KM	PT	Council Sitting (8)	ANC	75%	1 Apology, 1 Absent
		MPAC (6)	ANC	80%	5 Meetings, 1 Absent
		Gender (6)	ANC	100%	6 Meetings
MMC Maphalla TS	FT	Council Sitting (8)	ANC	100%	-
Cllr Maraka TPE	PT	Council Sitting (8)	DA	87.5%	1 Apology
		MPAC (6)	DA	80%	4 Meetings, 2 Absent
		Rules (1)	DA	100%	1 Meeting
Cllr Masisa LL	PT	Council Sitting (8)	AIC	37.5%	1 Absent, 4 Apologies
		MPAC (6)	AIC	60%	3 Meetings, 3 Absent
		Rules (1)	AIC	100%	1 Meeting
		Petition (4)	AIC	40%	2 Absent
Cllr Mkhwanazi OA	PT	Council Sitting (8)	ANC	87.5%	1 Absent
		MPAC (6)	ANC	80%	4 Meetings, 2 Absent
Cllr Mncube ME	PT	Council Sitting (8)	DA	100%	-
Cllr Mochawe JS	FT	Council Sitting (8)	ANC	100%	-
		MPAC (6)	ANC	100%	6 Meetings
		Rules (1)	ANC	100%	1 Meeting
Executive Mayor Cllr Modisakeng BJ	FT	Council Sitting (8)	ANC	100%	-
Cllr Mofokeng NT	PT	Council Sitting (8)	ANC	87.5%	1 Apology
		Rules (1)	ANC	100%	1 Meeting
MMC Mohammed YJ	FT	Council Sitting (8)	ANC	100%	-
Cllr Mohono S	PT	Council Sitting (8)	EFF	62.5%	2 Apologies, 1 Absent
Cllr Mokoena TA	PT	Council Sitting (8)	DA	100%	-
Cllr Mollo DS	PT	Council Sitting (8)	DA	100%	-
		Rules (1)	DA	100%	1 Meeting
Madam Speaker Mosai Cllr Mosai A	FT	Council Sitting (8)	ANC	100%	-
		Rules (1)	ANC	100%	1 Meeting

Cllr Motaung PM	PT	Council Sitting (8)	EFF	75%	1 Absent, 1 Apology
		Gender (6)	EFF	80%	4 Meetings, 2 Absent
Cllr Motsei LA	PT	Council Sitting (8)	ANC	100%	-
		Gender (6)	ANC	50%	4 Meetings, 2 Absent
		Petition (4)	ANC	100%	4 Meetings
CHIEF WHIP Mshudulu SA	FT	Council Sitting (8)	ANC	100%	-
		Rules (1)	ANC	100%	1 Meeting
Cllr Mulder M	PT	Council Sitting (8)	DA	75%	2 Apologies
Cllr Ndlovu MP	PT	Council Sitting (8)	ANC	87.5%	1 Apology
		Gender (6)	ANC	80%	4 Meetings, 2 Absent
Cllr Ntuthu VJ	PT	Council Sitting (8)	ANC	87.5%	1 Apology
		MPAC (6)	ANC	90%	5 Meetings, 1 Absent
		Gender (6)	ANC	90%	5 Meetings, 1 Absent
		Rules (1)	ANC	100%	1 Meeting
Cllr Nxongo NPG	PT	Council Sitting (8)	ANC	100%	-
		Petition (4)	ANC	100%	4 Meetings
Cllr Pretorius PC	PT	Council Sitting (8)	DA	75%	2 Absents
MMC Raikane MD	FT	Council Sitting (8)	ANC	87.5%	1 Apology
Cllr Ramongalo TR	FT	Council Sitting (8)	DA	62.5%	1 Absent, 2 Apologies
Cllr Rapakeng OD	PT	Council Sitting (8)	ANC	75%	1 Absent, 2 Apologies
Cllr Raphesu MR	PT	Council Sitting (8)	EFF	75%	1 Absent, 1 Apology
Cllr Selokane LJ	PT	Council Sitting (8)	ANC	84%	2 Absent, 1 Apology
Cllr Senekal GM	PT	Council Sitting (8)	FF+	62.5%	1 Absent, 2 Apologies
		Gender (6)	FF+	40%	2 Meetings, 4 Absent
		Petition (4)	FF+	20%	3 Absent
Cllr Sikhosana TC	PT	Council Sitting (8)	DA	75%	2 Apologies
		Gender (6)	DA	80%	4 Meetings, 2 Absent

Cllr Sikukula	PT	Council Sitting (8)	ANC	87.5%	1 Apology
		Petition (4)	ANC	40%	2 Absent
Cllr Sinyanya	PT	Council Sitting (8)	ANC	87.5%	1 Apology
		MPAC (6)	ANC	100%	6 Meetings
		Petition (4)	ANC	100%	4 Meetings
Cllr Soxuza DS	PT	Council Sitting (8)	ANC	87.5%	1 Apology
		Petition (4)	ANC	100%	4 Meetings
Cllr Tsotetsi PB	PT	Council Sitting (8)	ANC	100%	-
Cllr Xaba PD	PT	Council Sitting (8)	DA	87.5%	1 Apology

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral/Executive Committee) and Purposes of Committees</b>	
Rules committee	Recommends rules and orders to Council concerning the smooth running of its business
Ethics & Integrity Committee	Promote a culture within the institution which is intolerant to unethical conduct.
Municipal Public Accounts Committee (MPAC).	Reviews the municipal annual report in line with Auditor -General's findings. Provide political oversight to financial management and accounts.
Public Participation & Petitions Committee	Promotes the active involvement of the general public in municipal affairs. Receive petitions from ordinary community members on service delivery matters.
Gender Committee	Responsible for gender mainstreaming within the municipal environment. Monitor gender perspective of policies , programmes, projects and practices in the municipality
Section 80 Committees	Administrative oversight.
<i>Note * Councillors appointed on a proportional basis do not have wards allocation to them</i>	

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

<b>THIRD TIER STRUCTURE</b>	
DIRECTORATE	MANAGERS/ASSISTANT MANAGERS (State title and name)
OFFICE OF THE EXECUTIVE MAYOR	
A MOKONANE (DIRECTOR)	T MALEKA (ASSISTANT MANAGER) S KGASWANE (ASSISTANT MANAGER)

	S NDLENGETHWA	(ASSISTANT MANAGER)
	B MOHAPELOA	(ASSISTANT MANAGER)
OFFICE OF THE SPEAKER OF COUNCIL		
M. MPONTSHANE	(DIRECTOR)	MOKAKO (MANAGER)
OFFICE OF THE CHIEF WHIP OF COUNCIL		
J. TSOHO	(DIRECTOR)	MGUDLWA (MANAGER)
OFFICE OF THE MUNICIPAL MANAGER		
S. MPETA	(DIRECTOR)	T. MOKOARI (ASSISTANT MANAGER)
R. MHLWATIKA	(DIRECTOR)	L. NGAKE (MANAGER)
FINANCE		
SUPPLY CHAIN	E. LOUW	(ASSISTANT MANAGER)
FINANCIAL MANAGEMENT		
C STEYN	(DIRECTOR)	A LUBBE (ASSISTANT MANAGER)
CORPORATE SERVICES		
HR		
M.W. RAMOTSEDISI	(DIRECTOR)	TS MALOKA (MANAGER)
		L NKOLI (ASSISTANT MANAGER)
		C. SERAME (ASSISTANT MANAGER)
		O. MORAJANE (ASSISTANT MANAGER)
INFORMATION TECHNOLOGY		
Y. CHAMDA	(DIRECTOR)	C. VISSER (MANAGER)
		T.XABA (ASSISTANT MANAGER)
		N. MONGA (ASSISTANT MANAGER)
		B. MASHIYA (MANAGER)
		HAJ MANS (MANAGER)
FACILITIES		
D. MARANDA	(DIRECTOR)	B. JOHNSON (MANAGER)
		T. MOKOENA (MANAGER)
PROTECTION SERVICES		
T. MIYA	(MANAGER)	N. MABULA (SUPERINTENDENT)
RECORDS AND COMMITTEE SECTION		
N. TSHABALALA	(MANAGER)	P. NZUNGA (CORDINATOR)
STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT		
LED & TOURISM		
K MBONGO	(DIRECTOR)	MD.KANTSO (ASSISTANT MANAGER)
		R. PELSER (ASSISTANT MANAGER)
		M DLADLA (ASSISTANT MANAGER)
		M MOKGATLE (ASSISTANT MANAGER)
		S.P VAN WYK (ASSISTANT MANAGER)
DEVELOPMENT PLANNING AND HUMAN SETTLEMENT		
T. MUTLANENG	(MANAGER)	S. PITSO (MANAGER)
		MAJOLA (MANAGER)
PROJECT MANAGEMENT UNIT		
R. NETSHVHALE	(DIRECTOR)	
TRANSPORT AND INFRASTRUCTURE		
	M KHALEMA	(MANAGER)

	NS MOFOKENG	(MANAGER)
LICENSING		
G. DEYZEL	(ACTING MANAGER)	T. LENAKE (ASSISTANT MANAGER)
		E VAN ZYL (ASSISTANT MANAGER)
		A. MSIBI (ASSISTANT MANAGER)
ENVIRONMENT		
		Z VAN ZYL (MANAGER)
		MF THEKISO (ASSISTANT MANAGER)
COMMUNITY SERVICES		
HEALTH		
D MASUKELA	(DIRECTOR)	MOKOENA (CORDINATOR)
DISASTER		
S. MOTHAPO	(DIRECTOR)	MM TAALJARD (MANAGER)
		P. NIEWENHEIZEN (ASSISTANT MANAGER)
SRAC & H		
N. FELIX	(DIRECTOR)	
		S KHUMALO (ASSISTANT MANAGER)
		A. VAN WYK (ASSISTANT MANAGER)
SAFETY		
M LEACWE	(DIRECTOR)	P. KELE (ASSISTANT MANAGER)

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Y	N/A
Building regulations	N	N/A
Child care facilities	N	N/A
Electricity and gas reticulation	N	N/A
Firefighting services	N	N/A
Local tourism	Y	N/A
Municipal airports	Y	N/A
Municipal planning	N	N/A
Municipal health services	Y	N/A
Municipal public transport	Y	N/A
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	N	N/A
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	N	N/A
Stormwater management systems in built-up areas	N	N/A
Trading regulations	N	N/A
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	N	N/A
Beaches and amusement facilities	N	N/A
Billboards and the display of advertisements in public places	N	N/A
Cemeteries, funeral parlors and crematoria	N	N/A
Cleansing	N	N/A
Control of public nuisances	N	N/A
Control of undertakings that sell liquor to the public	N	N/A
Facilities for the accommodation, care and burial of animals	N	N/A
Fencing and fences	N	N/A
Licensing of dogs	N	N/A
Licensing and control of undertakings that sell food to the public	N	N/A
Local amenities	N	N/A
Local sport facilities	N	N/A
Markets	Y	N/A
Municipal abattoirs	Y	N/A
Municipal parks and recreation	N	N/A
Municipal roads	N	N/A
Noise pollution	N	N/A
Pounds	N	N/A
Public places	N	N/A
Refuse removal, refuse dumps and solid waste disposal	N	N/A

Street trading	N	N/A
Street lighting	N	N/A
Traffic and parking	N	N/A
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		<i>T D</i>

## APPENDIX E – WARD REPORTING

Not applicable to Sedibeng district municipality

## APPENDIX F – WARD INFORMATION

Not applicable to Sedibeng district municipality

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

## Municipal Audit Committee Recommendations

Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
2 February 2021	<p><b><u>State of Governance</u></b></p> <p>A.C have since observed that there is vacuum in the governance structure due to the passing of the late MM Mr. Stanley Khanyile and the late Executive Mayor Cllr. Busisiwe Modisakeng. Certain governance processes that should be complied with, that which require the signature of the Executive Mayor (EM) these are but not limited to:-</p> <ul style="list-style-type: none"> <li>– Finance Report ( Section 71)</li> <li>– Section 52</li> <li>– Quarterly Report</li> <li>– Mid-Year (Section 72)</li> </ul> <p>National Treasury have confirmed that it will issue a non-compliance report due to the non-submission of the above mentioned reports.</p> <ul style="list-style-type: none"> <li>– A.C is seeking clarity from the Chief Whip, Council through the office of the Speaker and the acting MM –as to the current state of the municipality in as far as the appointing of the Acting EM so that Council fulfil the statutory duties.</li> <li>– Although Cogta initiated a meeting with the municipality to also seek clarity with regards to this matter, matters of discussions were more of administrative nature as opposed to Governance.</li> </ul> <p><b><u>State of Leadership</u></b></p> <ul style="list-style-type: none"> <li>- <b>Acting ED's:</b> The issue of Acting ED's and Managers is of concern to A.C as it creates instability, uncertainty and the roles of responsibility and accountability becomes blurred. For every acting ED/Manager is a Performance agreement signed?</li> </ul> <p><b><u>Financial Status and position of the municipality</u></b></p> <ul style="list-style-type: none"> <li>– By the end of 2020/21 FY the municipality would have reported a deficit of +- R 10 million- which was largely occasioned by the ruling of the bargaining council which gave a go ahead for employees to be paid their annual salary increase.</li> </ul> <p><b><u>Going concern matter:</u></b> –</p> <ul style="list-style-type: none"> <li>– The issue of going concern for municipality has been on-going for some time and A.C wanted to find out where the municipality is at in as far as the monies that needed to be recovered based on the Mokhari recommendations. These include but not limited to Mofako Security, Attorney fees etc. Management has not given the A.C an assurance that acknowledgement of debt – letters have been issued to the plaintiffs.</li> </ul> <p><b><u>Governance</u></b></p> <ul style="list-style-type: none"> <li>- Tabling of A.C (quarterly) reports is still a concern as council is or has not sat since 2020. A.C requested clarification in how they are going to report as a committee to the structures that maybe.</li> </ul> <p><b><u>Going-Concern</u></b></p> <ul style="list-style-type: none"> <li>- Although the municipality can collect some of the monies as per the Mokhari recommendation- that will be a tactical or temporary measure for the current FY. However there is a need to be long-term view in terms of the solution going forward. Most challenging is the fact that the municipality is grant-dependent.</li> </ul>	In- Progress
29 April 2021	<p>AC has resolved on the following:-</p> <ul style="list-style-type: none"> <li>▪ To accept the contents of the letter given that both the 2019/20 Audit Report and Management Report were already signed off by the Municipal Manager and noted at the Sedibeng District Municipality's Council sitting that took place on the 31st March 2021.</li> <li>▪ To remain in anticipation that the corrective action plans to be taken by AGSA going</li> </ul>	In-Progress



	<p>forward, as stated on the Letter, will be implemented accordingly.</p> <ul style="list-style-type: none"> <li>▪ The Committee resolved to recommend to MAYCO to implement OPCA remedial actions and monitor implementation thereto.</li> <li>▪ Management agreed to the finding and to implement AGSA recommendations when the report was presented by AGSA to the AC and management. The committee resolved to recommend to Council to implement remedial action per recommendation (1-3) of the AG on UIWE</li> <li>▪ That it's a Procedural matter</li> <li>▪ The AC wish to raise its concern regarding the procedure followed to present the IA report at Council.</li> <li>▪ The AC like MPAC is a Committee of the Council,. AC reviews the IA reports and adopts them prior to their presentation to Council. The MPAC is not a Committee empowered to review IA reports. The AC found short comings in the IA report directed by the scope defined by MPAC as highlighted above, and therefore disapprove the report as presented to Council.</li> <li>▪ The Audit Committee to adjourn the meeting at 13:50pm to allow Acing MM, CFO and IAU to attend the AGSA special meeting</li> <li>▪ To resume the Audit Committee Meeting with MM at 17:00pm and to hold a subsequent In-Committee Meeting on the 20th August</li> </ul>	
<p>15 May 2021</p>	<p>AC has resoluted on the following:-</p> <p><i>Strengthening of Internal Controls in the Revenue Generating Work streams</i></p> <ul style="list-style-type: none"> <li>- The AC Member requested clarity from Management whether Internal Controls have been improved since the previous years. For instance the process of reviewing the revenue management process in licensing where part of the process was to count cash as part of the Internal Audit Activity, but was restricted. Or the reviewing of the Fresh Produce Market internal controls including safety.</li> </ul> <p><u>Remediation of the Audit Planning Plans</u></p> <ul style="list-style-type: none"> <li>- The AC Members were concerned with AGSA findings that were previously not dealt with effectively. Particularly issues that were on repeat in nature. The issue of the time left to conclude before the year-end of 2020/21 FY is of concerned.</li> </ul> <p><u>Human Resource Management Function</u></p> <p>The AC Members were concerned with how the current Leave Management Practices are managed: -</p> <ul style="list-style-type: none"> <li>- Finance Unit was asked to explain - how leave provision was calculated to enable them to report the figures to the Statement of Financial Position (B/S), as there were a number of issued raised within the Leave Management processes.</li> <li>- This item is importance as it has a bottom-line effect of the SOFP of the municipality in the form of Accrual Leave reported as a liability.</li> <li>- Stability at the top where there are a number of vacant posts, e.g. finance or HR, this has already has an impact on the operational aspect on the municipality, given the findings raised by both Internal and External audit.</li> <li>- In consideration there is a need to fill critical post, the municipality faces significant financial constraints. Management should pro-actively identify alternative ways of strengthening this control weakness.`` management and since these priorities have been fulfil, the municipality will advertise the position of a Manager in Performance Management unit.</li> </ul>	<p>In-Progress</p>

	<p><u>Remediation of Audit Action Plan</u></p> <ul style="list-style-type: none"> <li>- Management indicated that the audit action plan is being actively monitored, albeit at the slow pace. Management further committed to resolving all the issues by the 31<sup>st</sup> of May 2021.</li> </ul> <p><u>Finance Reports</u></p> <ul style="list-style-type: none"> <li>- Given that the municipality is in its last-4<sup>th</sup> quarter – and the self-generated income of 4%. AC members wanted to understand why were the percentage figures low?</li> <li>- Employee’s Leave that is not managed effectively, may results in overstating of liability for the municipality, as employees that do not come to work, accrue leave days and in the absence of performance management, the municipality will continue to report poor performance.</li> </ul> <p><u>Contract Management:</u></p> <ul style="list-style-type: none"> <li>- The AC Members raised concerns with the delay in the implementation of controls required to improve the Contract Management.</li> <li>- <i>Fleet assets:</i> In arrears where the municipality is still awaiting the fleet to be invoiced for the PMT office that are being finalized – AC members are worried that this process is taking longer than it should.</li> <li>- Key Performance target of R 2.5 mil that is reported as being achieved, AC members requested clarity in terms of whether these amounts highlighted have been 2.5 mill recorded as a liability in the books and confirmation that these amounts were utilized as there is no evidence of a Milling plant that has been built in between Emfuleni and Sedibeng.</li> </ul> <p><u>Progress on the implementation of the Adv. Mokhare recommendations</u></p> <ul style="list-style-type: none"> <li>▪ The AC members’ concern was around the municipality’s inability to implement consequence management that is required to correct the inadequate behavior that impact the operational activities of the municipality.</li> <li>▪ Municipality is requested to deal decisively with those employees who are not performing. This is critical given that other critical functions such as Finance critical who have limited staff and are less complemented.</li> <li>▪ AC Members, commended Management for taking action regarding the implementation of the Mokhare recommendations.</li> </ul>	
<p><b>10 September 2021</b></p>	<p>AC has resolved on the following:-</p> <p>AGSA responded to say that both the engagement and the strategy the document will be taken back to their office for consideration on all inputs noted during the meeting</p> <p>AGSA will consider having engagements with the office of the Mayor and Speaker or any other stakeholder that requires to meet with AGSA</p> <p>Paragraph 12 AGSA will take note and consider removing DPME and DPSA circulars and the new framework by DPSA and will update he document accordingly</p> <p>Paragraph 15 AGSA has noted TIE as critical once again however AGSA is open to consider the decision taken to focus on only this particular cluster</p> <p>Paragraph 40 AGSA stated that it could have been that the paragraph was included as one of the standard paragraph that came with the template and that they will revisit the document and remove what is not applicable to SDM.</p> <p>On the prior year AGSA managed to save SDM on AOPO an as well as having one cluster selected for audit and for this reason it could greatly save SDM some finances</p> <p>Part of AGSA keeping the budget the same as prior year is due to the fact that the scope has</p>	<p>In- Progress</p>

	<p>increased due to the Mokhari Report and will need to be audited in detail.</p> <ul style="list-style-type: none"> <li>– That there are mechanisms put in place to ensure that any challenges and disputes arising during the audit will be attended to and that is: management has stipulated a turnaround time for requested information be two days, and regular meetings be held to ensure smooth audit for this financial year.</li> </ul>	
<b>30<sup>th</sup> November 2021</b>	<p>AC has deliberated on the following:-</p> <ul style="list-style-type: none"> <li>– AGSA was requested to review the criteria used to assess audit in this instance, where weak controls were detected in the control environment and Internal Audit was then found to be ineffective in assisting Management to follow up on the audit action plans.</li> <li>– AC-are concerned that, where Management is not taking audit action plans seriously, IA is then blamed for not assisting management. Management is responsible for ensuring that system of controls are in place to manage the risks.</li> <li>– The issue concerning the non-approval of the Audit Committee Charter, AC were of the view that this is a working document and as such, members of the Audit Committee were not prevented to exercise their duties.</li> <li>– AC raised concerns again that the engagement level between AGSA and AC requires improvement. This is particularly important in the space which makes it difficult for the AC to positively influence the municipality.</li> <li>– The rating of assurance levels is disconcerting in that the performance of the municipality has regressed.</li> <li>– AC wanted to find out if management discusses issues raised by internal audit and AGSA are issued.</li> <li>– For example, the number of Acting - CFO, Municipality Manager and Directors. This kind of environment is not stable enough to effect necessary changes.</li> <li>– AC members' recommends that Council be appraised on contingent liability, its ability to management its debt, where liabilities are greater than its assets....</li> </ul>	In-Progress

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

None

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

None

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
<b>(Executive) Mayor</b>		
	Busisiwe Joyce Modisakeng	Nil
<b>Member of Mayco/Exco</b>		
	MMC S. Maphalla	Nil
	MMC P.B. Tsotetsi	Nil
	MMC. Y. Mahomed	Nil
	MMC Z. Raikane	Nil
	MMC M. Kgomoerasera	Nil
	MMC G.Hlongwane	Nil
	MMC L. Gumedede	Nil
	MMC J.Dlangamandla	Nil
<b>Councillors</b>		
	SPEAKER Mosai AC	Nil
	CHIEF WHIP Mshudulu SA	Nil
	Cllr Baloyi PB	Nil
	Cllr Baloyi H	Nil
	Cllr Buthongo CT	Nil
	Cllr Coertze Y	Nil
	Cllr Gomes MM	Nil
	Cllr Hlanyane BP	Nil
	Cllr Hlophe NC	Nil
	Cllr Jones RF	Nil
	Cllr Khoali AN	Nil
	Cllr Lubbe AA	Nil
	Cllr Machitje LM	Nil
	Cllr Mahlase KM	Nil
	Cllr Maraka TPE	Nil
	Cllr Masisa LL	Nil
	Cllr Mkhwanazi OA	Nil
	Cllr Mncube ME	Nil
	Cllr Mochawe JS	Nil
	Cllr Mofokeng NT	Nil
	Cllr Mohono S	Nil
	Cllr Mokoena TA	Nil
	Cllr Mollo DS	Nil

	Cllr Motaung PM	Nil
	Cllr Motsei LA	Nil
	SPEAKER Mosai AC	Nil
	CHIEF WHIP Mshudulu SA	Nil
	Cllr Mulder M	Nil
	Cllr Ndlovu MP	Nil
	Cllr Ntuthu VJ	Nil
	Cllr Nxongo NPG	Nil
	Cllr Pretorius PC	Nil
	Cllr Ramongalo TR	Nil
	Cllr Rapakeng OD	Nil
	Cllr Raphesu MR	Nil
	Cllr Seloane LJ	Nil
	Cllr Senekal GM	Nil
	Cllr Sikhosana TC	Nil
	Cllr Sikukula M	Nil
	Cllr Sinyanya SS	Nil
	Cllr Soxuza DS	Nil
	MMC Tsotetsi PB	Nil
	Cllr Xaba PD	Nil
Municipal Manager		
	Mr. S. Khanyile	Nil
Chief Financial Officer		
	Ms K. Wiese	Nil
Executive Directors		
	Mr. M. Makhutle	Nil
	Ms. J. Medupe	Nil
	Mr. Z.J. Majola	Nil
	Ms. N. Baleni	Nil
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		
T J		

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote							R' 000
Vote Description	Year -1	Current: Year 0			Year 0 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Vote 01 - Executive & Council	–	–	–	–			
Vote 02 - Budget & Treasury	275,142	282,216	286,205	286,029	1%	0%	
Vote 03 - Corporate Services	16,156	20,344	10,434	11,635	-75%	10%	
Vote 04 - Roads And Transport	55,242	95,486	73,070	64,893	-47%	-13%	
Vote 05 - Planning & Development	–	–	–	–	0%	0%	
Vote 06 - Community & Social	14,956	19,717	19,511	13,662	-44%	-43%	
Example 7 - Vote 7							
Example 8 - Vote 8							
Example 9 - Vote 9							
Example 10 - Vote 10							
Example 11 - Vote 11							
Example 12 - Vote 12							
Example 13 - Vote 13							
Example 14 - Vote 14							
Example 15 - Vote 15							
<b>Total Revenue by Vote</b>	<b>361,497</b>	<b>417,763</b>	<b>389,220</b>	<b>376,219</b>	<b>(0)</b>	<b>(0)</b>	
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> <i>This table is aligned to MBRR table A3</i>						T K.1	

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates					#DIV/0!	#DIV/0!	
Property rates - penalties & collection charges					#DIV/0!	#DIV/0!	
Service Charges - electricity revenue					#DIV/0!	#DIV/0!	
Service Charges - water revenue					#DIV/0!	#DIV/0!	
Service Charges - sanitation revenue					#DIV/0!	#DIV/0!	
Service Charges - refuse revenue					#DIV/0!	#DIV/0!	
Service Charges - other	-	-	-	-	#DIV/0!	#DIV/0!	
Rentals of facilities and equipment	223	516	-	3	-19845%	100%	
Interest earned - external investments	3,307	2,700	1,743	1,718	-57%	-1%	
Interest earned - outstanding debtors					#DIV/0!	#DIV/0!	
Dividends received					#DIV/0!	#DIV/0!	
Fines					#DIV/0!	#DIV/0!	
Licences and permits	1,445	1,575	2,347	2,351	33%	0%	
Agency services	51,966	75,630	68,267	62,115	-22%	-10%	
Transfers recognised - operational	284,349	313,062	303,022	293,453	-7%	-3%	
Other revenue	20,120	24,139	13,101	13,879	-74%	6%	
Gains on disposal of PPE	48	140	140	58	-143%	-143%	
Environmental Protection					#DIV/0!	#DIV/0!	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>361,458</b>	<b>417,763</b>	<b>388,620</b>	<b>373,575</b>	<b>-11.83%</b>	<b>-4.03%</b>	

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.*

T K.2

#### APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
<b>Neighbourhood Development Partnership Grant</b>						
<b>Public Transport Infrastructure and Systems Grant</b>						
<b>Other Specify:</b>						
<b>Total</b>						

*\* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.*

T L

#### APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

#### APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
<b>Capital expenditure by Asset Class</b>								
<b>Infrastructure - Total</b>	-	-			-	-	-	
<b>Infrastructure: Road transport - Total</b>	-	-			-	-	-	
Roads, Pavements & Bridges								
Storm water								
<b>Infrastructure: Electricity - Total</b>	-	-			-	-	-	
Generation								
Transmission & Reticulation								
Street Lighting								
<b>Infrastructure: Water - Total</b>	-	-			-	-	-	
Dams & Reservoirs								
Water purification								
Reticulation								
<b>Infrastructure: Sanitation - Total</b>	-	-			-	-	-	
Reticulation								
Sewerage purification								
<b>Infrastructure: Other - Total</b>	-	-			-	-	-	
Waste Management								
Transportation								
Gas								
Other								
<b>Community - Total</b>	-	-			-	-	-	
Parks & gardens								
Sportsfields & stadia								
Swimming pools								
Community halls								
Libraries								
Recreational facilities								
Fire, safety & emergency								
Security and policing								
Buses								
Clinics								
Museums & Art Galleries								
Cemeteries								
Social rental housing								
Other								

Table continued next page



Table continued from previous page

Capital Expenditure - New Assets Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
<b>Capital expenditure by Asset Class</b>								
<b>Heritage assets - Total</b>	-	-		-	-	-	-	
Buildings								
Other								
<b>Investment properties - Total</b>	-	-		-	-	-	-	
Housing development								
Other								
<b>Other assets</b>	-	1,350	2,737	2,237	500	450	-	
General vehicles	-	1,350	2,737	2,237	500	450		
Specialised vehicles								
Plant & equipment								
Computers - hardware/equipment								
Furniture and other office equipment								
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings								
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
<b>Agricultural assets</b>	-	-		-	-	-	-	
List sub-class								
<b>Biological assets</b>	-	-		-	-	-	-	
List sub-class								
<b>Intangibles</b>	-	-		-	-	-	-	
Computers - software & programming								
Other (list sub-class)								
<b>Total Capital Expenditure on new assets</b>	-	1,350	2,737	2,237	500	450	-	
<b>Specialised vehicles</b>	-	-		-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

T M.1

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
Description	R '000						
	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	-	-		-	-	-	-
Infrastructure: Road transport - Total	-	-		-	-	-	-
Roads, Pavements & Bridges							
Storm water							
<b>Infrastructure: Electricity - Total</b>	-	-		-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
<b>Infrastructure: Water - Total</b>	-	-		-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
<b>Infrastructure: Sanitation - Total</b>	-	-		-	-	-	-
Reticulation							
Sewerage purification							
<b>Infrastructure: Other - Total</b>	-	-		-	-	-	-
Waste Management							
Transportation							
Gas							
Other							
<b>Community</b>	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
<b>Heritage assets</b>	-	-		-	-	-	-
Buildings							
Other							

Table continued next page

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
<b>Capital expenditure by Asset Class</b>								
<b>Investment properties</b>	-	-	-	-	-	-	-	
Housing development								
Other								
<b>Other assets</b>	630	800	1,003	3,300	670	670	-	
General vehicles								
Specialised vehicles								
Plant & equipment	48			269				
Computers - hardware/equipment	364	600	818	2,418	490	490		
Furniture and other office equipment	218	200	185	417	180	180		
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings				196				
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
<b>Agricultural assets</b>	-	-	-	-	-	-	-	
List sub-class								
<b>Biological assets</b>	-	-		-	-	-	-	
List sub-class								
<b>Intangibles</b>	30	-		157	-	-	-	
Computers - software & programming	30			157				
Other (list sub-class)								
<b>Total Capital Expenditure on renewal of existing assets</b>	660	800	1,003	3,457	670	670	-	
<b>Specialised vehicles</b>	-	-	-	-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

T M.2

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital Programme by Project: Year 0					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Water</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
"Project C"				#DIV/0!	#DIV/0!
<b>Sanitation/Sewerage</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Electricity</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Housing</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Refuse removal</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Stormwater</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Economic development</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Sports, Arts &amp; Culture</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Environment</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Health</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>Safety and Security</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
<b>ICT and Other</b>					
"Project A"				#DIV/0!	#DIV/0!
"Project B"				#DIV/0!	#DIV/0!
					T N

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Not applicable

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Not applicable

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Not applicable

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 0				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
None				
* Loans/Grants - whether in cash or in kind				TR

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

Not applicable

VOLUME II: ANNUAL FINANCIAL STATEMENTS



**Sedibeng District Municipality  
Annual Financial statements  
for the year ended 30 June, 2021**

# GLOSSARY

## General Information

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<b>Nature of business and principal activities</b>	District Municipality – DC42
<b>Capacity of Municipality</b>	Medium capacity municipality
<b>Accounting Officer</b>	Mr. S. Khanyile - Deceased 03 October 2020 Mr. MJ Makhutle - Acting
<b>Chief Financial Officer</b>	Mrs. KZ Wiese – Acting
<b>Registered office</b>	Municipal Offices Civic Centre Cnr. Beaconsfield & Leslie street Vereeniging 1930
<b>Business address</b>	Municipal Offices Civic Centre Cnr. Beaconsfield & Leslie street Vereeniging 1930
<b>Postal address</b>	PO Box 471 Vereeniging 1930

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021

<b>Bankers</b>	Nedbank (Primary Account) Standard Bank (previous primary banker)
<b>Auditors</b>	Auditor-General of South Africa
<b>Executive Mayor</b>	Councillor BJ Modisakeng – Deceased 07 January 2021 Councillor LF Maloka – string date 12 March 2021
<b>Speaker</b>	Councillor AC Mosai
<b>Chief Whip</b>	Councillor SA Mshudulu – Deceased 31 May 2021
<b>Members of Mayoral Committee</b>	Councillor PB Tsetetsi Councillor MD Raikane Councillor TS Maphalla Councillor LSA Gamede Councillor NG Hlongwane Councillor ML Khomoeasera Councillor YJ Mahommed Councillor JM Dlangamandla



# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021

## Index

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The reports and statements set out below comprise the financial statements presented to council:

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### Abbreviations

DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MMC	Member of the Mayoral Committee
MFMA Act	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
GAMAP	Generally Accepted Municipal Accounting Practice
PPE	Property Plant and Equipment

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021

SCM

Supply Chain Management

## Accounting Officer's Responsibilities and Approval

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The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and was given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Accounting Officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the Accounting Officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Accounting Officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Although the Accounting Officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's internal auditors.

Every effort has been made to implement the austerity measures which has resulted in restriction of expenditure in certain areas in the financial statements.

We realized that it cannot be business as usual, the District Municipality will have to reduce the list of operations especially the employee cost.

The financial statements set out on pages 4 to 55, which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 August, 2021 and were signed on its behalf by:

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**Mr. M. Makhutle**

**Acting Municipal Manager**

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021  
Figures in Rand

2021

2020  
as restated

## Accounting Officer's Report

---

The accounting officer submits his report for the year ended 30 June 2021

### 1. Incorporation

The municipality was incorporated on 1 January 1988 and obtained its certificate to commence business on the same day.

### 2. Going concern

We draw attention to the fact that at 30 June 2021, the municipality had accumulated deficit of R 121,134,565 [R 93,920,959 in 2020] and that the municipality's total liabilities exceed its assets by R 121,134,565.

The ability of the municipality to continue as a going concern is dependent on a number of factors. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

We draw further attention to the fact that at 30 June, 2021, the municipality's current liabilities exceed its current assets with R225,310,620. The municipality also had operating deficit in the current financial year of R 27,213,606 (previous financial year loss of R 52,222,821) which resulted in a decrease in the net asset value.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern and in line with South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Accounting policies

The annual financial statements are prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

### 4. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as follows:

Name	Nationality
Mr. Motswaledi Makhutle (Acting)	RSA

### 5. Bankers

Nedbank Ltd is the appointed Municipality's primary banker.

### 6. Auditors

Auditor-General of South Africa will continue in office for the next financial period.

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021

Figures in Rand

2021

2020  
as restated

## Statement of Financial Position as at 30 June, 2021

Figures in Rand	Note(s)	2021	2020 as restated
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	5	363,157	473,422
Receivables from exchange transactions	6	1,964,976	4,351,724
VAT receivable	7	70,989	-
Cash and cash equivalents	8	9,571,633	16,130,871
		<b>11,970,754</b>	<b>20,956,017</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	2	97,406,165	103,288,666
Intangible assets	3	1,874,950	2,971,890
Heritage assets	4	4,894,941	4,894,941
		<b>104,176,056</b>	<b>111,155,497</b>
<b>Total Assets</b>		<b>116,146,810</b>	<b>132,111,514</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Unspent conditional grants and receipts	9	20,578,812	13,713,315
Operating lease liability		86,774	258,653
VAT payable	11	-	83,780
Payables from exchange transactions	10	216,615,789	211,976,725
<b>Total Current Liabilities</b>		<b>237,281,375</b>	<b>226,032,473</b>
<b>Total Liabilities</b>		<b>237,281,375</b>	<b>226,032,473</b>
<b>Net Assets</b>		<b>(121,134,565)</b>	<b>(93,920,959)</b>
<b>Net Assets</b>			
Accumulated (deficit) /surplus		(121,134,565)	(93,920,959)

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021  
Figures in Rand

2021

2020  
as restated

## Statement of Financial Performance

Figures in Rand

Note(s)

2021

2020 as restated

### Revenue

#### Revenue from exchange transactions

Sale of goods		2,689,618	3,093,395
Rental of facilities and equipment	13	225,220	421,549
Agency services	14	68,732,595	62,929,418
Other income	16	1,088,598	1,408,127
Interest received - investment	18	1,717,724	3,307,133
Commission received	15	3,260,201	4,456,488
Gain on disposal of assets		15,587	-
Inventories adjustment		7,031	-

<b>Total revenue from exchange transactions</b>		<b>77,736,574</b>	<b>75,616,110</b>
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#### Revenue from non-exchange transactions

##### Non-exchange revenue

Licenses and permits	15	2,351,000	1,445,000
Government grants & subsidies	20	296,096,293	284,387,586

<b>Total revenue from non- exchange transactions</b>		<b>298,447,293</b>	<b>285,832,586</b>
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<b>Total revenue</b>	11	<b>376,183,867</b>	<b>361,448,696</b>
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### Expenditure

Employee related costs	21	(293,774,621)	(286,347,020)
Remuneration of councillors	22	(12,448,450)	(13,197,742)
Depreciation and amortisation	23	(12,438,191)	(16,834,094)
Lease rentals on operating lease	24	(7,897,690)	(7,425,027)
Debt Impairment	25	(5,476)	-
Contracted services	26	(38,199,642)	(48,381,546)
Transfers and Subsidies	19	(2,055,150)	-
Loss on disposal of assets		-	(853,410)
Impairment loss		(214,609)	(325,163)
Inventory losses/ write-downs		-	(283,588)
Cost of sales	28	(2,487,682)	(2,626,483)
General Expenses	27	(33,875,961)	(37,397,444)

<b>Total expenditure</b>		<b>(403,397,473)</b>	<b>(413,671,517)</b>
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<b>Operating surplus / (deficit) for the year</b>		<b>(27,213,606)</b>	<b>(52,222,821)</b>
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# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021  
Figures in Rand

2021

2020  
as restated

## Statement of Changes in Net Assets

Figures in Rand	Note	Accumulated surplus
<b>Opening balance as previously reported</b>		<b>(42,856,292)</b>
Change in accounting estimates on PPE	34.1	2,987,242
Correction of errors	34.1	(1,829,088)
<b>Balance at 1 July, 2019 as restated*</b>		<b>(41,698,138)</b>
Changes in net assets		
Surplus (Deficit) for the year		(52,222,821)
Total recognised income and expenses for the year		(52,222,821)
<b>Opening balance as previously reported</b>		<b>(95,566,625)</b>
Change in accounting estimates on PPE	34.1	3,474,754
Correction of errors	34.1	(1,829,088)
<b>Balance at 1 July, 2020 as restated*</b>		<b>(93,920,959)</b>
Surplus (Deficit) for the year		(27,213,606)
Total recognised income and expenses for the year		(27,213,606)
<b>Balance at 30 June, 2021</b>		<b>(121,134,565)</b>

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021  
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## Cash Flow Statement

Figures in Rand

Note(s)

2021

2020 as restated

### Cash flows from operating activities

#### Receipts

Grants & subsidies		301,627,000	283,829,152
Interest income		1,717,724	3,307,133
Other receipts		10,715,580	28,840,096
License Receipts		274,122,761	213,789,218
		<b>588,183,065</b>	<b>529,765,599</b>

#### Payments

Employee costs		(306,223,071)	(299,544,762)
Suppliers		(90,777,360)	(104,209,422)
Licensing Authority		(192,084,103)	(130,772,369)
		<b>(589,084,534)</b>	<b>(534,526,553)</b>

### Net cash flows from operating activities

30

**(901,469)**

**(4,760,954)**

### Cash flows from investing activities

Purchase of property, plant and equipment	2	(5,536,647)	(629,981)
Proceeds from sale of property, plant and equipment		35,649	47,933
Purchase of other intangible assets	3	(156,771)	(30,429)
		<b>(5,657,769)</b>	<b>(612,477)</b>

### Net increase/(decrease) in cash and cash equivalents

**(6,559,238)**

**(5,373,431)**

Cash and cash equivalents at the beginning of the year

16,130,871

21,504,302

### Cash and cash equivalents at the end of the year

8

**9,571,633**

**16,130,871**

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021  
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as restated

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Approved budget    Adjustments    Final Budget    Actual amounts on comparable basis    Difference between final budget and actual

Figures in Rand

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

Sale of goods	3,780,000	(1,603,376)	<b>2,176,624</b>	2,689,618	<b>512,994</b>
Rental of facilities and equipment	735,079	(520,271)	<b>214,808</b>	225,220	<b>10,412</b>
Agency services	87,237,672	(12,353,343)	<b>74,884,329</b>	68,732,595	<b>(6,151,734)</b>
Commissions received	7,700,000	(4,539,836)	<b>3,160,164</b>	3,260,201	<b>100,037</b>
Other income - (rollup)	833,308	98,166	<b>931,474</b>	1,088,598	<b>157,124</b>
Interest received - investment	2,700,000	(956,888)	<b>1,743,112</b>	1,717,724	<b>(25,388)</b>
<b>Total revenue from exchange transactions</b>	<b>102,986,059</b>	<b>(19,875,548)</b>	<b>83,110,511</b>	<b>77,713,956</b>	<b>(5,396,555)</b>

##### Revenue from non-exchange transactions

Licenses and permits	1,575,000	772,000	<b>2,347,000</b>	2,351,000	<b>4,000</b>
Government grants & subsidies	313,062,190	(9,440,000)	<b>303,622,190</b>	296,096,293	<b>(7,525,897)</b>
<b>Total revenue from non-exchange transactions</b>	<b>314,637,190</b>	<b>(8,668,000)</b>	<b>305,969,190</b>	<b>298,447,293</b>	<b>(7,521,897)</b>

<b>Total revenue</b>	<b>417,623,249</b>	<b>(28,543,548)</b>	<b>389,079,701</b>	<b>376,161,249</b>	<b>(12,918,452)</b>
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#### Expenditure

Personnel	(285,791,831)	(4,947,227)	<b>(290,739,058)</b>	(293,774,621)	<b>(3,035,563)</b>
Remuneration of councillors	(13,836,308)	579,294	<b>(13,257,014)</b>	(12,448,450)	<b>808,564</b>
Depreciation and amortisation	(11,271,875)	-	<b>(11,271,875)</b>	(12,438,191)	<b>(1,166,316)</b>
Debt impairment	-	-	-	(5,476)	<b>(5,476)</b>
Impairment losses	-	-	-	(214,609)	<b>(214,609)</b>
Transfer payments other	(15,825,000)	15,825,000	-	-	-
Lease rentals on operating lease	(6,228,621)	(899,713)	<b>(7,128,334)</b>	(7,897,690)	<b>(769,356)</b>
Contracted Services	(47,560,656)	5,014,302	<b>(42,546,354)</b>	(38,199,640)	<b>4,346,714</b>
Transfers and Subsidies	-	(1,214,000)	<b>(1,214,000)</b>	(2,055,150)	<b>(841,150)</b>
Cost of sale	(2,914,269)	1,021,552	<b>(1,892,717)</b>	(2,487,682)	<b>(594,965)</b>
General Expenses	(33,792,611)	(820,582)	<b>(34,613,193)</b>	(33,875,964)	<b>737,229</b>
<b>Total expenditure</b>	<b>(417,221,171)</b>	<b>14,558,626</b>	<b>(402,662,545)</b>	<b>(403,397,473)</b>	<b>(734,928)</b>

<b>Operating deficit</b>	<b>402,078</b>	<b>(13,984,922)</b>	<b>(13,582,844)</b>	<b>(27,236,223)</b>	<b>(13,653,379)</b>
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(Loss)/Gain on disposal of assets and liabilities	100,000	-	<b>100,000</b>	15,587	<b>(84,413)</b>
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Inventories losses/write downs	-	-	-	7,031	<b>7,031</b>
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	<b>100,000</b>	<b>-</b>	<b>100,000</b>	<b>22,618</b>	<b>(77,382)</b>
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<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>502,078</b>	<b>(13,984,922)</b>	<b>(13,482,844)</b>	<b>(27,213,606)</b>	<b>(13,730,762)</b>
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# Sedibeng District Municipality

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as restated

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Approved budget      Adjustments      Final Budget      Actual amounts on comparable basis      Difference between final budget and actual

Figures in Rand

### Statement of Financial Position

#### Assets

##### Current Assets

Inventories	157,000	315,612	<b>472,612</b>	363,157	<b>(109,455)</b>
Receivables from exchange transactions	1,040,000	572,801	<b>1,612,801</b>	1,964,976	<b>(352,175)</b>
VAT Receivable	-	676,623	<b>676,623</b>	70,989	<b>(605,634)</b>
Cash and cash equivalents	23,315,454	(11,871,349)	<b>11,444,105</b>	9,571,633	<b>(1,872,472)</b>
	<b>24,512,454</b>	<b>(10,306,313)</b>	<b>14,206,141</b>	<b>11,970,756</b>	<b>(2,235,385)</b>

##### Non-Current Assets

Property, plant and equipment	92,814,315	1,086,715	<b>93,901,030</b>	97,406,165	<b>3,505,135</b>
Intangible assets	1,303,329	73,888	<b>1,377,217</b>	1,874,950	<b>497,733</b>
Heritage assets	4,894,941	-	<b>4,894,941</b>	4,894,941	-
	<b>99,012,585</b>	<b>1,160,603</b>	<b>100,173,188</b>	<b>104,176,056</b>	<b>4,002,868</b>

<b>Total Assets</b>	<b>123,525,039</b>	<b>(9,145,710)</b>	<b>114,379,329</b>	<b>116,152,286</b>	<b>1,772,957</b>
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#### Liabilities

##### Current Liabilities

Operating lease liability	-	430,532	<b>430,532</b>	86,774	<b>(343,758)</b>
Payables from exchange transactions	152,280,000	57,004,980	<b>209,284,980</b>	216,615,789	<b>7,330,809</b>
Unspent conditional grants and receipts	-	13,713,316	<b>13,713,316</b>	20,578,812	<b>6,865,496</b>
	<b>152,280,000</b>	<b>71,148,828</b>	<b>223,428,828</b>	<b>237,281,375</b>	<b>13,852,547</b>

<b>Total Liabilities</b>	<b>152,280,000</b>	<b>71,148,828</b>	<b>223,428,828</b>	<b>237,281,375</b>	<b>13,852,547</b>
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<b>Net Assets</b>	<b>(28,754,961)</b>	<b>(80,294,538)</b>	<b>(109,049,499)</b>	<b>(121,134,565)</b>	<b>(12,085,066)</b>
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#### Net Assets

##### Net Assets Attributable to Owners of Controlling Entity

##### Reserves

Accumulated surplus	(28,754,961)	(80,294,538)	<b>(109,049,499)</b>	(121,129,089)	<b>(12,079,590)</b>
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<b>Total Net Assets</b>	<b>(28,754,961)</b>	<b>(80,294,538)</b>	<b>(109,049,499)</b>	<b>(121,129,089)</b>	<b>(12,079,590)</b>
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# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021  
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Budget on Accrual Basis

Approved budget      Adjustments      Final Budget      Actual amounts on comparable basis      Difference between final budget and actual

Figures in Rand

## Cash Flow Statement

### Cash flows from operating activities

#### Receipts

Grants	313,062,190	(9,440,000)	<b>303,622,190</b>	301,627,000	<b>(1,995,190)</b>
Interest income	2,700,000	(956,888)	<b>1,743,112</b>	1,717,724	<b>(25,388)</b>
Other receipts	102,073,069	(68,266,568)	<b>33,806,501</b>	10,715,580	<b>(23,090,921)</b>
License Receipts	-	298,680,680	<b>298,680,680</b>	274,122,761	<b>(24,557,919)</b>
	<b>417,835,259</b>	<b>220,017,224</b>	<b>637,852,483</b>	<b>588,183,065</b>	<b>(49,669,418)</b>

#### Payments

Employee costs	(299,628,139)	(4,367,933)	<b>(303,996,072)</b>	(306,223,071)	<b>(2,226,999)</b>
Suppliers	(119,542,980)	4,367,933	<b>(115,175,047)</b>	(90,777,360)	<b>24,397,687</b>
Licensing Authority	-	(219,728,132)	<b>(219,728,132)</b>	(192,084,103)	<b>27,644,029</b>
	<b>(419,171,119)</b>	<b>(219,728,132)</b>	<b>(638,899,251)</b>	<b>(589,084,534)</b>	<b>47,708,193</b>

<b>Net cash flows from operating activities</b>	<b>(1,335,860)</b>	<b>289,092</b>	<b>(1,046,768)</b>	<b>(901,469)</b>	<b>145,299</b>
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### Cash flows from investing activities

Purchase of property, plant and equipment	(2,150,000)	(1,590,000)	(3,740,000)	(5,536,647)	(1,796,647)
Proceeds from sale of property, plant and equipment	100,000	-	100,000	35,649	(64,351)
Purchase of other intangible assets	-	-	-	(156,771)	(156,771)
<b>Net cash flows from investing activities</b>	<b>(2,050,000)</b>	<b>(1,590,000)</b>	<b>(3,640,000)</b>	<b>(5,657,769)</b>	<b>(2,017,769)</b>
Net increase/(decrease) in cash and cash equivalents	(3,385,860)	(1,300,908)	<b>(4,686,768)</b>	(6,559,238)	(1,872,470)
Cash and cash equivalents at the beginning of the year	27,045,334	(10,914,461)	16,130,873	16,130,871	(2)

<b>Cash and cash equivalents at the end of the year</b>	<b>23,659,474</b>	<b>(12,215,369)</b>	<b>11,444,105</b>	<b>9,571,633</b>	<b>(1,872,472)</b>
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# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021

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as restated

## Appropriation Statement

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>Financial Performance</b>								
Investment revenue	2,700,000	-956,888	1,743,112	1,743,112	1,717,724	-25,388	99%	64%
License and Permits	1,575,000	772,000	2,347,000	2,347,000	2,351,000	4,000	100%	149%
Transfers recognised - operational	313,062,190	-10,040,000	303,022,190	303,022,190	293,452,733	-9,569,457	97%	94%
Other own revenue	100,386,059	-18,918,660	81,467,399	81,467,399	76,038,913	-5,428,486	93%	76%
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>417,723,249</b>	<b>-29,143,548</b>	<b>388,579,701</b>	<b>388,579,701</b>	<b>373,560,370</b>	<b>-15,019,331</b>	<b>96%</b>	<b>89%</b>
Employee costs	-285,791,831	-4,947,227	-290,739,058	-290,739,058	-293,774,621	-3,035,563	101%	103%
Remuneration of councillors	-13,836,308	579,294	-13,257,014	-13,257,014	-12,448,450	808,564	94%	90%
Debt impairment					-5,476	-5,476	-	-
Depreciation and asset impairment	-11,271,875	-	-11,271,875	-11,271,875	-12,438,191	-1,166,316	110%	110%
Transfers and grants	0	-1214000	-1,214,000	-1,214,000	-2,055,150	-841,150	169%	
Other expenditure	-106,321,157	20,140,559	-86,180,598	-86,180,598	-82,675,585	3,505,013	96%	78%
<b>Total expenditure</b>	<b>-417,221,171</b>	<b>14,558,626</b>	<b>-402,662,545</b>	<b>-402,662,545</b>	<b>-403,391,997</b>	<b>-729,452</b>	<b>100%</b>	<b>97%</b>
<b>Surplus/(Deficit) for the year</b>	<b>502,078</b>	<b>-14,584,922</b>	<b>-14,082,844</b>	<b>-14,082,844</b>	<b>-29,857,166</b>	<b>-15,774,322</b>	<b>212%</b>	<b>-5947%</b>
<b>Transfer recognised – capital</b>	<b>-</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>2,643,560</b>	<b>2,043,560</b>	<b>194%</b>	
<b>Surplus (Deficit) after capital transfers and contributions</b>	<b>502,078</b>	<b>-13,984,922</b>	<b>-13,482,844</b>	<b>-13,482,844</b>	<b>-27,213,606</b>	<b>-13,730,762</b>	<b>198%</b>	<b>-5330%</b>

## Appropriation Statement

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>Capital Expenditure and funds sources</b>								
Total capital expenditure	2,150,000	1,590,000	3,740,000	3,740,000	5,693,418	1,953,418	152%	265%
<b>Sources of capital funds</b>								
Internally generated funds	2,150,000	990,000	3,140,000	3,140,000	3,049,858	-90,142	97%	142%
Grant funding	-	600,000	600,000	600,000	2,643,560	2,043,560	441%	
<b>Total sources of capital funds</b>	<b>2,150,000</b>	<b>1,590,000</b>	<b>3,740,000</b>	<b>3,740,000</b>	<b>5,693,418</b>	<b>1,953,418</b>	<b>29%</b>	<b>38%</b>
<b>Cash Flows</b>								
Net cash from (used) operating	-1,335,860	289,092	-1,046,768	-1,046,768	-901,469	145,299	86%	67%
Net cash from (used) investing	-2,050,000	-1,590,000	-3,640,000	-3,640,000	-5,657,769	-2,017,769	155%	276%
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-3,385,860</b>	<b>-1,300,908</b>	<b>-4,686,768</b>	<b>-4,686,768</b>	<b>-6,559,238</b>	<b>-1,872,470</b>	<b>140%</b>	<b>194%</b>

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021

Figures in Rand

					2021	2020 as restated		
Cash and cash equivalents at the beginning of the year	27,045,334	-10,914,461	16,130,873	16,130,873	16,130,871	-2	100%	60%
<b>Cash and cash equivalents at year end</b>	<b>23,659,474</b>	<b>-12,215,369</b>	<b>11,444,105</b>	<b>11,444,105</b>	<b>9,571,633</b>	<b>-1,872,472</b>	<b>84%</b>	<b>40%</b>

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021

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## Accounting Policies

### 1. SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

#### 1.1 BASIS OF PRESENTATION

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate.

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of General Notices 991 of 2005 and General Notice 516 of 2008, including any interpretations and directives issued by the Accounting Standards Board

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

The Minister of Finance has, in terms of General Notice 1290 of 2008 exempted compliance with certain of the above-mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual statements.

These accounting policies are consistent with those of the previous financial year.

The following GRAP standards have been approved and are effective:

GRAP 1 -	Presentation of financial statements
GRAP 2 -	Cash flow statements
GRAP 3 -	Accounting policies, changes in accounting estimates and errors
GRAP 4 -	The effects of changes in foreign exchange rates
GRAP 5 -	Borrowing costs
GRAP 6 -	Consolidated and separate financial statements
GRAP 7 -	Investments in associates

# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021

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GRAP 8 -	Interest in joint ventures
GRAP 9 -	Revenue from exchange transactions
GRAP 10 -	Financial reporting in hyperinflationary economies
GRAP 11 -	Construction contracts
GRAP 12 -	Inventories
GRAP 13 -	Leases
GRAP 14 -	Events after the reporting date
GRAP 16 -	Investment property
GRAP 17 -	Property, plant and equipment
GRAP 18 -	Segment reporting
GRAP 19 -	Provisions, contingent liabilities and contingent assets
GRAP 20 -	Related party Disclosures
GRAP 21 -	Impairment of non-cash generating assets
GRAP 23 -	Revenue from non-exchange transactions
GRAP 24 -	Presentation of budget information
GRAP 25 -	Employee Benefits
GRAP 26 -	Impairment of cash generating assets
GRAP 31 -	Intangible assets
GRAP 103 -	Heritage assets
GRAP 100 -	Discontinued operations
GRAP 109 -	Principles and Agents
GRAP 27 -	Agriculture

# Sedibeng District Municipality

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The following GRAP statements have been approved but are not yet effective:

GRAP 104 - Financial instruments

## Offsets

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

## 1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand and are rounded to the nearest Rand.

## 1.3 SIGNIFICANT ESTIMATES, JUDGMENTS AND ASSUMPTIONS

### 1.3.1 Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 1.3.2 Significant Estimates, Judgments and Assumptions

In preparing the annual financial statements to conform with the Standards of GRAP, management is required to make estimates, judgments and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future may differ from these estimates.

All significant estimates, judgments and underlying assumptions are reviewed on constant basis. All necessary revisions of significant estimates are recognised in the period during such revisions as well as in any future affected periods.

Specific areas where these significant estimation uncertainties as well as critical judgments and assumptions were made in the application of accounting policies with the most significant effect in the annual financial statements are included in the following notes:

Note 2, 3 & 4: PPE, Intangible assets and Heritage assets useful lives estimates

Note 12: Provisions

Note 28: Contingencies



# Sedibeng District Municipality

Financial Statements for the year ended 30 June, 2021

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Note 10: Lease classification

Note 24: Debt Impairment

## 1.4 GOVERNMENT GRANT

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

## 1.5 PROPERTY, PLANT & EQUIPMENT

### 1.5.1 Recognition and Subsequent Measurement

An item of property, plant and equipment which qualifies for recognition as an asset has been initially measured at cost less subsequent depreciation.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at date of acquisition.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Incomplete construction work is stated at historical cost. Depreciation only commences when the assets is available for use.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Municipality's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for their intended use.

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Subsequently property, plant and equipment, are stated at cost, less accumulated depreciation and accumulated impairment losses.

Land is not depreciated as it is regarded as having an infinite life.

## 1.5.2 De-recognition, Sale & Disposal

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the proceeds of disposal and the carrying value and is recognised in the Statement of Financial Performance.

## 1.5.3 Depreciation

Depreciation is calculated on the asset's depreciable amount, using the straight-line method over the useful life of the asset. The depreciable amount is determined after deducting the residual value of the asset from its cost. The depreciation charge is recognised as an expense unless it is included in the carrying amount of another asset under construction. Assets will be depreciated according to their annual depreciation rates based on the following estimated useful life:

<b>Community Assets</b>	<b>Years</b>
Community halls	30
Recreation facilities	20 – 30

<b>Other Assets</b>	<b>Years</b>
Motor vehicles	5
Plant and equipment	5
Security measures	5
Buildings	30
IT equipment	5
Furniture and office equipment	7
Specialised vehicles	10

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The residual value and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimates unless expectations differ from the previous estimate.

## 1.6 INTANGIBLE ASSETS

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses. Refer to impairment of assets accounting policy 1.7

Where an intangible asset has been acquired at no or for a nominal cost, its cost is its fair value on the date of acquisition.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands are recognised in the Statement of Financial Performance as incurred.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Municipality and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

### 1.6.1 Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Financial Performance when incurred.

Development activities involve a plan or design for the production of new or substantially new improved products and processes.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the municipality intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Other development expenditure is recognised in the statement of financial performance as incurred.

### 1.6.2 Amortisation

Amortisation is recognised in the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for current and comparative periods are as follows:

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Item	Useful Life
Computer software	3 Years

Each item of intangible asset is amortised separately.

Intangible assets that have an indefinite useful life are tested for impairment annually.

The estimated useful life, the amortisation method and the residual values are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

## 1.7 IMPAIRMENT OF FINANCIAL ASSETS

### Impairment of Non-financial assets

Non-Financial assets, excluding investment property and inventories, are assessed at each reporting date to determine whether there is an indication that the carrying amount of the asset may be impaired. If such an indication exists, the recoverable amount of the asset is determined. Irrespective of whether an indication of impairment exists, the recoverable amount of goodwill, indefinite-life intangible assets and intangible assets not available for use are determined annually.

The recoverable amount of an asset is the higher of its fair value less costs to sale and its value in use. In determining the value in use, the estimated future cash flows of the asset is discounted to their present value based on pre-tax discount rates that reflects current market assessments of the time value of money and the risks that are specific to the asset. If the value in use of an asset for which there is an indication of impairment cannot be determined, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An asset's cash generating unit is the smallest group of identifiable assets that includes the asset and that generates cash inflows from continuing use that are largely independent from cash inflows from other assets.

An impairment loss is recognised in the statement of financial performance when the carrying amount of an individual asset or of a cash-generating unit is less than its recoverable amount. If the loss relates to the reversal of a previous revaluation surplus, it is recognised in equity. Impairment losses recognised on cash-generating units are allocated on a pro rata basis, to the assets in the cash-generating unit.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount of the asset or cash-generating unit. Impairment losses are reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been recognised in the past. Reversals of impairment losses are recognised directly in the statement of financial performance.

### Impairment of Monetary assets

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A provision for impairment is created when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the receivables. The carrying value is reduced through the use of a provision and is recognised as a charge to the statement of financial performance. When a receivable is uncollectible, it is written off against the provision. Any subsequent recoveries of amounts previously written off are credited directly in the statement of financial performance.

A financial asset is impaired when there is a significant or prolonged decline in the fair value of the asset below its cost price or amortised cost. At such a point, a cumulative gains or losses that have been accumulated in net assets are removed from net assets as a reclassification adjustment and are recognised in the statement of financial performance. Any subsequent impairment losses are recognised directly in the statement of financial performance.

Where investments have been impaired, the carrying value is adjusted by the impairment loss and this is recognised as an expense in the period that the impairment is identified.

## 1.8 LEASES

Leases that transfer substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments are recognised as an expense on a straight-line basis over the lease period.

### The Municipality as Lessee

Assets leased in terms of finance lease agreements are capitalised at amounts equal at the inception of the lease to the fair value of the leased property, or lower, at the present value of the minimum lease payments. Capitalised leased assets are depreciated in accordance with the accounting policy applicable to property, plant and equipment; refer to property, plant and equipment policy 1.5. The corresponding rental obligations, net of finance charges, are included in long-term borrowings. Lease finance charges are amortised to the statement of financial performance (unless they are directly attributable to qualifying assets) over the duration of the leases so as to achieve a constant rate of interest on their remaining balance of the liability.

Obligations incurred under operating leases are charged to the statement of financial performance in equal installments over the period of the lease, except when an alternative method is more representative of the time pattern from which benefits are derived.

## 1.9 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that

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initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

De-recognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavorable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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Loan commitment is a firm commitment to provide credit under pre specified terms and conditions.

Loans payable are financial liabilities, other than short term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking;
  - non derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

## 1.10 INVENTORIES

Inventories are initially measured at cost, where cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

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Unsold aviation fuel are valued at the lower of cost and net realisable value on a specific identification cost basis. Fuel are recognized as inventory when purchased, and then charged to expense when sold. Aviation fuel are sold in line with the applicable tariff as promulgated.

## 1.11 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with banks. Short term investments are included. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

## 1.12 PROVISIONS AND CONTINGENCIES

Provisions are recognised when the municipality has a present or constructive obligation, as a result of past events, that is probable to cause an outflow of resources embodying economic benefits required to settle the obligation and a reliable estimate of the provision can be made.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate used in calculating the present value is the interest rate implicit in the transaction. Where this is impractical to determine the average interest rate cost of borrowing rate of the Municipality is used.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is reversed.

The municipality on initial adoption of the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets has done so retrospectively according to the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The necessary disclosures have been made for non-recognition of provisions that form part of the cost of an asset.

## 1.13 EMPLOYEE BENEFITS

### 1.13.1 Short-term employee benefits

The cost of short-term employee benefits, which include salaries and wages and bonus plans, are expensed in the Statement of Financial Performance in the financial year during which the payment is made.



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Liabilities for short-term employee benefits that are unpaid at year-end are measured at the undiscounted amount that the municipality expected to pay in exchange for that service that had accumulated at the reporting date.

## 1.13.2 Termination Benefits

Termination benefits are recognised when actions have been taken that indicate that the municipality is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

## 1.13.3 Retirement benefits

The municipality provides retirement benefits for its employees and councilors.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees and councilors have rendered the employment service or served office entitling them to the contributions.

## 1.13.4 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the municipality pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of financial performance when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

## 1.13.5 Post employment medical care benefits

The municipality provides post-employment medical care benefits to its employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period.

The municipal post-employment medical care is also on the defined contribution plan is a post-employment benefit plan under which the municipality pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

## 1.14 REVENUE RECOGNITION

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Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, VAT and other similar allowances.

## 1.14.1 Revenue from exchange transactions

### Rendering of services

Flat rate service charges relating to rental of facilities and the reporting date shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

### Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of the principal has been quantified.

The income recognised is in terms of the agency agreement.

Collection charges are recognised when such amounts are incurred.

### Sale of Goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the purchaser the significant risks and rewards of ownership of goods;
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliable.

## 1.14.2 Revenue from non-exchange transactions

### Grants and donations received

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Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Conditional grants, donations and funding were recognised as revenue in the Statement of Financial Performance to the extent that the Municipality has complied with any criteria, conditions or obligations embodied in the agreement/arrangement. To the extent that the criteria, conditions and obligations have not been met a liability is raised in the Statement of Financial Position. Unconditional grants, donations and funding are recognised as revenue in the Statement of Financial Performance at the earlier of the date of receipt or when the amount is receivable.

Contributed assets are recognised at fair value when the risks and rewards associated with such assets are transferred to the Municipality.

## 1.14.3 Transfer revenue

Assets and revenue recognised as a consequence of a transfer at no or nominal cost is measured at the fair value of the assets recognised as at the date of recognition. Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession.

## 1.14.4 Other

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councilors or officials is virtually certain.

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

## 1.15 VALUE ADDED TAX

The municipality accounts for Value Added Tax on the cash basis.

## 1.16 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

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## 1.17 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), and the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 1.18 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 1.19 COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

## 1.20 CONSTRUCTION OF ASSETS IN PROGRESS

Construction of assets in progress is capital projects done on behalf of the Local Municipalities from the proceeds of conditional grants received and internal contributions. These projects are only handed over after full completion of the project and therefore all those uncompleted capital projects will be shown as Construction of assets in progress until date of transfer.

## 1.21 RELATED PARTIES

Related parties are identified and disclosed in terms of GRAP 20. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Associates (as per GRAP 7 - Investments in Associates);
- Joint ventures (as per GRAP 8 - Interests in Joint Ventures)
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Management, and close members of the family of management; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the two bullets above, or over which such a person is able to exercise significant influence.

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Each municipality and its own municipal entities are related parties. A municipality is not related to another municipality as they are not under common control.

The national government does not control provinces or municipalities for accounting purposes, although funding may be received from the national government.

The Municipality does not have and associates nor any joint ventures or any other form of association that may be defined as related party relation.

## 1.22 HERITAGE ASSETS

A heritage asset is as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held indefinitely for the benefit of present and future generations. The entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably. Heritage assets are measured at cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. The cost of a purchased heritage asset comprises:

- Heritage assets are subsequently measured at cost, less accumulated impairment losses. Where a heritage asset is acquired through a non exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.
- Transfers to heritage assets are made only when the asset meets the definition of a heritage asset and transfers from heritage assets are made only when the asset no longer meets the definition of a heritage asset. Transfers to and from heritage assets are done at the carrying amount of the assets transferred at the date of transfer.
- Most heritage assets have an indefinite useful life as they are to be preserved for current and future generations and might appreciate in value over time due to their cultural, environmental, historical, natural, scientific, technological and/or artistic significance. Based on this analysis, there is no finite limit to the period over which a heritage asset is expected to be held by the entity. The useful life of the heritage asset is therefore likely to be indefinite or the annual depreciation is likely to be immaterial.
- The entity derecognises heritage asset on disposal, or when no service potential are expected from its use or disposal.
- The gain or loss arising from derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

## 1.23 BUDGET INFORMATION

The municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 July 2020 to 30 June 2021.

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts (see page 9 - 11)

## 1.24 SEGMENT REPORTING

GRAP 18 defines a segment as a distinguishable activity or group of activities of an entity for which it is appropriate to separately report financial information. This is done to evaluate the entity's past performance in achieving its objectives and as a basis for decisions about the future allocation of resources.

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## 21. Employee related costs

Employee related cost exclusive of Section 57 employees	186,264,346	178,861,876
13 <sup>th</sup> Cheques	14,348,645	13,962,559
Medical aid - company contributions	17,683,782	17,092,336
UIF	989,013	1,015,498
Other payroll levies	3,547,507	3,410,609
Leave pay provision charge	5,771,324	6,119,713
Defined contribution plans	36,876,185	35,545,955
Overtime payments	379,024	883,622
Inconvenience allowance	3,035,003	2,292,354
Car allowance	10,261,649	9,752,832
Housing benefits and allowances	1,676,996	1,589,923
Telephone Allowances	10,800	10,800
Standby Allowance	195,971	206,770
Termination benefits	2,023,841	1,995,929
	<b>283,064,086</b>	<b>272,740,776</b>

## Remuneration of Municipal Manager

Annual Remuneration	420,272	1,681,103
Car Allowance	45,000	180,000
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	446	1,785
Other	30	112
	<b>465,748</b>	<b>1,863,000</b>

The Municipal Manager position is vacant since 3 October 2020 due to the death of the previous Municipal Manager

## Remuneration of Chief Financial Officer

Annual Remuneration	-	250,217
Car Allowance	-	60,000
Contributions to UIF, Medical and Pension Funds	-	632
Other	-	-
	-	<b>310,849</b>

The CFO is vacant since October 2019 and employees are acting in this position.

## Remuneration of Executive Director – Corporate services

Annual Remuneration	830,864	831,247
Car Allowance	178,357	178,357
Contributions to UIF, Medical and Pension Funds	1,932	1,896
Other	12,141	9,985
	<b>1,023,294</b>	<b>1,021,485</b>

## Remuneration of Executive Director – Community services

Annual Remuneration	840,455	840,497
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	2021	2020 as restated
Car Allowance	180,000	180,000
Contributions to UIF, Medical and Pension Funds	1,932	1,896
Other	-	-
	<b>1,022,387</b>	<b>1,022,393</b>

## Remuneration of Executive Director – Strategic Planning and Economic development

Annual Remuneration	733,086	733,128
Car Allowance	176,951	176,951
Contributions to UIF, Medical and Pension Funds	110,418	110,418
Other	1,932	1,897
	<b>1,022,387</b>	<b>1,022,394</b>

## Remuneration of Executive Director – Transport, Infrastructure and Environment (Vacant since May 2019)

Annual Remuneration	-	-
Car Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Other	-	-
	-	-

<b>Total personnel cost</b>	<b>286,597,902</b>	<b>264,063,505</b>
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The executive directors were all newly appointed in 2017 and are being remunerated in accordance with the upper limit gazette number 40118 of 4 July 2016.

## 22. Remuneration of councillors

Executive Major	866,492	1,048,360
Mayoral Committee Members	5,865,506	6,552,319
Speaker	846,182	766,387
Councillors	4,870,270	4,980,912
	<b>12,448,450</b>	<b>13,347,978</b>

## In-kind benefits (tools of trade)

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor and Speaker have use of a Council owned vehicle for official duties.

The Executive Mayor and Speaker have full-time bodyguards

Executive Mayor Modisakeng passed on in January 2021 and therefore the reduction in salary for the Mayor and Mayoral committee members in the 2020/21 financial year

## 23. Depreciation and amortisation

Property, plant and equipment	10,974,318	15,689,989
Intangible assets	1,179,529	1,785,258
	<b>12,153,847</b>	<b>17,475,247</b>

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	2021	2020 as restated
<b>24. Lease rentals on operating lease</b>		
<b>Premises</b>		
Contractual amounts	6,300,493	5,886,670
<b>Motor vehicles</b>		
Contractual amounts	867,871	1,079,438
<b>Plant and equipment</b>		
Contractual amounts	139,972	95,171
Ad-hoc amounts	589,354	363,748
	<b>7,897,690</b>	<b>7,425,027</b>
<b>25. Debt impairment</b>		
Debtors	-	-
	-	-
<b>26. Contracted services</b>		
<b>Outsourced Services</b>		
Administrative and Support Staff	18,874,609	18,712,804
Fire Services	23,680	133,322
Hygiene Services	287,478	106,930
Professional Staff	893,133	895,550
Security Services	7,967,996	16,600,835
<b>Consultants and Professional Services</b>		
Business and Advisory	296,666	1,847,334
Infrastructure and Planning	-	-
Legal Cost	2,758,561	3,609,319
<b>Contractors</b>		
Employee wellness	285,000	-
Catering Services	345,205	477,063
Event Promoters	235,244	52,750
Fire Services	57,327	3,758
Inspection Fees	-	85,965
Maintenance of Buildings and Facilities	2,931,815	1,906,061
Maintenance of Equipment	2,511,356	3,477,519
Pest Control and Fumigation	24,948	45,500
Stage and Sound Crew	8,050	25,500
Transportation	378,367	401,336
	<b>37,879,435</b>	<b>48,381,546</b>



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### 27. General expenses

Advertising	34,957	26,681
Assessment rates & municipal charges	5,440,485	6,207,038
Auditors remuneration	3,532,346	3,411,447
Bank charges	3,361,281	2,910,013
Computer expenses	725,413	759,294
Consulting and professional fees	354,500	181,500
Consumables	3,213,722	3,579,633
Insurance	1,476,832	2,296,729
IT expenses	3,917,356	4,094,052
Levies	1,985,357	1,912,828
Postage and courier	-	-
Printing and Publications	707,201	655,484
Protective clothing	43,680	-
Royalties and license fees	69,387	103,967
Subscriptions and membership fees	2,388,206	2,760,247
Telephone and fax	4,431,136	4,721,324
Training	2,347,863	1,703,225
Subsistence & Travel	-	115,547
Campaigns	138,227	769,299
Congresses & Meetings	8,000	65,723
External Bursaries	-	-
WCA Contribution	1,177,367	1,123,413
	<b>35,353,316</b>	<b>37,397,444</b>

### 28. Sale of Goods

#### Sale of goods

Cost of Aviation fuel	2,487,682	2,626,463
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Aviation fuel (JET A1 and AVGAS) are sold at the Vereeniging Aerodrome.

### 29. Auditors' remuneration

Fees	3,532,346	3,411,447
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### 30. Cash generated from operations

Deficit	(26,440,343)	(52,863,974)
<b>Adjustments for:</b>		
Depreciation	12,153,847	17,475,247
Loss / (Gain) on sale of assets and liabilities	(15,587)	853,410
Debt impairment	-	-
Impairment deficit	-	325,163
Movements in operating lease assets and accruals	(171,879)	88,443
<b>Changes in working capital:</b>		
Inventories	110,265	30,360
Receivables from exchange transactions	326,122	2,392,474
Assets under construction	-	-
Debt Impairment – Related party debtors	-	52,407,122
Payables from exchange transactions	4,318,854	(26,867,299)
VAT	(154,769)	211,098
Unspent conditional grants and receipts	6,865,497	1,187,002
	<b>(3,007,993)</b>	<b>(4,760,954)</b>

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### 31. Risk management

#### 31.1 Financial risk management

##### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

##### Interest rate risk

##### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Categories of Financial Instruments	2021	2020 as restated
<b>Financial Assets</b>		
Cash and cash equivalents	9,571,633	16,130,871
Inventories	363,157	473,422
Trade and other receivables from exchange transactions	4,025,502	4,351,724
VAT Receivable	70,989	-
	<b>14,031,381</b>	<b>20,956,017</b>
<b>Financial Liabilities</b>		
Unspent conditional grants and receipts	20,578,812	13,713,315
VAT Payable	-	83,780
Trade and other payables from exchange transactions	214,637,971	210,490,996
	<b>235,216,783</b>	<b>224,288,091</b>

If the interest rates received on investments increase or decrease by 100 basis points, the effect on the Statement of Financial performance would be as follows:

	2021		2020	
Floating Rate Financial Assets	Rate %	Effect on Surplus	Rate %	Effect on Surp
Cash and cash equivalents	1%	95,716	1%	161,309
Inventories	1%	3,632	1%	4,734
Trade and other receivables from exchange transactions	1%	40,255	1%	44,364
<b>Floating Rate Financial Liabilities</b>				
Unspent conditional grants and receipts	1%	(205,788)	1%	(137,133)
Trade and other payables from exchange transactions	1%	(2,146,380)	1%	(2,104,910)

# Sedibeng District Municipality

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### 32. Commitments

#### 32.1 Contracted capital and operating expenditure

##### Unspent conditional grants and receipts

Provincial Grants	20,229,123	13,696,587
National Grants	349,689	16,728
	<b>20,578,812</b>	<b>13,713,315</b>

The current unspent conditional grants are all committed funds which still need to be utilized in order to meet the conditions as stipulated in the various government gazettes.

#### 32.2 Operating leases - as lessee (expense)

##### Minimum lease payments due

Within one year	1,562,484	4,599,011
Later than one year but not later than five years		1,562,484

Operating lease payments represent rentals payable by the municipality for certain of its office properties.

#### 32.3 Operational expenses

##### Operational expenses

Within one year	2,042,652	3,325,800
Later than one year but not later than five years	772,914	125,649

### 33. Contingencies

The Municipality may be liable for claims instituted against the Municipality by employees who have disputes against the Municipality. The amount is uncertain as an arbitration award has not yet been issued against those claims.

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### 33.1 Contingent liabilities

NAMES OF SERVICE PROVIDER	NATURE OF LITIGATION/DISPUTE	WHAT HAPPENED	COMMENCEMENT DATE	EXPECTED VALUE/ LIABILITY	PROGRESS
1. S. Suleman Attorneys	Collection obo municipality/ Cheth Trust	The defendant had leased a building in Fresh Produce Market and failed to pay rental fees and civil action was instituted and he was eventually evicted from the leased building. Currently the council attorneys are busy trying to recover the outstanding rental fees	Apr-09  Mandate of the previous attorney was terminated due to poor service.	R1 145 432.38  (Income for SDM)	Legal action still ongoing and waiting for further progress report. This matter commenced in 2009 and 10 years later it is still not yet finalized. The attorneys were instructed to evict and recover the arrear rental fees from the tenant. The attorneys managed to evict the tenant and struggle to recover the money to and payable to the SDM. This kind of collection matter should have been finalized within a period of 3 or 4 years. It has therefore taken unnecessary long time to be finalized. From the discussions Legal dept had with the Council attorneys, it appears as if there are not good prospects of recovering the money from the debtor and it is therefore recommended that this debt to be written off. In the event that the amount is not written off, the matter will remain dormant.
2. S. Suleman Attorneys	Collection obo municipality/ N. Shongwe	Collection of the money owed by the employee (Cashier at FPM) to the municipality	Mar-18	R52 240.79 plus interest  (Income for SDM)	Summons were issued against the debtor which she failed to defend and default judgement against her. The debtor was summoned to the court for emoluments attachment hearing and she failed to appear in court and the warrant of arrest against her was issued. The execution of the warrant of arrest was suspended due to Covid 19 outbreak. We are still waiting for further progress report in this regard.
3. S. Suleman Attorneys	Transfer of Council property to Gauteng Provincial Government	The SDM Council has agreed to donate Erf 2527, Erf 2531, Erf 2532 and Erf 2533 to Gauteng Provincial Government	30-Aug-19	Province to be liable for the transfer fees and the figure is unknown at this stage (No Liability to SDM)	On 4 March 2021 the Conveyancers sent the estimates costs for the rates and taxes in respect of the property to Public Works for settlement for the clearance certificate to be obtained. Further progress report in this regard has been requested from the Conveyancers.

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4.Meise Nkaiseng Attorneys	Debt collection	Litigation against the managing Director of Tsogang Basadi enterprise for the recovery of part of the money which was erroneously paid to this company by the Finance department.	Jul-19	(R15000,00  Income for SDM)	In view of the value of the debt the Council attorneys were instructed to institute legal action against the debtor by issuing a letter of demand and to telephonically contact the debtor and legal costs not to exceed an amount of R1000,00. The debtor failed to respond to the letter of demand and summons and thereafter default judgment was taken against the debtor and on the 5 May 2020 application for default judgement was applied against the defendant and granted on the 28 May 2020. Council attorneys were instructed to issue a warrant of execution against the debtor and the sheriff issued a Nula bona return because no assets belonging to the company could be attached. In the light of this the Council attorneys have advised the Council to close the file to save the money and to blacklist the company from doing any business with the State.
5.TO. Maleka Attorneys	Litigation against the municipality for outstanding payment.	The litigation relates to the civil action instituted by Reabusa Construction in the High court for outstanding payments for services rendered in the one of the municipality's project which was managed by Mr. Sello Maetso	Nov-15	R1 281 959.40  Plus legal costs  (Liability)	The Plaintiff's attorneys failed/neglected to arrange the pre- trial conference and the trial date.  In view of the above, the Council attorneys have advised that they are proceeding to apply for the dismissal of the Plaintiff's case.
6.Lateral Unison Insurance Brokers	Motor Vehicle Accident	The Summons were issued against the municipality following a motor vehicle accident between the Council's vehicle which was driven at the time of accident by the employee, BP Kele and MN Monone's motor vehicle on 12 October 2017. The Council employee was allegedly driving the vehicle within the course and scope of employment.	Sep-18	R25 935.87 plus legal costs  (liability)	The matter was referred to the insurance company of the municipality and it is currently being handled by the Insurance lawyers. The report received confirms that the parties are currently still exchanging the pleadings. Further progress report has been requested from the Insurance company.

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7.Lateral Unison Insurance Brokers	Motor vehicle accident	A certain member of the public and a mechanic Mr. CA Burger sustained serious injuries during the truck test at the Vereeniging licensing Centre on the 15 September 2017. Mr. Burger's lawyers are suing the SDM on the basis that their client was injured as a result of the negligent conduct of the Council employee, Mr. Mbhele.	06-Dec-20	R1 000 000,00 plus legal costs  (Liability)	The matter has been defended by the Insurance Company on behalf of the SDM. Legal dept assisted Mr. Mbhele to draft the statement explaining the circumstances relating to this accident.
8.Lateral Unison Insurance Brokers	Motor vehicle belonging to DJ Vosloo was damaged by a pothole on the road under the control and management of Emfuleni	Letter of demand followed by Summons issued against the Emfuleni and SDM. SDM has been cited and issued with the letter of demand followed by the summons erroneously.	20-Sep-19	R653 778,00 plus legal costs  (Liability)	After receiving the letter of demand the legal department of the municipality contacted the lawyers acting for the Plaintiff and tried to advise and negotiate for the withdrawal of the letter against the SDM but our advice and request were ignored. A copy of the summons were then issued against both Emfuleni and SDM. We tried again to negotiate for withdrawal of the summons but lawyers appeared not to understand the basis of our request withdrawal of summons against the SDM. In the light of the lawyers actions the matter was referred to the insurance company of the municipality for further handling. Progress report has been requested from the Insurance company.
9.Legal Services Department	Application interdicting and restraining SDM from effecting any transfer of registration of ownership or title in certain vehicles and to effect restrictions to the e-Natis records of the vehicles involved in the legal dispute.	This is a legal matter between private individuals and relief is sought against SDM as a government body to prevent it from further effecting registration of transfer of ownership or title in relation to the relevant mortgaged assets. The municipality to abide with the decision of the court.	02-Aug-19	No liability to SDM	The Matter scheduled for hearing in the High Court Gauteng Local Division, Johannesburg on the 13 <sup>th</sup> August 2019 and interim order was obtained against the municipality. The licensing department of the SDM was advised accordingly of the interdict against the municipality and have been advised to do the necessary in accordance with the court order. The court order granted in this matter to remain in force until further notice.

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### 34. Prior year amendments

#### 34.1 Correction of errors

See below detail of corrections. The total correction amounts to R 376,881

The correction of the error(s) and change in accounting estimates results in adjustments are as follow:

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### Statement of changes in net assets

<b>Closing balance 1 July 2019</b>	<b>-42,856,296</b>
Debtors Overstated	-84,706
Intangible assets understated – Change in accounting estimate	615,228
<b>Restated closing balance 1 July 2019</b>	<b>-42,325,774</b>
<b>Opening balance as previously reported 1 July 2020</b>	<b>-95,566,627</b>
Debtors Overstated	-84,706
Intangible assets understated – Change in accounting estimate	461,587
<b>Restated Closing balance 1 July 2020</b>	<b>-95,189,746</b>
<b>Surplus (Deficit) for the year 2019 Previously reported</b>	<b>-52,710,333</b>
Amortisation understated	-153,641
<b>Restated Surplus (Deficit) for the year 2020</b>	<b>-52,863,974</b>

Expenditure	2020 Restated	2020 Previous Year Stated	Variance
Depreciation & amortisation - understated	(17,475,247)	(17,321,606)	(153,641)

Deficit for the year	(52,863,974)	(52,710,333)	(153,641)
2018/19 Corrections			530,522
<b>Total Corrections</b>			<b>376,881</b>

### 34.2 Reversal of impairment on debtors (Adjustments)

Based on an agreement reach with Emfuleni Local Municipality, the amount of R 52,407,126 previously recorded as possibly irrecoverable can be reverse and the debtor corrected accordingly.

### 35. Going concern

We draw attention to the fact that at 30 June, 2021, the municipality had accumulated deficit of R 121,630,089 and that the municipality's total liabilities exceed its assets by R 121,630,089.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.



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As a District Municipality based on our powers and functions we are completely grant dependent. No other main revenue source is obtainable. Over the last 9 years, as a result of the global financial economy constraints, National Treasury downscaled and implemented austerity measures which resulted in the reduction of our main source of revenue, the Equitable share. It is as a result of the global financial constraint that the equitable share over the last 9 years was increase far lessor than the CPI for each financial period. In addition the South African Local Bargaining Council was implementing salary increases at a higher rate than the equitable share growth allocated to municipalities over the last 8 years – Uncontrollable to municipalities. The reduction has been reported to National Treasury as our revenue source diminished. It was based on this reason that the District Municipality implemented austerity measures over the last 7 years which is still in place. The municipality performs daily, weekly and monthly cash flow reconciliations with projections to ensure that we are able to meet our obligations. The municipality adopted a pro-poor budgeting approach and followed National Treasury budget guide as a principle for provision on depreciation and employee cost.

We draw further attention to the fact that at 30 June, 2021, the municipality's current liabilities exceed its current assets with 218,185,402. The municipality also had operating deficit in the current financial year of R 26,440,343 (previous financial year loss of R 52,863,974) which resulted in a decrease in the net asset value.

The Municipality is busy with a process of aligning the current powers and functions assigned to the District and the Locals in order to regain sustainability within the District. Drastic cost saving measures will be implemented starting with a process of restructuring the organization based on the assigned powers and functions. The Council has recently approved that it (Sedibeng District Municipality) should perform the section 84(1) powers and functions of the Municipal Structures Act 117 of 1998.

The municipality does not have any fixed-term borrowing or short term loans and therefore does not put reliance on borrowings.

The municipality does have comprehensive insurance on its assets as set out in the asset register.

### 36. Events after the reporting date

None

### 37. Unauthorised expenditure

Opening balance	1,246,785	12,512,574
Add: expenditure identified – current period	-	1,246,785
Add: expenditure identified - prior period	-	-
Less: Approved by Council	-	(12,512,574)
	<b>1,246,785</b>	<b>1,246,785</b>

### Analysis follow: Cash

Employee related cost	-	-
General expenses	-	1,246,785
Depreciation	-	-
Transfer and subsidies paid	-	-
	-	<b>1,246,785</b>

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### 38. Fruitless and wasteful expenditure,

Possible fruitless and Wasteful expenditure are investigated and where applicable recovered from the Employee / Councillor concern. An amount of R 49,629 is currently being recovered from an employee related to salary cost recoverable. See annual report for details on all recoveries during the year.

Opening balance	248,142	446,655
Paid off during the year	(198,513)	(198,513)
-Fruitless and wasteful expenditure identified during the year	-	-
	<b>49,629</b>	<b>248,142</b>

### 39. Irregular expenditure

Irregular expenditure was incurred in the financial year based on appointments made in deviating from SCM legislation where Irregular expenditure was also incurred on Sect 56 employee-related costs during the financial year.

Opening Balance	15,257,905	18,451,807
Add: expenditure identified during the year	4,027,180	13,661,779
Add: expenditure – prior period identified during the year	-	1,596,126
Less: Approved by Council	-	(18,451,807)
	<b>19,285,085</b>	<b>15,257,905</b>

### Instances and cases in the current year

Supply chain processes	2,823,360	9,938,588
Contract and acting Employee		1,967,166
Sect 56 & 57 Employee cost above threshold	1,203,820	3,041,302
Sect 56 employee not a RSA citizen		310,849
	<b>4,027,180</b>	<b>15,257,905</b>

### Cases under investigations

Investigations are conducted by MPAC oversight committee on the 2019/20 financial year balance of R15,257,905

### 40. Additional disclosure in terms of Municipal Finance Management Act

#### 40.1 PAYE and UIF & Skills levy

Current year subscription / fee	48,994,394	47,111,678
Amount paid - current year	(48,994,394)	(47,111,678)
	-	-

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### 40.2 Pension and Medical Aid Deductions

Current year subscription / fee	83,571,044	81,295,495
Amount paid - current year	(83,571,044)	(81,295,495)
	-	-

### 40.3 VAT

VAT receivable	70,989	-
VAT payable	-	83,780
	<b>70,989</b>	<b>83,780</b>

All VAT returns have been submitted by the due date throughout the year.

### 40.4 Television sets in terms of the Television License Regulations under the Broadcasting act no 4 of 1999, as amended

Description	Number of sets	Period that sets were in entity's possession
Owned television sets	48	48 sets were used for the full year;
Rented or leased television sets	-	
Number of sets donated/ alienated	-	
<b>TOTAL</b>	<b>48</b>	

### 40.5 Related party transactions

Councillors and specifically the Executive Mayor and Speaker remuneration in terms of the government gazette are shown separately in note 22.

Section 56 employees' (Key Management) remuneration packages are shown separately in note 21. Section 57 employees are required to enter into an annual performance contract where pre-determined objectives are linked to the integrated development Plan. Councillors and all officials must annually declare their interests and the interest of close family members to Council.

### 40.5 Principles and Agents

#### 40.5.1 Gauteng Department of Transport

The municipality is acting as an agent for the Gauteng Department of Transport by rendering services related to motor vehicle license registrations and renewals, driver license applications and renewals. The municipality also collect AARTO fees as part of the function. Direct expenses related to the licensing function is as follow:

#### Breakdown of transactions

Collections made on NATIS system	273,935,911	223,573,394
<b>Less:</b>		
Refunds to Province	194,190,631	157,386,930
Refunds to AARTO	8,803,623	6,485,260

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VAT payable on collections	8,683,583	7,787,113
Refunds to customers	143,238	
Amount retained by Council	62,114,835	51,914,091
<b>Total Amount</b>	<b>273,935,910</b>	<b>223,573,394</b>

### Expenses related to the Licensing centre

Employee related costs	61,086,540	58,685,436
Depreciation and amortisation	298,928	170,460
Lease rentals on operating lease	139,972	95,171
General Expenses	5,883,613	5,000,250
<b>Total expenditure</b>	<b>67,409,053</b>	<b>63,951,317</b>

### Liability to Principle

<b>Total liability</b>	<b>127,859,031</b>	<b>127,672,181</b>
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#### 40.5.2 Fresh Produce Market

The municipality is acting as an agent by rendering management services at the fresh produce market where fresh produce are being sold by the market agent on behalf of the farmers. The municipality is managing the financial affairs and are managing two bank accounts on behalf of the agents. The current balances on the bank accounts are as follow:

Account number	Amount as per bank confirmation
Nedbank- Current Account (115944363)	R600,250
Standard bank (21779589)	R8,708
<b>Total</b>	<b>R608,958</b>

### Breakdown of transactions

Commission on transaction handling fees	3,260,201	4,456,488
<b>Total Amount</b>	<b>3,260,201</b>	<b>4,456,488</b>

### Expenses related to the Licensing centre

Employee related costs	10,401,102	10,155,990
Depreciation and amortisation	1,076,465	1,051,219
General Expenses	459,675	584,285

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<b>Total expenditure</b>	<b>11,937,242</b>	<b>11,791,494</b>
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### 40.6 COVID-19 impact and related expenses

The breakdown of the expenses is as follow:

	Budget allocation	Amount spent
PPE Consumables & Sanitation – All Staff	385,000	103,589
PPE Consumables & Sanitation– Licensing centrers	750 000	343,775
<b>Total COVID-19 allocation</b>	<b>1,135,000</b>	<b>447,364</b>

### 40.7 Declaration of business conducted to close family members of persons in the service of the state

The below table list the awards to close family members of persons in the service of the state and awards to persons in the service of the state.

#### 1. Awards to close family members of persons in the service of the state

Company Name	Initials	Surname	Designation and Employee NO.	Relationship with the company	Amount Paid
Africa Shades Construction	N	Monga	Assistant Manager Networks (00518)	Son of the Director/Shareholder	R65,858
Panorama Bloemiste	CS	Heunes	Snr Accountant	Husband to the Director/Shareholder	R22,138
<b>TOTAL</b>					<b>R 87,996</b>

#### 2. Awards to persons in the service of the state

No awards given to people in service of the state

# Sedibeng District Municipality

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## Notes to the Financial Statements

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### 41. Changes in accounting estimate

During the assessment of useful lives and residual values at the beginning of the 2020/21 financial period the municipality had to correct the carrying amount of the affected assets. These intangible assets were Amortized using the straight-line method over the useful live of the asset. Subsequently the assets lifespan has increased with another 3 years.

The following information regarding the depreciable assets for the following years are as follow:

Amortisation of affected assets in the 2019/20 financial year prior to change in estimate	R1,627,880
Additional depreciation charges due to change in estimate	R153,641
Total amortisation on the affected assets due to change in estimate	R1,781,521

The correction of the affected assets resulted in an increase to the carrying amount on intangible assets to the value of R461,587 as at 30 June 2020

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## 42. Deviation from supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 16 and 17 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the financial statements.

SEDIBENG DISTRICT MUNICIPALITY APPROVED DEVIATIONS REGISTER FOR 2020/21 YTD								
Applicable paragraph in SCM Po	Name of Supplier	Date of the order	Month	Reason for deviation	Approved by:	Cluster	Amount	SCM Comment
1 "33.2.1.7. The possibility that the security of the state could be compromised"	JMP SECURITY S	30-Oct-20	20-Oct	Urgently required additional security measures	Municipal Manager	Corporate Services	R 295,281.57	SCM Regulation 36 approved by Municipal Manager;  3 x quotations sourced
2 "33.2.1.4. The interruption of essential services, including <u>transportation</u> and communication facilities or support services critical to the effective functioning of the SDM as a whole"	HI-TEC MAG RE	No P/O obtained; Service Provider not CSD registered	20-Dec	The services were required and procured outside working hours Saturday, 19 September 2020	Municipal Manager	Corporate Services	R 3,450.00	SCM Regulation 36 approved by Municipal Manager;  3 x quotations <b>NOT</b> sourced; Supplier <b>NOT</b> CSD registered.
3 "33.2.1.1. The possibility of human injury or death"	DOTCOM TRAD	09-Feb-21	21-Feb	Relocation of electrical distribution board after electrocution of employee. P/O was issued on estimate basis and no formal written quotation bidding was conducted due to the imminent endangering of staff and public	Municipal Manager	Corporate Services	R 41,894.50	SCM Regulation 36 approved by Municipal Manager;  3 x quotations sourced however, not all suppliers responded
SUB-TOTAL FOR THE YTD OF 2020/2021							R 340,626.07	

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NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
1	03-07-20	1038957	Mooivaal Media (Pty) Ltd	R 13,000.00	One (01)	Only one quote received for local newspaper publication	Advertisements For Tariff 2020/21 In Local Newspape Sedibeng Ster, 91000 Distribution 20CM D X 12CM W; B&W
2	07-07-20	1038959	Mooivaal Media (Pty) Ltd	R 9,600.00	One (01)	Only one quote received for local newspaper publication	Advert: 20cm down x 12cm wide
3	13-07-20	1038962	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms (box) 19/29
4	13-07-20	1038963	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms (box) 19/29
5	13-07-20	1038964	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms (box) 19/29



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NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
6	13-07-20	1038965	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms (box) 19/29
7	13-07-20	1038966	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms (box) 19/29
8	31-08-20	1038983	JUTA AND COMPANY LTD	R 765.00	One (01)	Sole supplier of Road traffic legislation RS51	Road traffic legislation RS51
9	29-09-20	1039048	WORKSHOP ELECTRONICS (PTY) LTD	R 14,779.00	One (01)	Sole supplier of LSC equipment	General items service and calibration for a gradex1
10	29-09-20	1039049	WORKSHOP ELECTRONICS (PTY) LTD	R 14,899.00	One (01)	Sole supplier of LSC equipment	General items service and calibration for a grade
11	29-09-20	1039050	PREMIER SCALE SERVICES (PTY) LTD	R 17,020.00	One (01)	Sole supplier of LSC weighbridge equipment	Calibration of weighbridge equipment
12	30-09-20	1039053	TOX-A-KLEEN (PTY) LTD	R 25,432.25	Two (02)	Only two suppliers responded to request for quotations	Calibrate 2 x meters (excluding repairs)
13	02-11-20	1039122	MOOIVAAL MEDIA (PTY) LTD	R 9,500.00	One (01)	Only one quote received for local newspaper publication	Sedibeng Ster Advertisement: IDP Public Participation 11 November 2020

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NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
14	18-12-20	1039214	Africa Shades Construction	R 14,449.56	Two (02)	Insurance claim repair-works	Panelbeating Isuzu Cabstar(XTX 861 GP)
15	18-12-20	1039215	Africa Shades Construction	R 5,916.00	Two (02)	Insurance claim repair-works	Panelbeating Jurgens Trailer (CR 12 DB GP)
16	23-12-20	1039222	New Vaal Motors (Pty) Ltd	R 25,802.60	One (01)	Other suppliers did not have stock readily available	Replacement of four tyres (245/35 R19 and 275/30 R19) for Mercedes Benz E250 FK 24 PG GP
17	23-12-20	1039223	New Vaal Motors (Pty) Ltd	R 23,688.10	One (01)	Due to pending festive season, other suppliers could not assist with vehicle repair-works	Repairs and maintenance of Mercedes Benz E250 FK 24 PG GP
18	22-01-21	1039246	Workshop Electronics (Pty) Ltd	R 15,696.52	One (01)	Sole supplier for the service	Remove, rewire and installation of motor for the brake tester
19	22-01-21	1039247	Workshop Electronics (Pty) Ltd	R 12,860.00	One (01)	Sole supplier for the service	Service & calibration of grade a testing equipment
20	28-01-21	1039259	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms

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NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
21	28-01-21	1039260	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms
22	26-02-21	1039300	Workshop Electronics (Pty) Ltd	R 8,405.00	One (01)	Sole supplier for the service due to warranties on equipment	Repairs to brake tester
23	12-03-21	1039339	SAGE WISE 1041 (PTY) LTD T/A NANDOS VEREENIGING	R 9,400.00	One (01)	Catering arranged for Council sitting that ran into excess of five hours	Lunch for council meeting
24	18-03-21	1039356	PANORAMA BLOEMISTE CC	R 22,137.50	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Medium wreaths
25	25-03-21	1039360	SAGE WISE 1041 (PTY) LTD T/A NANDOS VEREENIGING	R 3,360.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Catering for Sedibeng roads and transport intermodal projects (26/03/2021)

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NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
26	26-03-21	1039363	BK'S IT SOLUTIONS CC	R 51,750.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Transport for Human Rights Day (Sharpeville)
27	26-03-21	1039364	TEMOSO TRADING 1031 CC	R 44,999.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Cleaning of City Hall, Over Flow & Chamber
28	26-03-21	1039365	SILVER SOLUTIONS 2514 CC	R 10,350.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Portable toilets
29	26-03-21	1039366	LEBOTSENG TRADING CC	R 5,100.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Lunch

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NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
30	26-03-21	1039367	GOLUMA PROJECTS (PTY)LTD	R 8,000.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Bottled still water 500ml
31	26-03-21	1039368	OM15TAU	R 9,900.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Transport
32	29-03-21	1039371	RAMBUTINK (PTY) LTD	R 26,973.60	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Disinfecting offices/toilet and hall
33	08-04-21	1039391	SAGE WISE 1041 (PTY) LTD T/A NANDOS VEREENIGING	R 4,510.00	One (01)	Halal caterer	Catering
34	08-04-21	1039392	AV ACTIVE (PTY) LTD	R 25,000.00	One (01)	Short notice - suppliers did not respond to request to quote on time	Equipment Hire And Audio Visual Services For Minister's Dialogue With Students And Dcc Members 9/04/2021

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NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
35	13-04-21	1039397	AV ACTIVE (PTY) LTD	R 55,000.00	One (01)	Short notice - suppliers did not respond to request to quote on time	AV + PA System
36	13-04-21	1039400	TL APPLIANCES AND LAWNMOWERS	R 2,780.00	One (01)	Strip, quote and repair	Strip & Quote, Repair Service
37	23-04-21	1039417	WORKSHOP ELECTRONICS (PTY) LTD	R 6,150.50	One (01)	Sole supplier for the service	Supply & Fit Spares To Repair Brake Tester
38	23-04-21	1039418	WORKSHOP ELECTRONICS (PTY) LTD	R 28,978.50	One (01)	Sole supplier for the service	Supply And Fit Exchange Roller Set For Brake Tester
39	27-05-21	1039490	AV ACTIVE (PTY) LTD	R 57,050.50	One (01)	Short notice - suppliers did not respond to request to quote on time	AV + PA System; (The order was subsequently cancelled as the event did not take place)
<b>SUB-TOTAL FOR THE YTD OF 2020/2021</b>				<b>R 759,459.43</b>			

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## 43. Budget differences

### Actual versus Budget (revenue and Expenditure) for the year ended 30 June 2021

Figures in Rand	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance	Explanation of Significant Variance 10% versus Budget
<b>Revenue</b>					
Sale of goods	2,176,624	2,689,618	512,994	23.57%	Due to Covid-19 budget was reduced to manage to operate sooner than expected
Rental of facilities and equipment	214,808	225,220	10,412	4.85%	Due to Covid-19 no transaction took place end June 2021 except for parking fees
Agency services	74,884,329	68,732,595	(6,151,734)	(8.21%)	Decrease in licensing fees as a result of agencies instituted by Department of Transport centers were also closed from to time
Commissions received	3,160,164	3,260,201	100,037	3.17%	Market sales down due to economic downturn market agent current operating at the
Other income - (rollup)	931,474	1,088,598	157,124	18.87%	Higher than anticipated income based on income
Interest received - investment	1,743,112	1,717,724	(25,388)	(1.46%)	Interest lower than anticipated based on
<b>Total revenue from exchange transactions</b>	<b>83,110,511</b>	<b>77,713,956</b>	<b>-5,396,555</b>	<b>(6.49%)</b>	
Licenses and permits	2,347,000	2,351,000	4,000	0.17%	
Government grants & subsidies	303,622,190	296,096,293	(7,525,897)	(2.48%)	
<b>Total revenue from non-exchange transactions</b>	<b>305,969,190</b>	<b>298,447,293</b>	<b>(7,521,897)</b>	<b>(2.46%)</b>	
<b>Total revenue</b>	<b>389,079,701</b>	<b>376,161,249</b>	<b>(12,918,452)</b>	<b>(2.79%)</b>	
<b>Expenditure</b>					
Personnel	(290,739,058)	(293,774,621)	(3,035,563)	1.04%	Leave days provision increase
Remuneration of councillors	(13,257,014)	(12,448,450)	808,564	(6.10%)	Due to the death of the previous councillor was a reduction in salaries for other members based on the act
Depreciation & impairment	(11,271,875)	(12,448,191)	(1,166,316)	7.82%	Increase amount due to useful

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## Actual versus Budget (revenue and Expenditure) for the year ended 30 June 2021

Figures in Rand	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance	Explanation of Significant Variance 10% versus Budget
Debt impairment		(5,476)	(5,476)		
Impairment losses	-	(214,609)	(214,609)		
Lease rentals on operating lease	(7,128,334)	(7,897,690)	(769,356)	10.79%	Increase due to unsuccessful negotiations with landlord to reduce the rates.
Contracted Services	(42,546,354)	(38,199,640)	4,346,714	(10.22%)	Decrease due to reduction in a number of services.
Transfers and Subsidies	(1,214,000)	(2,055,150)	(841,150)	69.29%	Increase in spending due to NYM.
General Expenses	(36,505,910)	(36,363,646)	142,264	(0.39%)	Higher than anticipated municipal rates.
<b>Total expenditure</b>	<b>(402,662,545)</b>	<b>(403,397,473)</b>	<b>(734,928)</b>	0.18%	Refer to note 39
(Loss)/Gain on disposal of assets and liabilities	100,000	15,587	(84,413)		
Inventories losses/write downs	-	7,031	7,031		
	<b>100,000</b>	<b>22,618</b>	<b>(77,382)</b>		
<b>Operating deficit</b>	<b>(13,482,844)</b>	<b>(27,213,606)</b>	<b>(13,730,762)</b>	101.80%	



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## 2. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	41,299,080	(12,279,296)	29,019,784	41,299,080	(12,279,296)	29,019,784
Buildings	75,805,435	(32,270,179)	43,535,256	75,609,712	(29,786,821)	45,822,891
Plant and machinery	11,714,119	(9,621,331)	2,092,788	11,444,690	(8650,718)	2,793,972
Furniture and fixtures	19,382,679	(15,646,942)	3,735,737	18,989,403	(14,439,741)	4,549,662
Motor vehicles	9,161,025	(6,019,734)	3,141,292	7,458,431	(6,270,392)	1,188,039
Electronic equipment	79,898,022	(68,530,021)	11,368,001	77,499,717	(63,354,834)	14,144,883
Infrastructure	67,418,202	(62,904,895)	4,513,307	67,418,202	(61,648,767)	5,759,435
<b>Total</b>	<b>304,678,563</b>	<b>(207,272,398)</b>	<b>97,406,165</b>	<b>299,719,235</b>	<b>(196,430,569)</b>	<b>103,288,666</b>

### Reconciliation of property, plant and equipment – 2021

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	29,019,784	-	-	-	-	29,019,784
Buildings	45,822,891	195,723	-	(2,483,358)	-	43,535,256
Plant and machinery	2,793,972	269,429	-	(970,613)	-	2,092,788
Furniture and fixtures	4,549,662	416,706	(3,168)	(1,227,464)	-	3,735,736
Motor vehicles	1,188,039	2,236,908	(10,474)	(58,572)	(214,609)	3,141,292
Electronic equipment	14,144,883	2,417,883	(6,420)	(5,188,345)	-	11,368,001
Infrastructure	5,769,435	-	-	(1,256,127)	-	4,513,308
	<b>103,288,666</b>	<b>5,536,649</b>	<b>(20,062)</b>	<b>(11,184,479)</b>	<b>(214,609)</b>	<b>97,406,165</b>

### Reconciliation of property, plant and equipment – 2020

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	29,019,784	-	-	-	-	29,019,784
Buildings	49,282,954	-	-	(2,584,976)	(875,088)	45,822,891
Plant and machinery	3,802,199	47,799	-	(1,056,027)	-	2,793,972
Furniture and fixtures	5,645,355	218,350	(598)	(1,313,445)	-	4,549,662
Motor vehicles	1,558,022	-	-	(44,819)	(325,163)	1,188,039
Electronic equipment	20,458,813	363,832	(25,657)	(6,652,104)	-	14,144,883
Infrastructure	9,275,047	-	-	(3,505,612)	-	5,769,435
	<b>119,042,174</b>	<b>629,981</b>	<b>(26,255)</b>	<b>(15,156,983)</b>	<b>(1,200,251)</b>	<b>103,288,666</b>

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Included in the fixed asset register are items with zero-rand book value. Management has assessed at reporting date if there is a need to revise the useful lives of assets. The asset currently held at R0.00 book value is impaired based on the conditional assessment and are earmarked for disposal.

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The municipality also incurred **repair and maintenance** on the assets as outlined below.

Buildings, Fences and Sites	2,931,815	1,906,061
Plant and Equipment	379,376	440,908
Infrastructure	2,131,980	3,036,611
Vehicle	384,067	401,336
<b>Total repair and maintenance</b>	<b>5,827,238</b>	<b>5,784,916</b>

### 3. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	14,702,199	(12,827,249)	1,874,950	14,545,429	(11,573,539)	2,971,890

#### Reconciliation of intangible assets – 2021

	Opening balance	Additions	Amortisation	Total
Computer software, other	2,971,890	156,771	(1,253,710)	1,874,950

#### Reconciliation of intangible assets – 2020

	Opening balance	Additions	Amortisation	Total
Computer software, other	4,618,569	30,429	(1,677,109)	2,971,890

### 4. Heritage assets

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	1,527,941	(19,000)	1,508,941	1,527,941	(19,000)	1,508,941
Historical monuments	3,386,000	-	3,386,000	3,386,000	-	3,386,000
<b>Total</b>	<b>4,913,941</b>	<b>(19,000)</b>	<b>4,894,941</b>	<b>4,913,941</b>	<b>(19,000)</b>	<b>4,894,941</b>

#### Reconciliation of heritage assets 2021

	Opening balance	Transfer received	Impairment losses recognized	Total
Art Collections, antiquities and exhibits	1,508,941	-	-	1,508,941
Historical monuments	3,386,000	-	-	3,386,000
	<b>4,894,941</b>	<b>-</b>	<b>-</b>	<b>4,894,941</b>

#### Reconciliation of heritage assets 2020

	Opening balance	Transfer received	Impairment losses recognized	Total
Art Collections, antiquities and exhibits	1,508,941	-	-	1,508,941
Historical monuments	3,386,000	-	-	3,386,000

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4,894,941	-	-	4,894,941
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## 5. Inventories

Fuel – Airport

Both AVGAS and JET A1 are sold at the Vereeniging Aerodrome

Aviation Fuel

363,157

473,422

363,157

473,422

## 6. Receivables from exchange transactions

Employee costs corrections

6.1

125,216

177,440

Prepayments

6.2

1,096

3,174

NYDA – Youth grant

6.3

1,618,436

Recoveries from staff

6.4

8,187

34,714

Unprocessed bank transactions

6.5

-

5,476

Interest Receivable on bank account

6.6

59,838

62,555

Agency services

6.7

1,681,670

1,244,735

Vat on accruals

6.8

88,969

1,205,194

**Gross amount**

**1,964,976**

**4,351,724**

### 6.1 Employee cost recoverable

Current (0 – 30 days)

10,656

14,004

>91

114,560

163,436

**Total Employee cost recoverable**

**125,216**

**177,440**

### 6.2 Pre payments

Current (0 – 30 days)

>91

1,096

3,174

**Total Pre payments**

**1,096**

**3,174**

### 6.3 NYDA – Youth grant

Current (0-30days)

1,618,436

### 6.4 Recoveries from staff

Current (0 – 30 days)

8,187

34,714

### 6.5 Unprocessed bank transactions

Current (0 – 30 days)

5,476

5,476

Less: Debt Impairment

(5,476)

-

**5,476**

### 6.6 Interest receivable

Current (0 – 30 days)

59,838

62,555

### 6.7 Agency services

Current (0 – 30 days)

1,681,670

1,244,735

>120 days

954,100

954,100

Less: Debt Impairment

(954,100)

(954,100)

**Total Local Municipalities Agency services**

**1,681,670**

**1,244,735**

### 6.8 Vat on Accruals

Current (0 – 30 days)

88,969

1,205,194

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## 7. VAT receivable

VAT	70,989	-
Council is registered on the cash basis for VAT, This amount is due from SARS based on submitted returns		

## 8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	40,825	40,825
Cash book balances	9,530,808	16,090,046
	<b>9,571,633</b>	<b>16,130,871</b>

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June, 2021	30 June, 2020	30 June, 2021	30 June, 2020
STANDARD BANK – Cheque Account - 21777667	129,238	1,537,412	129,238	1,537,412
STANDARD BANK - Licensing Account - 21781494	466,915	515,788	466,915	515,788
NEDBANK - Primary Account - 1152944835	2,123,968	8,771,317	2,140,436	8,745,007
NEDBANK - Licensing account - 1152944606	6,794,219	5,291,839	6,794,219	5,291,839
<b>Total</b>	<b>9,514,340</b>	<b>16,116,356</b>	<b>9,530,808</b>	<b>16,090,046</b>

## 9. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

### Unspent conditional grants and receipts

Provincial Grants	18,200,198	12,891,374
National Grants	2,378,614	821,941
	<b>20,578,812</b>	<b>13,713,315</b>

### Movement during the year

Balance at the beginning of the year	13,713,315	12,526,313
Additions during the year	19,795,000	15,330,152
Income recognition during the year	(12,107,503)	(14,143,150)
Grant Reversal / forfeit	(822,000)	-
	<b>20,578,812</b>	<b>13,713,315</b>

The nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised. The municipality has applied for a roll-over of the grants as stipulated above, however approval was only granted for a total amount of R3,041,376 while the remaining amount must be surrendered

See note 21 for reconciliation of grants from National/Provincial Government.

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	2021	2020 as restated
<b>10. Payables from exchange transactions</b>		
Trade payables	3,400,963	4,179,908
Accrued leave pay	32,632,736	28,253,973
Department of Transport (License fees)	129,974,801	129,787,95
Local Municipalities Accounts	50,427,413	40,892,817
Vat Accrued on Debtors	-	8,635,658
Refundable town hall rental deposits	105,596	118,796
Unclaimed Salaries	72,286	105,633
Unknown deposits	1,989	1,989 <sup>e</sup>
	<b>216,615,789</b>	<b>211,976,725</b>

## 11. VAT Payable

Tax refunds payables	-	83,780
	-	-

Council is registered on the cash basis for VAT, This amount is due to SARS based on submitted returns

## 12. Revenue

Sale of goods	2,689,618	3,093,395
Rental of facilities and equipment	225,220	421,549
Agency services	68,732,595	62,929,418
Licenses and permits	2,351,000	1,445,000
Commissions received	3,260,201	4,456,488
Inventory reversal	7,031	-
Other income	1,088,598	1,408,127
Interest received - investment	1,717,724	3,307,133
Gain on disposal of assets	15,587	-
Government grants & subsidies	296,096,293	284,387,58
	<b>376,183,867</b>	<b>361,448,696</b>

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of goods – Aviation Fuel	2,689,618	3,093,395
Rental of facilities and equipment	225,220	421,549
Agency services	68,732,595	62,929,418
Commissions received	3,260,201	4,456,488
Other income	1,088,598	1,408,127
Gain on disposal of assets	15,587	-
Inventory reversal	7,031	-
Interest received - investment	1,717,724	3,307,133
	<b>77,736,574</b>	<b>75,616,110</b>

The amount included in revenue arising from non-exchange transactions is as follows:

<b>Taxation revenue</b>		
Licenses and permits	2,351,000	1,445,000
<b>Transfer revenue</b>		
Government grants & subsidies	296,096,293	284,387,586
	<b>298,447,293</b>	<b>285,832,586</b>

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<b>13. Rental of facilities and equipment</b>		
<b>Facilities and equipment</b>		
Facilities & equipment	2,589	226,528
<b>Garages and parking</b>		
Parking	222,631	195,021
	<b>225,220</b>	<b>421,549</b>
<b>14. Agency services</b>		
Information Technology services	6,617,761	10,963,559
Department of Transport	62,114,834	51,965,859
	<b>68,732,595</b>	<b>62,929,418</b>
<b>15. Licenses and permits (from non-exchange transactions)</b>		
Air quality emission fees	2,351,000	1,445,000
	<b>2,351,000</b>	<b>1,445,000</b>
<b>16. Other Revenue</b>		
Commissions received	3,260,201	4,456,488
Other income - (consolidated)	1,088,598	1,408,127
	<b>4,348,799</b>	<b>5,864,615</b>
<b>17. Other income – (consolidated)</b>		
Insurance refunds	18,874	198,216
Skills Levy Income	317,471	403,403
Incidental income	340,190	368,404
Tender Income	1,226	5,609
Commission on Salaries	231,790	154,384
Staff recoveries	179,047	278,111
	<b>1,088,598</b>	<b>1,408,127</b>
<b>18. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	1,717,724	3,307,133
<b>19. Grants and subsidies paid</b>		
<b>Other subsidies</b>		
NYDA Learnership and internships programme	2,055,150	-
	<b>2,055,150</b>	<b>-</b>
<b>20 Government grants and subsidies received</b>		
<b>Operating grants</b>		
Equitable share	281,832,000	268,626,000
HIV and AIDS Grants	6,717,202	7,943,152
EPWP Grant	1,000,000	1,173,000
Rural Roads Grant	360,560	1,831,579
Grant in Kind – Emfuleni Local Municipality	743,619	-

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National Grants	650,251	983,272
Youth grant	2,149,101	3,711,583
Disaster Management Grant	-	80,050
	<b>293,452,733</b>	<b>284,348,636</b>
<b>Capital Grants</b>		
Disaster Management Grant	-	38,950
Rural Roads Grant	66,516	
HIV / AIDS Grant	2,106,522	
Grant in Kind – Emfuleni Local Municipality	470,522	
	<b>2,643,560</b>	<b>38,950</b>
	<b>296,096,293</b>	<b>284,387,586</b>
<b>Equitable Share</b>		
Current-year receipts	(281,832,000)	(268,626,000)
Conditions met - transferred to revenue	281,832,000	268,626,000
	-	-
<b>Provincial Grants</b>		
Balance unspent at beginning of year	12,891,374	12,469,521
Current-year receipts	15,339,000	10,458,152
Conditions met - transferred to revenue	(10,030,176)	(10,036,299)
Grants forfeited	-	-
	<b>18,200,198</b>	<b>12,891,374</b>

Conditions still to be met - remain liabilities (see note 9).

Reconciliation of Unspent Conditional Grants

	Opening Balance July 2020	Grants Received 2020/21	Grants Spent/ forfeit 2020/21	Unspent Grants June 2021
LED Project	119,378			119,378
HIV/AIDS	-	11,148,000	(8,823,724)	2,324,276
Sport and Recreation	421,853	2,654,000	(1,206,452)	1,869,401
Agriculture	79,718	-	-	79,718
Transfer of Informal Settlements	12,270,425	-	-	12,270,425
Aerotropolis Grant	-	1,537,000	-	1,537,000
	<b>12,891,374</b>	<b>15,339,000</b>	<b>(10,030,176)</b>	<b>18,200,198</b>

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## National Grants

	2021	2020 as restated
Balance unspent at beginning of year	821,941	56,792
Current-year receipts	4,456,000	4,872,000
Conditions met - transferred to revenue	(2,077,327)	(4,106,851)
Grant Forfeit	(822,000)	-
	<b>2,378,614</b>	<b>821,941</b>

Conditions still to be met - remain liabilities (see note 9).

## Reconciliation of Unspent Conditional Grants

	Opening Balance July 2020	Grants Received 2020/21	Grants Spent/Forfeit 2020/21	Unspent Grants June 2021
Municipal Finance Management Grant	16,728	1,000,000	(667,039)	349,689
EPWP Grant	-	1,000,000	(1,000,000)	-
Rural Roads	805,213	2,456,000	(1,232,288)	2,028,925
	<b>821,941</b>	<b>4,456,000</b>	<b>(2,899,327)</b>	<b>2,378,614</b>

## In kind grants

	2021	2020 as restated
Balance unspent at beginning of year	-	-
Current-year receipts	1,214,141	-
Conditions met - transferred to revenue	(1,214,141)	-
	<b>-</b>	<b>-</b>

An in kind grant was received by Emfuleni local municipality whereby the rates hall, currently owned by Sedibeng was refurbish

## Changes in level of government grants.



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Based on the allocations set out in the Division of Revenue Act, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

## 21. Employee related costs

Employee related cost exclusive of Section 57 employees	186,018,133	178,861,876
13 <sup>th</sup> Cheques	14,348,645	13,962,559
Medical aid - company contributions	17,683,782	17,092,336
UIF	989,013	1,015,498
Other payroll levies	3,547,507	3,410,609
Leave pay provision charge	5,771,324	6,119,713
Defined contribution plans	36,876,185	35,545,955
Overtime payments	379,024	883,622
Inconvenience allowance	3,035,003	2,292,354
Car allowance	10,261,649	9,752,832
Housing benefits and allowances	1,676,996	1,589,923
Telephone Allowances	10,800	10,800
Standby Allowance	195,971	206,770
EPWP Stipends	956,432	1,203,102
HIV/AIDS Stipends	6,220,287	7,163,021
Termination benefits	2,023,841	1,995,929
	<b>289,994,592</b>	<b>281,106,899</b>

## Remuneration of Municipal Manager

Annual Remuneration	420,272	1,681,103
Car Allowance	45,000	180,000
Contributions to UIF, Medical and Pension Funds	446	1,785
Other	30	112
Acting allowances paid to Acting incumbents	45,526	
	<b>511,274</b>	<b>1,863,000</b>

The Municipal Manager position is vacant since 3 October 2020 due to the death of the previous Municipal Manager

## Remuneration of Chief Financial Officer

Annual Remuneration	-	250,217
Car Allowance	-	60,000
Contributions to UIF, Medical and Pension Funds	-	632
Acting allowance paid to Acting incumbents	118,339	-
	<b>118,339</b>	<b>310,849</b>

The CFO is vacant since October 2019 and employees are acting in this position.

## Remuneration of Executive Director – Corporate services

Annual Remuneration	830,864	831,247
Car Allowance	178,357	178,357
Contributions to UIF, Medical and Pension Funds	1,932	1,896
Other	12,141	9,985
	<b>1,023,294</b>	<b>1,021,485</b>

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## Remuneration of Executive Director – Community services

Annual Remuneration	840,455	840,497
Car Allowance	180,000	180,000
Contributions to UIF, Medical and Pension Funds	1,932	1,896
Other	-	-
	<b>1,022,387</b>	<b>1,022,393</b>

## Remuneration of Executive Director – Strategic Planning and Economic development

Annual Remuneration	733,086	733,128
Car Allowance	176,951	176,951
Contributions to UIF, Medical and Pension Funds	110,418	110,418
Other	1,932	1,897
	<b>1,022,387</b>	<b>1,022,394</b>

## Remuneration of Executive Director – Transport, Infrastructure and Environment (Vacant since May 2019)

Annual Remuneration	-	-
Car Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Acting allowance paid to Acting incumbents	82,348	-
	<b>82,348</b>	<b>-</b>

<b>Total personnel cost</b>	<b>293,774,621</b>	<b>286,347,020</b>
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The executive directors were all newly appointed in 2017 and are being remunerated in accordance with the upper limit gazette number 40118 of 4 July 2016.

## 22. Remuneration of Councillors

Executive Mayor	866,492	1,048,360
Mayoral Committee Members	5,865,506	6,552,319
Speaker	846,182	766,387
Councillors	4,870,270	4,980,912
	<b>12,448,450</b>	<b>13,347,978</b>

## In-kind benefits (tools of trade)

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor and Speaker have use of a Council owned vehicle for official duties.

The Executive Mayor and Speaker have full-time bodyguards

Executive Mayor Modisakeng passed on in January 2021 and therefore the reduction in salary for the Mayor and Mayoral committee members in the 2020/21 financial year

## 23. Depreciation and amortisation

Property, plant and equipment	11,184,481	15,153,248
Intangible assets	1,253,710	1,680,846
	<b>12,438,191</b>	<b>16,834,094</b>

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	2021	2020 as restated
<b>24. Lease rentals on operating lease</b>		
<b>Premises</b>		
Contractual amounts	6,300,493	5,886,670
<b>Motor vehicles</b>		
Contractual amounts	867,871	1,079,438
<b>Plant and equipment</b>		
Contractual amounts	139,972	95,171
Ad-hoc amounts	589,354	363,748
	<b>7,897,690</b>	<b>7,425,027</b>
<b>25. Debt impairment</b>		
Debtors	5,476	-
	<b>5,476</b>	<b>-</b>
<b>26. Contracted services</b>		
<b>Outsourced Services</b>		
Municipal Health services	19,194,814	18,712,804
Fire Services	23,680	133,322
Hygiene Services	287,478	106,930
ICT Services	893,133	895,550
Security Services	7,967,996	16,600,835
<b>Consultants and Professional Services</b>		
Business and Advisory	296,666	1,847,334
Legal Cost	2,758,561	3,609,319
<b>Contractors</b>		
Employee wellness	285,000	-
Catering Services	345,205	477,063
Event Promoters	235,244	52,750
Fire Protection	57,327	3,758
Inspection Fees	-	85,965
Maintenance of Buildings and Facilities	2,931,815	1,906,061
Maintenance of Equipment	2,511,356	3,477,519
Pest Control and Fumigation	24,948	45,500
Stage and Sound Crew	8,050	25,500
Transportation	378,367	401,336
	<b>38,199,640</b>	<b>48,381,546</b>

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## 27. General expenses

Advertising	34,957	26,681
Assessment rates & municipal charges	5,440,485	6,207,038
Auditors remuneration	3,532,346	3,411,447
Bank charges	3,361,281	2,910,013
Computer expenses	725,413	759,294
Consulting and professional fees	354,500	181,500
Consumables	3,692,330	3,579,633
Insurance	1,476,832	2,296,729
IT expenses	3,917,356	4,094,052
Levies	1,985,357	1,912,828
Printing and Publications	707,201	655,484
Protective clothing	43,680	-
Royalties and license fees	69,387	103,967
Subscriptions and membership fees	2,388,206	2,760,247
Telephone and fax	4,431,136	4,721,324
Training	292,713	1,703,225
Subsistence & Travel	99,189	115,547
Public Participation	138,227	769,299
Congresses & Meetings	8,000	65,723
WCA Contribution	1,177,367	1,123,413
	<b>33,875,961</b>	<b>37,397,444</b>

## 28. Sale of Goods

### Sale of goods

Cost of Aviation fuel	2,487,682	2,626,463
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Aviation fuel (JET A1 and AVGAS) are sold at the Vereeniging Aerodrome.

## 29. Auditors' remuneration

Fees	3,532,346	3,411,447
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## 30. Cash generated from operations

Deficit	(27,213,606)	(52,222,821)
<b>Adjustments for:</b>		
Depreciation	12,438,191	16,834,094
Loss / (Gain) on sale of assets and liabilities	(15,587)	853,410
Debt impairment	5,476	
Impairment deficit	214,609	325,163
Movements in operating lease assets and accruals	(171,879)	88,443
<b>Changes in working capital:</b>		
Inventories	110,265	30,360
Receivables from exchange transactions	2,386,741	2,383,510
Debt Impairment – Related party debtors	(5,476)	52,407,122
Payables from exchange transactions	4,639,059	(26,867,299)
VAT	(154,769)	211,098
Unspent conditional grants and receipts	6,865,497	1,187,002
	<b>(901,465)</b>	<b>(4,760,954)</b>

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## 31. Risk management

### 31.1 Financial risk management

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Interest rate risk

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Categories of Financial Instruments	2021	2020 as restated
<b>Financial Assets</b>		
Cash and cash equivalents	9,571,633	16,130,871
Inventories	363,157	473,422
Trade and other receivables from exchange transactions	1,964,976	4,351,724
VAT Receivable	70,989	-
	<b>11,970,755</b>	<b>20,956,017</b>
<b>Financial Liabilities</b>		
Unspent conditional grants and receipts	20,578,812	13,713,315
VAT Payable	-	83,780
Trade and other payables from exchange transactions	216,615,789	211,976,725
	<b>237,194,601</b>	<b>225,773,820</b>

If the interest rates received on investments increase or decrease by 100 basis points, the effect on the Statement of Financial performance would be as follows:

	2021		2020	
Floating Rate Financial Assets	Rate %	Effect on Surplus	Rate %	Effect on Surp
Cash and cash equivalents	1%	95,716	1%	161,309
Inventories	1%	3,632	1%	4,734
Trade and other receivables from exchange transactions	1%	19,650	1%	43,517
<b>Floating Rate Financial Liabilities</b>				
Unspent conditional grants and receipts	1%	(205,788)	1%	(137,133)
Trade and other payables from exchange transactions	1%	(2,166,158)	1%	(2,119,767)

## 32. Commitments

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## 32.1 Contracted capital and operating expenditure

### Unspent conditional grants and receipts

Provincial Grants	1,504,376	12,891,374
National Grants	-	821,941
	<b>1,504,376</b>	<b>13,713,315</b>

The current unspent conditional grants are all committed funds which still need to be utilized in order to meet the conditions as stipulated in the various government gazettes.

## 32.2 Operating leases - as lessee (expense)

### Minimum lease payments due

Within one year	1,562,484	4,599,011
Later than one year but not later than five years		1,562,484

Operating lease payments represent rentals payable by the municipality for certain of its office properties.

## 32.3 Operational expenses

### Operational expenses

Within one year	9,587,130	3,325,800
Later than one year but not later than five years	772,914	125,649

## 33. Contingencies

The Municipality may be liable for claims instituted against the Municipality by employees who have disputes against the Municipality. The amount is uncertain as an arbitration award has not yet been issued against those claims.

### 33.1 Contingent assets & liabilities

NAMES OF SERVICE PROVIDER	NATURE OF LITIGATION/DISPUTE	WHAT HAPPENED	COMMENCEMENT DATE	EXPECTED VALUE/ LIABILITY	PROGRESS
1. S. Suleman Attorneys	Collection obo municipality/ Cheth Trust	The defendant had leased a building in Fresh Produce Market and failed to pay rental fees and civil action was instituted and he was eventually evicted from the leased building.	Apr-09  Mandate of the previous attorney was terminated due to poor service.	R1 145 432.38  (Income for SDM)	Legal action still ongoing and waiting for further progress report. This matter commenced in 2009 and 10 years later it is still not yet finalized. The attorneys were instructed to evict and recover the arrear rental fees from the tenant. The attorneys managed to evict the tenant and struggle to recover the money to and payable to the SDM. This kind of collection matter should have been finalized within a period of 3 or 4 years. It has therefore taken unnecessary long time to be finalized. From the

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NAMES OF SERVICE PROVIDER	NATURE OF LITIGATION/DISPUTE	WHAT HAPPENED	COMMENCEMENT DATE	EXPECTED VALUE/ LIABILITY	PROGRESS
		Currently the council attorneys are busy trying to recover the outstanding rental fees			discussions Legal dept had with the Council attorneys, it appears as if there are not good prospects of recovering the money from the debtor and it is therefore recommended that this debt to be written off. In the event that the amount is not written off, the matter will remain dormant.
2. S. Suleman Attorneys	Collection obo municipality/ N. Shongwe	Collection of the money owed by the employee (Cashier at FPM) to the municipality	Mar-18	R52 240.79 plus interest  (Income for SDM)	Summons were issued against the debtor which she failed to defend and default judgement against her. The debtor was summoned to the court for emoluments attachment hearing and she failed to appear in court and the warrant of arrest against her was issued. The execution of the warrant of arrest was suspended due to Covid 19 outbreak. We are still waiting for further progress report in this regard.
3. Mokhare report on investigation	Recovery of Irregular expenditure	An investigation conducted on behalf of MEC CoGTA resulted in possible recoveries of money	August 2020 financial year	G Modise R3,765,110  Prince Mudau R4,182,226  Mafoko Security  R14,565,638  Income for SDM	Letters of demand has been issued.

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NAMES OF SERVICE PROVIDER	NATURE OF LITIGATION/DI SPUTE	WHAT HAPPENED	COMMENCEMENT DATE	EXPECTED VALUE/ LIABILITY	PROGRESS
4.Meise Nkaiseng Attorneys	Debt collection	Litigation against the managing Director of Tsogang Basadi enterprise for the recovery of part of the money which was erroneously paid to this company by the Finance department.	Jul-19	R15000,00  Income to SDM	In view of the value of the debt the Council attorneys were instructed to institute legal action against the debtor by issuing a letter of demand and to telephonically contact the debtor and legal costs not to exceed an amount of R1000,00. The debtor failed to respond to the letter of demand and summons and thereafter default judgment was taken against the debtor and on the 5 May 2020 application for default judgement was applied against the defendant and granted on the 28 May 2020. Council attorneys were instructed to issue a warrant of execution against the debtor and the sheriff issued a Nula bona return because no assets belonging to the company could be attached. In the light of this the Council attorneys have advised the Council to close the file to save the money and to blacklist the company from doing any business with the State.
5. S. Suleman Attorneys	Transfer of Council property to Gauteng Provincial Government	The SDM Council has agreed to donate Erf 2527, Erf 2531, Erf 2532 and Erf 2533 to Gauteng Provincial Government	30-Aug-19	Province to be liable for the transfer fees and the figure is unknown at this stage (No Liability to SDM)	On 4 March 2021 the Conveyancers sent the estimates costs for the rates and taxes in respect of the property to Public Works for settlement for the clearance certificate to be obtained. Further progress report in this regard has been requested from the Conveyancers.
6.Legal Services Department	Application interdicting and restraining SDM from effecting any transfer of registration of ownership or title in certain vehicles and to effect restrictions to the e-Natis records of the vehicles involved in the legal dispute.	This is a legal matter between private individuals and relief is sought against SDM as a government body to prevent it from further effecting registration of transfer of ownership or title in relation to the relevant mortgaged assets. The municipality to abide with the decision of the court.	02-Aug-19	No liability to SDM	The Matter scheduled for hearing in the High Court Gauteng Local Division, Johannesburg on the 13 <sup>th</sup> August 2019 and interim order was obtained against the municipality. The licensing department of the SDM was advised accordingly of the interdict against the municipality and have been advised to do the necessary in accordance with the court order. The court order granted in this matter to remain in force until further notice.
7.TO. Maleka Attorneys	Litigation against the municipality for outstanding payment.	The litigation relates to the civil action instituted by Reabusa Construction in the High court for outstanding payments for services rendered in the one of the municipality's project which was managed by Mr. Sello Maetso	Nov-15	R1 281 959.40	The Plaintiff's attorneys failed/neglected to arrange the pre- trial conference and the trial date.
				Plus legal costs  (Liability)	In view of the above, the Council attorneys have advised that they are proceeding to apply for the dismissal of the Plaintiff's case.
8.Lateral Unison Insurance Brokers	Motor Vehicle Accident	The Summons were issued against the	Sep-18	R25 935.87 plus legal costs	The matter was referred to the insurance company of the municipality and it is currently being handled



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NAMES OF SERVICE PROVIDER	NATURE OF LITIGATION/DISPUTE	WHAT HAPPENED	COMMENCEMENT DATE	EXPECTED VALUE/ LIABILITY	PROGRESS
		municipality following a motor vehicle accident between the Council's vehicle which was driven at the time of accident by the employee, BP Kele and MN Monone's motor vehicle on 12 October 2017. The Council employee was allegedly driving the vehicle within the course and scope of employment.		(liability)	by the Insurance lawyers. The report received confirms that the parties are currently still exchanging the pleadings. Further progress report has been requested from the Insurance company.
9.Lateral Unison Insurance Brokers	Motor vehicle accident	A certain member of the public and a mechanic Mr. CA Burger sustained serious injuries during the truck test at the Vereeniging licensing Centre on the 15 September 2017. Mr. Burger's lawyers are suing the SDM on the basis that their client was injured as a result of the negligent conduct of the Council employee, Mr. Mbhele.	06-Dec-20	R1 000 000,00 plus legal costs  (Liability)	The matter has been defended by the Insurance Company on behalf of the SDM. Legal dept assisted Mr. Mbhele to draft the statement explaining the circumstances relating to this accident.
10.Lateral Unison Insurance Brokers	Motor vehicle belonging to DJ Vosloo was damaged by a pothole on the road under the control and management of Emfuleni	Letter of demand followed by Summons issued against the Emfuleni and SDM. SDM has been cited and issued with the letter of demand followed by the summons erroneously.	20-Sep-19	R653 778,00 plus legal costs  (Liability)	After receiving the letter of demand the legal department of the municipality contacted the lawyers acting for the Plaintiff and tried to advise and negotiate for the withdrawal of the letter against the SDM but our advice and request were ignored. A copy of the summons were then issued against both Emfuleni and SDM. We tried again to negotiate for withdrawal of the summons but lawyers appeared not to understand the basis of our request withdrawal of summons against the SDM. In the light of the lawyers actions the matter was referred to the insurance company of the municipality for further handling. Progress report has been requested from the Insurance company.

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## 34. Prior year amendments

### 34.1 Correction of errors

See below detail of corrections. The total correction amounts to R 1,645,666

The correction of the error(s) and change in accounting estimates results in adjustments are as follow:

<b>Statement of changes in net assets</b>	
<b>Closing balance 1 July 2019</b>	<b>-42,856,296</b>
Debtors Overstated	-84,706
Creditors overstated	371,388
Creditors understated	-2,115,770
Intangible assets understated – Change in accounting estimate	884,232
PPE assets understated – Change	2,103,010
<b>Restated closing balance 1 July 2019</b>	<b>-41,698,138</b>
<b>Opening balance as previously reported 1 July 2020</b>	<b>-95,566,625</b>
Debtors Overstated	-84,706
Creditors overstated	371,388
Creditors understated	-2,115,770
Intangible assets understated – Change in accounting estimate	835,003
PPE assets understated – Change	2,639,751
<b>Restated Closing balance 1 July 2020</b>	<b>-93,920,959</b>
<b>Surplus (Deficit) for the year 2020 Previously reported</b>	<b>-52,710,333</b>
Depreciation and Amortisation understated	487,512
<b>Restated Surplus (Deficit) for the year 2020</b>	<b>-52,222,821</b>

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<b>Expenditure changes</b>	2020 Restated	2020 Previous Year Stated	Variance
Depreciation & amortisation - understated	(16,834,094)	(17,321,606)	(487,512)
<b>Deficit for the year</b>	<b>(52,222,821)</b>	<b>(52,710,333)</b>	<b>(487,512)</b>
<b>Classification corrections</b>			
Employee related costs	(286,347,020)	(277,980,897)	8,366,123
Transfers and Subsidies	-	(8,366,123)	(8,366,123)
<b>Total Corrections</b>			<b>1,645,666</b>

## 35. Going concern

We draw attention to the fact that at 30 June, 2021, the municipality had accumulated deficit of R 121,134,565 and that the municipality's total liabilities exceed its assets by R 121,134,565.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

As a District Municipality based on our powers and functions we are completely grant dependent. No other main revenue source is obtainable. Over the last 9 years, as a result of the global financial economy constraints, National Treasury downscaled and implemented austerity measures which resulted in the reduction of our main source of revenue, the Equitable share. It is as a result of the global financial constraint that the equitable share over the last 9 years was increase far lessor than the CPI for each financial period. In addition the South African Local Bargaining Council was implementing salary increases at a higher rate than the equitable share growth allocated to municipalities over the last 8 years – Uncontrollable to municipalities. The reduction has been reported to National Treasury as our revenue source diminished. It was based on this reason that the District Municipality implemented austerity measures over the last 7 years which is still in place. The municipality performs daily, weekly and monthly cash flow reconciliations with projections to ensure that we are able to meet our obligations. The municipality adopted a pro-poor budgeting approach and followed National Treasury budget guide as a principle for provision on depreciation and employee cost.

We draw further attention to the fact that at 30 June, 2021, the municipality's current liabilities exceed its current assets with R225,305,145. The municipality also had operating deficit in the current financial year of R 27,213,606 (previous financial year loss of R 52,222,821) which resulted in a decrease in the net asset value.

The Municipality is busy with a process of aligning the current powers and functions assigned to the District and the Locals in order to regain sustainability within the District. Drastic cost saving measures will be implemented starting with a process of restructuring the organization based on the assigned powers and functions. The Council has recently approved that it (Sedibeng District Municipality) should perform the section 84(1) powers and functions of the Municipal Structures Act 117 of 1998.

The municipality does not have any fixed-term borrowing or short term loans and therefore does not put reliance on borrowings.

The municipality does have comprehensive insurance on its assets as set out in the asset register.

## 36. Events after the reporting date

None

## 37. Unauthorised expenditure

Opening balance	1,246,785	12,512,574
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Add: expenditure identified – current period	9,291,094	1,246,785
Add: expenditure identified - prior period	12,947,539	-
Less: Approved by Council	-	(12,512,574)
	<b>23,485,418</b>	<b>1,246,785</b>

## Analysis follow: Cash

Employee related cost	7,218,047	-
Other expenses	2,390,161	1,246,785
Lease rentals	769,356	
Grant expenses	2,264,709	
Transfer and subsidies paid	2,055,150	
	<b>14,697,423</b>	<b>1,246,785</b>

## Analysis follow: Non Cash

Depreciation	7,541,210	
	<b>7,541,210</b>	

### 38. Fruitless and wasteful expenditure,

Possible fruitless and Wasteful expenditure are investigated and where applicable recovered from the Employee / Councillor concern. An amount of R 49,629 is currently being recovered from an employee related to salary cost recoverable. See annual report for details on all recoveries during the year.

Opening balance	248,142	446,655
Paid off during the year	(198,513)	(198,513)
-Fruitless and wasteful expenditure identified during the year	-	-
	<b>49,629</b>	<b>248,142</b>

### 39. Irregular expenditure

Irregular expenditure was incurred in the financial year based on appointments made in deviating from SCM legislation where Irregular expenditure was also incurred on Sect 56 employee-related costs during the financial year.

Opening Balance	15,257,905	18,451,807
Add: expenditure identified during the year	19,916,342	13,661,779
Add: expenditure – prior period identified during the year	18,090,638	1,596,126

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Less: Approved by Council	-	(18,451,807)
	<b>53,264,885</b>	<b>15,257,905</b>

## Instances and cases in the current year

Supply chain processes	36,803,160	9,938,588
Contract and acting Employee		1,967,166
Sect 56 & 57 Employee cost above threshold	1,203,820	3,041,302
Sect 56 employee not an RSA citizen		310,849
	<b>38,006,980</b>	<b>15,257,905</b>

## Cases under investigations

Investigations are conducted by MPAC oversight committee on the 2019/20 financial year balance of R15,257,905

### 40. Additional disclosure in terms of Municipal Finance Management Act

#### 40.1 PAYE and UIF & Skills levy

Current year subscription / fee	48,994,394	47,111,678
Amount paid - current year	(48,994,394)	(47,111,678)
	-	-

#### 40.2 Pension and Medical Aid Deductions

Current year subscription / fee	83,571,044	81,295,495
Amount paid - current year	(83,571,044)	(81,295,495)
	-	-

#### 40.3 VAT

VAT payable		83,780
VAT receivable	70,989	-
	<b>70,989</b>	<b>83,780</b>

All VAT returns have been submitted by the due date throughout the year.

#### 40.4 Television sets in terms of the Television License Regulations under the Broadcasting act no 4 of 1999, as amended

Description	Number of sets	Period that sets were in entity's possession
Owned television sets	48	48 sets were used for the full year;
Rented or leased television sets	-	
Number of sets donated/ alienated	-	
<b>TOTAL</b>	<b>48</b>	

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## 40.5 Related party transactions

Councillors and specifically the Executive Mayor and Speaker remuneration in terms of the government gazette are shown separately in note 22.

Section 56 employees' (Key Management) remuneration packages are shown separately in note 21. Section 57 employees are required to enter into an annual performance contract where pre-determined objectives are linked to the integrated development Plan. Councillors and all officials must annually declare their interests and the interest of close family members to Council.

## 40.6 Principles and Agents

### 40.6.1 Gauteng Department of Transport

The municipality is acting as an agent for the Gauteng Department of Transport by rendering services related to motor vehicle license registrations and renewals, driver license applications and renewals. The municipality also collect AARTO fees as part of the function. Direct expenses related to the licensing function is as follow:

<b>Breakdown of transactions</b>		
Collections made on NATIS system	273,935,911	223,573,394
<b>Less:</b>		
Refunds to Province	194,190,631	157,386,930
Refunds to AARTO	8,803,623	6,485,260
VAT payable on collections	8,683,583	7,787,113
Refunds to customers	143,238	
Amount retained by Council	62,114,835	51,914,091
<b>Total Amount</b>	<b>273,935,910</b>	<b>223,573,394</b>
<b>Expenses related to the Licensing center</b>		
Employee related costs	61,086,540	58,685,436
Depreciation and amortisation	298,928	170,460
Lease rentals on operating lease	139,972	95,171
General Expenses	5,883,613	5,000,250
<b>Total expenditure</b>	<b>67,409,053</b>	<b>63,951,317</b>
<b>Liability to Principle</b>		
<b>Total liability</b>	<b>129,974,801</b>	<b>129,787,951</b>

### 40.6.2 Fresh Produce Market

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The municipality is acting as an agent by rendering management services at the fresh produce market where fresh produce are being sold by the market agent on behalf of the farmers. The municipality is managing the financial affairs and are managing two bank accounts on behalf of the agents. The current balances on the bank accounts are as follow:

Account number	Amount as per bank confirmation
Nedbank- Current Account (115944363)	R600,250
Standard bank (21779589)	R8,708
<b>Total</b>	<b>R608,958</b>

## Breakdown of transactions

Commission on transaction handling fees	3,260,201	4,456,488
<b>Total Amount</b>	<b>3,260,201</b>	<b>4,456,488</b>

## Expenses related to the Fresh Produce Market

Employee related costs	10,401,102	10,155,990
Depreciation and amortisation	1,076,465	1,051,219
General Expenses	459,675	584,285
<b>Total expenditure</b>	<b>11,937,242</b>	<b>11,791,494</b>

## 40.7 COVID-19 impact and related expenses

The breakdown of the expenses is as follow:

	Budget allocation	Amount spent
PPE Consumables & Sanitation – All Staff	385,000	103,589
PPE Consumables & Sanitation– Licensing centres	750 000	343,775
<b>Total COVID-19 allocation</b>	<b>1,135,000</b>	<b>447,364</b>

## 40.8 Declaration of business conducted to close family members of persons in the service of the state

The below table list the awards to close family members of persons in the service of the state and awards to persons in the service of the state.

## 40.9 Segment reporting

he municipality has identified the licensing centers and fresh produce market in terms of GRAP 18 as a unit with distinguishable activities of the municipality for which it is appropriate to separately report financial information. See note 40.6 for a detail breakdown.

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### 3. Awards to close family members of persons in the service of the state

Company Name	Initials	Surname	Designation and Employee NO.	Relationship with the company	Amount Paid
Africa Shades Construction	N	Monga	Assistant Manager Networks (00518)	Son of the Director/Shareholder	R65,858
Panorama Bloemiste	CS	Heunes	Snr Accountant	Husband to the Director/Shareholder	R22,138
<b>TOTAL</b>					<b>R 87,996</b>

### 4. Awards to persons in the service of the state

No awards given to people in service of the state

### 41. Changes in accounting estimate

During the assessment of useful lives and residual values at the beginning of the 2020/21 financial period the municipality had to correct the carrying amount of the affected assets. These assets were Depreciated and amortized using the straight-line method over the useful live of the asset. Subsequently the assets lifespan has increased with another 3 years.

The following information regarding the depreciable assets for the following years are as follow:

Depreciation and amortisation of affected assets in the 2019/20 financial year prior to change in estimate	R17,321,606
Depreciation correction due to change in estimate	-R487,512
Total depreciation and amortisation on the affected assets due to change in estimate	R16,834,094

The correction of the affected assets resulted in an increase to the carrying amount on assets to the value of R3,474,754 as at 30 June 2020



# GLOSSARY

## 42. Deviation from supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 16 and 17 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the financial statements.

SEDIBENG DISTRICT MUNICIPALITY APPROVED DEVIATIONS REGISTER FOR 2020/21 YTD									
Applicable paragraph in SCM Policy	Name of Supplier	Date of the order	Month	Reason for deviation	Approved by:	Cluster	Amount	SCM	
1	"33.2.1.7. The possibility that the security of the state could be compromised"	JMP SECURITY SOLUTION	30-Oct-20	Oct-20	Urgently required additional security measures	Municipal Manager	Corporate Services	R 295,281.57	SCM 36 ap Munic Manag 3 x qu sourc
2	"33.2.1.4. The interruption of essential services, <b><u>including transportation and communication</u></b> "	HI-TEC MAG REPAIRS CC	No P/O obtained; Service Provider not CSD registered	Dec-20	The services were required and procured outside working hours Saturday, 19 September 2020	Municipal Manager	Corporate Services	R 3,450.00	SCM 36 ap Munic Manag 3 x qu <b>NOT</b> Suppl

**SEDIBENG DISTRICT MUNICIPALITY APPROVED DEVIATIONS REGISTER FOR 2020/21 YTD**

Applicable paragraph	Name of Supplier	Date of	Month	Reason for deviation	Approved by:	Cluster	Amount	SCM	
<i>facilities or support services critical to the effective functioning of the SDM as a whole"</i>								CSD n	
3	"33.2.1.1. The possibility of human injury or death"	DOTCOM TRADING 318 (PTY) LTD	09-Feb-21	Feb-21	Relocation of electrical distribution board after electrocution of employee. P/O was issued on estimate basis and no formal written quotation bidding was conducted due to the imminent endangering of staff and public	Municipal Manager	Corporate Services	R 41,894.50	SCM 36 ap Munic Manag 3 x qu sourc not all respo
				<b>SUB-TOTAL FOR THE YTD OF 2020/2021</b>			<b>R 340,626.07</b>		

LESS THAN 3 QUOTES REGISTER FOR 2020/2021							
NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
1	03-07-20	1038957	Mooivaal Media (Pty) Ltd	R 13,000.00	One (01)	Only one quote received for local newspaper publication	Advertisements For Tariff 2020/21 In Local Newspaper Sedibeng Ster, 91000 Distribution 20CM D X 12CM W; B&W
2	07-07-20	1038959	Mooivaal Media (Pty) Ltd	R 9,600.00	One (01)	Only one quote received for local newspaper publication	Advert: 20cm down x 12cm wide
3	13-07-20	1038962	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms (box) 19/29
4	13-07-20	1038963	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms (box) 19/29
5	13-07-20	1038964	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms (box) 19/29

LESS THAN 3 QUOTES REGISTER FOR 2020/2021							
NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
6	13-07-20	1038965	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms (box) 19/29
7	13-07-20	1038966	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms (box) 19/29
8	31-08-20	1038983	JUTA AND COMPANY LTD	R 765.00	One (01)	Sole supplier of Road traffic legislation RS51	Road traffic legislation RS51
9	29-09-20	1039048	WORKSHOP ELECTRONICS (PTY) LTD	R 14,779.00	One (01)	Sole supplier of LSC equipment	General items service and calibration for a gradex1
10	29-09-20	1039049	WORKSHOP ELECTRONICS (PTY) LTD	R 14,899.00	One (01)	Sole supplier of LSC equipment	General items service and calibration for a grade
11	29-09-20	1039050	PREMIER SCALE SERVICES (PTY) LTD	R 17,020.00	One (01)	Sole supplier of LSC weighbridge equipment	Calibration of weighbridge equipment

LESS THAN 3 QUOTES REGISTER FOR 2020/2021							
NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
12	30-09-20	1039053	TOX-A-KLEEN (PTY) LTD	R 25,432.25	Two (02)	Only two suppliers responded to request for quotations	Calibrate 2 x meters (excluding repairs)
13	02-11-20	1039122	MOOIVAAL MEDIA (PTY) LTD	R 9,500.00	One (01)	Only one quote received for local newspaper publication	Sedibeng Ster Advertisement: IDP Public Participation 11 November 2020
14	18-12-20	1039214	Africa Shades Construction	R 14,449.56	Two (02)	Insurance claim repair-works	Panelbeating Isuzu Cabstar(XTX 861 GP)
15	18-12-20	1039215	Africa Shades Construction	R 5,916.00	Two (02)	Insurance claim repair-works	Panelbeating Jurgens Trailer (CR 12 DB GP)
16	23-12-20	1039222	New Vaal Motors (Pty) Ltd	R 25,802.60	One (01)	Other suppliers did not have stock readily available	Replacement of four tyres (245/35 R19 and 275/30 R19) for Mercedes Benz E250 FK 24 PG GP
17	23-12-20	1039223	New Vaal Motors (Pty) Ltd	R 23,688.10	One (01)	Due to pending festive season, other suppliers could not assist with vehicle repair-works	Repairs and maintenance of Mercedes Benz E250 FK 24 PG GP

LESS THAN 3 QUOTES REGISTER FOR 2020/2021							
NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
18	22-01-21	1039246	Workshop Electronics (Pty) Ltd	R 15,696.52	One (01)	Sole supplier for the service	Remove, rewire and installation of motor for the brake tester
19	22-01-21	1039247	Workshop Electronics (Pty) Ltd	R 12,860.00	One (01)	Sole supplier for the service	Service & calibration of grade a testing equipment
20	28-01-21	1039259	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms
21	28-01-21	1039260	Gauteng Department Of Roads And Transport	R 25,172.40	One (01)	MFMA 110(2) "provision of goods or services to the municipality from another organ of State"	Face value forms
22	26-02-21	1039300	Workshop Electronics (Pty) Ltd	R 8,405.00	One (01)	Sole supplier for the service due to warranties on equipment	Repairs to brake tester
23	12-03-21	1039339	SAGE WISE 1041 (PTY) LTD T/A NANDOS VEREENIGING	R 9,400.00	One (01)	Catering arranged for Council sitting that ran into excess of five hours	Lunch for council meeting

LESS THAN 3 QUOTES REGISTER FOR 2020/2021							
NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
24	18-03-21	1039356	PANORAMA BLOEMISTE CC	R 22,137.50	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Medium wreaths
25	25-03-21	1039360	SAGE WISE 1041 (PTY) LTD T/A NANDOS VEREENIGING	R 3,360.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Catering for Sedibeng roads and transport intermodal projects (26/03/2021)
26	26-03-21	1039363	BK'S IT SOLUTIONS CC	R 51,750.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Transport for Human Rights Day (Sharpeville)

LESS THAN 3 QUOTES REGISTER FOR 2020/2021							
NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
27	26-03-21	1039364	TEMOSO TRADING 1031 CC	R 44,999.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Cleaning of City Hall, Over Flow & Chamber
28	26-03-21	1039365	SILVER SOLUTIONS 2514 CC	R 10,350.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Portable toilets
29	26-03-21	1039366	LEBOTSENG TRADING CC	R 5,100.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Lunch



LESS THAN 3 QUOTES REGISTER FOR 2020/2021							
NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
30	26-03-21	1039367	GOLUMA PROJECTS (PTY)LTD	R 8,000.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Bottled still water 500ml
31	26-03-21	1039368	OM15TAU	R 9,900.00	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Transport
32	29-03-21	1039371	RAMBUTINK (PTY) LTD	R 26,973.60	One (01)	Commemorative event – SDM requested to cover costs when department reduced their scope of involvement. Insufficient time to source multiple quotes	Disinfecting offices/toilet and hall
33	08-04-21	1039391	SAGE WISE 1041 (PTY) LTD T/A NANDOS VEREENIGING	R 4,510.00	One (01)	Halal caterer	Catering

LESS THAN 3 QUOTES REGISTER FOR 2020/2021							
NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
34	08-04-21	1039392	AV ACTIVE (PTY) LTD	R 25,000.00	One (01)	Short notice - suppliers did not respond to request to quote on time	Equipment Hire And Audio Visual Services For Minister's Dialogue With Students And Dcc Members 9/04/2021
35	13-04-21	1039397	AV ACTIVE (PTY) LTD	R 55,000.00	One (01)	Short notice - suppliers did not respond to request to quote on time	AV + PA System
36	13-04-21	1039400	TL APPLIANCES AND LAWNMOWERS	R 2,780.00	One (01)	Strip, quote and repair	Strip & Quote, Repair Service
37	23-04-21	1039417	WORKSHOP ELECTRONICS (PTY) LTD	R 6,150.50	One (01)	Sole supplier for the service	Supply & Fit Spares To Repair Brake Tester
38	23-04-21	1039418	WORKSHOP ELECTRONICS (PTY) LTD	R 28,978.50	One (01)	Sole supplier for the service	Supply And Fit Exchange Roller Set For Brake Tester
39	27-05-21	1039490	AV ACTIVE (PTY) LTD	R 57,050.50	One (01)	Short notice - suppliers did not respond to request to quote on time	AV + PA System; (The order was subsequently cancelled as the event did not take place)

LESS THAN 3 QUOTES REGISTER FOR 2020/2021							
NO.	DATE	ORDER NO	SUPPLIERS AWARDED	ORDER AMOUNT	NO OF QUOTATIONS RECEIVED	REASON	DESCRIPTION
SUB-TOTAL FOR THE YTD OF 2020/2021				R 759,459.43			

#### 43. Budget differences

##### Actual versus Budget (revenue and Expenditure) for the year ended 30 June 2021

Figures in Rand	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance	Explanation of Significant Variances greater than 10% versus Budget
<b>Revenue</b>					
Sale of goods	2,176,624	2,689,618	512,994	23.57%	Due to Covid-19 budget was reduced but the Aerodrome manage to operate sooner than expected
Rental of facilities and equipment	214,808	225,220	10,412	4.85%	Due to Covid-19 no transaction took place from 27 March till end June 2021 except for parking fees
Agency services	74,884,329	68,732,595	(6,151,734)	(8.21%)	Decrease in licensing fees as a result of increase in collection agencies instituted by Department of Transport. Licensing centers were also closed from to time due to COVID-19
Commissions received	3,160,164	3,260,201	100,037	3.17%	Market sales down due to economic trends and only one market agent current operating at the market

**Actual versus Budget (revenue and Expenditure) for the year ended 30 June 2021**

Figures in Rand	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance	Explanation of Significant Variances greater than 10% versus Budget
Other income - (rollup)	931,474	1,088,598	157,124	18.87%	Higher than anticipated income based on increase in ad-hoc income
Interest received - investment	1,743,112	1,717,724	(25,388)	(1.46%)	Interest lower than anticipated based on rate reductions
<b>Total revenue from exchange transactions</b>	<b>83,110,511</b>	<b>77,713,956</b>	<b>-5,396,555</b>	<b>(6.49)%</b>	
Licenses and permits	2,347,000	2,351,000	4,000	0.17%	
Government grants & subsidies	303,622,190	296,096,293	(7,525,897)	(2.48%)	
<b>Total revenue from non-exchange transactions</b>	<b>305,969,190</b>	<b>298,447,293</b>	<b>(7,521,897)</b>	<b>(2.46)%</b>	
<b>Total revenue</b>	<b>389,079,701</b>	<b>376,161,249</b>	<b>(12,918,452)</b>	<b>(2.79)%</b>	
<b>Expenditure</b>					
Personnel	(290,739,058)	(293,774,621)	(3,035,563)	1.04%	Leave days provision increase due to COVID-19
Remuneration of councillors	(13,257,014)	(12,448,450)	808,564	(6.10%)	Due to the death of the previous Executive Mayor there was a reduction in salaries for Mayoral Committee members based on the act

**Actual versus Budget (revenue and Expenditure) for the year ended 30 June 2021**

<b>Figures in Rand</b>	<b>Final Budget</b>	<b>Actual amounts on comparable basis</b>	<b>Difference between final budget and actual</b>	<b>% Variance</b>	<b>Explanation of Significant Variances greater than 10% versus Budget</b>
Depreciation & impairment	(11,271,875)	(12,448,191)	(1,166,316)	7.82%	Increase amount due to useful life adjustment
Debt impairment		(5,476)	(5,476)		
Impairment losses	-	(214,609)	(214,609)		
Lease rentals on operating lease	(7,128,334)	(7,897,690)	(769,356)	10.79%	Increase due to unsuccessful negotiations with the landlord to reduce the rates.
Contracted Services	(42,546,354)	(38,199,640)	4,346,714	(10.22%)	Decrease due to reduction in activities
Transfers and Subsidies	(1,214,000)	(2,055,150)	(841,150)	69.29%	Increase in spending due to NYDA programme
General Expenses	(36,505,910)	(36,363,646)	142,264	(0.39%)	Higher than anticipated municipal services accounts
<b>Total expenditure</b>	<b>(402,662,545)</b>	<b>(403,397,473)</b>	<b>(734,928)</b>	<b>0.18%</b>	Refer to note 39
(Loss)/Gain on disposal of assets and liabilities	100,000	15,587	(84,413)		
Inventories losses/write downs	-	7,031	7,031		
	<b>100,000</b>	<b>22,618</b>	<b>(77,382)</b>		

**Actual versus Budget (revenue and Expenditure) for the year ended 30 June 2021**

<b>Figures in Rand</b>	<b>Final Budget</b>	<b>Actual amounts on comparable basis</b>	<b>Difference between final budget and actual</b>	<b>% Variance</b>	<b>Explanation of Significant Variances greater than 10% versus Budget</b>
<b>Operating deficit</b>	<b>(13,482,844)</b>	<b>(27,213,606)</b>	<b>(13,730,762)</b>	<b>101.80%</b>	







SEDIBENG DISTRICT MUNICIPALITY																		
OFFICE OF THE MUNICIPAL MANAGER																		
PERFORMANCE REPORTING FOR 2020/21 FINANCIAL YEAR																		
Priority Area	IDP Strategy	IDP Objective	Objective No.	Key Performance Indicator (KPI)	KPI No	Baseline	Funding Source	Annual Target	Q1	Q2	Q3	Q4	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2020	Achieved/Not Achieved
<b>KPA1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>																		
<b>IGR AND RISK MANAGEMENT</b>																		
Inter-governmental Relations (IGR)	To facilitate co-operative government through communication, consultation and joint decision making	To promote co-operative government	D1	4 IGR Forum Meetings coordinated for all quarters of the 2020/21 Financial Year	D1.1	Four IGR Forums coordinated in the previous financial year	OPEX	Conduct four (4) District IGR Forum and 1 district wide/Budget Lekgotla	Co-ordinate (1) one IGR Forum Meeting	Co-ordinate (1) one IGR Forum Meeting	Co-ordinate (1) one IGR Forum Meeting	Co-ordinate (1) one IGR Forum Meeting	0/4 (0 %) IGR Forums co-ordinated in the current FY.	Not Achieved	For the 2020/21 FY, there was no evidence IGR Forums held due to the vacancy in the position, there was no incumbent available to fulfil the position.	Management is reviewing the current organogram, and placing of the IGR position.	1 of the 2 (50%) IGR forums was co-ordinated for the FY.	Target Not Achieved
Risk Management	To Assess, identify, control and monitor the implementation of mitigation measures	To ensure that the municipality's risk and risk exposures are properly managed in order to minimize uncertainty	D2	1 Risk Assessment Plan Developed and Produced	D2.1	2019/2020 Risk Management Plan	OPEX	Develop one (1) 2019/2020 Risk Management Plan and submit to Risk Management Committee for Approval	1 Risk Assessment Plan Developed and Produced	-	-	-	1/1 ( 100%) of the 2020/21 Risk Implementation Plan was submitted to Risk Management for approval.	Achieved	N/A	N/A	100% Achieved as 1 Risk Management Plan was developed and submitted to Risk Management Committee for approval.	Target Achieved
				1 annual strategic risk assessment conducted and reported in Quarter 1	D2.2	2019/2020 Risk Registers	OPEX	Conduct One (1) Annual Strategic Risk Assessment and Report	Conduct one (1) Strategic Risk Assessment and report	-	-	-	Zero (0%) Target achieved as No Risk Assessment has been conducted for the 2020/21 FY	Not Achieved	The Person in position of Risk Management had resigned during the FY	The new person has occupied the position during the 2021/22 FY and is in a process of conducting the Risk	One (1) Annual Strategic Risk Assessment conducted and 1 report produced.	100% Target achieved
<b>INTERNAL AUDIT</b>																		
Audit Plan	Develop, implement and monitor Risk-based Internal Audit Coverage Plan	To provide reasonable assurance and independent opinions to management and council	D3	Number of Internal Audit Coverage Plans Developed  One (1) Risk Based - Internal Audit coverage Plan produced in Quarter 1	D3.1	2019/2020 Audit Plan	OPEX	Improve on the Internal Audit Function capability	Develop one Risk based internal Audit coverage plan	-	-	-	100% achieved. One (1) Risk-Based Internal Audit Coverage Plan was developed.	100% Achieved	N/A	N/A	100% achieved. One (1) Risk-Based Internal Audit Coverage Plan was developed.	100% Achieved
<b>SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN</b>																		
SDBIP	Ensure measurable performance and transparent monitoring of the municipal performance.	To ensure Good Governance, Sound and Accountable Management practices	D4	Number of Service Delivery and Budget Implementation Plans (SDBIP) approved  1 SDBIP plan approved and implemented in quarter 1 and revised in Quarter	D4.1	Development of SDBIP	OPEX	Develop one (1) 2020/21 SDBIP	-	Review 2020/21 SDBIP	-	Develop and Submit one (1) draft 2019/20 Annual report to council	1/1 (100%) SDBIP was developed for 2020/21 FY	Achieved	N/A	N/A	One (1) 2019/20 SDBIP was reviewed and Signed off	100% Achieved
<b>PERFORMANCE MANAGEMENT</b>																		
PMS	Co-ordinate Performance Reporting, Monitoring and Evaluation	To promote a culture of accountability	D5	Number of Performance Management Review Reports Produced for 4 quarters of the 2020/21 FY	D5.1	4 Performance monitoring and evaluation	OPEX	Produce 4 Performance Management Review Reports	Produce one (1) Quarter one performance management review	Produce one (1) Quarter one performance management review	Produce one (1) Quarter one performance management review	Produce one (1) Quarter one performance management review	Four 4 Performance Management Reports Produced	100% Achieved	N/A	N/A	Four 4 Performance Management Reports Produced	100% Achieved
<b>GOOD GOVERNANCE &amp; QUALITY ASSURANCE</b>																		
Quality Assurance	Ensure necessary actions are taken against all findings raised by the Auditor General	To promote a culture of accountability	D6	Percentage of Auditor General findings resolved by quarter 4 of the 2020/21	D6.1	Number and Implementation of Audit Action Plan	OPEX	Address 80% Auditor General Findings	-	-	-	86% of findings were addressed as opposed to the 80% Target that was set.	100% Target Achieved as 86%	100% Achieved	N/A	N/A	86% of findings were addressed as opposed to the 80% Target that was set.	Target Not Achieved
	Co-ordinate Municipal Reporting	To ensure clean accountable and transparent governance	D7	Number of Annual Reports submitted to Auditor General and Council	D7.1	2019/2020 Annual Report	OPEX	Develop and Submit 2019/2020 Annual Report to council	-	-	-	Develop and Submit one (1) draft 2019/20 Annual report to council	Not Achieved	Due to Covid-19 pandemic	the report to be tabled to Council month end October as per the extension granted to all municipalities	N/A	One Annual Report for 2019/20 developed and tabled to council.	100% Achieved
<b>ANNUAL PERFORMANCE : 2020 -2021</b>																		
Targets Planned		8																
Targets Achieved		5																
Total Achievenet		63%																

SEDIBENG DISTRICT MUNICIPALITY																			
FINANCE CLUSTER - CUSTODIAN: CHIEF FINANCIAL OFFICER																			
PERFORMANCE REPORTING FOR 2020/21 FINANCIAL YEAR																			
Priority Area	IDP Strategy	IDP Objective	Objective No.	Key Performance Indicator (KPI)	KPI No.	Baseline	Funding Source	Annual Target	Q1	Q2	Q3	Q4	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2020	Achieved/Not Achieved	
<b>KPA 2: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>																			
<b>OFFICE OF THE CHIEF FINANCIAL OFFICER</b>																			
Implementation of MSCOA reforms	Progressive Compliance with MSCOA regulations	To ensure successful implementation of the MSCOA regulations	F1	Percentage of transacting on MSCOA posting accounts for all quarters of 2020/21 FY	F.1	100% Compliance in the Previous Finance	OPEX	Implement 100% of MSCOA Regulations on account posting of transactions	Implement 100% of MSCOA Regulations on account posting of transactions	Implement 100% of MSCOA Regulations on account posting of transactions	Implement 100% of MSCOA Regulations on account posting of transactions	Implement 100% of MSCOA Regulations on account posting of transactions	The Target of 100% as 1 set of revised tariffs was reviewed and submitted to council	Target Achieved	N/A	N/A	100% Target Achieved as the tariffs for the 2018/19 financial year was reviewed and approved by Council	100% Target Achieved	
<b>FINANCIAL MANAGEMENT AND BUDGETS</b>																			
Municipal budget	Compile a realistic and funded budget	To provide a realistic financial planning of the municipality	F2	Number of municipal budgets approved annually by Council	F.2.1	One (01) annual municipal budget in the previous financial	OPEX	Compile one (01) annual budget and submit to Council for approval					100% of Target was achieved as 1 Budget was submitted and approved by council	Target Achieved	N/A	N/A	100% Target was achieved as one (01) annual budget was submitted to council for approval	100% Target Achieved	
Procurement Plan	Development of an annual Procurement Plan	To determine procurement requirements and timeframes	F3	Number of Procurement plans submitted to National Treasury by Q1 of the 2020/21 FY	F.3.1	One (01) annual Capex Procurement plan submitted to National Treasury in the previous financial year		Submit (1) one Annual CAPEX Procurement Plan to National Treasury	Submit (1) one Annual CAPEX Procurement Plan to National Treasury				100% of Target was achieved as 1 Annual Capex Procurement plan was submitted to National Treasury	Target Achieved	N/A	N/A	100% Target was achieved as one (1) Procurement plan was developed and submitted to National Treasury	100% Target Achieved	
Cost Containment	Implement Cost Containment Strategy	To promote sound financial administration practices	F4	One (1) Percentage of cost saving realized per each quarter of the 2020/21 FY	F.4.1	5% cost saving realized in the previous financial year		Realise 1% of total annual saving on operating budget and produce four reports	Realise 1% of total annual saving on operating budget within general expenses and produce four reports	Realise 1% of total annual saving on operating budget within general expenses and produce four reports	Realise 1% of total annual saving on operating budget within general expenses and produce four reports	Realise 1% of total annual saving on operating budget within general expenses and produce four reports	The Target of 100% was achieved as 1% Saving on Operational Budget was attained	Target Achieved	N/A	N/A	100% Target Achieved as 5% saving was achieved on operating budget within general expenses	100% Target Achieved	
Municipal Tariffs	Review tariff structure and income generating tariffs	To review the effectiveness of the existing tariff structures and the need to for restructuring	F5	One (1) municipal tariff reviews conducted Annually	F.5.1	One (1) Review of tariff structures conducted in the previous financial year		Review tariffs for the 2020/21 financial year and submit to Council for approval					Review tariffs for the 2020/21 financial year and submit to Council for approval	The Target of 100% as 1 set of revised tariffs was reviewed and submitted to council	Target Achieved	N/A	N/A	100% Target Achieved as the tariffs for the 2018/19 financial year was reviewed and approved by Council	100% Target Achieved
<b>SUPPLY CHAIN MANAGEMENT</b>																			
GEYODI Compliance	Monitor adherence to GEYODI	To adhere to GEYODI requirements	F6	One (1) Percentage of jobs awarded to people with disability	F.6.1	0.4% jobs awarded to people with disabilities (PWDs) on the previous financial year	OPEX	1% of total annual jobs awarded and services rendered by people with disabilities and produce one report	0=A11:T 14.25% of total quarterly jobs awarded for goods and services rendered by people with disability and report	0.25% of total quarterly jobs awarded for goods and services rendered by people with disability and report	0.25% of total quarterly jobs awarded for goods and services rendered by people with disability and report	0.25% of total quarterly jobs awarded for goods and services rendered by people with disability and report	The Target is 100% Achieved as 0.5 % of total annual jobs awarded and services rendered by people with disabilities was achieved.	Target Achieved	N/A	N/A	The targets were not achieved because their measurement criteria was not clearly defined.	Target Not Achieved	
				Percentage (%) of jobs awarded to Women owned businesses to date		20% jobs awarded to women owned businesses in the previous financial year		20% of total annual jobs awarded and services rendered by women and produce one report	5% of total annual jobs awarded and services rendered by women and produce one report	5% of total annual jobs awarded and services rendered by women and produce one report	5% of total annual jobs awarded and services rendered by women and produce one report	5% of total annual jobs awarded and services rendered by women and produce one report	The Target is 100% Achieved as 20 % of total annual jobs awarded and services rendered were awarded to women owned businesses, was achieved.	Target Achieved	N/A	N/A	The targets were not achieved because their measurement criteria was not clearly defined.	Target Not Achieved	
				Percentage of jobs awarded to Youth owned businesses to date		4% jobs awarded to youth owned businesses in the previous financial year		4% of total annual jobs awarded and services rendered by youth and produce one report	1% of total annual jobs awarded and services rendered by youth and produce one report	1% of total annual jobs awarded and services rendered by youth and produce one report	1% of total annual jobs awarded and services rendered by youth and produce one report	1% of total annual jobs awarded and services rendered by youth and produce one report	The Target is 100% Achieved as 4 % of total annual jobs awarded and services rendered by people by youth was achieved.	Target Achieved	N/A	N/A	The targets were not achieved because their measurement criteria was not clearly defined.	Target Not Achieved	
Local Business Support	To prioritise procurement of goods and services from local suppliers	To provide support and develop local businesses		Percentage of jobs awarded quarterly to local SMMEs and Cooperatives to date	F.6.4	30% jobs awarded to SMMEs and Cooperatives in the previous financial year		30% of total annual jobs awarded and services rendered by SMMEs and Cooperatives and produce one report	7.5% of total annual jobs awarded and services rendered by SMMEs and Cooperatives and produce one report	7.5% of total annual jobs awarded and services rendered by SMMEs and Cooperatives and produce one report	7.5% of total annual jobs awarded and services rendered by SMMEs and Cooperatives and produce one report	7.5% of total annual jobs awarded and services rendered by SMMEs and Cooperatives and produce one report	The Target is 100% Achieved as 30 % of total annual jobs awarded and services rendered by SMMEs and Cooperatives was achieved.	Target Achieved	N/A	N/A	100% Target Achieved as the tariffs for the 2018/19 financial year was reviewed and approved by Council	100% Target Achieved	
<b>ANNUAL PERFORMANCE : 2020 2021</b>																			
Targets Planned			9																
Targets Achieved			9																
Total Achievement			100%																

SEDIBENG DISTRICT MUNICIPALITY																		
CORPORATE SERVICES CLUSTER - CUSTODIAN - EXECUTIVE DIRECTOR																		
PERFORMANCE REPORTING FOR 2020/21 FINANCIAL YEAR																		
Priority Area	IDP Strategy	IDP Objective	Objective No:	Key Performance Indicator (KPI)	KPI No:	Baseline	Funding Source	Annual Target	Q1	Q2	Q3	Q4	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2020	Achieved/Not Achieved
<b>KPA 5: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>																		
<b>INFORMATION TECHNOLOGY</b>																		
ICT Steering Committee	World Class ICT Infrastructure In support of smart Sedibeng Region	To implement ICT Governance Framework	I1	Number Four (4) of ICT governance reports submitted each quarter of 2020/21 FY	I1.1	ICT Governance Framework for 2019/2020	OPEX	Four reports on the implementation of ICT Governance Framework	Produce One(1) Quarterly report on the implementation on ICT Governance	Produce One(1) Quarterly report on the implementation on ICT Governance	Produce One(1) Quarterly report on the implementation on ICT Governance	Produce One(1) Quarterly report on the implementation on ICT Governance	100 % of the Targets achieved (4/4) report of the ICT Governance Framework reports produced	Target Achieved	N/A	N/A	Not Applicable as it is a new applicable	N/A
ICT Strategy	World Class ICT Infrastructure In support of smart Sedibeng Region	To develop ICT Strategy	I2	One Council approved ICT Strategy by Q 3 of 2020/21FY	I2.2	No ICT Strategy for 2019/2020	OPEX	Produce one Council approved report on ICT strategy			Produce one Council approved report on ICT strategy		100% of the Target Achieved as 1/1 ICT strategy was developed and approved by Council	Target Achieved	N/A	N/A	Not Applicable as it is a new applicable	N/A
ICT Strategy	World Class ICT Infrastructure In support of smart Sedibeng Region	To implement ICT Strategy		Four (4) of reports on the implementation of ICT Strategy procured every quarter of 2020/21		No ICT Strategy for 2019/2020	OPEX	Produce four reports on the implementation of ICT Strat	Produce One (1) reports on the implementation of ICT Strat	Produce One (1) reports on the implementation of ICT Strat	Produce One (1) reports on the implementation of ICT Strat	Produce One (1) reports on the implementation of ICT Strat	100% of the target achieved as 4/4 of the ICT strategy implementation reports were produced	Target Achieved	N/A	N/A	Not Applicable as it is a new applicable	N/A
ICT Security Controls	World Class ICT Infrastructure In support of smart Sedibeng Region	To implement ICT Security Controls		Four (4) reports on the implementation of the ICT for each quarter of 2020/21 FY		No baseline reports on ICT Security Controls in 2019/2020	OPEX	Produce four reports on the implementation of ICT Security Controls	Produce One (1) report on the implementation of ICT Security Controls	Produce One (1) report on the implementation of ICT Security Controls	Produce One (1) report on the implementation of ICT Security Controls	Produce One (1) report on the implementation of ICT Security Controls	100 % of the Target achieved as 4/4 of ICT Security Controls reports were produced	Target Achieved	N/A	N/A	Not Applicable as it is a new applicable	N/A
ICT Risks	World Class ICT Infrastructure In support of smart Sedibeng Region	To identify and manage ICT risks		Twelve (12) reports on the implementation of ICT Risks, with , with three reports produced per each quarter of 2020/21 FY		Reports on the management of ICT risks for 2019/2020	OPEX	Produce 12 reports on the management of ICT risks	Produce 3 reports on the ICT Risks	Produce 3 reports on the ICT Risks	Produce 3 reports on the ICT Risks	Produce 3 reports on the ICT Risks	100 % of the Target achieved as 12/12 reports on the Implementation of ICT Risks was produced	Target Achieved	N/A	N/A	Not Applicable as it is a new applicable	N/A
ICT Steering Committee	World Class ICT Infrastructure In support of smart Sedibeng Region	To implement ICT Steering Committee resolutions		Four (4) of reports submitted annually on the progress on the implementation of the ICT resolutions		Resolutions tracked and implemented for 2019/2020	OPEX	Produce four reports on the implementation of ICT Steering Committee Resolutions	Produce One (1) reports on the implementation of ICT Steering Committee Resolutions	Produce One (1) reports on the implementation of ICT Steering Committee Resolutions	Produce One (1) reports on the implementation of ICT Steering Committee Resolutions	Produce One (1) reports on the implementation of ICT Steering Committee Resolutions	100% Target Achieved as 4/4 reports on ICT Steering Committee resolutions was produced	Target Achieved	N/A	N/A	Not Applicable as it is a new applicable	N/A
ICT Policies workshops	World Class ICT Infrastructure In support of smart Sedibeng Region	To provide workshops to employees on ICT policies and procedures		Four (4) ICT policies workshops conducted annually for employees		Reports on workshops for councillors in 2019/2020	OPEX	Produce 4 reports on ICT Policies workshops conducted for employee	Produce One (1) reports on ICT Policies workshops conducted for employee	Produce One (1) reports on ICT Policies workshops conducted for employee	Produce One (1) reports on ICT Policies workshops conducted for employee	Produce One (1) reports on ICT Policies workshops conducted for employee	100% Target Achieved as 4/4 reports on ICT Policies and produced	Target Achieved	N/A	N/A	Not Applicable as it is a new applicable	N/A

HUMAN RESOURCES																		
Human Resources Management Strategy	Ensure effective, competent and motivated staff	To implement Human Management Resources Strategy	4	Four (4) Reports on Implementation of HR strategy	4.1	Approved Human Resource Strategy	OPEX	Submit four Council Approved reports on the implementation of the Human Resources Management Strategy	Implement 1 HR strategy and report quarterly	Implement 1 HR strategy and report quarterly	Implement 1 HR strategy and report quarterly	Implement 1 HR strategy and report quarterly	50% of the Target Achieved as only 2/4 Targets were obtained	Target Achieved	Management will review the capacity required to fulfill the KPI.	New target	N/A	
Wellness Programme	Ensure effective, competent and motivated staff	Conduct workplace stress management empowerment programmes for employees		Four (4) workplace stress management programmes conducted for general workers		Workplace Stress management programmes for general workers conducted in 2019/20	OPEX	Conduct four workplace stress management programmes for general workers	Implement One (1) workplace stress management programme and report quarterly	Implement One (1) workplace stress management programme and report quarterly	Implement One (1) workplace stress management programme and report quarterly	Implement One (1) workplace stress management programme and report quarterly	25 % Target Achieved as 1/4 achieved	Not Achieved	No POE's provided due to staff gaps in the office of the municipal manager.	Management will review the capacity required to fulfill the KPI.	New target	N/A
Occupational Health and Safety	Ensure effective, competent and motivated staff	Establish Occupational Health and Safety committee		Approved One (1) report by Council on Occupational Health and Safety Committee by Quarter 1 of 2020/21 FY		Occupational Health and Safety Plan for 2019/2020	OPEX	Produce one Council approved report on established Occupational Health and Safety Committee.	Implement a council approved report on established OHS Committee				Zero (0%) of the 1/1 report on occupational Health and Safety Committee Report was produced	Not Achieved	No POE's provided due to staff gaps in the office of the municipal manager.	Management will review the capacity required to fulfill the KPI.	New target	N/A
Workplace Policies	Ensure effective, competent and motivated staff	To conduct workplace policies workshops for employees		Four (4) of workplace policies conducted for General Workers, produced one each quarter of the 2020/21 FY		Workplace policies for 2020/2021	OPEX	Conduct four workplace policies workshops for General Workers	Implement One (1) workplace policy	Implement One (1) workplace policy	Implement One (1) workplace policy	Implement One (1) workplace policy	25% Target Achieved as 1/4 workplace policies workshops for general workers	Not Achieved	Management could not have local Forum in the rest of the 3 quarters of the FY due to Covid-19 related Lock-down restrictions and as such the Forum could not	Management will revise its KPI and the manner in which it gathers with employees.	New target	
Local Labour Forum	Ensure effective, competent and motivated staff	To conduct LLF meetings to deliberate on issues affecting employees and management		Three (3) of LLF meetings resolutions finalized, with one (1) LLF resolution implemented for Q 1, Q2 and Q4 of the 2020/21 FY		LLF meetings resolutions finalized in 2019/2020.	OPEX	Implement three (3) Local Labour Forum Resolutions every three months	Implement One (1) Local Labour Forum Resolutions	Implement One (1) Local Labour Forum Resolutions		Implement One (1) Local Labour Forum Resolutions	66% of the target achieved as 2/3 of Local Labour Forum Resolution was achieved	Not Achieved	Management could not have local Forum in the rest of the 3 quarters of the FY due to Covid-19 related Lock-down restrictions and as such the Forum could not	Management will revise its KPI and the manner in which it gathers with employees.	Target was not achieved as 12 of the Local Labour Resolutions were implemented	Target Not Achieved



COUNCIL SECRETARIAT SERVICES																		
Method used to record, minute and file Council sitting activities	Effective Management of Council Business	To Provide secretariat support to council meetings	16	Four (4) of council meetings supported with Minutes and Agenda packs for each meeting.	16.1	2018/19 Council meetings Register	OPEX	Provide Four sets of minutes and Agenda of Council meetings	Provide sets of minutes and Agenda for Q1 Council Sitting	Provide sets of minutes and Agenda for Q2 Council Sitting	Provide sets of minutes and Agenda for Q3 Council Sitting	Provide sets of minutes and Agenda for Q4 Council Sitting	100% target achieved as 4/4 of the Council sitting and minutes were produced.	Achieved	N/A	N/A	100% Target Achieved	100% Target Achieved
FACILITIES																		
FLEET MANAGEMENT																		
Integrated Fleet Management Policy	Ensure effective and efficient fleet management	To Review Integrated Fleet Management Policy	18	One Integrated Fleet Management Policy approved by Council for Q1 of 2020/21 FY	18.1	Approved Integrated Fleet Management Policy for 2019/2020	OPEX	Produce one Council approved report on Reviewed Integrated Fleet Management Policy	Implement One (1) approved Fleet Management Policy	-	-	-	Zero (0%) of the 1/1 report on Integrated Fleet Management Policy was reviewed and produced	Not Achieved	Due to Covid-19 Pandemic	Integrated Fleet Management Policy to be tabled in the next quarter	New target	N/A
Integrated Fleet Management Strategy	Ensure effective and efficient fleet management	To implement Integrated Fleet Management Strategy		One Integrated Fleet Management Strategy approved by Council for Q1 of 2020/21 FY	18.2	No Integrated Fleet Management Strategy in 2019/2020	OPEX	Produce one Council approved report on Integrated Fleet Management Strategy.	Implement One (1) approved Fleet Management Strategy	-	-	-	Zero (0%) of the 1/1 report on Integrated Fleet Management Strategy was produced	Not Achieved	Due to Covid-19 Pandemic	Integrated Fleet Management Policy to be tabled in the next quarter	New target	N/A
Integrated Fleet Management Plan	Ensure effective and efficient fleet management	To develop Integrated Fleet Management plan		Council approved Integrated Fleet Management plan for Q1 of 2020/21 FY		Approved Integrated Fleet Management plan for 2019/2020	OPEX	Produce one Council approved report on integrated fleet Management Plan	Implement one Council approved report on integrated fleet Management Plan	-	-	-	Zero (0%) of the 1/1 report on Integrated Fleet Management Plan was produced	Not Achieved	Due to Covid-19 Pandemic	Integrated Fleet Management Policy to be tabled in the next quarter	New target	N/A
Integrated Fleet Management Plan	Ensure effective and efficient fleet management	To implement integrated Fleet Management Plan		Four (4) of Council approved Integrated Fleet Management Plan reports produced		Approved Integrated Fleet Management reports for 2019/2020	OPEX	Produce four Council approved reports on the implementation of the Integrated Fleet Management Plan	Produce One Council report on fleet management plan for Q1	Produce One Council report on fleet management plan for Q2	Produce One Council report on fleet management plan for Q3	Produce One Council report on fleet management plan for Q4	75% of target achieved as 3/4 reports on the implementation of the integrated reports were approved and produced	Not Achieved	No POE's provided due to staff gaps in the office of the municipal manager.	Management will review the capacity required to fulfil the KPI.	100% Achieved	100% achieved

BUILDINGS AND SITES																		
Facilities and buildings	Improve Council image and access to Municipality's Buildings and Facilities	To develop General Repairs and Maintenance plan for facilities and buildings		One General Maintenance and Repairs plan for facilities and buildings approved for Q 1 of 2020/21 FY		Approved General Repairs and Maintenance plan for facilities and buildings for 2019/2020	OPEX	Produce one Council approved report on General Repairs and Maintenance Plan for facilities and buildings.	Develop one Council approved report on General Repairs and Maintenance Plan for facilities and buildings.	-	-	-	Zero (0%) Target Achieved as the General Repairs and Maintenance Plan was not produced	Not Achieved	Section 80 committee was postponed due to politicians other competing priorities. Awaiting Section 80 & Council meetings	Management will review the capacity required to fulfil the KPI.	Not Achieved	Not Achieved
Facilities and buildings	Improve Council image and access to Municipality's Buildings and Facilities	To implement General Repairs and Maintenance		Number of General Repairs and Maintenance reports produced by Q1, Q2, Q3 and Q4 of 2020/21 FY		Approved General Repairs and Maintenance Reports in 2019/2020	OPEX	Produce four reports on General Repairs and Maintenance for facilities and buildings	Provide One (1) reports on General Repairs and Maintenance for facilities and buildings	Provide One (1) reports on General Repairs and Maintenance for facilities and buildings	Provide One (1) reports on General Repairs and Maintenance for facilities and buildings	Provide One (1) reports on General Repairs and Maintenance for facilities and buildings	75% of target achieved as 3/4 reports on the general repairs an maintenance for facilities and buildings produced	Not Achieved	No POE's provided due to staff gaps in the office of the municipal manger.	Management will review the capacity required to fulfil the KPI.	100% Achieved	100% achieved
RECORDS MANAGEMENT																		
Records Management	Effective management of Council Business	To implement Records Management Strategy		Four (4) reports submitted to Portfolio Committee on the implementation of the Records Management Strategy for Q1, Q2,		Records Management Strategy for 2019/2020	OPEX	Produce four reports on the implementation of the Records Management Strategy	Provide One (1) record management report	Provide One (1) record management report	Provide One (1) record management report	Provide One (1) record management report	One of (1) of the (4) (25%) Management reports were produced	Not Achieved	No POE's provided due to staff gaps in the office of the municipal manger.	Management will review the capacity required to fulfil the KPI.	One of (1) of the three (4) (25%) Management reports were produced	Not Achieved
INTERNAL COMMUNICATIONS																		
Communications Strategy	Effective management of Council Businesses	To develop Communication Strategy		One Council Approved Report on Communication Strategy by Q1 of 2020/21 FY		No Communications Strategy in 2019/2020	OPEX	Produce One Council approved report on communication strategy	Produce one (1) report on Record Management	-	-	-	Zero (0%) target achieved as only a draft report on the Communication Strategy was developed and	Target Not Achieved	Due to Covid-19 pandemic	The Social Media Policy to be tabled in the next Council	New target	N/A
Social Media Policy	Effective management of Council Businesses	To develop Social Media Policy by Q1 of 2020/21 FY		One Council approved report on Social Media Policy		No Social Media Policy in 2019/2020	OPEX	Produce one Council approved report on Social Media Policy	Produce One (1) Council approved Social Media strategy	-	-	-	Zero (0%) target achieved as only a draft report on Social Media was developed and not approved	Target Not Achieved	Due to Covid-19 pandemic	The Social Media Policy to be tabled in the next Council	New target	N/A
Website	Effective management of Council Businesses	To upload compliance reports and documents on the municipality website		Eight (8) of reports uploaded and updated on the website, with 2 compliance reports uploaded each quarter of 2020/21 FY		Reports on municipality the website updates	OPEX	Upload eight compliance reports on the website	Implement two (2) compliance reports on the website	Implement two (2) compliance reports on the website	Implement two (2) compliance reports on the website	Implement two (2) compliance reports on the website	Target Exceeded as 9/8 of the municipality's compliance reports were uploaded	Target Exceeded	N/A	N/A	New target	N/A
Municipality Image	Effective management of Council Businesses	To promote the municipality image through posting of events, campaigns and		Four (4) reports regarding the municipality events upload on the website, with 1 report produced each quarter		Uploaded write-ups for the municipality events on the website for 2019/2020	OPEX	Uploaded four municipality events on the website	Monitor municipality's website and produce one (1) report	Monitor municipality's website and produce one (1) report	Monitor municipality's website and produce one (1) report	Monitor municipality's website and produce one (1) report	100% Target achieved as 4/4 Municipality events were uploaded on the municipality website	Target Achieved	N/A	N/A	New target	N/A
Employees empowerment	Effective management of Council Businesses	To empower all employees through online wellness awareness and educational materials	I11	Four (4) online wellness awareness and educational materials for employees	I11.1	No online wellness awareness and educational materials for employees for 2019/2020	OPEX	Upload four online wellness awareness and educational materials for employees	One (1) report produced on the implementation of wellness and educational awareness	One (1) report produced on the implementation of wellness and educational awareness	One (1) report produced on the implementation of wellness and educational awareness	One (1) report produced on the implementation of wellness and educational awareness	Zero (0%) Target Achieved as no evidence of Online wellness and educational material for employees was uploaded on line.	Target Not Achieved	Due to Covid-19 pandemic	The Social Media Policy to be tabled in the next Council	New target	N/A

INTERNAL PROTECTION SERVICES																				
Safety and security of councillors, employees and members of the public	Ensure safety of users of municipality facilities and buildings	To implement the Protection Services Strategy	19	Four (4) reports submitted on the implementation of the protection services Strategy, with one report produced each quarter of 2020/21 FY	19.1	Reports on the implementation of the Protection Services Strategy for 2019/2020	OPEX	Submit four reports on the implementation of the Protection Services Strategy	One (1) report produced on the implementation of the protection strategy	One (1) report produced on the implementation of the protection strategy	One (1) report produced on the implementation of the protection strategy	One (1) report produced on the implementation of the protection strategy	50% of the Target Achieved as only 2/4 reports on the implementation of the protection service strategy were submitted	Target Not Achieved	Due to Covid-19 pandemic	The Social Media Policy to be tabled in the next Council	New target	N/A		
LEGAL SERVICES																				
Contract Management	Oversee the implementation of contract management by clusters	To provide legal advice to management and council	D9	Four (4) of contract management oversight reports produced, with one report produced each quarter of 2020/21 FY	D9.1	Four Contract management oversight reports in 2018/19 financial year	OPEX	Oversee the implementation of contract management and report quarterly	One report on the contract management	One report on the contract management	One report on the contract management	One report on the contract management	Only 50 % of Targets were achieved as on 2/4 of the Management reports were produced	Not Achieved	No POE's provided due to staff gaps in the office of the municipal manager.	Management will review the capacity required to fulfil the KPI.	New target	N/A		
EXTERNAL COMMUNICATION																				
External Communications	Build high level stakeholder relations, effective Communication and Branding	To ensure Good Governance and Sound Management practices		One (1) Communication strategies Implemented by Q3 of the 2020/21 FY		Communication strategies Implemented in 2019/20 financial year.	OPEX	Implementation of Communication strategy			Implement a communication strategy		Zero (0%) Target Achieved as no evidence of monitoring services were implemented.	Not Achieved	No POE's provided due to staff gaps in the office of the municipal manager.	Management will review the capacity required to fulfil the KPI.	New target	N/A		
				One (1) Media Monitoring Services Implemented by Q2 of the 2020/21 FY		Media Monitoring Services implemented in 2019/20 financial year.	OPEX	Implementation of Media Monitoring Services.		-	Produce media monitoring report		-	Zero (0%) Target Achieved as no evidence of monitoring services were implemented.	Not Achieved	No POE's provided due to staff gaps in the office of the municipal manager.	Management will review the capacity required to fulfil the KPI.	New target	N/A	
				One (1) Marketing and Branding Strategy Implemented by Q3 of 2020/21 FY.		Marketing and Branding Strategy Implemented in 2019/20 financial year.	OPEX	Implementation of Marketing and Branding Strategy		-	Implement marketing and branding strategy		-	Zero (0%) Target Achieved as 0/11 of the District Communication's Forum	Not Achieved	No POE's provided due to staff gaps in the office of the municipal manager.	Management will review the capacity required to fulfil the KPI.	New target	N/A	
				Eleven (11) District Communication coordinated through out the quarters of 2020/21 FY		District Communications Forum Meetings	OPEX	Coordinate 11 District Communication s Forum Meetings		Coordinate Four 4 district forum meetings and report	Coordinate Three (3) district forum meetings and report	Coordinate Three (3) district forum meetings and report	Coordinate Three (3) district forum meetings and report	Coordinate Three (3) district forum meetings and report	Zero (0%) Target Achieved as 0/11 of the District Communication's Forum Meetings were	Not Achieved	No POE's provided due to staff gaps in the office of the municipal manager.	Management will review the capacity required to fulfil the KPI.	New target	N/A
				Four (4) External newsletters developed, printed and distributed		External newsletter developed, printed and distributed in 2019/20 financial year	OPEX	Develop, Print and Distribute 4 External newsletters		Develop, Print and Distribute 1 External newsletters	Develop, Print and Distribute 1 External newsletters	Develop, Print and Distribute 1 External newsletters	Develop, Print and Distribute 1 External newsletters	Develop, Print and Distribute 1 External newsletters	Zero (0%) Target Achieved as 0/4 of external newsletters were developed and distributed	Not Achieved	No POE's provided due to staff gaps in the office of the municipal manager.	Management will review the capacity required to fulfil the KPI.	New target	N/A
				One (1) media engagements facilitated by Q2 of 2020/21 FY		Media engagement Facilitated in 2019/20 financial year.	OPEX	Facilitate 4 media engagements		-	Coordinate and facilitate one media engagement		-	-	Zero (0%) Target Achieved as no social Media engagements	Not Achieved	No POE's provided due to staff gaps in the office of the municipal	Management will review the capacity required to fulfil the KPI.	New target	N/A
				One (1) Social media policy Implemented by Q1 of the 2020/21 FY		Social media policy Implemented in 2019/20 financial year	OPEX	Implementation of Social media policy		Implement a social media policy		-	-	-	Zero (0%) Target Achieved as no social Media Policy implemented	Not Achieved	No POE's provided due to staff gaps in the office of the municipal	Management will review the capacity required to fulfil the KPI.	New target	N/A
PERFORMANCE : 2020_2021																				
Targets Planned					34															
Targets Achieved					11															
Percentage Achievement					32%															



SEDIBENG DISTRICT MUNICIPALITY																		
TRANSPORT, INFRASTRUCTURE AND ENVIRONMENT - CUSTODIAN: EXECUTIVE DIRECTOR																		
PERFORMANCE REPORTING FOR 2020/21 FINANCIAL YEAR																		
Priority Area	IDP Strategy	IDP Objective	Objective No.	Key Performance Indicator (KPI)	KPI No.	Baseline	Funding Source	Annual Target	Q1	Q2	Q3	Q4	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2020	Achieved/Not Achieved
<b>KPA 4: BASIC SERVICES AND INFRASTRUCTURE</b>																		
<b>TRANSPORT</b>																		
Development of Integrated Transport Plan (ITP).	Plan and develop accessible, safe and affordable public transport systems and facilities.	To promote efficient and effective Integrated Service that addresses the socio-economic and environmental development imperatives of the region.	G1	Number of Integrated Transport Plan's (ITP) reviewed and approved by council	G1.1	Outdated Integrated Transport Plan (ITP).	Gauteng Department of Roads & Transport.	Review Integrated Transport plan and submit to council for approval	-	-	-	-	Reviewed one (1) Integrated Transport Plan and Submit to Council for approval	Reviewed one (1) Integrated Transport Plan and Submit to Council for approval	N/A	N/A	Zero (0%) of ITP was achieved	Not Achieved
Airport	To monitor the operations of the airport	To provide self-sustainable airport services	G2	Number of reports in Airports Operations	G2.1	New	OPEX	Monitor Operations of the airport and produce four reports	Monitored Operations of the airport and produce (One) 1 reports	Monitored Operations of the airport and produce (One) 1 reports	Monitored Operations of the airport and produce (One) 1 reports	Monitored Operations of the airport and produce (One) 1 reports	Monitored Operations of the airport and produce (four) 4 reports	Achieved	N/A	N/A	4/4 of the airport monitoring operations reports were produced for the year	Achieved
<b>INFRASTRUCTURE</b>																		
Regional Infrastructure Projects	Plan for effective, efficient and sustainable infrastructural projects, water and sanitation services, and provision of electricity	To ensure effective delivery of infrastructure services	G3	Number of Regional Infrastructure Projects monitored	G3.1	Bi-annual reports per projects were tabled to council	Internal	Monitor implementation of one (1) regional infrastructure project and report bi-annually	-	Monitored implementation of one (1) regional infrastructure project and report	-	Monitored implementation of one (1) regional infrastructure project and report	Monitored implementation of one (1) regional infrastructure project and report bi-annually	Achieved	N/A	N/A	1 Regional Infrastructure Project was monitored	Achieved
<b>LICENSING</b>																		
License Service Centres	Render effective, efficient and customer oriented licensing services in the region	To ensure effective delivery of licensing services	G4	Number of reports on Ambient Air Quality monitoring station	G4.1	Four (4) reports in 2017/18 Financial year	Department of Roads & Transport/OPEX	Produce four reports on implementation of Licensing Services	Produced one (1) report on implementation of licence services	Produced one (1) report on implementation of licence services	Produced one (1) report on implementation of licence services	Produced one (1) report on implementation of licence services	Produced four (4) report on implementation of licence services	Achieved	N/A	N/A	(4/4) of the implementation of licence service reports were produced	Achieved
<b>ENVIRONMENT</b>																		
Air Quality	Implementation of effective environment management in the Sedibeng District	To promote efficient and effective Integrated Service that addresses the socio-economic and environmental development imperatives of the region	G5	Number of reports on Ambient Air Quality monitoring station	G5.1	No Air Quality Management Plan	OPEX	Produce four reports on Ambient Air Quality monitoring stations	Produced one (1) report on Ambient Air Quality Monitoring station	Produced one (1) report on Ambient Air Quality Monitoring station	Produced one (1) report on Ambient Air Quality Monitoring station	Produced one (1) report on Ambient Air Quality Monitoring station	Produced four (4) report on Ambient Air Quality Monitoring station	Achieved	N/A	N/A	(4/4) reports of the Ambient Air Quality monitoring station produced	Achieved
Environmental Awareness	Implementation of effective environment management in the Sedibeng District	To promote efficient and effective Integrated Service that addresses the socio-economic and environmental development imperatives of the region		Number of Environmental Awareness Campaigns	G6.1	Four (4) Campaigns on 2017/18		Conduct Four (4) Environmental Awareness Campaigns	Conducted (0) environmental awareness campaign	Conducted (0) environmental awareness campaign	Conducted (0) environmental awareness campaign	Conducted (0) environmental awareness campaign	Conducted (0) environmental awareness campaign	Not Achieved	Due to Covid-19 Lock-down restrictions - The community gatherings had been prohibited and as such awareness campaigns	The environmental awareness programme will be deferred to 2021/2022 financial year, with alternative	2/4 of environmental awareness campaigns were conducted in the previous FY.	Not Achieved
Municipal Health Services	Ensure a safe and healthy environment for people to live and work in and reduce environmental health risk	To promote efficient and effective Integrated Service that addresses the socio-economic and environmental development imperatives of the region	G7	Percentage of compliance to Municipal Health Norms and Standards	G7.1	88% Compliance Achieved in 2017/2018 2018/19 not yet reviewed	opex	Render Municipal Health Services at 50% compliance with National Health Norms and Standards and report	Zero (0) Municipal Health Services conducted as per the compliance with National Health Norms and Standards and report	Zero (0) Municipal Health Services conducted as per the compliance with National Health Norms and Standards and report	Zero (0) Municipal Health Services conducted as per the compliance with National Health Norms and Standards and report	Zero (0) Municipal Health Services conducted as per the compliance with National Health Norms and Standards and report	Zero (0) Municipal Health Services conducted as per the compliance with National Health Norms and Standards and report	Not Achieved	The municipal health norms and standards compliance audit for the 2020/21 FY was not conducted by the National Department of Health Directorate. This was also not conducted by the Sedibeng's municipality is solely dependent on the National and Provincial Department of Health Directorate for the audit rating in terms of compliance to the municipal health norms and standards in order for it to determine whether the MHS of 50% compliance was achieved or not.	Management will review the feasibility of retaining the KPI for the next FY.	Target Exceeded as 92% instead of 50% was achieved	Target Exceeded
<b>ANNUAL PERFORMANCE : 2020 - 2021</b>																		
Targets Planned		7																
Targets Achieved		5																
Percentage Achievement		71%																

SEDIBENG DISTRICT MUNICIPALITY																			
STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT - CUSTODIAN - EXECUTIVE DIRECTOR																			
PERFORMANCE REPORTING FOR 2020/21 FINANCIAL YEAR																			
Priority Area	IDP Strategy	IDP Objective	Objective No.	Key Performance Indicator (KPI)	KPI No.	Baseline	Funding Source	Annual Target	Q1	Q2	Q3	Q4	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2020	Achieved/Not Achieved	
<b>KPA 2: LOCAL ECONOMIC DEVELOPMENT</b>																			
<b>INTEGRATED DEVELOPMENT PLAN (IDP)</b>																			
GDS III	Consolidate, Review and monitor Growth and Development Strategy (GDS)	To co-ordinate the implementation of Regional Growth and Development Strategy	E1	One Report Growth and Development Strategy produced by Q4 of 2020/21 FY	E1.1	2019/20 Progress report on GDS III	OPEX	Produce 1 one report on Growth and Development Strategy	-	-	-	-	One (1) reports on Growth and Development Strategy were produced	Achieved	N/A	N/A	Four (4) reports on Growth and Development Strategy produced	100% Target achieved	
IDP	Coordinate developmentally-oriented municipal planning	To determine and plan for the developmental needs of the people of Sedibeng District Municipality	E2	One (1) Integrated Development Plan developed by Q4 of 2020/21 FY	E2.1	2020/2021 IDP		Develop one (1) approved IDP	Develop One (1) IDP Process Plan and submit to Council for approval	-	-	Submit Draft IDP/2021/22	Submit One (1) final IDP	One (1) IDP developed and approved	100% Target achieved	N/A	N/A	The target of development Plan was achieved. The IDP was also submitted to council for approval	100% Target Achieved
<b>DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS</b>																			
Development of Spatial Framework	Review of sector development plan and strategies	To ensure coherent strategic planning through Spatial Development Framework (SDF)	E3	One (1) sector Development Plans reviewed	E3.1	Spatial Development Framework adopted in 2015 - 2017/18 SDF	OPEX	Review one SDF and submit to council for approval	-	-	-	-	Review of SDP and approve for council for approval	(100%) target achieved as 1 Spatial Development Framework was submitted to Council for approval	Achieved	N/A	N/A	Target of 100% was achieved as the SDF forms of and is submitted to council for approval as part of the IDP.	100% Target Achieved
Housing and Urban Renewal programme	Promote Urban Renewal and modernize urban development	To redress the spatial distortions of the Region	E4	Four (4) reports on Housing and urban renewal programmes coordinated, with one (1) report produced each quarter of 2020/21 FY	E4.1	Housing and urban renewal programmes in the previous financial year	OPEX	Housing and urban renewal programmes coordinated in the previous FY	Coordinate, monitor and produce 1 report quarterly on the implementation of Euxton Urban Renewal Project Hostels	Coordinate, monitor and produce 1 report quarterly on the implementation of Euxton Urban Renewal Project Hostels	Coordinate, monitor and produce 1 report quarterly on the implementation of Euxton Urban Renewal Project Hostels	Coordinate, monitor and produce 1 report quarterly on the implementation of Euxton Urban Renewal Project Hostels	Target Not Achieved as 3/4 Housing and Urban Renewal programmes reports were produced on the implementation of Euxton Urban Renewal Project Hostels Not	Not Achieved	Although Management indicated that the target was achieved, there was no portfolio of evidence provided for quarter 4	Management will ensure that programs are co-ordinated to ensure that the reports are produced	Target of 100% was achieved as Four (4) reports on housing and renewal programmes were co-ordinated	100% Target Achieved	
Regional Southern Corridor Projects reporting	Co-ordinate the development of the Regional Southern Corridor	Promote Regional Economic Development	E5	Four (4) reports on the implementation plans of Regional Southern Corridor (RSC) Projects	E5.1	Southern Corridor Regional Implementation Plan	CAPEX	Co-ordinate the implementation of the 4 Southern Corridor Regional Implementation Plan Projects and produce four reports	Coordinate and produce 1 report on RSC) Projects	Coordinate and produce 1 report on RSC) Projects	Coordinate and produce 1 report on RSC) Projects	Coordinate and produce 1 report on RSC) Projects	Target of 100% was achieved as the Coordination and the implementation of the Southern Corridor Regional Implementation Plans were achieved and four reports were produced in the FY.	100% Target Achieved	N/A	N/A	Target of 100% was achieved as the Coordination and the implementation of the Southern Corridor Regional Implementation Plans were achieved and four reports were produced in the FY.	100% Target Achieved	
EPWP	Creating work opportunities in public social programmes	To create decent work & sustainable livelihoods, education, health, rural development, food security & land reform. To promote local economic opportunities		55 Expanded Public Works Program (EPWP) beneficiaries employed by Q2 of 2020/21 FY		Hundred and twenty two (67) EPWP beneficiaries employed in the previous financial year	CAPEX	Employ 55 EPWP beneficiaries	-	Employ 55 EPWP beneficiaries	-	-	Target of 100% (55) EPWP beneficiaries was achieved by Q3	Achieved	N/A	N/A	The Target of 100% to Coordinate the implementation of SPLUMA in the region was achieved four reports were produced for the FY.	100% Target Achieved	
<b>LOCAL ECONOMIC DEVELOPMENT</b>																			
SMME and Cooperatives Development	Coordinate support to local to SMMEs (small emerging Farmers) and Cooperatives			Number of SMMEs and Cooperatives capacitated by Q 2 and Q 3 of the 2020/21 FY	EB.2	50 Cooperatives and SMMEs trained in the previous financial year	CAPEX	Coordinate support to Capacitate forty (30) SMMEs (small emerging Farmers) and Co-ops	-	Coordinate support to Capacitate forty (15) SMMEs (small	-	-	100% of target achieved as 30 of the SMME's target was achieved	Target Achieved	N/A	N/A	Target Not Achieved as training required to capacitate the SMME's did not transpire.	Target Not Achieved	
<b>TOURISM</b>																			
Tourism Demand	Participation in Provincial marketing initiatives	To create Tourism demand in the region	E9	Participate in One (1) marketing and Tourism Initiatives and produce one (1) report per each quarter of 2020/21 FY	E9.1	Participated in Four Tourism Initiatives in the previous financial year	OPEX	Identify and participate in one (1) Marketing and Tourism initiative and produce 4 reports	Identify and participate in one (1) Marketing and Tourism initiative and produce one report	Identify and participate in one (1) Marketing and Tourism initiative and produce one report	Identify and participate in one (1) Marketing and Tourism initiative and produce one report	Identify and participate in one (1) Marketing and Tourism initiative and produce one report	Identify and participate in one (1) Marketing and Tourism initiative and produce one report	100% Target Achieved as a report on (1) identification and participation on Tourism initiatives was identified and a report was produced.	100% Target Achieved	N/A	N/A	Identify and participate in one (1) Marketing and Tourism initiative and produce one report	100% Target Achieved as a report on (1) identification and participation on Tourism initiatives was identified and a report was produced.
Tourism Supply	Development of product and skills in the tourism industry	To promote and Develop Tourism	E10	Four (4) reports on development and tourism awareness programmes	E10.1	Four Awareness programmes in the previous FY	OPEX	Facilitate four (4) skills development and tourism awareness programmes and report	Facilitate four (1) skills development and tourism awareness programmes and 1 report	Facilitate four (1) skills development and tourism awareness programmes and 1 report	Facilitate four (1) skills development and tourism awareness programmes and 1 report	Facilitate four (1) skills development and tourism awareness programmes and 1 report	Facilitate four (4) skills development and tourism awareness programmes and report	100% Target Achieved as a report four (4) for skills development & tourism awareness programmes produced	N/A	N/A	N/A	Facilitate four (4) skills development and tourism awareness programmes and report	100% Target Achieved as a report four (4) for skills development & tourism awareness programmes produced
<b>FRESH PRODUCE MARKET</b>																			
Fresh Produce Market	To provide a central market distribution system for the region and maximize municipal revenue	To determine and plan for the developmental needs of the people of Sedibeng District	E11	Four (4) Fresh Produce Markets reports submitted to council	E11.1	Four (4) Fresh Produce Market Reports in the previous FY	OPEX	Produce four (4) Fresh Produce Market Reports a	Produce one (1) Fresh Produce Market Report	Produce one (1) Fresh Produce Market Report	Produce one (1) Fresh Produce Market Report	Produce Zero (0) Fresh Produce Market Report	Target Not Achieved as only targets not achieved as 4 of the fresh produce market were not produced.	Not Achieved	Not all Portfolio evidence were submitted	Management will ensure that programs are co-ordinated to ensure that the reports are produced	targets not achieved as 4 of the fresh produce market were not produced.	targets not achieved	
Agriculture	To facilitate and develop agricultural sector	To facilitate implementation of mega Agripark	E12	Four (4) reports of the milling plant within the mega Agripark project in the each quarter of 2020/21 FY	E12.1	Four (4) reports on milling plant within mega Agripark project in the previous financial year 2019/20	CAPEX	Implement the milling plant within the mega Agripark project	Produce Zero (0) Milling Plant within the Mega Agri	Produce Zero (0) Milling Plant within the Mega Agri	Produce Zero (0) Milling Plant within the Mega Agri	Produce Zero (0) Milling Plant within the Mega Agri	Zero (0%) was achieved as the Milling Plant Report within the mega Agripark was not produced	Not Achieved	The Approval of Plant is stuck due to water rights certificates, the service provider is claiming 20m for engineering work	The district will attend the challenges that are arising	New KPI.	N/A	
<b>ANNUAL PERFORMANCE: 2020 - 2021</b>																			
Targets Planned		11																	
Targets Achieved		8																	
Percentage Achievement		72.73%																	

SEDIBENG DISTRICT MUNICIPALITY																		
COMMUNITY SERVICES - CUSTODIAN: EXECUTIVE DIRECTOR																		
PERFORMANCE REPORTING FOR 2020/21 FINANCIAL YEAR																		
Priority Area	IDP Strategy	IDP Objective	Objective No:	Key Performance Indicator	KPI No.	Baseline	Funding Source	Annual Target	Q1	Q2	Q3	Q4	Actual Performance Achieved as at 30th June 2021	Achieved/Not Achieved	Reasons for not achieving this target	Management Action	Actual Performance Achieved as at 30th June 2020	Achieved/Not Achieved
<b>KPA 4: BASIC SERVICES AND INFRASTRUCTURE</b>																		
<b>COMMUNITY SAFETY</b>																		
Community Safety Programmes	To implement community safety programmes	To promote and build safer communities	H1	Eight (8) Community Safety Programmes implemented	H1.1	2019-2020 Community Safety Reports	OPEX	Co-ordinate the Implementation Twelve (08) Community Safety Programmes and report	Implement two (2) Community Safety Programmes and Report	Implement two (2) Community Safety Programmes and Report	Implement two (2) Community Safety Programmes and Report	Implement two (2) Community Safety Programmes and Report	100% of the Target was achieved as 8/8 Community Safety Programmes and reports were	Target Achieved	N/A	N/A	6 of the 12 (50%) ICT Committees met during the FY.	Target Not Achieved
<b>DISASTER MANAGEMENT</b>																		
Disaster management awareness	To conduct community awareness campaigns	To promote disaster resilient communities	H2	Four (4) Disaster Management awareness programmes conducted, with one programme conducted and reported each quarter of 2020/21 FY	H2.1	Four (4) Awareness campaigns in 2019/2020	OPEX	Conduct four (4) Public Disaster Management awareness programmes and report	Conduct one (1) Public Disaster Management awareness programmes and report	Conduct one (1) Public Disaster Management awareness programmes and report	Conduct one (1) Public Disaster Management awareness programmes and report	Conduct one (1) Public Disaster Management awareness programmes and report	100 % Target Achieved as 4/4 of the Public Disaster Management Awareness Programmes and Report procured.	Target Achieved	N/A	N/A	100% of Target was achieved as 4/4 Public Disaster Management Awareness Programmes was achieved.	Target Achieved
<b>HEALTH AND SOCIAL DEVELOPMENT</b>																		
District Health Council Activities	Promote the efficient delivery of Primary Health Care	To ensure effective Service Delivery	H3	Four (4) Primary District Health Council Meetings coordinated	H3.1	Three (3) District Health Council Meetings On 2019/2020 financial year	OPEX	Coordinate three (3) District Health Meetings	Coordinate One (1) District Health Meetings				67% of the Target Achieved as only 2/3 of the District Health Meetings were co-ordinated	Not Achieved	Due to Covid-19 pandemic	The programme will be implemented in the next quarter	100% of Target was achieved as 4/4 Public Disaster Management Awareness Programmes was achieved.	Target Achieved
Women and Gender Programmes	Encourage women to take charge of their lives	To provide women empowerment platforms	H4	Two (2) Women and Gender Programmes implemented	H4.1	Three (3) Women and Gender Programmes in 2018/19 Financial year	OPEX	Conduct three (2) Women and Gender Programmes		Conduct One (1) Women and Gender programme and report			100 % of the Target Achieved as only 2/2 of the Women and Gender Programmes were conducted for the FY	Target Achieved	N/A	N/A	The Target of 100% was achieved as three (3) out of T three (3) Women Gender Based Programmes were coordinated and three (3) reports	100% Target Achieved
<b>SPORTS, ARTS &amp; CULTURE</b>																		
Sports and Recreation Programmes	Provide developmental Sports, Arts and Cultural Programs	To improve their quality of lives for the people of the region	H8	Four (4) Sports development programmes coordinated	H8.1	Four (4) Programmes in the previous financial year	OPEX	Coordinate (4) Developmental Sports Programmes	Coordinate One (1) Developmental Sports Programmes	Coordinate One (1) Developmental Sports Programmes	Coordinate One (1) Developmental Sports Programmes	Coordinate One (1) Developmental Sports Programmes	100% Target Achieved as 4/4 Developmental Sports Programmes were co-ordinated	Target Achieved	N/A	N/A	Target Not Achieved	Target Not Achieved
Arts and Culture Programmes				Four (4) Arts and Cultural programmes coordinated	H8.2	Four (4) Programmes in the previous financial year	OPEX	Coordinate Four (4) Arts and Culture Programmes	Coordinate One (1) Arts and Culture Programmes	Coordinate One (1) Arts and Culture Programmes	Coordinate One (1) Arts and Culture Programmes	Coordinate One (1) Arts and Culture Programmes	50% Target Achieved as 2/4 Arts and Cultural programmes were co-ordinated	Not Achieved	Due to Covid-19 pandemic	to be done on the next Quarter	Target Not Achieved	Target Not Achieved
Geographical Name Change	Facilitate the Geographical Name Change process	Coordinate mobilisation of stakeholders' participation for Geographical Name Change process		Four (4) GNC stakeholders meetings held		GNC Stakeholders participation meetings held in the previous financial year.	OPEX	Coordinate Four (4) GNC Stakeholders meetings	Coordinate One (1) GNC Stakeholders meetings	Coordinate One (1) GNC Stakeholders meetings	Coordinate One (1) GNC Stakeholders meetings	Coordinate One (1) GNC Stakeholders meetings	25% target achieved as only 1/4 GNC Stakeholder Meetings were held	Not Achieved	Due to Covid-19 pandemic	reschedule for the next Quarter	Not Applicable as it is a new target	N/A
Youth Development Programmes	Facilitate the implementation of Youth Programmes in the Region Through NYDA	To coordinate Youth Development Programmes in the Region Through NYDA in line with Covid-19		Four (4) Youth Development Programmes coordinated, with one programme and report produced for each quarter of 2020/21 FY		-	NYDA Budget	Coordinate Four(4) Youth Development Programmes	Conduct One (1) Youth Development Programmes and report	Conduct One (1) Youth Development Programmes and report	Conduct One (1) Youth Development Programmes and report	Conduct One (1) Youth Development Programmes and report	75% Target achieved as 3/4 were Youth Development Programmes were co-ordinated	Not Achieved	Due to Covid-19 pandemic	reschedule for the next Quarter	Target Not Achieved	Target Not Achieved
Commemorative Events	Promote and preserve heritage and museums in the Region	Coordinate hosting of heritage and commemorative event in the region in line with Covid-19		Four (4) heritage and commemorative events coordinated with one report for each quarter of 2020/21 FY			OPEX	Coordinate Four(4) commemorative events	Coordinate One(1) commemorative events and report	Coordinate One(1) commemorative events and report	Coordinate One(1) commemorative events and report	Coordinate One(1) commemorative events and report	Zero (0) Target Achieved as no commemorative events had been co-ordinated	Not Achieved	Due to Covid-19 pandemic	reschedule for the next Quarter	Not Applicable as it is a new target	N/A
<b>ANNUAL PERFORMANCE - 2020_2021</b>																		
													9					
Targets Planned													9					
Targets Achieved													4					
Percentage Achievement													44%					