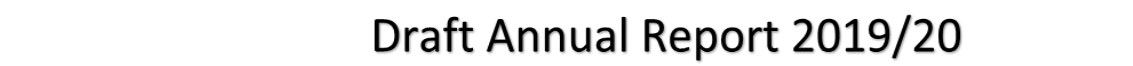


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DRAFT ANNUAL REPORT 2019/20



# Table of Contents

[CHAPTER 1: MAYOR’S FOREWORD AND EXECUTIVE SUMMARY 9](#_bookmark0)

[COMPONENT A: FOREWORD OF THE EXECUTIVE MAYOR 9](#_bookmark1)

[COMPONENT B: EXECUTIVE SUMMARY 10](#_bookmark2)

* 1. [MUNICIPAL MANAGER’S OVERVIEW 10](#_bookmark3)

[COMPONENT A: FOREWORD OF THE EXECUTIVE MAYOR 10](#_bookmark4)

* 1. [MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW 11](#_bookmark5)
  2. [SERVICE DELIVERY OVERVIEW 19](#_bookmark12)
  3. [FINANCIAL OVERVIEW 24](#_bookmark16)
  4. [ORGANISATIONAL DEVELOPMENT OVERVIEW 27](#_bookmark20)
  5. [AUDITOR GENERAL REPORT (ANNEXURE: ORIGINAL DOCUMENT) 29](#_bookmark22)

[CHAPTER 2 – GOVERNANCE 33](#_bookmark25)

[COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE 33](#_bookmark26)

* 1. [POLITICAL GOVERNANCE 34](#_bookmark27)
  2. [ADMINISTRATIVE GOVERNANCE 43](#_bookmark36)

[COMPONENT B: INTERGOVERNMENTAL RELATIONS 43](#_bookmark37)

* 1. [INTERGOVERNMENTAL RELATIONS 43](#_bookmark38)

[COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION 45](#_bookmark40)

* 1. [PUBLIC MEETINGS 45](#_bookmark41)
  2. [IDP PARTICIPATION AND ALIGNMENT 52](#_bookmark47)

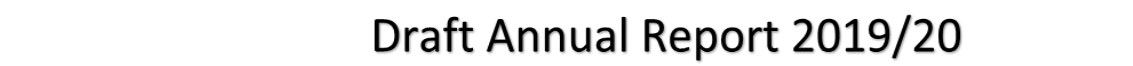
[COMPONENT D: CORPORATE GOVERNANCE 52](#_bookmark49)

* 1. [ENTERPRISE RISK MANAGEMENT 52](#_bookmark50)
  2. [ANTI-CORRUPTION AND FRAUD 57](#_bookmark51)
  3. [SUPPLY CHAIN MANAGEMENT 57](#_bookmark52)
  4. [BY-LAWS 57](#_bookmark53)
  5. [WEBSITE AND ICT 58](#_bookmark54)
  6. [PUBLIC SATISFACTION ON MUNICIPAL SERVICES 59](#_bookmark57)

[CHAPTER 3 – BASIC SERVICE DELIVERY PERFORMANCE INFORMATION 60](#_bookmark58)

1. | P a g e

[Overview of performance within the organization 60](#_bookmark59)



[PDO 1: To provide access to reliable infrastructure that will contribute to a higher quality of life for](#_bookmark60) [Kannaland citizens 63](#_bookmark60)

[PDO 2: To provide adequate Services and improve our Public relations 65](#_bookmark62)

[PDO 3: To strive towards a safe community in Kannaland through the proactive management of](#_bookmark64) [traffic , enviromental health,fire and disaster risks 70](#_bookmark64)

[PDO 4: To facilitate economic growth and social and community development 71](#_bookmark66)

[PDO 5: To promote efficient and effective Governance with high levels of stakeholder participation](#_bookmark68)

[.........................................................................................................................................................72](#_bookmark68)

[PDO 6: To provide an efficient workforce by aligning our institutional arrangements to our overall](#_bookmark70) [strategy 77](#_bookmark70)

[PDO 7: To strive towards a financially sustainable municipality 79](#_bookmark72)

[COMPONENT A: BASIC SERVICES 89](#_bookmark74)

* 1. [WATER PROVISION 89](#_bookmark75)
  2. [WASTE WATER (SANITATION) PROVISION 93](#_bookmark81)
  3. [ELECTRICITY 95](#_bookmark85)
  4. [WASTE MANAGEMENT 98](#_bookmark91)
  5. [HOUSING 108](#_bookmark96)
  6. [FREE BASIC SERVICES AND INDIGENT SUPPORT 109](#_bookmark98)

[COMPONENT B: ROAD TRANSPORT 110](#_bookmark100)

* 1. [ROADS AND STORM WATER 110](#_bookmark101)
  2. [TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION) 111](#_bookmark102)

[COMPONENT C: PLANNING AND DEVELOPMENT 111](#_bookmark103)

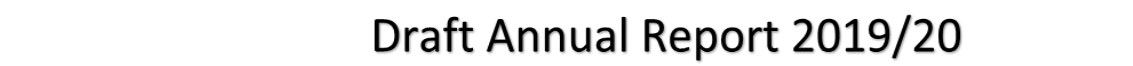
* 1. [PLANNING 111](#_bookmark104)
  2. [LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)](#_bookmark105) [111](#_bookmark105)

[COMPONENT D: COMMUNITY & SOCIAL SERVICES 113](#_bookmark107)

* 1. [LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER](#_bookmark108) [(THEATRES, ZOOS, ETC) 113](#_bookmark108)
  2. [CEMETERIES 117](#_bookmark110)

1. | P a g e

[COMPONENT F: SAFETY AND SECURITY 122](#_bookmark111)



* 1. [TRAFFIC SERVICES 122](#_bookmark112)
  2. [DISASTER MANAGEMENT AND FIRE SERVICES 124](#_bookmark113)

[COMPONENT G: SPORT AND RECREATION 126](#_bookmark115)

* 1. [SPORT AND RECREATION 127](#_bookmark116)
  2. [PROJECT MANAGEMENT UNIT 128](#_bookmark118)

[COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES 139](#_bookmark121)

* 1. [EXECUTIVE AND COUNCIL 139](#_bookmark122)
  2. [FINANCIAL SERVICES 140](#_bookmark124)
  3. [HUMAN RESOURCE SERVICES 141](#_bookmark126)

[CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE 142](#_bookmark127)

[COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL 143](#_bookmark128)

* 1. [EMPLOYEE TOTALS, TURNOVER AND VACANCIES 143](#_bookmark129)

[COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE 145](#_bookmark132)

* 1. [POLICIES 146](#_bookmark133)
  2. [INJURIES, SICKNESS AND SUSPENSIONS 148](#_bookmark135)
  3. [PERFORMANCE REWARDS 150](#_bookmark138)

[COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE 150](#_bookmark139)

* 1. [SKILLS DEVELOPMENT AND TRAINING 151](#_bookmark140)

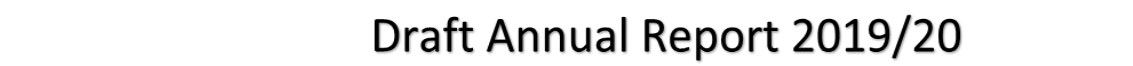
[CHAPTER 5 – FINANCIAL PERFORMANCE 154](#_bookmark144)

[COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE 154](#_bookmark145)

* 1. [FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES 157](#_bookmark147)
  2. [GRANTS 159](#_bookmark149)
  3. [BORROWINGS 161](#_bookmark151)
  4. [REVENUE COLLECTION BY VOTE 162](#_bookmark153)
  5. [REVENUE COLLECTION PERFORMANCE BY SOURCE 162](#_bookmark155)
  6. [ASSET MANAGEMENT 163](#_bookmark157)

[COMPONENT B: SPENDING AGAINST CAPITAL BUDGET 164](#_bookmark158)

1. | P a g e
   1. [CAPITAL PROGRAMME 164](#_bookmark159)



[COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS 164](#_bookmark161)

* 1. [CASH FLOW 165](#_bookmark162)
  2. [BORROWING AND INVESTMENTS 166](#_bookmark164)
  3. [PUBLIC PRIVATE PARTNERSHIPS 166](#_bookmark165)

[COMPONENT D: OTHER FINANCIAL MATTERS 166](#_bookmark166)

* 1. [GRAP COMPLIANCE 166](#_bookmark167)

[CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS 167](#_bookmark168)

[COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2019/20 167](#_bookmark169) [GLOSSARY 168](#_bookmark170)

[APPENDICES 171](#_bookmark171)

[APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE](#_bookmark172)

[................................................................................................................................................... 171](#_bookmark172)

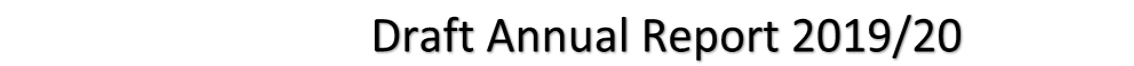
[APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES 172](#_bookmark174)

[APPENDIX C – FUNCTIONS OF MUNICIPALITY / ENTITY 172](#_bookmark176)

[APPENDIX D – WARD REPORTING 174](#_bookmark178)

[VOLUME II: ANNUAL FINANCIAL STATEMENTS 175](#_bookmark180)

1. **|** P a g e



[Table 1: Functions per department 12](#_bookmark6)

[Table 2: Kannaland industries and activities 15](#_bookmark7)

[Table 3: Population of Kannaland – Source: Local Government Socio Economic Profile, 2019 .16](#_bookmark8) [Table 4: Data Source - SA9: Mero 2017, Community Survey 2016 and Samras 17](#_bookmark9)

[Table 5: Socio Economic Status Source: Mero 2020 18](#_bookmark10)

[Table 6: Natural Resources 19](#_bookmark11)

[Table 7: Highlights during the 2019/20 financial year 21](#_bookmark13)

[Table 8: Challenges during the 2019/20 financial year 23](#_bookmark14)

[Table 9: Proportion of Households to basic services as per municipal statistics (Source: SAMRAS)](#_bookmark15)

[.........................................................................................................................................................23](#_bookmark15)

[Table 10: Challenges regarding financial management 25](#_bookmark17)

[Table 11: Financial Overview – Source: AFS vs Municipal budget 26](#_bookmark18)

[Table 12: Capital Expenditure - Source: AFS vs Municipal budget 26](#_bookmark19)

[Table 13: 1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT 28](#_bookmark21)

[Table 14: Audit Outcomes 29](#_bookmark23)

[Table 15: Statutory Reporting Timeframes – Circular 63 (September 2012) 32](#_bookmark24)

[Table 16: Mayoral Committee 35](#_bookmark28)

[Table 17: Councillors 36](#_bookmark29)

[Table 18: Councillors, Committees Allocated and Council Attendance 37](#_bookmark30)

[Table 19: Municipal Public Accounts Committee (MPAC) 40](#_bookmark31)

[Table 20: Disciplinary Board 40](#_bookmark32)

[Table 21: Audit and Performance Audit Committee 42](#_bookmark33)

[Table 22: Risk Committee members 42](#_bookmark34)

[Table 23: risk management champions 42](#_bookmark35)

[Table 24: Inter-Governmental Structures (IGR) attended 44](#_bookmark39)

[Table 25: Ward 1 – Ward Committee 47](#_bookmark42)

[Table 26: WARD 2 – WARD COMMITTEE 48](#_bookmark43)

[Table 27: WARD 3 – WARD COMMITTEE 48](#_bookmark44)

[Table 28: WARD 4 – WARD COMMITTEE 49](#_bookmark45)

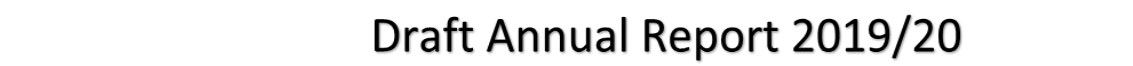
[Table 29: Public engagements During the 2019/20 financial Year 50](#_bookmark46)

[Table 30: IDP Participation and Alignment Criteria Section 26 Municipal Systems Act, 2000 52](#_bookmark48)

[Table 31: Highlights and Challenges of ICT Services 58](#_bookmark55)

[Table 32: Section 75 Checklist of the MFMA 59](#_bookmark56)

**5**



[Table 33: PDO 1: To Provide access to reliable infrastructure that will contribute to a higher quality](#_bookmark61) [of life for Kannaland citizen’s 64](#_bookmark61)

[Table 34: PDO 2: To Provide adequate Services and improve our Public relations 68](#_bookmark63)

[Table 35: PDO 3: To strive towards a safe community in Kannaland through the proactive](#_bookmark65) [management of traffic , enviromental health,fire and disaster risks 70](#_bookmark65)

[Table 36: PDO 4: To Facilitate Economic Growth and Social and Community development 71](#_bookmark67)

[Table 37: PDO 5: To promote efficient and effective Governance with high levels of stakeholder](#_bookmark69) [participation 76](#_bookmark69)

[Table 38: PDO 6: To Provide an efficient workforce by aligning our institutional arrangements to our](#_bookmark71) [overall strategy 78](#_bookmark71)

[Table 39: PDO 7: To Strive towards a financially sustainable municipality 88](#_bookmark73)

[Table 40: Water Service Delivery Levels – Source: Samras (municipal statistics) 89](#_bookmark76)

[Table 41: Total use of water by sectors – Source: Samras (municipal statistics) 91](#_bookmark77)

[Table 42: Financial Performance of water services - 2019/20 - Source: AFS 92](#_bookmark78)

[Table 43: Capital Expenditure of water services – 2019/20 - Source: AFS 92](#_bookmark79)

[Table 44: Water Service Policy Objectives Taken from the IDP - 2019/20 - Source: Samras](#_bookmark80) [(municipal statistics) 93](#_bookmark80)

[*Table 45 - Sanitation Service Delivery Levels 2018/19 and 2019/20-* Source: Samras (municipal](#_bookmark82) [statistics) 94](#_bookmark82)

[Table 46: Financial Performance of Sanitation Services - 2019/20- Source: AFS 95](#_bookmark83)

[Table 47: Sanitation Service Policy Objectives Taken From IDP 95](#_bookmark84)

[Table 48: highlights, challenges and interventions 96](#_bookmark86)

[Table 49 - Electricity Service Delivery Levels 2017-2018 and 2019/20- Source: Samras (municipal](#_bookmark87) [statistics) 97](#_bookmark87)

[Table 50: Financial Performance Per Electricity Services - Source: AFS 97](#_bookmark88)

[Table 51: Capital Expenditure per Electricity Services 2019/20 - Source: AFS 98](#_bookmark89)

[Table 52: Electricity service policy objectives taken from the IDP – 2018/19 and 2019/20 98](#_bookmark90)

[Table 53: Financial Performance of solid waste management services - AFS 107](#_bookmark93)

[Table 54: Capital Expenditure –Waste Management Services – Source AFS 107](#_bookmark94)

[Table 55: Waste service policy objectives taken from the idp 107](#_bookmark95)

[Table 56: Financial Performances of housing services - Source: AFS 109](#_bookmark97)

[Table 57: Free basic services to low income households - Source: Samras (municipal statistics)](#_bookmark99)

[.......................................................................................................................................................110](#_bookmark99)

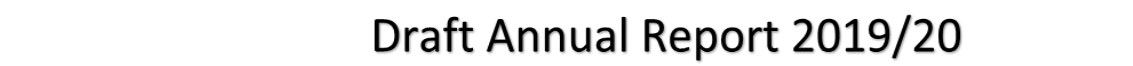
[Table 58: JOBS CREATED THROUGH EPWP 113](#_bookmark106)

[Table 59: Financial Performance 2019/20 Libraries - Source: AFS 117](#_bookmark109)

[Table 60: Financial Services for Fire Services 2019/20 - Source AFS 126](#_bookmark114)

1. **|** P a g e

[Table 61: Financial Performance for Sport and Recreation 2019/20 - Source AFS 127](#_bookmark117)



[Table 62: MIG allocations 128](#_bookmark119)

[Table 63: Summary of implementation of projects 131](#_bookmark120)

[Table 64: Financial Performance 2019/20: The Executive and Council – Source AFS 140](#_bookmark123)

[Table 65: Financial Performance 2019/20: Financial Services Source AFS 141](#_bookmark125)

[Table 66: number of employees 143](#_bookmark130)

[Table 67: turnover rate 144](#_bookmark131)

[Table 68 - HR Policies and Plans 147](#_bookmark134)

[Table 69: Number and Cost of Injuries on Duty 148](#_bookmark136)

[Table 70: Number and Period of Suspensions 149](#_bookmark137)

[Table 71: Skills Matrix 151](#_bookmark141)

[Table 72: financial competency development: progress report 152](#_bookmark142)

[Table 73: Disclosures of Financial Interests 153](#_bookmark143)

[Table 74: Reconciliation of Table A1 Budget Summary Source AFS 157](#_bookmark146)

[Table 75: Financial Performance of Operational Services Source AFS 158](#_bookmark148)

[Table 76: Grant performance Source AFS 161](#_bookmark150)

[Table 77: Actual Borrowings Source AFS 161](#_bookmark152)

[Table 78: Revenue by vote 2019/20 vOTE AFS 162](#_bookmark154)

[Table 79: Revenue Collection by Source 2019/20 Source AFS 162](#_bookmark156)

[Table 80: Capital Programme by Project 2019/20 164](#_bookmark160)

[Table 81: Cash Flow Source AFS 2019/20 165](#_bookmark163)

[Table 82: Councillors, Committees Allocated and Council Attendance 171](#_bookmark173)

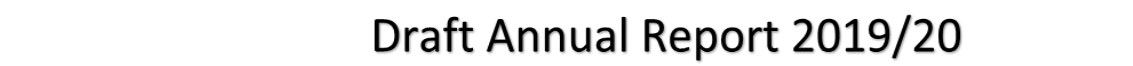
[Table 83: COMMITTEES AND COMMITTEE PURPOSES 172](#_bookmark175)

[Table 84: Municipal Functions 173](#_bookmark177)

[Table 85: Functionality of Ward Committees 174](#_bookmark179)

[*Figure 1: Landfill Sites – as indicated in SDF figure 3.4.7.1* 99](#_bookmark92)

1. **|** P a g e



###### INTRODUCTION

**ABOUT THE 2019/20 ANNUAL REPORT**

This report offers an overview of the operations, financial, non-financial activities and the performance of Kannaland Municipality for the 2019/20 financial year. The annual report is prepared in terms of Section 127(3) and the process has been trailed as per section 127 (3) (a-c) stipulated in the Municipal Finance Management Act (MFMA).

The Annual Report comprises of six chapters with the following broad overview:

Chapter 1: An overview of the Municipality’s social and demographic profile and key highlights regarding finance, performance and service delivery.

Chapter 2: Details about the governmental workings of the Municipality addressing the key aspects of good governance.

Chapter 3: Highlights the Municipality’s performance for the year, focusing on the service delivery and the Pre-determined objectives of the Council.

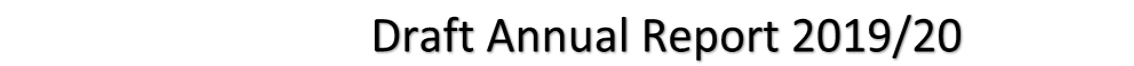
Chapter 4: Provides insight into the Human Resources and organisational management areas of the Municipality, focussing on organisational structure and legislation.

Chapter 5: An overview of the Municipality’s financial performance, reflecting on the Municipality’s financial position, assets, cash flow and intergovernmental grants received by the Municipality.

Chapter 6: An overview of the audit key findings per the Auditor-General - Volume I: Annual Financial Statements

1. **|** P a g e

**9**



## CHAPTER 1: MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: FOREWORD OF THE EXECUTIVE MAYOR

Due to Covid 19 related challenges, the finalization of the annual audit process was extended beyond the already exempt date of compliance and consequently the submission of the Annual report will be dealt with in terms of Section 127(3) of the Municipal Finance Management Act 56 of 2003.

Even though there were many developmental highlights to celebrate, some of our hardships that we face remain. Our municipality has a difficult task in balancing the interest in maintaining a natural and peacefully quiet environment with the need to promote development within our geographical borders which displays an increase in indigent households and a projected population growth rate higher than that of the district within which it resides. Climate change and the associated extreme weather patterns and storm surges are increasing in frequency and intensity and this brings our towns to complete shutdown. Communication and power supply becomes a luxury.

Our Kannaland has a mystical, untouched natural beauty. Our people may be poor, but there is a culture of mutual respect, humility and a sense of peace and well being. One must bear in mind that our poverty is not just about low household income. It includes other aspects of deprivation such as a lack of assets to help households cope with shocks and stresses, a lack of resources or contacts necessary to secure political advantage, a lack of access to education, health care and emergency services in some of our remote and outlying rural villages. Despite these inequalities and challenges, we remain optimistic and can report on some of the undermentioned highlights for the year under review:

* EPWP Contract workers absorbed into permanent positions;
* 100% MIG spending;
* Best achiever awards for the EPWP results;
* Provision of water tanks to schools and certain farm areas during the dry Summer months with the assistance of GRDM and WCPG.
* Emergency water supplied to hospitals and schools;
* Refurbishment of the pipeline at the borehole plant in Ladismith;
* Refurbishment of boreholes as well as a new borehole pump and pipeline at the Swartberg River in Ladismith
* Appointment of a Chief Financial Officer, BTO Manager
* Upgrade of the main electricity substation including installation of new 20

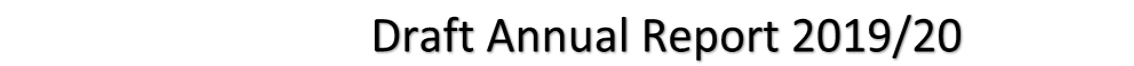
MVA transformer in Ladismith (R8m VAT included).

Putting covid 19 and the endless litigations aside, there is evidence that the municipality is harnessing all of its public resources behind common goals and within a framework of mutual respect. We the people of Kannaland respectfully submit that all spheres are government are obliged to observe the principles of cooperative government as put forward in the Constitution which not only assumes the integrity of each sphere of government, but it also recognises the complex nature of government in modern society. No country today can effectively meet its challenges unless the components of government function as a cohesive whole and disputes can be constructively resolved through existing inter- governmental structures without resorting to costly and time-consuming litigation.

.

**PHLLIPUS ANTONIE ACTING EXECUTIVE MAYOR**

**10**



## COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER’S OVERVIEW

**Introduction**

The rural rustic untouched and naturally beautiful Kannaland municipal area, brother to six local municipalities residing in the Garden Route District Municipality is made up of the towns of Calitzdorp, Ladismith, Zoar and Van Wyksdorp. Kannaland was named after the kanna plant (Sceletium tortuosum), named as nature’s Prozac. The kanna plant has been used by South Africans as a mood-altering substance since prehistoric times and it is legal. Evidence of early San and Khoi people in numerous rock paintings, majestic Seweweekspoort, fertile agricultural valleys and the spectacular aerodynamic inter connecting Route 62 traversing this fascinating land is famed as the longest wine route in the world.

**Challenges, constraints and solutions:**

Material prosperity is always a push factor and this causes many of its inhabitants to leave in search of a better life. Sadly, Kannaland has not expanded to reach its full potential economically. Livelihoods in Calitzdorp and Ladismith are overly dependent on job opportunities presented through the cheese and wine industry.

The effects of climate change has seen regional changes in precipitation, extreme weather events such as heat waves, and expansion of deserts. This threatens to diminish crop yields thereby harming food security leading to desertion of its citizens in search of this notion of material prosperity.

*Response:*

Kannaland seeks to adopt a policy approach that will not only focus on material prosperity, but also on personal empowerment, social solidarity and human capabilities of co-operation. Economic diversification shall become an economic policy area of focus. Creating an enabling environment for strengthening self-organisation of civil society through community work and member associations. To successfully combat climate change requires action across all economic and societal sectors and at all levels. The principle of the three R’s: Reduce, Re-use Recycle will remain our response to climate change. Interesting is to note that the world is moving towards eating plants, not meat to improve climate change and improve human health. A Green finance agenda - mobilising private capital for greener investments - will seek to access available funds set aside to support climate action and adaptation. This becomes crucial to mitigate the harmful effects caused by industrialised cities surrounding Kannaland thereby ensuring an alignment of climate change to the health and social agenda. A strategic foresight which is consistent with a pathway of transition to a decarbonised society through the introduction of appropriate technology innovation and initiated inter-governmental institutional processes will lead to an infrastructure investment rethink.

*In search of jobs and service delivery excellence*

Our citizens want jobs and good quality services rendered. Inherited and ongoing aging infrastructure networks are a usage problem and it hampers development. This is as a direct result of a lack of funds for capital projects falling outside areas of MIG preference areas and a lack of political will to divert development to rural areas. The current demand for services from households that are economically part of lower income groups are increasing which exacerbates the current unfunded status of Kannaland which is compounded by its inability to reserve adequate internal funds for smaller capital projects. The over reliance, access to and prioritisation of government grant funding for rural communities is not in line with the principles of good governance and a growing concern. Pressure groups are mostly ignoring the reality and dynamics regarding Kannaland Municipality’s diversity in terms of its socio- economic profile coupled with its limited resources. People who have moved from farms are now living in informal areas with little or even no infrastructure and facilities whilst ironically wealthy households who have purchased retirement homes demand five-star services.

*Response:*

We will strive towards creating a virtuous cycle of inclusive growth by addressing infrastructural developmental inequalities and realising of a society where all individuals can make use of their full potential, thus breaking cross generational developmental inequalities, as well as the rural and urban divide.

*Compliance and statutory matters:*

Due to Covid 19 related challenges, the finalization of the annual audit process was extended beyond the already exempt date of compliance and consequently the submission of the Annual report will be dealt with in terms of Section 127(3) of the Municipal Finance Management Act 56 of 2003. Kannaland Local Municipality certainly is also not alone when it comes to requisite outdated Master Plans, Strategic plans and business re-engineering transformation frameworks. Backlog in municipal administration can only be overcome through a capacitated, committed and dedicated work-force. Cohesion between all spheres of government through continuous monitoring and support becomes a crucial ingredient for success.

*Politics and playing the blame game for political aspirations:*

Ironically most citizens do understand the dynamics and challenges of Kannaland as one of the poorest Municipality’s in the Western Cape Province with unequal wealth sharing but contrary to this, opportunistic and unrealistic pressure groups are usually pointing fingers to the officials and the Accounting Officer. A very few concerned groups are really showing appreciation for the efforts of labour force irrespective of severe shortcomings and lack of resources.

**Way forward: A holistic, credible and responsive local government**

The Section 139 intervention by the Provincial Government was not serving its intended legitimate and rightful purpose. Personal vendetta’s and a political agenda contrary to the aspirations of the community of Kannaland characterised the Administration intervention. Management is however very optimistic that the recruitment of specialists together with the existing dedicated staff working together together with both Provincial and National Government to pave the way forward in ensuring an improved state of affairs and further build on the achievements made thus far. I have also learned that several retired technical and administrative experts are willing to assist with in an advisory capacity through our envisioned community associations to be established.

**Conclusion**

Kannaland Municipality and its inhabitants and stakeholders must realise that the only way forward depends on all of us working together as a collective, in good fellowship and through established partnerships which promote good governance and improved service delivery standards through the effective utilisation of both scarce and available resources optimally and in a cost effective and responsible way. Playing politics and blame games will not solve our problems. Such behaviour will rather contribute to further the harm and destruction of our beautiful towns and rural surroundings.

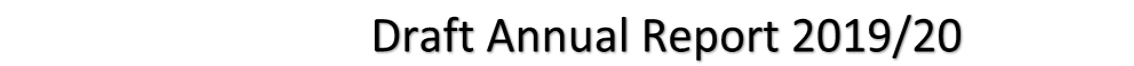
**Commitments**

* The forthcoming IDP will lead the way to the transition to a prosperous clean energy economy.
* We will work together and establish community associations in all municipal sectors.
* We will seize all opportunities for inclusive rural growth.
* We renew our committed towards fighting against corruption and leading by example.
* Access to education is a human right and a strategic policy area for the development of more inclusive, prosperous and peaceful societies.
* Gender equality is crucial for economic growth. We will continue to promote initiatives aimed at ending all forms of discrimination against women and girls and gender based violence, women’s access to leadership and decision making positions, the development of women and girl’s digital skills an increasing their participation in STEM (Science, Technology, Engineering and Mathematics) and high tech sectors and better engage with women entrepreneurs.
* We will engage in public dialogue in order to discard the diffusion of so-called fake news.

**R BUTLER**

**ACTING MUNICIPAL MANAGER**

**11**



1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

This report offers an overview of the financial and non-financial performance of Kannaland Municipality for the 2019/20 financial year. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the Municipality provide regular and predictable reporting on programme performance and the general state of affairs in the Municipality.

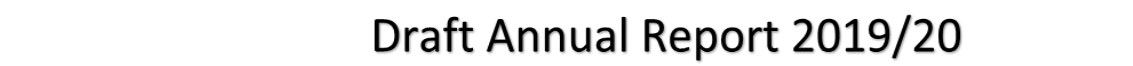
The 2019/20 Annual Report reflects on the performance of Kannaland Municipality for the period 1 July 2019 to 30 June 2020. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), which stipulates that the Municipality must prepare an Annual Report for each financial year. Due to Covid-19 related challenges, the finalization of the annual audit process was extended beyond the already exempt date of compliance and consequently the submission of the Annual Report will be dealt with in terms of section 127 (3) of the MFMA.

MUNICIPAL FUNCTIONS

The Municipality is structured in two directorates namely, Finance and Infrastructure Services. The Corporate Services function is still vacant with the department community services as well, however the two departments resides currently under the Office of the Municipal Manager. The Municipal Manager drives the oversight function for those departments under very difficult circumstances but successfully implemented some functions within the unit, community services.

The Municipality’s administration comprises of the following departments and functions:

|  |  |
| --- | --- |
| **DEPARTMENT** | **FUNCTION (SECTION)** |
| Municipal Manager | * Integrated development planning * Corporate strategy * Performance management * Communications * Inter-governmental relations * Local economic development and tourism * Spatial development planning * Internal Audit * Risk Management and Legal Services |
| Financial Services | * Revenue management * Expenditure management * Budget preparation and management * Preparation of financial statements |

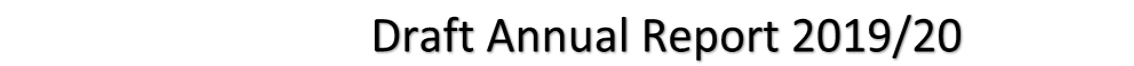


|  |  |
| --- | --- |
|  | * Information Communication and Technology (ICT) * Supply chain management * Asset management |
| Corporate and Community Services (resides currently under the office of the Municipal Manager) | Community Services   * **Libraries** * **Cemeteries** * **Sport, parks and recreation** * **Community development** * **Property Development** * **Solid waste management** * **Integrated Human Settlements (housing)** * **Land use management** * **Building Control and Town Planning** * **Heritage Management** * **Environmental Management** * **Public Safety and traffic services** * **Disaster management** |
|  | Administration   * **Human Resources** * **Committee Secretariat** * **Policy formulation** * **Records Management** * **Knowledge management** * **Integrated Transport** |
| Infrastructure Services | * **Engineering Services** * **Roads and storm water** * **Waste water services (Sanitation)** * **Water services** * **Electrical services** * **Fleet Management** * **Mechanical workshops (pumps, implements and vehicles)** * **Project management: MIG,RBIG, ACIP and other infrastructure**   **projects** |

TABLE 1: FUNCTIONS PER DEPARTMENT

**12 |** P a g e

**13**



DEMOGRAPHICAL OVERVIEW

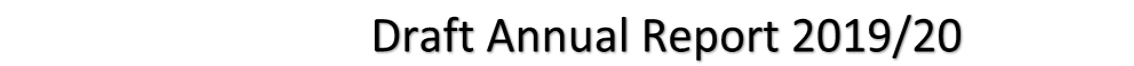
Kannaland Municipality is situated in the Western Cape, 325 kilometres from Cape Town. The Municipality covers an area of 4,758 square kilometres in the Little Karoo, stretching from the Swartberg Mountain in the north to the Langeberg Mountain in the south, and from the Anysberg Mountain in the west to the Gamkaberg Mountain in the east.

The largest town and also the location of the municipal headquarters is Ladismith. Ladismith is situated at the foot of the picturesque Swartberg Mountains, as is Zoar and Calitzdorp to the east. Vanwyksdorp is further south in the valley of the Groot River.

Statistics remain a challenge and will be addressed in future. Too many sources are being used to calculate the statistics of Kannaland and varies in data. The data of Statistic South Africa 2011 is currently used in most cases.

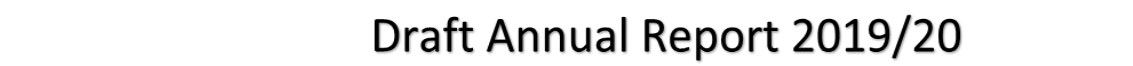
Industries and activities in the various towns include:

|  |  |
| --- | --- |
| **TOWN** | **INDUSTRIES** |
| Ladismith | Ladismith Cheese factory |
| Parmalat Dairy factory |
| Tourism:  Hiking trails amongst the Swartberg ranges, Stanly’s Liggie as well rock climbing to the well-known Towerkop peak. |
| Southern Cape Vineyards (also exports wine) |
| Scenic drives around the game reserves |
| The town boasts a unique Ladismith architectural style which is a combination of Victorian, neo-gothic, Edwardian, Cape Dutch  Revival and Regency. |
| The economy of the town is mainly centered on the agricultural  industry, which includes the production of fruit (grapes, apricots, and plums), milk, wine, flowers and mutton. |
| Accommodation available in town as well as amongst picturesque winelands, abundant fruit farms and the magnificent Towerkop Mountain. |
|  | Historic scene – Otto Hager Church – tourist attraction and beautiful history |
|  | Agritourism |



**14**

|  |  |
| --- | --- |
| Calitzdorp | Port wine capital of South Africa Wine exporting farms |
|  | Calitzdorp can also be explored through its hot springs, back  packers facilities, hiking and biker trails as well camping sites with relaxing accommodation. |
| The general architecture of the central village area of Calitzdorp is English-derived and its beauty is that of severe simplicity in the so-called Karoo style. |
| Calitzdorp falls within The Cape Floral Kingdom region which has been called the world's hottest spot for plant diversity and  endemism. The flora is so diverse and unique that it warrants classification as one the world's six principal floristic regions. |
| The town is known for its art and craft assembles:   * Elnatan Food Stall and Solar Cookers * Groenfontein Toy Project * Hand Made Ceramic Tiles * Homemade pickles and preserves * Wemasi handmade dolls (doll project) * Local art painters * Art gallery * Fruit production * Wine production * Guest houses * Restaurants * Local wire crafting * Agritourism |
| Zoar | Started as a Lutheran missionary station  Restored church building and historic grave yard and farm buildings  Historic scenic drive through Amalienstein Hiking trails through the Seweweekspoort Homestays - Guesthouses  Tant Carolina Guesthouse Fruit production  Jam production Indigenous Tourism  Towing Services |
| Vanwyksdorp | Popular for its rural character  Vanwyksdorp Development Institute (non-profit organization aimed at socio-economic upliftment of poor rural communities) Learning campus to acquire skills and incubate entrepreneurial activities  Fruit production Olive production Guest houses  Agritourism |
| Hoeko Valley | Birthplace of C J Langenhoven, famous South African writer (composer of the anthem “Die Stem”) |



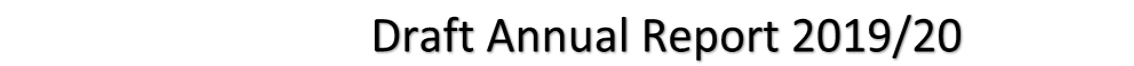
Water monument Fruit production Hiking Trails Guesthouses

TABLE 2: KANNALAND INDUSTRIES AND ACTIVITIES

**15 |** P a g e

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POPULATION PROFILE

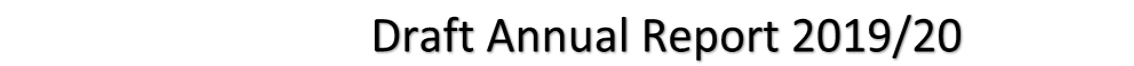
The table and graph below indicates the population forecasting of Kannaland population

|  |  |
| --- | --- |
| **POPULATION FORECASTING** | |
| **YEAR** | **KANNALAND POPULATION** |
| 2018 | 23 897 |
| 2019 | 24530 |
| 2020 | 26014 |
| 2021 | 26014 |
| 2022 | 26789 |
| 2023 | 27647 |
| 2024 | 28466 |

TABLE 3: POPULATION OF KANNALAND – SOURCE: LOCAL GOVERNMENT SOCIO ECONOMIC PROFILE, 2019

According to the Department of Social Development’s 2019 projections, Kannaland Municipality currently has a population of 23 897, rendering it the smallest municipal area by population within the Garden Route District. This total is estimated to increase to 28 466 by 2024 which equates to 3.0 per cent average annual growth over this period. The population growth within the Kannaland municipal area for the 2018 to 2024 period is higher than the Garden Route District’s rate of 1.9 per cent during the same period.

**17**



HOUSEHOLDS

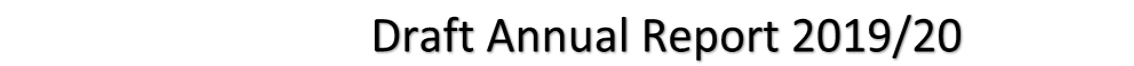
The table and graph indicates the number of households and indigents within the municipal area. The numbers of total number of households emanates from the community survey conducted in 2016 by Stats SA and MERO 2017 whilst the poor households were retrieved from the municipal financial system.

The struggle of comparison of statistics remains the main challenge as we are dependent of the stats from MERO’s and community surveys conducted by independent parties – Stats SA in partnership. The general census will be conducted in 2020/2021.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | **DATA SOURCED – SA 9** | | | | |
| **Economic Indicator** | **2016**  **Community Survey** | | | | **2019/20**  **MERO 2017** | |
| Number of households in municipality | | | 6333 |  | | 7537 | |
| Number of poor households in municipal area | | | 2059 |  | | 2665 | |

TABLE 4: DATA SOURCE - SA9: MERO 2017, COMMUNITY SURVEY 2016 AND SAMRAS

**18**



SOCIO ECONOMIC STATUS

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Socio Economic Status** | | | | | | | | | | |
| **Year** | | Housing Backlog as  proportion of | Average household income 2018 (current prices) | Informal settlements | Access to basic services | Access to free basic services | Unemployment Rate | Skilled | Semi-skilled |  | Low-skilled |
| **2019/20** | | 3184 | R13 014 | 306 | 6 733 | 2192 | 9.1 % | 23% | 30% |  | 13% |
|  |  | | | | | | | | | | T.1.2.4 |

**TABLE 5: SOCIO ECONOMIC STATUS SOURCE: MERO 2020**

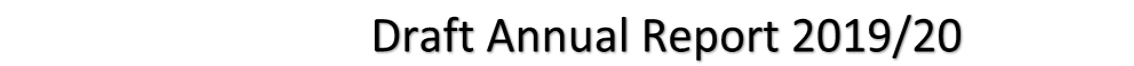
ENVIRONMENT, TOURISM AND LOCAL ECONOMIC DEVELOPMENT

The municipal area is very popular for its rural rustic Karoo scenery amongst domestic and foreign tourists. Our unique offerings in the heart of the Klein Karoo, the local top class brandy, port and wines, hot springs and top class cheese industries, provide attractions for tourists with distinctive tastes who enjoy trying new delicacies.

An important role and function of the Municipality is to balance the need for development with the need to reserve the fauna and flora which are an important leverage within the agriculture and tourism industry. In this regard the Municipality cooperates with the relevant sector departments, National Parks and the private sector for the best opportunities with the least damage to nature. The area is very popular amongst artists, cyclists and off-road enthusiasts who come here for untouched natural beauty.

The Municipality has a difficult task to balance the interest in the natural environment with the need to promote development which will address the socio-economic under-development, infrastructure backlogs and the need to promote investment inflows to the area. The Spatial Development Framework (which is reflected in the IDP) will be one of the key strategic tools with which the Municipality will balance these competing interests.

**19**



The table below reflects the natural resources within the municipal area:

|  |  |
| --- | --- |
| **Natural Resources** | |
| **Major Natural Resource** | **Relevance to Community** |
| **Water** | Basic need to all residence |
| **Electricity** | Basic need to all residence |

TABLE 6: NATURAL RESOURCES

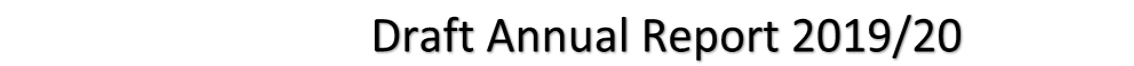
1.3. SERVICE DELIVERY OVERVIEW

Government policy places specific emphasis on the provision of basic services, which entail the provision of electricity, water, sanitation and waste collection. Chapter 3 provides more detailed information on basic service delivery as well as all other functions rendered by the Municipality during 2019/20.

BASIC SERVICE DELIVERY HIGHLIGHTS FOR 2019/20

During the 2019/20 financial year, the municipality made the following contributions to satisfy basic requirements:

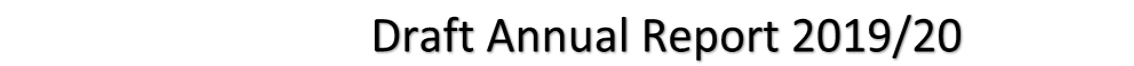
|  |  |
| --- | --- |
| **SERVICE** | **HIGHLIGHT DESCRIPTION** |
| **WATER SECURITY AND PROVISION** | Providing water for tanks to schools and some farm areas in dry summer months in Kannaland area with assistance from the GRDM and provincial  government. |
|  |
| Monthly laboratory results of water samples that comply with SANS 241  with regards to the quality of water |
| Supply emergency water to hospitals and schools |
| Refurbishment of the pipeline system at the borehole plant in Ladismith |
| Refurbishment of boreholes as well a new borehole pump and pipeline at  the Swartberg River in Ladismith |
|  |



**20**

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| --- | --- |
| **ELECTRICITY** | Upgrade of the main electricity substation including installation of new 20  MVA transformer in Ladismith (R8m VAT included). |
| Better internal controls within the department |
| Network and transformer audit was conducted to determine the number of assets to be refurbished or replaced. |
| Daily electrical work is being successfully completed within 24 hours from  callout |
| Staff morale has been improved which resulted in increased productivity |
| Bulk, conventional and prepaid electrical meter audit was conducted. |
| Faulty meters were identified to be replaced and the system will be  upgraded in the next 2 financial years to ensure the data is clean and reliable |
| A cost analysis was done of the demand to be saved in terms of Eskom  penalties |
| **ROADS** | This function remains a challenge, due to financial constraints. Repairs  and maintenance should be throughout the entire municipal area. |
|  |

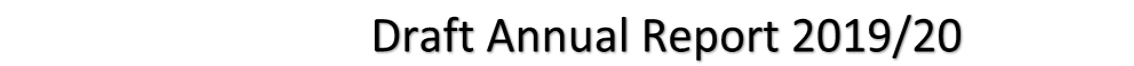
**21**



|  |  |
| --- | --- |
| **PMU** |  |
| Contract workers became permanent i t o the EPWP programme |
| 100% MIG spending for the year under review |
| Best achiever award for the EPWP results |
| **GOOD GOVERNANCE** | Functional ward committee meetings |
| Thusong outreaches to enable the local community to do their personal  affairs wrt government services. |
| Engagement with stakeholders internal and external on municipal affairs |
| Good progress have been made in the turn-around of the Municipality  although much effort is still required. |
| MOU in place wrt internal audit and risk management with assistance from  Garden Route District Municipality |
| There is momentum regarding governance structures and a commitment  to function. The intervention actions rendered progress and the final hurdles need to be tackled now |
| Functional meetings with LLF members |
| Restructuring of organogram |
| Adhering to MSCOA regulations |
| Appointment of a Chief Financial Officer, BTO Manager as stipulated to  the FRP |
|  | Implementation of the FRP – Organisational structure renewal Job description in process  Training development |
| **FINANCIAL VIABILITY** |  |
| The payment rate of the Municipality has decreased to an average of  77.4% |
| **DISASTER MANAGEMENT** | Disaster Management Committee has been established and actively assisted during the drought period |
| Starter packs were given to storm damage households in Kannaland |
|  | Water was made available to affected areas |

TABLE 7: HIGHLIGHTS DURING THE 2019/20 FINANCIAL YEAR

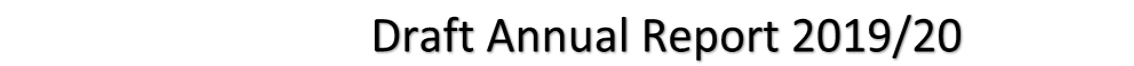
**22**



During the 2019/20 financial year, the municipality faced the following challenges:

|  |  |  |
| --- | --- | --- |
| **Service Area** | **Challenge** | **Interventions to address** |
| **Infrastructure: Water, roads, sanitation, electrical** | Inadequate funding (grant and own funding) | Infrastructure maintenance and upgrades are the most crucial issues in the Municipality. Additional funding is required to address infrastructure  maintenance and upgrades. |
| Large number of faulty water meters.  Users only pay for basic services until meters are replaced- financial loss | Funding and manpower required  to repair/replace faulty water meters |
| Roads - Grant funding not adequate to maintain upgraded roads. | Ongoing application for external funding from various sources. |
| Electricity - maintaining and managing electricity losses due to aging networks | Ongoing application for external funding from various sources. |
| Water - availability of water, especially in the hot and dry summer months | Fast-tracking of the ACIP & RBIG funding requests for WWTW’s & Ladismith Swart Berg Dam raised at the Back to Basics, Water and Sanitation  forums and as well IDP forums |
| Non-compliance regarding the operation of refuse sites are serious. No funding is available to comply with  the requirements. | The Municipality is in a mediation process with the Department of Environmental Affairs and Public  Prosecution. |
| **Fleet Management** | Limited fleet available in all service delivery departments | This was raised and addressed with DLG and funding applications were submitted for  fleet required. |

**23**



|  |  |  |  |
| --- | --- | --- | --- |
| **Human** | Challenges exist with regard to the | Funding required to increase the | |
| **Settlements** | capacity of bulk infrastructure services | capacity of bulk infrastructure to | |
|  | resulting in significant increases in | allow for new housing | |
|  | housing waiting lists | developments | |
|  | Incorrect title deeds | Appoint a surveyor to alleviate | |
|  |  | the risk of incorrect title deeds | |
|  | Huge demand for low cost and GAP (Social) housing | Ongoing liaison | with the |
|  |  | Department of | Human |
|  |  | Settlements to | fund the |
|  |  | implementation of | the human |
|  |  | settlement pipeline |  |

TABLE 8: CHALLENGES DURING THE 2019/20 FINANCIAL YEAR

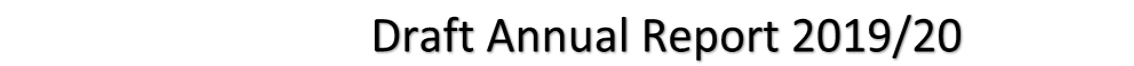
PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

|  |  |  |
| --- | --- | --- |
| Proportion of Households to basic services as per municipal statistics | | |
|  | 2018/19 | 2019/20 |
| **Electricity service connections** | 3530 |  |
| **Water - available within 200 m from dwelling** | 4915 |  |
| **Sanitation - Households with at least VIP service** | 4459 |  |
| **Waste collection - kerbside collection once a week** | 4861 |  |

TABLE 9: PROPORTION OF HOUSEHOLDS TO BASIC SERVICES AS PER MUNICIPAL STATISTICS (SOURCE: SAMRAS)

The variances in numbers for basic service can be attributed to the fact that not all households have access to the same level of service (e.g. in informal areas households have access to communal taps) and in certain areas ESKOM is the distributor of electricity. A large part of Calitzdorp is not connected to the sewage system but septic tanks are emptied when full.

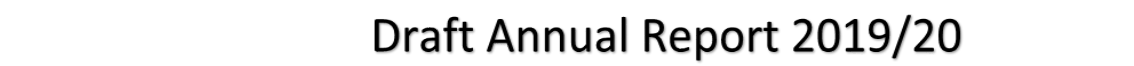
In Zoar 10 households still have to make use of the bucket system which must still be eradicated. Due to the fact that the area is situated in a rocky area, the cost of installing sewage will be high and therefore the bucket system has not been eradicated there. Pit latrines are still used in the Calitzdorp (15) and in Vanwyksdorp (30). In Vanwyksdorp 100 septic tanks are being serviced by the Municipality.



1.4. FINANCIAL OVERVIEW

CHALLENGES REGARDING FINANCIAL MANAGEMENT FOR 2019/20

|  |  |  |
| --- | --- | --- |
| **SERVICE AREA** | **CHALLENGE** | **INTERVENTION** |
| Late submission of Annual Financial Statements | The post of chief financial officer become vacant in November 2018 whereby the new permanent appointment were made in January 2019. Significant governance challenges of long standing key vacancies in the finance department affecting effective monitoring and oversight of actions to enable the timely  preparation of the financial statements; | Provincial Treasury assisted with Financial Recovery Plan Appointment of CFO and BTO Manager |
| Financial system | 1. Capacity and skills challenges, including severe funding constraints to manage the mSCOA implementation process; 2. The inability of existing accounting and information systems to accommodate the technical specifications set in the mSCOA, negatively affected the finalisation of data migration and mapping processes; 3. Loss through theft of stand-alone laptop containing mSCOA data-base and general ledger that required the rebuild of the database; 4. Ongoing segmentation errors and system set-up issues, which affect the recording of and reporting on transactions, including the loading and management of the annual and   adjustment budgets; | Bytes to cooperate in rectifying segmentation errors and system set-up issues;  Internal controls tightened on oversight and monitoring of reconciliations in future  Providing leadership and in-service training to ensure that in- year reporting are correct and on time as per statutory timeframes.  Appointment of BTO manager and accountant reporting with extensive knowledge of the financial system. Encourage the community to pay their bills and to apply for indigent services. |



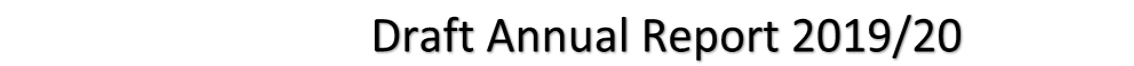
|  |  |  |
| --- | --- | --- |
| **SERVICE AREA** | **CHALLENGE** | **INTERVENTION** |
|  | 1. Inaccurate recording of transactions on the accounting system; 2. Inability to perform reconciliations of various accounts because of data errors; 3. Inability to manage accounts and in-year reporting due to data errors; and 4. The Municipality’s inability to pay the outstanding account of financial system service provider and for current services owing to severe cash flow constraints affecting the implementation of MSCOA. |  |
| Internal Audit and Risk Management | No internal audit function  Internal audit and risk management are not functioning separately | Internal audit function to be established  Risk management officer and internal auditor must check each other  Sufficient funding must be budgeted for the functions of internal audit and risk management |
| Asset  management | Poorly maintained assets (vehicles, roads and  other infrastructure etc) are major risk | Asset management is being addressed |
|  | Expenditure and expenditure patterns are a  matter of concern | Expenditure and expenditure patterns must be adapted and  phased-in in accordance with National Treasury norms |

TABLE 10: CHALLENGES REGARDING FINANCIAL MANAGEMENT

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The tables below indicates the financial overview, operating ratios as well capital expenditure for the 2019/20 financial year:



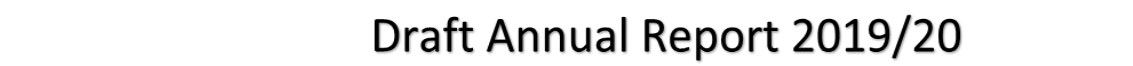
|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Overview: Year 2019/20** | | | |
| **Details** | **Original budget** | **Adjustment Budget** | **Actual** |
| Income: |  |  |  |
| Grants | R33 145 800 | R6 506 360 | R39 943 362 |
| Taxes, Levies and tariffs | R95 107 273 | R159 791 | R102 712 849 |
| Other | R1 876 150 | (R1 552 250) | R1 346 826 |
| Sub Total | **R100 329 223** | **R5 113 901** | **R144 003 037** |
| *Less:* Expenditure | -R143 977 243 | -R6 644 994 | -R147 220 281 |
| Net Total\* |  |  |  |
| *\* Note: surplus/(deficit)* | R47 137 174 | -R22 786 997 | *R9 163 726* |

TABLE 11: FINANCIAL OVERVIEW – SOURCE: AFS VS MUNICIPAL BUDGET

The table and graph below indicates the capital expenditure incurred for prior and financial year under review:

|  |  |  |
| --- | --- | --- |
| **Total Capital Expenditure: 2018/19 - 2019/20** | | |
| **Detail** | **2018/19** | **2019/20** |
| Original Budget | R44 978 200 | R63 321 350 |
| Adjustment Budget | R25 119 200 | R44 151 248 |
| Actual | R44 978 200 | R63 321 350 |

TABLE 12: CAPITAL EXPENDITURE - SOURCE: AFS VS MUNICIPAL BUDGET



1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

###### Human Resources

The municipality currently has **238** employees, of which **3** are Section 57 employees, **164**

permanent and **52** contract employees and **4** interns.

* Management initiated a process to review the organisational structure to ensure alignment with the municipal strategic objectives (IDP) to ensure compliance and effective and efficient service delivery. This exercise highlighted a number of critical areas that management needs to address to ensure optimal service delivery. Examples of these are as follows:
* Low staff morale
* Inadequate skills levels
* Inadequate qualifications
* Lack of clarity regarding roles and responsibilities (middle management and supervisors)
* Lack of discipline

Some of the above concerns have subsequently been addressed in implementing the following initiatives:

* Review and update organogram, including job descriptions – under review (in process)
* Implement effective HR management practices to improve operational efficiency
* Manage employee costs within national norm
* Training plans will be developed that identify skills needs.
* Work Place Skills Plan has been developed and will be implemented in the next financial year

###### Employee Wellness;

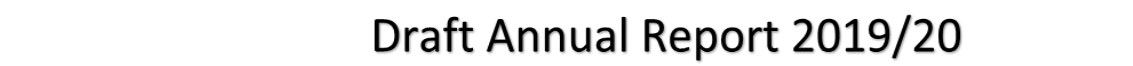
A wellness programme will be developed in the new financial year that will address the issues relating to substance dependency, personal financial management, and other related issues. The world-wide pandemic had an impact on all business cycles thus the municipality introduced health mechanism and awareness of the covid 19 pandemic and the seriousness thereof.

###### Skills Development

The municipality has developed a Work Place Skills Plan (WSP) of which the main objective is to ensure that there is staff development through training interventions for all levels of staff.

The management team is committed to ensure that all staff is skilled and trained in their respective fields, even though there are financial constraints. The management team will

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continue to source funding and form cooperative partnerships where the opportunity presents itself to ensure a well-qualified workforce.

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

|  |  |
| --- | --- |
| **ITEM** | **Progress** |
| **Implementation of the organizational structure** | The new structure introduced is currently in place and ensure effective, efficient, economic, quality and timeous service delivery which enables employees that are capacitated to perform according to expectations. Job descriptions to accompany the organizational structure are  now being compiled |
| **Skills Development** | The Municipality is in process to equip employees with  training through the LGSETA programme. |
| The training is currently set out for finance staff |
|  |

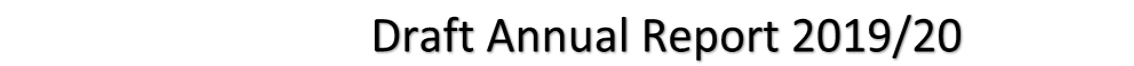
**TABLE 13: 1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

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**29**

1.6. AUDITOR GENERAL REPORT (ANNEXURE: ORIGINAL DOCUMENT)

###### REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL OF KANNALAND MUNICIPALITY



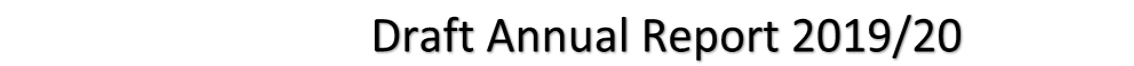
*The audit report is attached as an annexure*

|  |  |  |
| --- | --- | --- |
| **Financial Year** | **Outcome** | **Progress** |
| **2017/2018** | Unqualified Audit with findings | Action Plan addressed |
| **2018/2019** | Unqualified Audit with findings (fewer) | Action Plan addressed |
| **2019/20** | Qualified Audit Findings with  Findings | Action Plan addressed |

**TABLE 14: AUDIT OUTCOMES**

**30**

STATUTORY ANNUAL REPORT PROCESS



The Municipal Finance Management Act (MFMA) requires that a Municipality prepared an Annual Report for each financial year. The Annual Report is a measure of ensuring that there is regular, impartial feedback to stakeholders and that accountability and thereby to strengthened transparency.

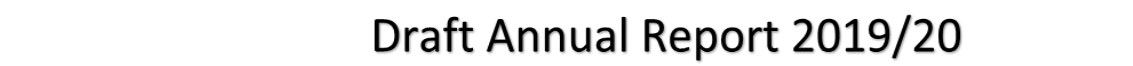
Circular 104 issued by National Treasury indicated the new timelines of the submission of the Annual Financial Statements and the Annual Report.

The context of this exemption flows from the Minister of Cooperative Governance and Traditional Affairs’ announcement of the national state of disaster in terms of the Disaster Management Act to enable government and the country at large to manage the spread of the Covid-19 virus.

It further states that the timing of the phased lockdown also had a knock-on effect on availability of municipal staff, which impacted on operations and added to the delays in ability to prepare AFS, undertake procedures such as the physical verification of assets, meter reading, revenue management, valuations, finalising supporting documentation and concluding reconciliations.

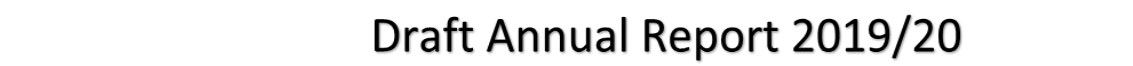
There are similar impacts on the quality assurance processes, annual report, performance report and oversight report procedures and processes.

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Legislation and Guidance** | **Process Owner** | **Timeframes** |
| The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing. | Section 126(1)(a) of the MFMA | Municipal Manager (Assisted by other s56 managers and CFO) | 31 October 2020 |
| **The accounting officer of a municipality must in the case of a municipality referred to in section 122(2), prepare consolidated annual financial statements in terms of that section and, within three months**  **after the end of the financial year to which those statements** | Section 126(1)(b) of the MFMA | Municipal Manager (Assisted by other s56 managers and CFO) | 30 November 2020 |



|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Legislation and Guidance** | **Process Owner** | **Timeframes** |
| **relate, submit the statements to the Auditor-General for auditing.** |  |  |  |
| The accounting officer of a municipal entity must prepare the annual financial statements of the entity and, within two months after the end of the financial year to which those  statements relate, submit the statements to—   1. the parent municipality of the entity; and 2. the Auditor-General, for auditing. | Section 126(2) of the MFMA | Municipal Manager (Assisted by other s56 managers and CFO) | 31 October 2020 |
| Submission of AFS as per section 126 (1) of the MFMA. Additional step, a draft annual report is prepared.  Annual performance report needs  to be included as per section of the MSA | Section 127(1) of the MFMA | Municipal Manager and CFO | 28 February 2021 |
| The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control. | Section 127(2) of the MFMA | Municipal Manager and CFO | 31 March 2021 |
| The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council’s comments on the annual report, which must include a statement whether the council -  a) has approved the annual report with or without reservations; | Section 129(1) of the MFMA | Municipal Manager and CFO | 31 May 2021 |

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| --- | --- | --- | --- |
| **Activity** | **Legislation and Guidance** | **Process Owner** | **Timeframes** |
| 1. has rejected the annual report; or 2. has referred the annual report back for revision of those components that can be revised. |  |  |  |
| The Auditor-General must submit to Parliament and the provincial legislatures—  by no later than 31 October of each year, the names of any municipalities or municipal entities which have failed to submit their financial statements to the Auditor- General in terms of section 126; and  b) at quarterly intervals thereafter, the names of any municipalities or municipal entities whose financial statements are still outstanding at the end of each interval. | Section 133(2) of the MFMA | AG | 31 December 2020 |
|  |  |  |  |

**TABLE 15: STATUTORY REPORTING TIMEFRAMES – CIRCULAR 63 (SEPTEMBER 2012)**

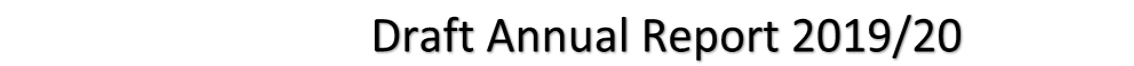
The Annual Report must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. The contents will assist with the annual audits and as a management tool for the budget process and as an accountability instrument for feedback to the public. MFMA reforms include ensuring transparency and accountability for the fiscal and financial affairs of municipalities through in- year and Annual Reporting.

Real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget, SDBIP, service delivery agreements, performance agreements of senior management and officials, in-year reports covering financial and non-financial information, (such as MFMA Sections 71, 72 & 74 and MSA Section 41 among others), Annual Financial Statements, Annual Performance Report and the Annual Report.

The IDP, Budget, SDBIP, in-year reports, annual performance report and Annual Report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

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CHAPTER 2 – GOVERNANCE



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

Kannaland Municipality strives towards achieving the characteristics of good governance.

Though the difficult financial year, facing Covid 19 close to heart, the Municipality stride though by ensuring the message was clearly communicated and keeping the constituencies of Kannaland safe.

Highlights:

* Council has remained stable and well-functioning throughout 2019/20.
* Approving the organisational structure – still in process to be implemented
* Made progress with audit outcomes and this year’s opinion is still pending;
* handing over of title deeds to communities – ongoing project
* Activity on our social media platforms and municipal website has improved.
* Social media platforms have grown significantly and now reaches a much larger, ever-growing audience.

Challenges:

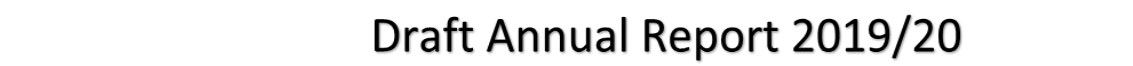
* Renewing bylaws to eradicate illegal activities
* Financial constraints to fund own projects – Listed in IDP
* Continuity in senior management

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151(3) of the Constitution states that the council of a Municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation.

Political governance is the process of decision‐making to formulate policy of a Municipality (by- laws), whereas administrative governance is the system of policy implementation.

**33**



2.1

POLITICAL GOVERNANCE

In terms of section 52(a) of the Local Government: Municipal Finance Management Act, Act 53 of 2003 (MFMA), the Executive Mayor provides general political guidance over the fiscal and financial affairs of the Municipality subject to applicable legislation and the delegations by Council. Council remains responsible for oversight and participatory roles.

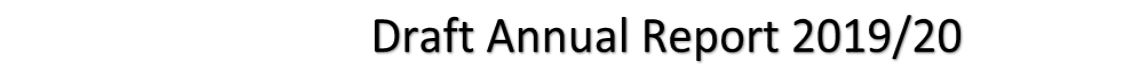
The primary role of Councillors is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

The roles and responsibilities of council should always be carried out with a clear distinction between oversight and interference in administration, as defined in the Municipal Finance Management Act, sections 52(b) and 103 respectively, as well as in the Code of Conduct for Councillors (Schedule 1 to the Municipal Systems Act).

**34 |** P a g e

**35**

POLITICAL STRUCTURE



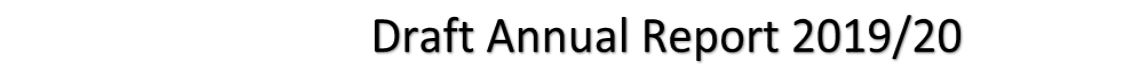
Kannaland Municipality has a Council consisting of 7 Councillors with an Executive System (4 ward Councillors and 3 proportionally representative Councillors).

The Mayoral Committee consist of:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Councilors** |  | **Position** | **Party** | **Wards** |
|  | **EXECUTIVE MAYOR**  Councilor Magdalena Barry | Ward Councilor | ANC | Ward 3: |
| **SPEAKER**  Councillor Aletta Theron | Ward Councillor | DA | Ward 4 |
| **DEPUTY MAYOR**  Councillor: Phillipus Antonie | PR Councillor | ANC | Ward 3 |

**TABLE 16: MAYORAL COMMITTEE**

The remainder of Councillors are:

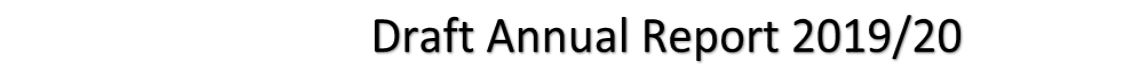


|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Councillors** | **Position** | **Party** | **Wards** | |
|  | Councillor Hyrin Ruiters | PR Councillor | ICOSA | Ward 3 |
| CHIEF WHIP  Councillor Werner Meshoa | Ward Councillor | ICOSA | Ward 2 |
| Councillor Jeffrey Donson | Ward Councillor | ICOSA | Ward 1 |
| Councillor Joslyn Johnson | PR Councillor | DA | Ward 3 |

**TABLE 17: COUNCILORS**

**36**

The table below categorises the councillors within their specific political parties and wards for the 2019/20 financial year:



|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Councillors, Committees Allocated and Council Attendance | | | | | |
| **Council Members** | Full Time/ Part Time | Committees Allocated | Ward and/ or Party Represented | Percentage Council  Meetings Attendance | Percentage Apologies  for non- attendance |
| % | % |
| **Cllr M Barry** | FT | Executive Mayor - Mayco / Council | Ward (ANC) | 100% | 0% |
| **Cllr P Antonie** | FT | Mayco Council MPAC | Party Representative (ANC) | 100% | 0% |
| **Cllr A Theron** | FT | Speaker Mayco / Council | Ward (DA) | 100% | 0% |
| **Cllr J Johnson** | PT | Council / MPAC | Party Representative  DA | 100% | 0% |
| **Cllr W Meshoa** | PT | Council | Ward (ICOSA) | 100% | 0% |
| **Ald J**  **Donson** | PT | Council / MPAC | Ward (ICOSA) | 100% | 0% |
| **Cllr H Ruiters** | PT | Council | Party  Representative (ICOSA) | 100% | 0% |

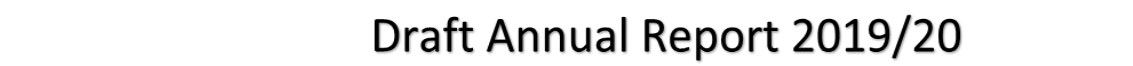
**TABLE 18: COUNCILORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE**

POLITICAL DECISION TAKING

The Executive Mayor of the Kannaland Municipality is assisted by the Mayoral Committee and advised by the Municipal Manager and senior managers. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in the Executive Mayor to manage the day-to-day affairs. This means that the Executive Mayor has an overarching strategic and political responsibility.

The key element of the executive model is that executive power is vested with the Executive Mayor, in terms of applicable legislation and a set of delegations approved by Council. Council appoints the Municipal Manager and Senior Managers and delegates powers through the approved set of delegations to provide for sufficient separation of powers. Although

**37**



accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

Each member of the Mayoral Committee is responsible for the functions indicated below whilst remaining accountable to the Mayoral Committee and the Executive Mayor unless provided for otherwise by applicable legislation. Administration is in the process of compiling an electronic register to monitor, track and record the carrying-out of Council resolutions.

OVERSIGHT STRUCTURES

Council oversight is exercised through committees appointed by Council in terms of Section 79 of the Local Government: Municipal Structures Act, 1998. The following committees contribute towards assurance and makes recommendations for consideration and approval by Council:

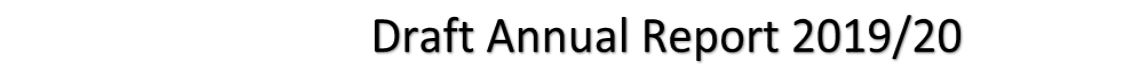
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

Section 129(4) of the MFMA provides for the issuance of guidance on the manner in which municipal councils should consider annual reports and conduct public hearings as well as the functioning and composition of any public accounts or oversight committees established by the council.

The Municipal Public Accounts Committee (MPAC) assists council to exercise oversight over the executive functionaries of Council, to ensure the efficient and effective use of municipal resources and to ensure good governance in the Municipality. By so doing, the MPAC will help to increase council and public awareness of the financial and performance issues within the Municipality.

**38 |** P a g e

This MPAC focuses mainly on compliance in accordance with the Local Government: Municipal Finance Management Act. The terms of reference of the MPAC include the following:

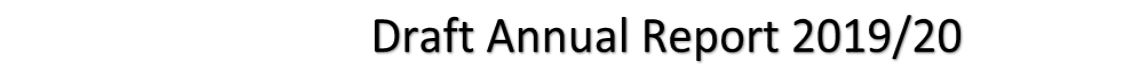


* Investigate unforeseen and avoidable expenditure (Section 29 of MFMA);
* Investigate unauthorised, irregular or fruitless and wasteful expenditure (Section 32 of MFMA);
* Review the quarterly report of the Executive Mayor on the implementation of the budget and the state of affairs of the Municipality – SDBIP (Section 52 (d) of MFMA);
* Review monthly budget statements (Section 71 of MFMA);
* Review mid-year budget and performance assessment (Section 72 of MFMA);
* Ensure disclosure of Councillors, Directors and Officials (Section 124 of MFMA);
* Review Financial Statements before submission to the Auditor General (AG) (Section 126 of MFMA);
* Review and give recommendation on the submission of the Annual Report (Section 127 of MFMA);
* Present an oversight report on the Annual Report (Section 129 of MFMA);
* Ensure that issues raised by the Auditor-General are addressed (Section 131 of MFMA);
* Ensure that the functions of the Audit Committee are carried out (Section 166 of MFMA);
* Ensure that disciplinary action instituted against Councillors, the Municipal Manager and Senior Management is within the guidelines of the MFMA financial misconduct regulations (MFMA);
* Review the IDP (Section 25 of MFMA);
* Annual Review of the IDP (Section 34 of MFMA);
* Review the performance management plan (Section 39 of MFMA);
* Monitor that the Annual Budget is aligned with the IDP (Regulation 6 of the LG: Municipal Planning And Performance Regulations); and
* Monitor that all declaration of interest forms are completed by Councillors and relevant municipal staff (Section 54 – read with item 7 of schedule 1).

**39**

**40**

MPAC consists of the following Councillors:



|  |  |
| --- | --- |
| **Name** | **Position** |
| Councillor P Antonie | Chairperson |
| Councillor J Johnson | Member |
| Alderman J Donson | Member |
| Representative from Provincial/ National Treasury | To be appointed |

**TABLE 19: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

It was also requested by the municipality that continuous training and workshop to all committees be scheduled in order to stay on board with the trends of municipal affairs.

FINANCIAL DISCIPLINARY BOARD

The Disciplinary Board is an independent advisory body that assists the council with the investigation of allegations of financial misconduct by officials and provide recommendations on further actions in this regard. It is also to monitor the institution of disciplinary proceedings against alleged transgressors.

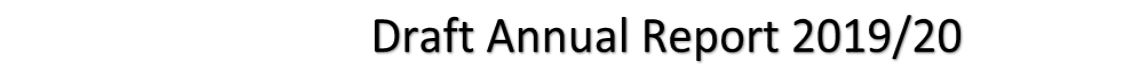
The Disciplinary Board consists of the following members:

|  |  |
| --- | --- |
| **Name** | **Position** |
| Vacant | Chairperson (Audit Committee representative) |
| Mr G Breda | Manager: Legal and Risk |
| Mr R de Jongh | Acting Manager: Human Resources |
| Representative from Provincial/ National Treasury | To be appointed |

**TABLE 20: DISCIPLINARY BOARD**

**41**

AUDIT AND PERFORMANCE AUDIT COMMITTEE



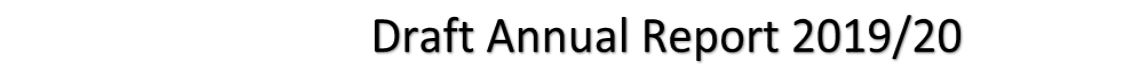
Council appointed a combined Audit and Performance Audit Committee. In the absence of an internal audit unit and as result of the instability in the appointment of Section 57 Senior Managers, the committee was not functional during the period under review. However training from Provincial Treasury to all committees are welcomed to capacitate the committee with new knowledge.

The responsibilities of the Audit and Performance Audit Committee include:

* Advising Council and management of the Municipality on matters relating to:
  + internal ﬁnancial control and internal audits;
  + risk management;
  + accounting policies;
  + the adequacy, reliability and accuracy of ﬁnancial reporting and information;
  + performance management;
  + effective governance;
  + compliance with applicable legislation;
  + performance evaluation; and
  + any other issues referred to it by the Municipality.
* Overseeing internal controls, financial reporting and compliance with regulatory matters;
* Reviewing the effectiveness of the council’s system of internal control and risk management;
* Reviewing financial reporting and financial statements;
* Reviewing the internal audit function;
* Reviewing the performance management system and reports;
* Reviewing compliance with policies, regulations and procedures in terms of prescribed guidelines and applicable laws; and
* Responding to council on any issues raised by the Auditor-General in the audit report.

**42**

The Audit and Performance Audit Committee consists of the following members:



|  |  |
| --- | --- |
| **Name** | **Position** |
| Mr C Ipser | Chairperson of Audit Committee |
| Vacant | Member |
| Ms H Duiker | Member |
| Mr J de Wet | Member |

**TABLE 21: AUDIT AND PERFORMANCE AUDIT COMMITTEE**

RISK COMMITTEE

The Risk Management Committee is responsible for assisting the Accounting Officer in addressing oversight requirements of risk management and evaluating and monitoring the institution’s performance with regard to risk management.

The Risk Committee for the period under review consisted of the following members:

|  |  |
| --- | --- |
| Name | POSITION |
| Gersdwin Breda | Manager: Risk Contract and Legal Services |
| Wayne Robertson | Senior Manager: Community Services |
| Mark van Rensburg | Senior Official: Building and Planning |
| Pumezo Mngeni | Manager: BTO |
| Hilda Duiker | Audit Committee Member |

**TABLE 22: RISK COMMITTEE MEMBERS**

THE FOLLOWING EMPLOYEES HAS BEEN IDENTIFIED TO ACT AS RISK CHAMPIONS:

|  |  |
| --- | --- |
| NAME | POSITION |
| Danielle Koert | Manager: PMU |
| Sherilene Adams | Waste Management Official |
| Adri Fortuin | Senior Official: Housing |
| Mervian Scheffers | Accountant Fleet Management |

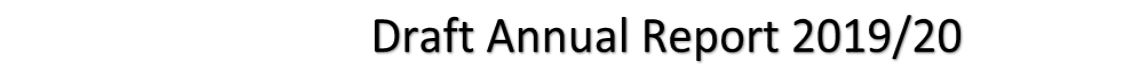
**TABLE 23: RISK MANAGEMENT CHAMPIONS**

**43**

2.2

ADMINISTRATIVE GOVERNANCE

The Municipal Manager, as the Accounting Officer of the Municipality is the Head of the Administration, must provide guidance on compliance with legislation to political structures, political office bearers and officials and is primarily responsible for service delivery and implementation of political priorities.



The organizational structure provides for 2 senior managers to report directly to the Municipal Manager.

Performance agreements that align to the Municipality’s top layer SDBIP were in place for senior managers serving during the 2019/20 financial year although annual performance evaluations have not been performed yet. The mid-year performance assessment was done with the financial performance in January 2020, the annual performance assessments will be conducted after the final audit outcome is received as well the final submission of the annual report for the year under review.

### COMPONENT B: INTERGOVERNMENTAL RELATIONS

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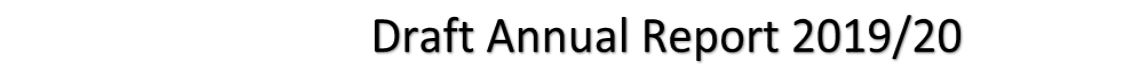
INTERGOVERNMENTAL RELATIONS

Intergovernmental Relations (IGR) is an important inter-governmental structure for compliance purposes but also provides the opportunity for Kannaland Municipality to progress issues of mutual interest with neighbouring municipalities, Garden Route District Municipality, provincial and national government as well as the South African Local Government Association.

At these critical platforms the Municipality raises its experiences and challenges in order to obtain support from other government sectors and spheres or to address policy and practice matters. Attending meetings of these important IGR structures remain costly and directs funding away from other services delivery issues.

**44**

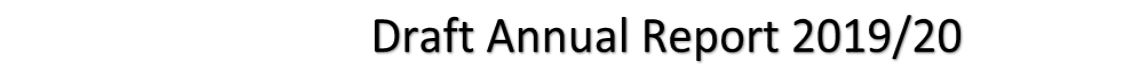
The value for money principle is applied in approving attendance of IGR meetings to ensure the most benefit for the Municipality at the least possible cost.



|  |  |  |
| --- | --- | --- |
| District Intergovernmental Technical Forum | **Municipal Manager** | **District driven agenda** |
| District Municipal Managers Forum | Municipal Manager | District driven agenda |
| SALGA Steering/Sub  Committees | Municipal Manager and  Council | All municipal support services |
| CFO Forum | Chief Financial Officer | All financial related topics |
| MIG forum | PMU Manager | Identified priorities / appraisals discussion |
| GRDM Local Economic Development Forum | LED and Communication Coordinator | LED related topics |
| Water and Sanitation Forums | LED and Communication Coordinator | Water and sanitation related concerns and solutions discussions |
| Provincial Speakers Forum | Speaker | Provincial Local Government driven agenda |
| Municipal Governance Review and Outlook (MGRO) | Accounting Officer | Provincial Local Government driven agenda – Financial Recovery Plan, Revenue Enhancement project and PWC project for assessment and registration of indigents Appointment of Geodebt for  collections and establishment of |
| MINMAY Forum | Mayors and Municipal Managers | Provincial Local Government driven agenda |
| MINMAY Tech Forum | Municipal Managers and Directors | Provincial Local Government driven agenda |
| Public Participation Communication Forum | LED and Communication Coordinator | Public Participation related topics |
| TIME | Mayors, accounting officers, IDP Managers | To discuss future planning and budget related queries emanating from assessments from PT |
| District IDP/PMS Managers  Forum | IDP officials | IDP alignment |
| Provincial IDP Managers Forum | IDP and relevant key personnel | IDP planning |

**TABLE 24: INTER-GOVERNMENTAL STRUCTURES (IGR) ATTENDED**

MUNICIPAL ENTITIES



Kannaland Municipality does not have any municipal entities.

### COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Section 16 of the Municipal Systems Act (MSA) refers to the development of a culture of community participation within municipalities. It requires of the Municipality to develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the Municipality throughout the year.

Such participation is required in terms of:

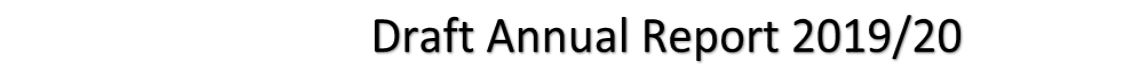
* + the preparation, implementation and review of the IDP;
  + establishment, implementation and review of the performance management system;
  + monitoring and review of the performance, including the outcomes and impact of such performance;
  + Preparation of the municipal budget; and
  + Spatial Development Framework etcetera.

Kannaland Municipality has a robust public participation process in terms of the revised Public Participation Policy adopted in May 2019. The process enables vigorous and constructive engagements with all stakeholders through their participation in ward committee meetings and community feedback sessions throughout the year on various issues including matters raised by members of the community. This is of particular importance, given the geographical size and nature of the municipal area within which community’s needs vary from area to area.

**45**

**46**

The result of the municipal public participation processes is designed to allow Council and management to do better long-term planning and deliver, amongst other, a more credible IDP and Budget.



Due to the regulations stipulated in terms of the Covid 19 pandemic, no physical contact were allowed in 2020. Therefor no public meetings were held, however a WhatsApp group with ward committees was established to keep abreast with communication. The complaints system was and is still being utilised to obtain the enquiries from the community

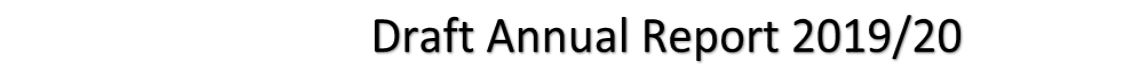
No community satisfaction surveys have been conducted although the Municipality has high regard for the complaints system and all possible measures are taken to ensure that complaints are attended to in the shortest possible time and that feedback is given to the complainant. The Municipality has acquired the electronic IGNITE complaints system for improved monitoring of complaints. Response times and attention to complaints will be considered as a KPI on the SDBIP for the 2019/20 financial year.

WARD COMMITTEES

Public meetings are being held in all wards of the Municipality with the specific intention to determine community based needs and opinions for purposes of the Integrated Development Plan and Annual Budget processes. These meetings inform and report on public needs, planning and budgeting as well as strategic objectives.

Ward Councillors with their Ward Committees have public meetings twice a year to discuss ward plans and service delivery shortcomings as well as to give feedback on the success/ failure of proposed projects.

Attendance of the public is determined by their personal interest in the matters for discussion at the specific the meeting, otherwise there is very little interest shown in such meetings. Attendance is often very poor at approximately 50 – 100 people attending such engagements. Municipal officials from all departments attend all public meetings to ensure that knowledgeable answers can be given on matters raised and for management to take note of matters to receive attention.



Transport is provided, where necessary, for ward committee members to attend ward committee meetings and functions where public participation, through the ward committee system, is required. Administrative capacity is provided to ward committee meetings by the Municipality.

All ward committee members must attend the monthly meetings and submit a report as part of their participatory functions as ward committee members in their respective wards. A stipend of R 500 per month has been approved as per the ward committee policy (out of pocket expense)

The ward committees are structured as follows:

###### Ward 1 Ladismith: Nissenville, Towerkop

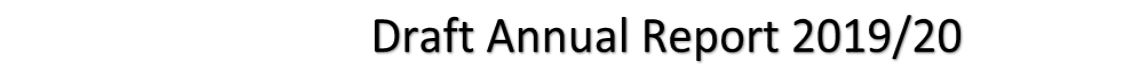
|  |  |  |
| --- | --- | --- |
| Name of representative | Capacity representing | Dates of meetings held |
| Ald Jeffrey Donson | Chairperson | Julie 2019  September 2019  Dec 2019  Februarie 2020  November 2020  Februarie 2021 |
| Ms. Melanie Ayslie | Religion |
| Mr. Past. Hendrik Rademeyer | Culture |
| Mr Johannes Ruiters | Community |
| Ms. Brumilda Januarie | Youth |
| Ms. Hilda Van Eick | Individual |
| Mr. Dawid Rooi | Infrastructure |
| Ms. Carol Hendricks | Individual |
| Mr. Jan Cederas | GPF |
| Ms. Gloria Dowries | Community |
| M. Elizabeth Jacobs | Senior Citizen |

**TABLE 25: WARD 1 – WARD COMMITTEE**

**47**

**48**

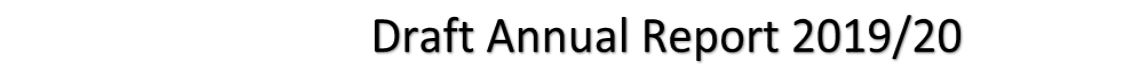
###### Ward 2: Calitzdorp, Bergsig, Warmbad, and Kruisrivier, Gamka– East and West



|  |  |  |
| --- | --- | --- |
| Name of representative | Capacity representing | Dates of meetings held |
| Cllr Werner Meshoa | Chairperson | Julie 2019  September 2019  Dec 2019  February 2020  November 2020  February 2021 |
| Mrs. Sophia Roman | Women |
| Mr. Monolitto Pieterse | Health |
| VACANT | Individual |
| Mrs. Emilene Hess | Youth |
| Mr. Gert Uithaler | Infrastructure |
| Ms. Quinta Valentyn | Religion |
| Ms. Bettie Mcdillon | Individual |
| Mr. Mike Neebe | Tourism |
| Ms. Franciena Quintini | Individual |
| Mr. Alfredo Horn | Youth |
| **TABLE 26: WARD 2 – WARD COMMITTEE**  **Ward 3 Zoar** | | |
| Name of representative | Capacity representing | Dates of meetings held |
| Cllr Magdelena Barry | Chairperson | Julie 2019  September 2019  Dec 2019  February 2020  November 2020  February 2021 |
| Mr. Tsodinyane Jacob Nkokou | Agriculture |
| Ms. Dianne Hardien | Woman |
| VACANT | Education |
| Ms. Manoline Willemse | GPF |
| Ms. Elize Booysen | Individual |
| Ms. Rina Hector | Culture |
| Ms. Carol Hess | Sport |
| Mr. Dennis Jacobs | Tourism |
| Ms. Leslene De Jongh | Youth |
| VACANT | Religion |

**TABLE 27: WARD 3 – WARD COMMITTEE**

###### Ward 4 Ladismith Town, Van Wyksdorp, Dankoord, Algerynskraal, Buffelsvlei, Hoeko



|  |  |  |
| --- | --- | --- |
| Name of representative | Capacity representing | Dates of meetings held |
| Cllr Aletta Theron | Chairperson | Julie 2019  September 2019  Dec 2019  February 2020  November 2020  February 2021 |
| Mr. Ivan Januarie | Education |
| Ms. Surina Jafta | Community |
| Ms. Maria Herdien | Individual |
| Ms. Nerina Lochner | Individual |
| VACANT | Agriculture |
| Mr. Edward Adcock | Health |
| Ms. Regina Hendricks | Individual |
| Mr. Martin Hendricks | Infrastructure |
| Mr. Jonathan Jantjies | Individual |

**TABLE 28: WARD 4 – WARD COMMITTEE**

FUNCTIONALITY OF WARD COMMITTEES

NB: Due to the COVID -19 pandemic that have started in March 2020, Ward committee meeting could not take place since March 2020 until November 2020.

Ward committee members are elected by the communities they serve. A ward committee may not have more than 10 members and women must be well represented. The ward councillor is the chairperson of the ward committee.

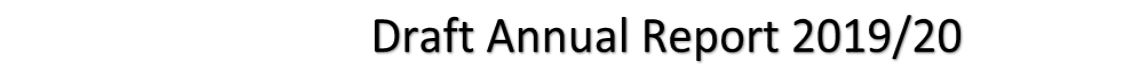
The main purpose of ward committees is to improve effective communication and participation of community members to inform council’s decision-making on the opinion and needs of the communities, especially those affected by a decision. Ward committees have no formal powers, but they advise ward councillors who make specific submissions directly to the Administration/ Council and also assist the ward councillor with the following:

* + consultation and report-back to the community;
  + obtaining better participation from the community to inform council decisions, and
  + playing an important role in the annual revision of the Integrated Development Plan of the area.

It is envisaged to review the functionality of ward committees to enhance public participation in monthly meetings of ward committees to provide feedback from the community for informed Council decisions.

**49**

PUBLIC ENGAGEMENTS



The table below indicates the community engagement sessions with the stakeholders in the four wards: Please note this table indicates only the final phase of the public participation:

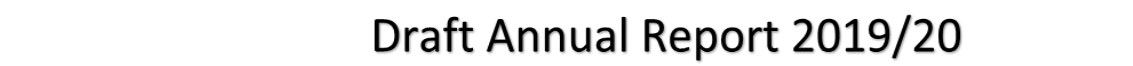
|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Nature of meeting** | **Date of**  **events** | **Purpose** | **Target audience** | **Communication Mechanisms** |
| Ward 1: Public Participation | 20 January 2020 | Presentation of the IDP& Budget to the citizens of  Ward 1 | Residents of ward Businesses, NGO’s,  Churches | Monthly Newsletters/IDP & Budget Report Back meeting |
| Ward 2 Public Participation | 23 January 2020 | Presentation of the IDP & Budget to the  citizens of Ward 2 | Residents of ward Businesses, NGO’s,  Churches | Monthly Newsletters/IDP & Budget Report Back Meeting |
| Ward 3: Public Participation | 21 January 2020 | Presentation of the IDP& Budget to the citizens of  Ward 3 | Residents of ward Businesses, NGO’s,  Churches | Monthly Newsletters/IDP & Budget Report Back Meeting |
| Ward 4: Public Participation | 27 January 2020  05 February  2020 | Presentation of the IDP& Budget to the  citizens of Ward 4 | Residents of ward Businesses, NGO’s,  Churches | Monthly Newsletters/IDP & Budget Report Back Meeting |
| Ward feedback meetings in all four wards | Each quarter in all four wards | Feedback to communities & obtaining of input from the  community on IDP | Residents of wards Businesses, NGO’s,  Churches | Ward councillor gives feedback on ward meeting |

**TABLE 29: PUBLIC ENGAGEMENTS DURING THE 2019/20 FINANCIAL YEAR**

Unfortunately public engagements and feedback sessions are often not well attended and the benefits of such engagements can be largely improved if communities can be mobilized to attend public engagements in larger numbers (in 2019). Even though community members attend in smaller numbers, public engagements are considered to be valuable in the sense that those community members are presented with a platform to voice their needs and expectations while the Municipality have the opportunity to explain the broader picture and/or giving feedback on delivering services in the entire municipal area within the financial means of the Municipality.

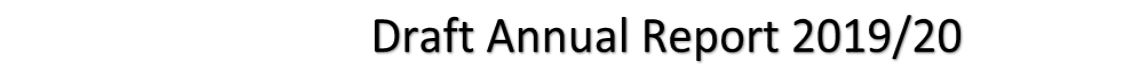
Informed communities do not easily revert to protest action and by understanding the constraints of the Municipality and the importance of paying for services, progress are being

**50**



made with the establishment of a culture of payment in communities. The municipality will establish an IDP/Budget Representative Forum to ensure more informed information are shared and discussed at meetings.

**51 |** P a g e



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 |
| Are the budget aligned directly to the KPIs in the strategic plan? | Yes |
| Are the IDP KPI’s aligned to the Section 57 Managers | Yes |
| Are the IDP KPI’s aligned to functional area KPIs as per the SDBIP? | Yes |
| Are the IDP KPI’s aligned 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 |

**TABLE 30: IDP PARTICIPATION AND ALIGNMENT CRITERIA SECTION 26 MUNICIPAL SYSTEMS ACT, 2000**

### COMPONENT D: CORPORATE GOVERNANCE

The council and management subscribe to the principles reflected by the various King reports. The seven primary characteristics of good governance namely, discipline, transparency, independence, accountability, responsibility, fairness and social responsibility have been considered critical in the compilation of the Kannaland Municipality Financial Recovery Plan.

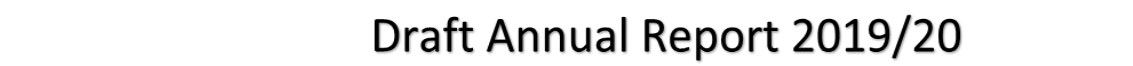
2.6 ENTERPRISE RISK MANAGEMENT

The direction and mandate of risk management for Kannaland Municipality is clearly set out in Section 62(1) of the MFMA that stipulates that the *“Accounting Officer must take all reasonable steps to ensure that the Municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control” accompanied by the crucial motto of the public sector: “that the resources of the Municipality are used effectively, efficiently and economically”.*

Enterprise Risk Management (ERM) is an essential function that must be performed by the Municipality in terms of the applicable local government legislation. Auditor-General reports in recent years have highlighted risks for the Municipality and findings indicated that ERM must be prioritized as this function has been neglected for years. The municipality signed a MOU with the Garden Route District Municipality to enter a shared service agreement.

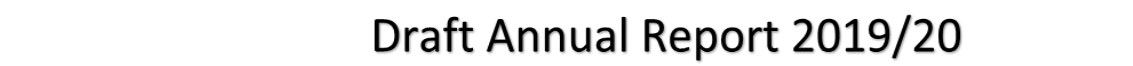
**52**

INSTITUTION TRANSFORMATION – RISK MANAGEMENT



|  |  |
| --- | --- |
| **Item** | **Description** |
| **Organisational Structure** | The organisation structure must be aligned with the IDP, hence the two documents must complement each other. The result is ultimately that the IDP and Organizational Structure, is to be used as tools for the drafting of the SDBIP, to ensure compliance, monitoring and  evaluation. |
| **Internal Audit** | In terms section 165(1), (2) (b) & (c) of Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003)  “Each municipality and each municipal entity must have an internal audit unit, subject to sub- section (3).and  The internal audit unit of the municipality and municipal entity must – advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to –   1. internal audit; 2. internal controls; 3. accounting procedures and practices; 4. risk and risk management; 5. performance management; 6. loss control; and 7. compliance with this Act, the annual Division of Revenue Act and any other applicable   legislation; and  c)perform such other duties as may be assigned to it by the accounting officer.”  The municipality has not established an internal audit unit since the 2016-17 financial year and has also not outsourced this service as required in terms of section 165(3), even  though the municipality accepted the recommendations made by the auditors in the |

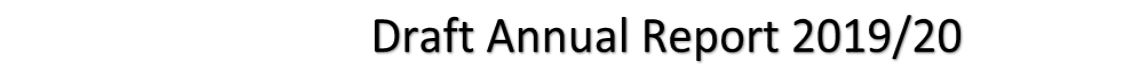
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|  |  |
| --- | --- |
| **Item** | **Description** |
|  | prior year, namely to establish an internal audit  unit.  The municipality therefore did not fulfil its responsibility to ensure an internal audit unit exist, as required by the above stated legislation, in order to ensure regular risk assessments and monitoring are conducted, and that there is an effective process of identification of internal control deficiencies and recommending corrective action, in order to improve the control environment of the Municipality. |
| **Risk Management** | Risk refers to a beneficial or unwanted outcome, actual or potential, to the organisation’s service delivery and other performance objectives, caused by the presence of risk factors. Some risk factors also present upside potential, which management must be aware of and be prepared to exploit. Such opportunities are encompassed in this definition of risk.  Risk management is a systematic and formalised process instituted by the  organisation to identify, assess, manage and monitor risks. |

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###### RISK MANAGEMENT WITHIN KANNALAND MUNICIPALITY



The Accounting Officer exercised his right in terms of the applicable Risk Management legislation to appoint a Risk Contract and legal manager in June 2019. The official was appointed based on his qualification, skills, expertise and the need for such appointment.

* + CHALLENGES IN RISK MANAGEMENT
    - Current the Municipality only has one permanent incumbent to fulfil, the Risk Contract and Legal services function.
    - The Municipality, due to cash constrains is unable to purchase a Risk and Contract electronic system, hence Business Plan in terms of the Financial Recovery Plan has been submitted to Provincial Government to secure funds, for this purpose.
  + BENEFITS OF RISK MANAGEMENT

Kannaland Municipality will implement and maintain an effective, efficient and transparent system of risk management and internal control. Risk management will assist the municipality to achieve, among other things, the following outcomes needed to underpin and enhance performance:

* more sustainable and reliable delivery of services;
* informed decisions underpinned by appropriate rigour and analysis;
* achievement of strategic goals as set out in the Integrated Development Plan;
* reduced waste;
* prevention of fraud and corruption and better value for money through more efficient use of resources; and
* better outputs and outcomes through improved project and program management.

**Historical/Reputational Risk**

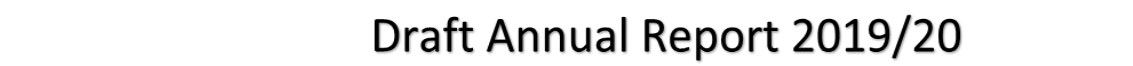
* + fraud and corruption
  + lack of communication with Community
  + Nepotism
  + Financial Risk
  + Lack of planning
  + Making appointments outside the budget and Insufficient means to recover revenue

**Operational Risk**

* + A lack of appropriate governance over information stored, processed, or produced by IT systems

**55**

* + Safety and Security
  + Weakness in governance and accountability



* + Governance and Ethics
  + Fraud and error
  + Natural Disasters

###### Contract Management

In the absence of a proper functioning contract management function the municipality was unable to monitor, review and evaluate contracts that either came to an end or had to be reviewed for service delivery purposes.

The Auditor General has also pointed out the lack or weak management of contracts which does have a negative financial impact on the municipality. There were also a significant number of officials who did not have formal signed contracts that complied with the collective agreement and the basic conditions of employment.

The contract management function could have a significant positive impact on the financial recovery plan of the municipality particularly with regard to the selling or leasing of council assets, land and other facilities.

Given the above, management has undertaken to do a full audit with regard to contractual arrangements particularly to ensure that the contracts are in place in the following areas:

* + Current land leased (market related and MFMA compliance)
  + Unleased land (land used by parties that do not have a lease agreement)
  + Council facilities that are leased (market related and MFMA compliance)
  + Unleased Council facilities (sports fields etc.)
  + Employment contracts of staff (temporary staff, contract staff and permanent staff)
  + SCM contracts (to ensure MFMA compliance and goods and services are delivered within agreed timeframes and in good quality).
  + Government contracts for grant funding (MIG, FMG, MSIG, RBIG, etc, - to ensure funds are utilised for purposes for which it was allocated to the municipality)
  + Municipal leases (e.g. office space, equipment, and cell phones, )
  + ICT service provider contracts
  + Water board contracts

The municipality is currently outsourcing the contract management function and the need has been identified that suitable and qualified internal capacity is needed to ensure that Council increases its revenue and has control over this function

**56 |** P a g e



INTERNAL AUDIT

For the financial year under review the Municipality did not have a functional internal audit unit.

Through cross partnering between Department Local Government and the Garden Route District Municipality, it was discussed that the internal audit and risk management will form part of a shared service to assist the municipality. The Memorandum of Understanding/Agreement was finally concluded in the 2019/20 financial year.

2.7 ANTI-CORRUPTION AND FRAUD

The oversight roles are managed by the Municipal Public Accounts Committee (MPAC), Disciplinary Board and Audit Committee as described under Oversight Structures at the beginning of this Chapter.

2.8 SUPPLY CHAIN MANAGEMENT

Supply Chain Management is guided by sections 110 – 119 of the MFMA; SCM Regulations 2005, and relevant MFMA circulars that set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The Municipality established a functional SCM unit has over the three years. Monthly updates on the SCM policy are communicated to council.

2.9 BY-LAWS

Section 11 of the Municipal Systems Act gives a Municipal Council the executive and legislative authority to pass and implement by-laws and policies. A by-law is a legal document, which enables a local authority (Municipality) to implement certain powers vested in it by the Constitution. Kannaland Municipality has by-laws which give effect to its constitutional obligations.

The Municipality is in the process of revising by-laws to identify potential intervened introducing new by-laws for adoption by Council. No by-laws were adopted in the 2019/20 financial year. The public participation stipulated in the applicable legislation will be followed for the adoption of by-laws process.

**57**



**58**

There is no capacity to rewrite and adopt the bylaws, therefore the municipality requested the support from DLG to assist the municipality in developing and review the bylaws.

2.10 WEBSITE AND ICT

The information pertaining the ICT function remains the same. Financial constraints are the critical area that needs attention to ensure the challenges are resolved.

The primary purpose of the Information Systems and Technology section is the provision of Information and Communication Technology (ICT) services which will enable an efficient and effective administration. An ICT assessment was done on current challenges as well to recommend possible solutions.

|  |  |
| --- | --- |
| **HIGHLIGHTS** | **CHALLENGES** |
| * New Public Interactive Municipal Website; | * A disaster recovery system not in place |
| * Approved legislative documents: | * Obsolete hardware still present |
| * Reviewed ICT Policies; | * No offsite backups are not in place |
| * ICT Governance Framework and Disaster Recovery Policy | * Budget constraints * Data cleansing |
| * ICT SOP’s. | * Need for electronic systems e.g. Performance information and Collaborator |

**TABLE 31: HIGHLIGHTS AND CHALLENGES OF ICT SERVICES**

The ICT department is working towards full compliance in terms of section 75 of the MFMA regarding information that must be placed on the municipal website.

|  |  |
| --- | --- |
| **Municipal Website: Content and Currency of Material** | |
| Documents published on the Municipality 's / Entity's Website | Yes / No |
| Current annual and adjustments budgets and all budget-related documents | YES |
| All current budget-related policies | YES |
| The previous annual report | YES |
| The annual report | YES |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act) and resulting scorecards | YES |
| All long-term borrowing contracts | YES |



**59**

|  |  |
| --- | --- |
| All supply chain management contracts above a prescribed value (give value) for Year | YES |
| 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) | YES |
| Contracts agreed in Year to which subsection (1) of section 33 apply, subject to subsection (3) of that section | YES |
| All quarterly reports tabled in the council in terms of section 52 (d) during Year | YES |

**TABLE 32: SECTION 75 CHECKLIST OF THE MFMA**

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No community satisfaction surveys have been conducted although the Municipality has high regard for the complaints system and all possible measures are taken to ensure that complaints are attended to in the shortest possible time and that feedback is given to the complainant. The Municipality has acquired the electronic Collaborator complaints system for improved monitoring of complaints.



## CHAPTER 3 – BASIC SERVICE DELIVERY PERFORMANCE INFORMATION

#### Introduction

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2019/20 in terms of the deliverables achieved compared to the key performance objectives and indicators in the Integrated Development Plan (IDP).

## Overview of performance within the organization

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

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

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

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the Municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.”

The final 4th Generation IDP was tabled on 31 May 2019 at the Council meeting and was advertised for public comment thereafter. This IDP is the primary planning instrument that guides and informs the municipal budget. The Municipal Systems Act requires each municipality in South Africa to prepare such a strategic plan to guide all development and management within the municipal area. The IDP sets out the development priorities of Kannaland Municipality for the year under review. The IDP must guide and determine municipal planning and project implementation.

**60**



LEGISLATIVE CONTEXT

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

ORGANISATIONAL PERFORMANCE

Strategic performance indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation.

The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the Municipality’s Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of section 46 of the Municipal Systems Act, 2000 and an overall summary of performance on a functional level and municipal services.

INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2019/20

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the Municipality’s strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements). Please note this section of performance information is subject to change after final audit report has been issued.

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI’s applicable to 2019/20 in terms of the IDP strategic objectives.

**61**



The following table explains the method by which the overall assessment of the actual performance against the targets set for the key performance indicators (KPI’s) of the SDBIP are measured:

|  |  |  |
| --- | --- | --- |
| KPI not yet measured | KPI's with no targets or no actual results for  the selected period |  |
| KPI not met | Target not achieved – insufficient performance |  |
| KPI almost met | Partially achieved – not effective performance yet |  |
| KPI met | Target achieved – effective performance |  |
| KPI well met | Exceeding performance target |  |
| KPI extremely met | Outstanding Performance |  |

Below the annual performance report is outlined with the prior year’s performance results as well.

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

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

Section 121(b) of the MFMA and section 46 of the MSA further state that a municipality should include the following aspects related to service providers in its annual report:

* The performance of each service provider;
* A comparison of the performance with targets set for and performance in the previous financial year;
* Measures taken to improve performance.

The service provider’s performance are monitored by each department responsible for a specific project.

**62**

**63**



# PDO 1: To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| IDP  reference | KPA | Department | Indicator | Unit of Measurement | Type | Baseline | Performance comparison of prior and current financial years | | | | | | | |
| Prior year's  performance 2018/19 | | Overall performance for 2019/20 | | | | | |
| Annua l Target | Annual Actual | Annua  l Target | Annual Actual | Achieved | Performance Comment | Corrective Measures | Proof of Evidence |
| KPI 42 | KPA1:  Basic Service Delivery and Infrastru cture Develop ment | Infrastructure Services | Review existing maintenance plan of all infrastructure services and table to Council | Maintenance plan of all infrastructure services reviewed and tabled to Council by end December 2019 by means of the council resolution (indicate the list maintenance plans) | Input | 0 | 0 | 0 | 1 | 1 | Target achieved | Target was successfully met on January 2020 | No corrective measures | Council resolution of approved maintenan ce plan |



|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| IDP  reference | KPA | Department | Indicator | Unit of Measurement | Type | Baseline | Performance comparison of prior and current financial years | | | | | | | |
| Prior year's performance  2018/19 | | Overall performance for 2019/20 | | | | | |
| Annua l Target | Annual Actual | Annua l  Target | Annual Actual | Achieved | Performance Comment | Corrective Measures | Proof of Evidence |
| KPI 35 | KPA1:  Basic Service Delivery and Infrastru cture Develop ment | Corporate Services: Community Services | Update Human Settlement Pipeline | Reviewed Human Settlement Pipeline submitted to Council by April 2020 | Input | 1 | - | - | 1 | 0 | Target not achieved | The target could not be achieved. Due to covid 19 and regulations in terms of social distancing meetings could not be held. | This will be improved in the next fy | None |

**TABLE 33: PDO 1: TO PROVIDE ACCESS TO RELIABLE INFRASTRUCTURE THAT WILL CONTRIBUTE TO A HIGHER QUALITY OF LIFE FOR KANNALAND CITIZEN’S**

**64**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| PDO 2: To provide adequate Services and improve our Public relations | | | | | | | | | | | | | | | |  |
|  | **IDP**  **reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |  |
| **Prior year's performance**  **2018/19** | | **Overall Performance for 2019/20** | | | | | |  |
| **Annual Target** | **Annual Actual** | **Annual Target** | **Annual Actual** | **Achieved** | **Performance Comment** | **Corrective Measures** | **Pro Ev** | **of of idenc** |
| KPI 37 | KPA2:  Service Delivery | Infrastructure Services | Effective management of electricity provisioning systems evaluated  i.t.o. electricity losses | Percentage (%) of electricity losses calculated on a twelve-month rolling period (kWh purchased minus kWh sold).  Measured and reported on quarterly. | Output | New KPI | - | - | 12% | 6% | Target achieved |  |  | Ele loss rep | c  es ort |
| KPI 38 | KPA2:  Service Delivery | Infrastructure Services | Renewable energy plan to improve energy efficiency and hence also support mitigation of national load shedding by Eskom` | 1. Renewable Energy Plan (REP) prepared. 2. Plan submitted to Department of Energy and other potential funders for funding.3. Report progress quarterly on  implementation milestones |  | New KPI | - | - | Plan and 3 Prog Reports | Plan and Progress Reports included in Monthly report Tech Services | Target achieved |  |  | Pro rep | gress ort |
| **65** | | | | | | | | | | | | | | | |  |

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|  | Kpi 39 | KPA2:  Service Delivery | Infrastructure Services | Action plan to reduce water losses  – water demand management plan | Submit action plan to reduce water losses to Council by 30 September 2019 | Control | New KPI | - | - | 1 | 1 | Target achieved |  |  | Cou res | ncil olution |
| KPI 40 | KPA2:  Service Delivery | Infrastructure Services | Effective management of water provisioning systems to minimise water losses by implementing measures to reduce water losses | Percentage (%) water losses calculated based on the methodology set out in the Department of Water Affair’s  – Water  Balancing Report | Control | New KPI | - | - | 37% | **33.14%** | Target achieved | Target was achieved |  | Wa loss rep | ter es ort |
| KPI 41 | KPA2:  Service Delivery | Infrastructure Services | Excellent water quality measured by the quality of water as per SANS 241 criteria | Percentage (%) water samples taken of which the quality conforms to SANS 241. If  100 samples  taken and 85 complies, then 85/100 = 85%  compliance, which are the targets set. | Control | New KPI | - | - | 85% | 72% | Target Partially achieved | **WTW**  **upgrading at both Ladismith and Zoar was seriously delayed due to COVID-19**  **lockdown with no construction works allowed.**  **Also drought as caused Zoar water to be very dirty while awaiting**  **Zoar WTW upgrading.** | **A realistic target will be set for the following fy. In-year monitoring will be conducted with proper processes to ensure that early warning signals on**  **poor kpi’s and reporting in order to adjust it accordingly.** | Wa sam rep | ter ple ort |
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|  | NKPI 5 | KPA2:  Service Delivery | Financial Services | Number of formal residential properties that receives piped water connected to the municipal water infrastructure network as at 30  June 2020 | Number of residential properties which are billed for water services as at 30 June 2020 | Input | 4915 | 4870 | 4915 | 4914 | 4932 | Exceeding performance target |  |  | Deb Sa List | tors mras ing |
| NKPI 6 | KPA2:  Service Delivery | Financial Services | Number of formal residential properties connected to the municipal electrical infrastructure network (excluding eskom areas) as at 30 June 2020 | Number of residential properties which are billed for electricity (excluding eskom areas) as at 30 June 2020 | Input | 3530 | 2665 | 3530 | Prepaid: 3086  Conventional 439 | Prepaid: 1689  Conventional 420 | Target not achieved | Management will ensure that internal controls deficiency will be established.  It is inspected and recommended that the baseline must be used as a basis to set targets | Management will ensure that the SDBIP will be adjusted accordingly in future.  Internal audit unit will be established to ensure that all processes will be implemented as per legislative requirements. A web based system will be used in future to ensure each KPI owner take accountability for the updates and to ensure accurate evidence is  loaded. | Deb Sa List | tors mras ing |
| **7** | | | | | | | | | | | | | | | |  |



**68**

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|  | NKPI 7 | KPA2:  Service Delivery | Financial Services | Number of formal residential properties connected to the municipal waste water sanitation/sewerage network billed for  the service as at 30 June 2020 | Number of residential properties which are billed for sewerage services as at 30 June 2020 | Input | 4459 | 4373 | 4459 | 4460 | 4468 | Exceeding performance target |  |  | Deb Sa List | tors mras ing |
| NKPI 8 | KPA2:  Service Delivery | Financial Services | Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2020 | Number of residential properties which are billed for refuse removal services as at 30 June 2020 |  | 4861 | 4716 | 4861 | 4800 | 4811 | Exceeding performance target |  |  | Deb Sa List | tors mras ing |
| NKPI 9 | KPA2:  Service Delivery | Financial Services | Number of Households with access to free basic services (as per Indigent Register) by 30 June 2020 | Number of Households with access to free basic services (as per Indigent Register) |  | 2388 | 2300 | 2388 | 2700 | 2479 | Target Partially Achieved | The reported information is captured as people come and register for indigent privileges. | Management will ensure that the SDBIP will be adjusted accordingly in future.  Internal audit unit will be established to ensure that all processes will be implemented as per legislative  requirements. | Deb Sa List | tors mras ing |
| **TABLE 34: PDO 2: TO PROVIDE ADEQUATE SERVICES AND IMPROVE OUR PUBLIC RELATIONS** | | | | | | | | | | | | | | | |  |



**69**



# PDO 3: To strive towards a safe community in Kannaland through the proactive management of traffic , enviromental health,fire and disaster risks

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| **IDP**  **reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's performance**  **2018/19** | | **Overall Performance for 2019/20** | | | | | |
| **Annu al Targe**  **t** | **Annu al Actual** | **Annu al Targe**  **t** | **Annua Ac l**  **Actual** | **hieved** | **Performance Comment** | **Correcti ve Measure**  **s** | **Proof of Evidence** |
| KPI 32 | KP3:  Safe Communi ties | Corporate Service: Community | Annual Review of the Disaster Management Plan by end November | Plan completed and submitted to Council for approval by end November | Outp ut | New KPI | - | - | 1 | 0 | Target achieved | This is a sector plan that needs to be approved concurrently with the IDP | None | Council resolution |
| KPI 33 | KP3:  Safe Communi ties | Corporate Service: Community Services | Development of Alien Invasive Management plan as per NEM:BA | Submission of Alien Invasive Management Plan for approval by Council by 30  November 2019 | Outp ut | New KPI | - | - | 1 | 0 | Target not achieved | Capacity matters within the department. Training needs to be given by lead departments  inhouse | Manage ment will ensure better systems and procedur es be put  in place | None |
| KPI 34 | KP3:  Safe Communi ties | Corporate Service: Community Services | Waste disposal facilities managed according to Authorization  conditions | Submit Waste Management Action Plan to Department by 31 July 2019 | Outp ut | New KPI | - | - | 1 | 1 | Target achieved |  | None | Proof of submission |

**TABLE 35: PDO 3: TO STRIVE TOWARDS A SAFE COMMUNITY IN KANNALAND THROUGH THE PROACTIVE MANAGEMENT OF TRAFFIC, ENVIRONMENTAL HEALTH, FIRE AND DISASTER RISKS**

**70**



# PDO 4: To facilitate economic growth and social and community development

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| **IDP**  **reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's performance**  **2017/2018** | | **Overall Performance for 2018/2019** | | | | | |
| **Annu al Targe t** | **Annu al Actual** | **Annu al Targe t** | **Annua Ac l**  **Actual** | **hieved** | **Performance Comment** | **Correcti ve Measure s** | **Proof of Evidence** |
| NKPI 10 | KP4: Local Economic Developme nt | Infrastru cture Service s | Create job opportuniti es through the Expanded Public Works  Programm e (EPWP) | Number of Job opportunities created | Activit y | New KPI | - | - | 62 | 184 | Outstanding performance |  |  | EPWP  report |
| KPI 18 | KP4: Local Economic Developme nt | Office of the Municip al Manage r | Establishm ent of a Public Private Partnershi p (Inovasure, National Treasury, COGTA,  Eskom and Kannaland Municipalit y) | Appointment of project steering committee to ensure the process of the establishment by 31 August 2019 | Activit y |  | New KPI | - | 1 | 1 | Target Achieved |  |  | Appointme nt letter |

**TABLE 36: PDO 4: TO FACILITATE ECONOMIC GROWTH AND SOCIAL AND COMMUNITY DEVELOPMENT**

**71**

**72**



# PDO 5: To promote efficient and effective Governance with high levels of stakeholder participation

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| **IDP**  **reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's performance 2018/19** | | **Overall Performance for 2019/20** | | | | | |
| Annu al Targ et | Annu al Actua l | Annu al Targ et | Annu al Actua l | **Achiev ed** | **Performanc e Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI 2 | KPA5:  Effective and efficient governanc e | Office of the Municip al Manage r | Compulsory number of general council meetings per annum | Number of general council meetings held per annum | Outpu t |  |  |  | 4 | 4 | Target achieved | Target achieved | None | Minutes of meetings |
| KPI 3 | KPA5:  Effective and efficient governanc e | Office of the Municip al Manage r | Effective functioning of the committee system measured by the number of committee meetings per  committee per annum | Number of sec 80 committee meetings per annum  (Finance & Administration and Community & Infrastructure Services) | Activi ty |  |  |  | 8 | 0 | Target not achieved | Target not achieved | Management will ensure better systems and procedures be put in place | None |

**73**



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| **IDP**  **reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's performance**  **2018/19** | | **Overall Performance for 2019/20** | | | | | |
| Annu al  Targ et | Annu al  Actua l | Annu al  Targ et | Annu al  Actua l | **Achiev ed** | **Performanc e Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI 4 | KPA5:  Effective and efficient governanc e | Office of the Municip al Manage r | The Top Layer SDBIP is  approved by the Mayor within 28 days after the annual budget has been approved | Top Layer SDBIP approved within 28 days after the annual budget has been approved | Activit y | 1 | 1 | 1 | 1 | 1 | Arget achieved |  |  | Signed top layer |
| KPI 5 | KPA5:  Effective and efficient governanc e | Office of the Municip al Manage r | Ensuring performance by the timeous development and signing of the Section 57 performance agreements in adherence to the Performance  Framework | Number of signed performance agreements of Section 57 managers (not later than 31 July of each year) | Outpu t | 3 | 3 | 3 | 3 | 3 | Target achieved | Target achieved | None | Signed performan ce agreement s |
| KPI 6 | KPA5:  Effective and efficient governanc e | Office of the Municip al Manage r | Evaluate the performance of Section 57 managers in terms of their signed  agreements bi- annually | Number of formal evaluations completed bi- annually | Outpu t | 1 | 3 | 1 | 3 | 0 | Target not achieved | Target not achieved | This will be done after the final audit outcome | None |

**74**



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| **IDP**  **reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's performance**  **2018/19** | | **Overall Performance for 2019/20** | | | | | |
| Annu al  Targ et | Annu al  Actua l | Annu al  Targ et | Annu al  Actua l | **Achiev ed** | **Performanc e Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI 7 | KPA5:  Effective and efficient governanc e | Office of the Municip al Manage r | Risk based audit plan approved by Audit Committee | Risk based audit plan approved by March annually | Outpu t | 1 | 1 | 1 | 1 | 0 | Target not achieved | Target not achieved | Managemen t will ensure better systems and procedures be put in  place | None |
| KPI 8 | KPA5:  Effective and efficient governanc e | Office of the Municip al Manage r | Functional performance audit committee measured by means of meetings where committee dealt  with performance reports | Number of meetings | Activit y | New KPI | - | - | 4 | 0 | Target not achieved | Target not achieved. | Managemen t will ensure better systems and procedures be put in place | None |
| KPI 12 | KPA5:  Effective and efficient  governanc e | Office of the Municip al  Manage r | Review and prioritisation of risk register | Submit to Council reviewed and prioritised risk register by February annually | Activit y | New KPI | - | - | 1 | 0 | Target not achieved | Target not achieved. | No unit in place – systems and control | none |

**75**



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| **IDP**  **reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's performance**  **2018/19** | | **Overall Performance for 2019/20** | | | | | |
| Annu al  Targ et | Annu al  Actua l | Annu al  Targ et | Annu al  Actua l | **Achiev ed** | **Performanc e Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI 13 | KPA5:  Effective and efficient governanc e | Office of the Municip al Manage r | Establish an internal audit unit as required in terms of section 165 of the MFMA | Effectively functioning of internal audit unit that advises the municipal manager and reports to the audit committee on the implementation of the internal audit plan and related  matters | Activit y | 1 | 1 | 1 | 1 | 1 | Target achieved | Target achieved. | None | Shared services corresponde nce |
| KPI 14 | KPA5:  Effective and efficient  governanc e | Office of the Municip al  Manage r | IDP reviewed and approved by Council before the end of May | IDP approved by Council before the end of May annually | Activit y | New KPI | - | - | 1 | 0 | Target achieved | Target achieved. | None | Council resolutions |
| KPI 15 | KPA5:  Effective and efficient governanc e | Office of the Municipal  Manager | Submit final Annual Report and oversight report of council before legislative deadline | Final Annual Report and oversight report completed and submitted to Council for approval by 31 March each year | Activit y | New KPI | - | - | 1 | 2 | Target achieved | Target achieved. | None | Council resolutions |
| KPI 16 | KPA5:  Effective and efficient governanc e | Office of the Municipal  Manager | Compilation of IDP & Budget process plan for approval by end August annually | IDP and Budget process plan approved by Council by end August annually | Activit y | 3 | 3 | 3 | 1 | 1 | Target achieved | Target achieved. | None | Council resolution |

**76**



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| **IDP**  **reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's performance**  **2018/19** | | **Overall Performance for 2019/20** | | | | | |
| Annu al  Targ et | Annu al  Actua l | Annu al  Targ et | Annu al  Actua l | **Achiev ed** | **Performanc e Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI 36 | KPA5:  Effective and efficient governanc e | Office of the Municipal Manager | Submit signed MOU for shared services regarding spatial planning to Council | MOU for shared services regarding spatial planning | Activit y | NE W KPI | - | - | 1 | 0 | Target not achieved |  |  | None |

**TABLE 37: PDO 5: TO PROMOTE EFFICIENT AND EFFECTIVE GOVERNANCE WITH HIGH LEVELS OF STAKEHOLDER PARTICIPATION**

**77**



# PDO 6: To provide an efficient workforce by aligning our institutional arrangements to our overall strategy

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| **IDP**  **reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's performance**  **2018/19** | | **Overall Performance for 2019/20** | | | | | |
| Annu al Targe  t | **Annu al Actua**  **l** | **Annual Target** | **Annua l Actual** | **Achiev ed** | **Performanc e Comment** | **Correcti ve Measure**  **s** | **Proof of Eviden**  **ce** |
| KPI 5 | KPA 6:  Efficient Workfor ce | Office of the Municipal Manager | Develop a strategy and implementatio n plan to address transformation of organisational culture to ensure performance culture are adhere to for approval by Council by 30  September 2019 | Strategy and action plan to achieve the desired organisational culture / performance-  driven culture | activi ty | 1 | 1 | 1 | 1 | 1 | Target achieved | Target achieved. | None | Minutes of meeting |



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| **IDP**  **reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's performance**  **2018/19** | | **Overall Performance for 2019/20** | | | | | |
| Annu al  Targe t | **Annu al**  **Actua l** | **Annual Target** | **Annua l Actual** | **Achiev ed** | **Performanc e Comment** | **Correcti ve**  **Measure s** | **Proof of**  **Eviden ce** |
| NKP 1 | KPA 6:  Efficient Workfor ce | Corpora te Service s | The percentage (%) of appointments made in the three highest levels of management which comply with the Employment Equity Plan, measured by Number of appointments in the three highest levels of management, which comply with the Employment Equity targets/ Total appointments made in three highest levels of management x  100. | The percentage (%) of appointments made in the three highest levels of management approved Employment Equity Plan | Contr ol | 3 | 3 | 3 | 3 | 3 | Target achieved | Target achieved. | N/A | N/A |

**TABLE 38: PDO 6: TO PROVIDE AN EFFICIENT WORKFORCE BY ALIGNING OUR INSTITUTIONAL ARRANGEMENTS TO OUR OVERALL STRATEGY**

**78**

**79**



# PDO 7: To strive towards a financially sustainable municipality

Please note that the financial data is based on unaudited Annual Financial Statements and is therefore subject to amendment as per audited AFS.

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| **IDP reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's performance**  **2018/19-** | | **Overall Performance for 2019/20** | | | | | |
| **Annu al**  **Target** | **Annua l**  **Actual** | **Annual Target** | **Annual Actual** | **Achieved** | **Performan ce**  **Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI 1 | KPA7:  Financi al Viabilit y | Office of the Munici pal Manag er | Oversight of the financial recovery plan: progress report  quarterly review | Submission of quarterly report to Council to ensure adherence to the planned targets set on a quarterly basis | Outp ut | 4 | 4 | 4 | 4 | 4 | Target achieved | Target achieved | None | Agenda of Council meeting |
| KPI. 9 | KPA7:  Financi al Viabilit y | Office of the Munici pal Manag er | The % -of the Municipality's capital budget spent on capital infrastructure projects identified in the IDP for the financial year | The percentage (%) of a municipality’s capital budget spent on capital projects identified in the IDP for the financial year measured as the total actual Year to Date (YTD) Capital Expenditure/ Total Approved Capital  Budget x 100 | Cont rol |  | - | - | 85% | 38.5% | Target not achieved | Target not achieved due to Covid-19 Pandemic. | Pro-active planning. | Comparis on – Financial Performan ce (AFS) |

**80**



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| **IDP reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's**  **performance 2018/19-** | | **Overall Performance for 2019/20** | | | | | |
| **Annu**  **al Target** | **Annua**  **l Actual** | **Annual Target** | **Annual Actual** | **Achieved** | **Performan**  **ce Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI. 10 | KPA7:  Financi al Viabilit y | Office of the Munici pal Manag er | Operational conditional grant spending measured by the  percentage (%) spent | Percentage (%) of the of operational conditional grant spent | Cont rol | - | - | - | - | N/A | Target achieved | Equitable Share fully spent. | N/A | AFS. |
| KPI 11 | KPA7:  Financi al Viabilit y | Office of the Munici pal Manag er | Capital conditional grant spending measured by the percentage  (%) spent | Percentage (%) of the capital conditional grant spent | Cont rol | - | - | - | 100% | 38.5% | Target not achieved | Target not achieved due to Covid-19 Pandemic. | Pro-active planning. | Comparis on – Financial Performan ce (AFS) |

**81**



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| **IDP reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's**  **performance 2018/19-** | | **Overall Performance for 2019/20** | | | | | |
| **Annu**  **al Target** | **Annua**  **l Actual** | **Annual Target** | **Annual Actual** | **Achieved** | **Performan**  **ce Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI 19 | KPA7:  Financi al Viabilit y | Financi al Servic es | Unaudited Annual Financial Statements submitted to Auditor- General | Financial statements submitted to Auditor-General by 31 August annually | Control | 1 | 1 | 1 | 1 | 1 | Target achieved | Submitted to AG on 30 October 2020. Due  to covid 19 pandemic an exemption has been granted to municipalitie s to submit the AFS to the Auditor- General 2 months after compliance  date |  | Proof of submissio n |
| KPI 20 | KPA7:  Financi al Viabilit  y | Financi al Servic es | The annual budget is approved by Council by  end May | Approval by Council of the annual budget before the end of May annually | Cont rol | 1 | 1 | 1 | 1 | 1 | Target achieved | Target achieved |  | Council resolution |

**82**



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| **IDP reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's**  **performance 2018/19-** | | **Overall Performance for 2019/20** | | | | | |
| **Annu**  **al Target** | **Annua**  **l Actual** | **Annual Target** | **Annual Actual** | **Achieved** | **Performan**  **ce Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI. 21 | KPA7:  Financi al Viabilit y | Financi al Servic es | The adjustment budget is approved by Council by the end of  February annually | Approval of Adjustments Budget before the end of February annually | Cont rol | 1 | 1 | 1 | 1 | 1 | Target achieved | Target achieved | None | Council resolution |
| KPI 22 | KPA7:  Financi al Viabilit y | Financi al Servic es | Maintain a Year to Date (YTD)  debtors’ payment percentage of 86%  (excluding traffic fines) | Payment percentage (%) of debtors over 12 months rolling period | output | - | - | - | - | N/A | Target not achieved | Target not achieved due to Covid-19 pandemic. | Improve debt collection measures and data cleansing. | AFS. |

**83**



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| **IDP reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's**  **performance 2018/19-** | | **Overall Performance for 2019/20** | | | | | |
| **Annu**  **al Target** | **Annua**  **l Actual** | **Annual Target** | **Annual Actual** | **Achieved** | **Performan**  **ce Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI 23 | KPA7:  Financi al Viabilit y | Financi al Servic es | Review the debt collection and credit control strategy and develop and implement initiatives to improve the cash flow | Annually review and submit the debt collection and credit control strategy for implementation of initiatives to improve the cash flow to the Mayor before end March | input | - | - | - | 1 | 1 | Target achieved | Target achieved |  | Signed off report |
| NKP I 2 | KPA7:  Financi al Viabilit y | Financi al Servic es | Financial Viability measured in terms of Cost coverage ratio for the financial year | Cost coverage ratio calculated as follows:  (Available cash at particular time + investments)/ Monthly fixed operating expenditure) | Contr ol | - | - | - | 1-3  months | 0 | Target not achieved | Target not achieved. | Implement Financial Recovery Strategy | Financial Ratios. |

**84**



|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **IDP reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's**  **performance 2018/19-** | | **Overall Performance for 2019/20** | | | | | |
| **Annu**  **al Target** | **Annua**  **l Actual** | **Annual Target** | **Annual Actual** | **Achieved** | **Performan**  **ce Comment** | **Corrective Measures** | **Proof of Evidence** |
| NKP I 3 | KPA7:  Financi al Viabilit y | Financi al Servic es | Financial Viability measured in terms of debt coverage ratio for the financial year | Debt coverage ratio calculated as follows:  (Total revenue received – Total grants)/debt service payments due within  the year) | Contr ol | - | - | - | - | N/A | Target not achieved | Target not achieved. | Implement Financial Recovery Strategy | Financial Ratios. |
| KPI 26 | KPA7:  Financi al Viabilit y | Financi al Servic es | Compliance with GRAP to ensure effective capital asset management (PPE;  Intangible; Investment Property, Biological and Heritage  Assets) | Number of findings in the external Audit report on non- compliance with GRAP not exceeding 2 findings | Contr ol | - | - | - | - | N/A | Target not achieved | Target not achieved. | Improve Complianc e Measures. | Audit Findings. |

**85**



|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **IDP reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's**  **performance 2018/19-** | | **Overall Performance for 2019/20** | | | | | |
| **Annu**  **al Target** | **Annua**  **l Actual** | **Annual Target** | **Annual Actual** | **Achieved** | **Performan**  **ce Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI. 25 | KPA7:  Financi al Viabilit y | Financi al Servic es | Maintaining an acceptable Long-Term Debt as a percentage of revenue as set out in the Borrowing Funds and Reserves Policy | Long Term Debt as percentage of revenue: Calculated as Total Long-term debt/Total Operating Revenue - Conditional Grants and Transfers x 100 | Contr ol | 1 | 1 | 1 | 1 | 1 | Target achieved | Target achieved |  | Samras report |
| NKP I 4 | KPA7:  Financi al Viabilit y | Financi al Servic es | Sound financial management by maintaining an acceptable Liquidity Ratio | Liquidity Ratio: Calculated as monetary assets (Current Assets - Inventory)/ Current Liabilities | Contr ol | - | - | - | 1.5 | 0.30 | Target not achieved | Target not achieved. | Implement Financial Recovery Strategy | Financial Ratios. |

**86**



|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **IDP reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's**  **performance 2018/19-** | | **Overall Performance for 2019/20** | | | | | |
| **Annu**  **al Target** | **Annua**  **l Actual** | **Annual Target** | **Annual Actual** | **Achieved** | **Performan**  **ce Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI 28 | KPA7:  Financi al Viabilit y | Financi al Servic es | Maintain a financially unqualified audit with findings opinion | Obtain an unqualified audit opinion as per the Auditor-General Report | Contr ol | 1 | 1 | 1 | 1 | Qualifie d Audit Opinion | Target not achieved | Target not achieved. | Improve Complianc e Measures. | Audit Findings. |
| KPI 29 | KPA7:  Financi al Viabilit y | Financi al Servic es | Establish a functional financial management and accounting system by implementing all the mSCOA  reforms | Submit mSCOA implementation plan to Municipal Manager by 30  September 2019 | Contr ol | NEW KPI | - | - | 1 | 1 | Target achieved |  |  | MSCOA  reforms submitted to the MM |

**87**



|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **IDP reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's**  **performance 2018/19-** | | **Overall Performance for 2019/20** | | | | | |
| **Annu**  **al Target** | **Annua**  **l Actual** | **Annual Target** | **Annual Actual** | **Achieved** | **Performan**  **ce Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI 28 | KPA7:  Financi al Viabilit y | Financi al Servic es | Enforce compliance to the process whereby expenditure is authorised, approved and incurred as per the approved budget and within the limits of the financial recovery plan | Conduct regular meetings between the Administrator, Implementation Manager, the CFO and the MM to review expenditure before it is incurred. (The principle of “no budget, no procurement” is applied) | Mech anism | NEW KPI | - | - | 5 | 11 | Target achieved |  |  | Meeting attendanc e |
| KPI 29 | KPA7:  Financi al Viabilit y | Financi al Servic es | Ensure that business continuity matters are adhere to in terms of all ICT systems | Compile a business and action plan, including funding requirements to address the identified ICT deficiencies for submission | activit y | NEW KPI | - | - | 1 | 1 | Target achieved |  |  | Proof of submitted business plan |



|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **IDP reference** | **KPA** | **Department** | **Indicator** | **Unit of Measurement** | **Type** | **Baseline** | **Performance Comparison of prior and current financial years** | | | | | | | |
| **Prior year's**  **performance 2018/19-** | | **Overall Performance for 2019/20** | | | | | |
| **Annu**  **al Target** | **Annua**  **l Actual** | **Annual Target** | **Annual Actual** | **Achieved** | **Performan**  **ce Comment** | **Corrective Measures** | **Proof of Evidence** |
| KPI 30 | KPA7:  Financi al Viabilit y | Financi al Servic es | Compile and submit cost- effective tariffs by 31  January 2020 for consideration in 2020/21 budget | Cost-reflective tariffs that cover the costs of services delivered as per legislative requirements | Contr ol | NEW KPI | - | - | 1 | 1 | Target achieved |  |  | Tariff listing |
| KPI 31 | KPA7:  Financi al Viabilit y | Financi al Servic es | Develop and submit a capital reserve fund policy for approval by Council | Develop and approve the capital reserve fund policy | Mech anism | NEW KPI | - | - | 1 | 1 | Target achieved |  |  | Capital reserve fund policy |

**TABLE 39: PDO 7: TO STRIVE TOWARDS A FINANCIALLY SUSTAINABLE MUNICIPALITY**

**88**



### COMPONENT A: BASIC SERVICES:

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services. Please note that the municipality is in process of comparing the municipal statistics to MERO and LGSEP statistics to ensure proper alignment.

3.1 WATER PROVISION

The table below indicates the access to water from 2018/19 and 2019/20 per financial year.

|  |  |  |
| --- | --- | --- |
| **Water Service Delivery Levels** |  |  |
| **Households** |  |  |
| **Description** | **2018/19** | **2019/20** |
|  |  |
|  |
| ***Water:* (above min level)** |  | 4932 |
| Piped water inside dwelling | 4915 |
| Piped water inside yard (but not in dwelling)(backyard dwellers) | 0 |
| Using public tap (within 200m from dwelling ) | 0 |
| Other water supply (within 200m) |  |
| *Minimum Service Level and Above sub-total* |  |  |
| *Minimum Service Level and Above Percentage* |  |  |
| ***Water:* (below min level)** |  |  |
| Using public tap (more than 200m from dwelling) |
| Other water supply (more than 200m from dwelling |
| No water supply |
| *Below Minimum Service Level sub-total* |  |  |
| *Below Minimum Service Level Percentage* |  |  |
| **Total number of households\*** | 4915 | 4932 |

TABLE 40: WATER SERVICE DELIVERY LEVELS – SOURCE: SAMRAS (MUNICIPAL STATISTICS)

**LADISMITH:** (PLEASE PROVIDE INFO REGARDING LADISMITH WATER SITUATION.

All households have access to basic water services which means that water is available within 200 meters from their dwellings/houses. All the houses in the urban areas of Kannaland Municipality are provided with individual water connections except for informal areas. Stand pipes are provided in the informal areas as a temporary emergency service.

The waterworks have been upgraded to provide better quality water. The Municipality received funding from WSIG to equip the borehole no T1 with the necessary equipment and pump in addition to support other boreholes. Drought relief funding was received from Provincial

**89**



Government for the upgrading of existing boreholes and developing borehole monitoring for deep borehole drilling.

The construction of a storage dam is urgently needed as the existing dams does not have the adequate storage capacity. The town has no water security for more than six months. Clean drinking water storage capacity is required therefore a new infrastructure network upgrade is required.

Due to budget constraints the Municipality applied for funding support to ensure water security projects could been enabled. The following measures were put in place for the different support:

* Additional boreholes drilling and equipping. It must be noted that operating boreholes is expensive because of the associated electricity cost;
* Business plans have been submitted for approval for a new 3 mega-litre reservoir
* Refurbishment of old piped networks.

Van Wyksdorp

One million rand was received from the Western Cape Provincial Department for drought relief to ensure that the drilling and equip of borehole is executed. Unfortunately the borehole was tested and not suitable for use. This resulted that plus minus R300 000 was rolled over for testing of other existing boreholes. The Municipality still faces the challenge in Van Wyksdorp where the waterworks needs to be upgraded.

Storage boreholes are a big problem. Raw water reservoirs must be upgraded. Upgrading of existing networks is necessary. Funds must be applied for at Province and National to improve the situation.

The current situation is that too little raw water is received for purification, especially in the summer months, and that reservoirs have to be emptied and water turns have to be introduced. Storage capacity is also a serious problem at present. New boreholes need to be exploited to address the shortcomings.

The current water losses are 33.14% and below is the reasons and remedial actions to reduce the losses to the norm:

* Faulty meters
* Leakages on existing pipelines and reservoirs
* By-pass on water meters

**90**



**91**

* Unaccounted water losses

Various rural settlements and farm schools experience problems with sustainable access to and consistency of water sources, and the quality of the water available for domestic usage. Farm schools are in some instances serviced by municipal water tankers, to supply water for basic sanitation and human consumption.

Zoar

Waterworks have been upgraded with the help of funds from Province (drought relief). Challenges are the expansion of existing Tierkloof Dam and development of new boreholes. Funds must be obtained from Province and National to minimize the challenges. Current situation is the lack of storage capacity for raw water and develop new boreholes to replenish raw water and then upgrade network along with build extra reservoirs for storage of treated water.

Calitzdorp

Replacement of raw water line from Nelsdam to waterworks. Construction of new reservoir at Bloekomlaan. Challenges are the replenishment of raw water through the development of new boreholes. Current raw water source comes from Nelsdam which belongs to the irrigation board and which we have to pay dearly for the consumption. Upgrading of existing waterworks is necessary. Apply for funds from Province or National. Current situation is that if Nelsdam is low the municipality has no other sources of raw water. Boreholes must be developed to increase raw demand.

The table below indicates the total use of water by sector in kilolitres from 2018/19 and 2019/20 per financial year

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Total Use of Water by Sector 2018/19 and 2019/20** | | | | |
| Years | **Commercial** | **Industrial** | **Domestic** | **Unaccountable water losses (R)** |
| **2018/19** | - | 402 000 | 694 667 | -802 446 |
| 2019/20 | - |  |  |  |

TABLE 41: TOTAL USE OF WATER BY SECTORS – SOURCE: SAMRAS (MUNICIPAL STATISTICS)



The tables below indicates the financial performance, capital expenditure and performance information (strategic objectives), for 2018/19 and 2019/20 financial year:

The table below indicates the financial performance of water services for the year under review:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Financial Performance 2018/19 -2019/2020: Water Services | | | | | |
|  | | | | | |
| Details | **2018/19** | **2019/20** | | | |
| **Actual** | **Original Budget** | **Adjustment Budget** | **Actual** | **Variance to**  **Budget** |
| Total Operational Revenue | R22 913 693 | R46 059 410 | R43 724 995 | R34 429 113 | 127% |
| **Expenditure:** |  |  |  |  |  |
| **Employees** | R3 411 292,87 | R3 297 100 | R4 730 830 | R4 518 989 | 105% |
| **Repairs and Maintenance** | - |  |  |  |  |
| **Other** | R13 255 706,00 | R88 898 570 | R7 963 463 | R4 414 875 | 180% |
| Total Operational Expenditure | R16 666 998,87 | R92 195 670 | R12 694 293 | R8 933 865 | 142% |
| Net Operational Expenditure | R6 246 694,13 | -R46 136 260 | R31 030 702 | R25 495 248 |  |

TABLE 42: FINANCIAL PERFORMANCE OF WATER SERVICES - 2019/20 - SOURCE: AFS

The table below indicated the capital expenditure for the year under review:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Capital Expenditure: 2019/20 Water Services | | | | | |
| Capital Projects | **2019/20** | | | | |
| **Budget** | **Adjustment Budget** | **Actual Expenditure** | **Variance from original budget** | **Total Project Value** |
| **Total All** | R95 436 125 | R44 163 248 | R8 344 496 | R35 818 752,46 |  |

**TABLE 43: CAPITAL EXPENDITURE OF WATER SERVICES – 2019/20 - SOURCE: AFS**

The table below indicates the water services policy objectives taken from the IDP:

**92**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Water Service Policy Objectives Taken From IDP** | | | | | |  |
|  | **Outline** | **2018/19** | | **2019/20** | |
| **Service Objectives** | **Service** | **Target** | **Actual** | **Target** | **Actual** |
|  | **Targets** |
| Number of formal | Number of | 4870 | 4915 | 4914 | 4932 |
| residential properties that | residential |  |  |  |  |
| receives piped water | properties |  |  |  |  |
| connected to the | which are |  |  |  |  |



|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| municipal water infrastructure network as at 30 June 2020 | billed for water services as at 30 June  2020 |  |  |  |  |

TABLE 44: WATER SERVICE POLICY OBJECTIVES TAKEN FROM THE IDP - 2019/20 - SOURCE: SAMRAS (MUNICIPAL STATISTICS)

3.2 WASTE WATER (SANITATION) PROVISION

###### Sanitation:

The majority of households are connected to waterborne sanitation systems in the Kannaland area. The Municipality is intending to replace all bucket systems with water borne system, however funding needs to be sourced to implement this project. No major infrastructure projects was executed due the lack of funding to support the projects.

Ladismith

Currently, sanitation gravitates to the WWTW which comprises a primary settling tank, bio- filter, and humus settling tank and sludge facilities (anaerobic digester and sludge drying beds).

No projects were launched for 19/20 in all the towns. Funds were allocated but taken back.

Upgrading existing sewerage works is urgent as it is over its capacity. No new houses can be built. Challenges are also the flushing of main sewer lines that are full of sediment.

Current situation is that sewerage works must be upgraded as soon as possible and main lines must be flushed. Funds must be applied for beforehand. Provision of sanitation services at informal housing required

Zoar

The majority of households are connected to waterborne sanitation systems in the Kannaland area. A few households throughout the municipal area are connected to septic or conservancy tanks and ten households in Zoar still use the bucket system. This project is listed for future intervention.

Challenges are that extra staff must be appointed for maintenance of works.

Current situation is that the sewers at dams need to be upgraded and pump stations upgraded. Funds must be applied for at WSIG - Provision of services at informal areas is still a challenges and remain a priority.

Calitzdorp

**93**



The municipality is also planning to replace the septic and conservancy tanks in the coming years by linking those households to the bulk infrastructure network throughout the Calitzdorp area. This project is listed for future intervention.

Vanwyksdorp

Ninety households in Vanwyksdorp Greenhills area are connected to a waterborne system which gravitates to a package plant for treatment. Provision of services at informal areas is still a challenges and remain a priority.

The table below indicates the sanitation service levels:

|  |  |  |
| --- | --- | --- |
| **Sanitation Service Delivery Levels** | | |
| **\*Households** | | |
| **Description** | **2018/19** | **2019/20** |
| Outcome | Outcome |
|  | No. | No. |
| ***Sanitation/sewerage:* (above minimum level)** |  |  |
| Flush toilet (connected to sewerage) | 4459 | 4468 |
| Flush toilet (with septic tank) | - | - |
| Chemical toilet | - | - |
| Pit toilet (ventilated) | - | - |
| Other toilet provisions (above min.service level) | - | - |
| *Minimum Service Level and Above sub-total* | - | - |
| *Minimum Service Level and Above Percentage* | - | - |
| ***Sanitation/sewerage:* (below minimum level)** | - | - |
| Bucket toilet | - | - |
| Other toilet provisions (below min.service level) | - | - |
| No toilet provisions | - | - |
| *Below Minimum Service Level sub-total* | - | - |
| *Below Minimum Service Level Percentage* | - | - |
| **Total households** | 4459 | 4468 |

*TABLE 45 - SANITATION SERVICE DELIVERY LEVELS 2018/19 AND 2019/20-* SOURCE: SAMRAS (MUNICIPAL STATISTICS)

The tables below indicates the financial performance and capital expenditure for 2019/20 financial year:

The table below indicates the financial performance for the year under review:

**94**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Financial Performance for financial year 2018/19 to 202019/20: Sanitation Services | | | | | |
| R'000 | | | | | |
| Details | **2018/19** | **2019/20** | | | |
| **Actual** | **Original Budget** | **Adjustment Budget** | **Actual** | **Varianc e to**  **Budget** |



|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Total  Operationa l Revenue | 7 093  307,00 | 28 767  590,00 | 13 767  590,00 | 7 682  211,56 |  |
| Expenditur e: |  |  |  |  |  |
| Employees | 2 340  764,00 | 2 067  200,00 | 3 098  010,00 | 2 844  305,53 |  |
| Repairs and Maintenan  ce |  |  |  |  |  |
| Other | 7 191  350,00 | 4 539  884,00 | 4 022  790,00 | 2 865  347,12 |  |
| Total Operationa l Expenditur  e | 9 532  114,00 | 6 607  084,00 | 7 120  800,00 | 5 709  652,65 |  |
| Net Operationa l Expenditur  e | - 2 438  807,00 | 22 160  506,00 | 6 646  790,00 | 1 972  558,91 |  |

**TABLE 46: FINANCIAL PERFORMANCE OF SANITATION SERVICES - 2019/20-** SOURCE: AFS

There were no capital funding received for sanitation services for the financial year under review

Below is the policy objectives taken from the IDP for the financial year under review:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sanitation Service Policy Objectives Taken From IDP** | | | | | |
| **Service Objectives** | **Outline Service Targets** | **2018/19** | | **2019/20** | |
| **Targe**  **t** | **Actual** | **Target** | **Actual** |
| Number of formal residential | Number of | 4373 | 4459 | 4460 | 4468 |
| properties connected to the | residential |  |  |  |  |
| municipal waste water | properties which |  |  |  |  |
| sanitation/sewerage network | are billed for |  |  |  |  |
| billed for the service as at 30 | water meters |  |  |  |  |
| June 2020 |  |  |  |  |  |

**TABLE 47: SANITATION SERVICE POLICY OBJECTIVES TAKEN FROM IDP**

3.3 ELECTRICITY

**95**



Electricity is the main energy source of households. The Kannaland Municipality is responsible for the provision of electricity to Ladismith and Calitzdorp, whilst Zoar and Van Wyksdorp are supplied by ESKOM.

Kannaland infrastructure is outdated and in need of urgent upgrade. The Municipality has over the past four years invested in new infrastructure to ensure secured electricity distribution to businesses and the community. The current substation in Calitzdorp has an electricity usage capacity of 1.7 MVA and the availability of electricity is 1.2 MVA.

No major infrastructure projects were completed, it must be take into account that the Municipality rendered services to the community of Kannaland.

It is imperative that the electricity infrastructure be maintained at all times in order to identify where upgrading on aged infrastructure is needed. Upgrading and refurbishment of infrastructure will result in a secure revenue stream as well as quality services delivered to the residents of Kannaland. The capital expenditure is a roll over project from the prior year.

The table below indicates all highlights, challenges and interventions incurred by the municipality:

|  |  |  |
| --- | --- | --- |
| **HIGHLIGHTS** | **CHALLENGES** | **INTERVENTIONS** |
| Completion of the upgrade of the Ladismith electricity main sub station | Significant financial constraints:  Fleet  Lack of staff / training  Tools and equipment and materials  Safety and security | Submission of  applications/business plans to sector departments for funding. |

**TABLE 48: HIGHLIGHTS, CHALLENGES AND INTERVENTIONS**

Despite the challenges listed, the municipality provide adequate services to their community and businesses.

It is imperative that the electricity infrastructure be maintained at all times in order to identify where upgrading on aged infrastructure is needed. Upgrading and refurbishment of infrastructure will result in a secure revenue stream as well as quality services delivered to the residents of Kannaland.

|  |  |  |  |
| --- | --- | --- | --- |
| Electricity Service Delivery Levels | | | **96** |
| Households | | |
| Description | 2018/19 | 2019/20 |
| Actual | Actual |
| No. | No. |
| Energy: (above minimum level) |  |  |
| Electricity - Conventional | 439 | 420 |



|  |  |  |
| --- | --- | --- |
|  |  |  |
| Electricity - prepaid | 3091 | 1689 |
| Minimum Service Level and Above sub-total | 3530 |  |
| Minimum Service Level and Above Percentage |  |  |
| Energy: (below minimum level) |  |  |
| Electricity (< min.service level) |  |  |
| Below Minimum Service Level sub-total |  |  |
| Below Minimum Service Level Percentage |  |  |
| Total number of households | 3530 | 2109 |

TABLE 49 - ELECTRICITY SERVICE DELIVERY LEVELS 2017-2018 AND 2019/20- SOURCE: SAMRAS (MUNICIPAL STATISTICS)

The tables below indicates financial performance and capital expenditure for 2019/20 financial year:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Financial Performance for the financial year 2018/19 to 2019/20: Electricity Services | | | | | | | | | |
| R'000 | | | | | | | | | |
| Details | **2018/19** | | **2019/20** | | | | | | |
| **Actual** | | **Original Budget** | | **Adjustment Budget** | | **Actual** | | **Varianc e to**  **Budget** |
| Total Operationa  l Revenue | 45  816,00 | 105 | 64  430,00 | 873 | 66  340,00 | 270 | 53  150,41 | 144 |  |
| Expenditur e: |  | |  | |  | |  | |  |
| Employees | 3  552,94 | 992 | 3  400,00 | 733 | 3  400,00 | 989 | 3  752,16 | 670 |  |
| Repairs and  Maintenan ce | - | |  | |  | |  | |  |
| Other | 40  353,00 | 104 | 47  003,00 | 199 | 45  540,00 | 077 | 45  101,70 | 267 |  |
| Total Operationa l Expenditur  e | 39  524,81 | 596 | 50  403,00 | 932 | 49  940,00 | 066 | 48  853,86 | 937 |  |
| Net Operationa l  Expenditur e | 5  291,19 | 509 | 13  027,00 | 941 | 17  400,00 | 203 | 4  296,55 | 206 |  |

**TABLE 50: FINANCIAL PERFORMANCE PER ELECTRICITY SERVICES -** SOURCE: AFS

**97**



|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Capital Expenditure 2019/20: Electricity Services | | | | | |
| R' 000 | | | | | |
| Capital Projects | **2019/20** | | | | |
| **Budget** | **Adjustment Budget** | **Actual Expenditure** | **Variance from original**  **budget** | **Total Project Value** |
| Total All |  |  |  |  |  |
|  |  |  |  |  |  |
| Ladismith Bulk Electricity | 2901000 | 2901000 | 202000 | 7% |  |

**TABLE 51: CAPITAL EXPENDITURE PER ELECTRICITY SERVICES 2019/20 -** SOURCE: AFS

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Electricity Service Policy Objectives Taken From IDP** | | | | | |
| **Service Objectives** | **Outline Service Targets** | **2018/19** | | **2019/20** | |
| **Target** | **Actual** | **Target** | **Actual** |
| Number of formal | Number of | 2665 | 3530 | Prepaid: | Prepaid: 1689 |
| residential | residential |  |  | 3086 | Conventional |
| properties | properties |  |  | Conventional | 420 |
| connected to the | which are |  |  | 439 |  |
| municipal | billed for |  |  |  |  |
| electrical | electricity or |  |  |  |  |
| infrastructure | have pre-paid |  |  |  |  |
| network | meters. |  |  |  |  |

**TABLE 52: ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM THE IDP – 2018/19 AND 2019/20**

3.4 WASTE MANAGEMENT

Kannaland Municipality operates four licensed landfill sites. Operational sites are situated in Ladismith and Zoar. The landfill site in Calitzdorp is licensed for closure and therefore only organic waste and building rubble is accepted at this site. Household and business waste from Ladismith, Calitzdorp and Zoar are collected on a weekly basis and disposed at the Ladismith and Zoar Landfill sites.

Household and business waste from Vanwyksdorp is collected every week and disposed of at the Ladismith landfill site. Factories, namely Ladismith Kaas and Parmalat dispose their waste, mostly commercial and industrial waste at the Ladismith Landfill site at a daily base. The Municipality does not provide waste collection services to farms, but farmers are encouraged to drop off their waste at the various landfill sites.

**98**

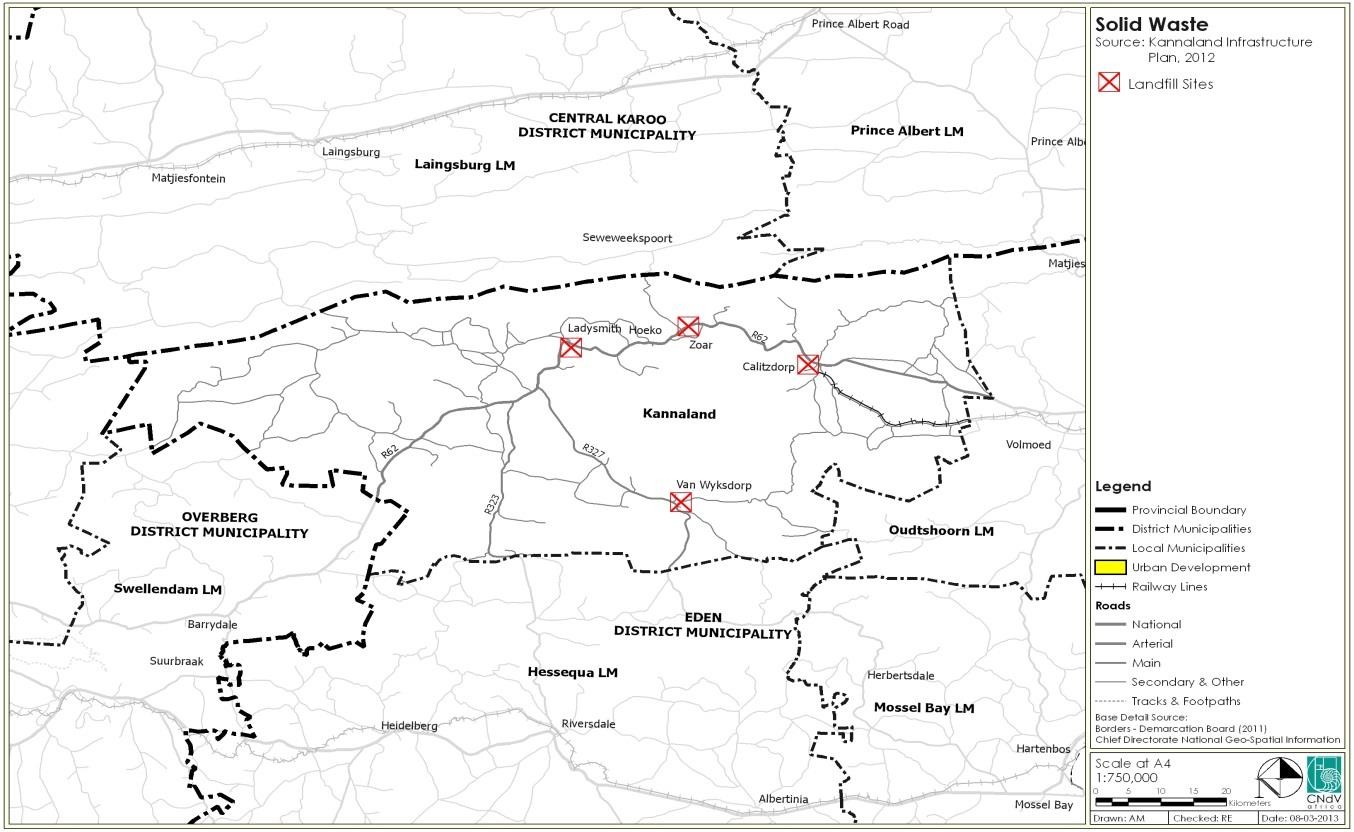


**99**

All 4 landfill sites in Ladismith, Zoar, Calitzdorp and Vanwyksdorp has been suitably licensed during 2019/20 financial year.

Ladismith and Zoar has operational licenses in and Calitzdorp and Vanwyksdorp has been licensed for closure.

The following illustrates all licensed landfill sites:



*FIGURE 1: LANDFILL SITES – AS INDICATED IN SDF FIGURE 3.4.7.1*

The following illustrates the estimated waste which was generated per operational landfill site:

LADISMITH LANDFILL SITE



ZOAR LANDFILL SITE

140

120

100

80

60

40

20

0

Construction and

demolition waste

Organic waste

Commercial and industrial

waste

Municipal Waste

25

20

15

Construction and

demolition waste

Organic waste

10

5

0

Commercial and industrial

waste

Municipal waste

Jul-18

Aug-18 Sep-18 Oct-18 Nov-18 Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19

Jun-19

Source: Waste Activity Management Reports

Jul-18

Aug-18 Sep-18 Oct-18 Nov-18 Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19

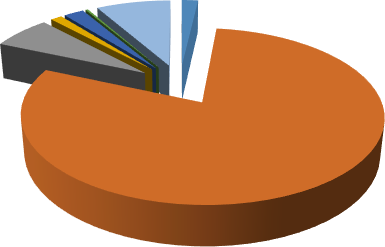
Jun-19

**WASTE MINIMISATION BY CLORANS DEVELOPMENT:**

**100**



**101**



**Kilograms**

PET/R K4/R CM/R TETRA/R HDPE/R

**YOUTH COMMUNITY OUTREACH PROGRAMME:**

The Municipality is in partnership with Department Environmental Affairs and has been awarded the Youth Community Outreach Programme. Through this programme a Youth Environmental Coordinator has been deployed to Kannaland Municipality. A further 22 beneficiaries will be employed from within the municipal area. The Coordinator has been conducting schools audits at various schools identifying environmental needs in schools.

The Coordinator has conducted a schools audit report to establish the needs of the identified schools. Awareness programs were held during May and June 2019

###### MAY 2019

|  |  |
| --- | --- |
| Name of the school | Towerkop Primary School |
| Ages | 11-12 years and 12-13 years |
| Group size | 86 (1st group) and 107( 2nd group) |
| Level of education | Grade 6 and Grade 7 |
| Socio-economic background | Middle class |
| Languages | Afrikaans |
| Race | Coloured |
| Knowledge of the topic | Little knowledge about the topic |



###### Showing the learners in Towerkop Primary School during ECO Break demonstration

Environmental Awareness/Education- Hoerskool Ladismith – International Biodiversity Day

|  |  |
| --- | --- |
| Name of the school | Hoerskool Ladismith |
| Ages | 11-12 years |
| Group size | 28 |
| Level of education | Grade 6 |
| Socio-economic background | Middle class |
| Languages | Afrikaans |
| Race | Coloured |
| Knowledge of the topic | No knowledge about the topic |



Learners in Hoerskool Ladismith during the International Biodiversity Day celebration

**102**



JUNE 2019 – WORLD ENVIRONMENT DAY

|  |  |
| --- | --- |
| Name of the school | Van Wyksdorp Primary School |
| Ages | 12-13 years |
| Group size | 32 |
| Level of education | Grade 5 |
| Socio-economic background | Middle class |
| Languages | Afrikaans |
| Race | Coloured |
| Knowledge of the topic | Little to no knowledge of the topic |





Showing the learners in Van Wyksdorp Primary school during the presentation

In partnership with Department of Environmental Affairs the Municipality has compiled it’s Second Generation Waste Management Plan in line with the National Waste Strategy which consist of the following goals:

* Promote, educate and raise awareness w.r.t integrated waste management
* Improve waste information management
* Ensure the effective and efficient delivery of integrated waste management services
* Promote waste minimization through the re-use, recycling and recovery of waste
* Improve regulatory compliance
* Ensure the safe and integrated management of hazardous waste
* Ensure the sound budgeting and financial management for IWM services

**103**

GOALS

2019/20



|  |  |
| --- | --- |
| Promote, educate and raise awareness w.r.t Integrated Waste Management | Awareness and education programmes were conducted at schools  District Waste Management Officers Forum meetings were attended |
| Improve waste information management | Training has been received on DEADP Calculator system  Regular reporting is done on iPWIS  A waste characterization study has been conducted |
| Ensure the effective and efficient delivery of Integrated Waste Management services | The Municipality offers removals once per week for household and business |
| Improve regulatory compliance | All landfill sites have been suitably licensed during the 2019/20 financial year  Budgetery constraints complicates the ability to comply to permit conditions |
| Ensure the safe and integrated management of hazardous waste | Hazardous waste is being managed effectively at hospitals, clinics, consulting rooms and businesses in Kannaland Municipality |
| Ensure the sound budgeting and financial  management of IWM services | There are still budget constraints |

The Second Generation Integrated Waste Management Plan is currently being reviewed. Kannaland Municipality has entered into a Service Level Agreement for the revision of the Integrated Waste Management Plan. GIBB is the appointed service provider who will be reviewing and developing the Third Generation Integrated Waste Management Plan.

**104**

Engagements were held between Kannaland Municipality and Department of Environmental Affairs and Developmental Planning for the initiation of a separation at source project in Ladismith and Calitzdorp.



Kannaland Municipality together with Garden Route District Municipality had a waste characterisation study and the Waste Characterisation Report was adopted by Council.

The Kannaland Municipality Waste Minimization Strategy was also adopted by Council.

**PERSONNEL**:

The Kannaland Municipality has during the 2019/20 financial year appointed a supervisor for the landfill sites. 2 General workers were permanently appointed at the Ladismith landfill site and 1 general worker was permanently employed at the Zoar landfill site.

###### TRAINING AND CAPACITY BUILDING:

The following are the training and capacity building initiatives:

|  |  |  |
| --- | --- | --- |
| TRAINING/CAPACITY BUILDING ATTENDED | DEPARTMENT/INSTITUTION | NO OF  EMPLOYEES THAT ATTENDED |
| Integrated Waste Management  Training | Institute of Waste Management | 1 |
| iPWIS Training | Department of Environmental  Affairs and Developmental Planning | 3 |
| Collaborator Training | Collaborator | 1 |

###### AIR QUALITY MANAGEMENT:

SLA was undertaken by Kannaland Municipality and Garden Route District Municipality whereby Lethabo Air Quality Specialist is the appointed as the service provider.

The draft Air Quality Management Plan has been finalised and published for public commenting at the Ladismith library as well as on the Cape EAPrac website.

An Air Quality Officer has been appointed in terms of NEM:AQA (Act 39 of 2004).

###### Awareness and Education:

An Awareness program was held together with Cape Nature and Department Environmental Affairs and Developmental Planning as well as Local Government Support for Department of Environmental Affairs.

**105**

|  |  |
| --- | --- |
| Name of the school | Van Wyksdorp Primary School |
| Ages | 12-13 years |
| Group size | 32 |
| Level of education | Grade 5 |
| Socio-economic background | Middle class |
| Languages | Afrikaans |



|  |  |
| --- | --- |
| Race | Coloured |
| Knowledge of the topic | Little to no knowledge of the topic |



Group photo with the class of Grade 5 in Van Wyksdorp Primary School

The table below indicates the capital performance:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial Performance 2019/20: Solid Waste Management Services** | | | | | **106** |
| **R'000** | | | | |
| **Details** | **2019/20** | | | |
| **Original**  **Budget** | **Adjustment**  **Budget** | **Actual** | **Variance**  **to Budget** |
| **Total Operational Revenue** | 7 205 138,00 | 6 756 138,00 | 6 722 692,00 | -7% |
| Expenditure: |  |  |  |  |



|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Employees | 2 185 750,00 | 2 268 750,00 | 2 818 805,57 | 22% |
| Repairs and Maintenance |  |  |  |  |
| Other | 3 178 625,00 | 3 614 715,00 | -352 783,00 | 1001% |
| **Total Operational Expenditure** | 5 364 375,00 | 5 883 465,00 | 2 466 022,57 | -118% |
| **Net Operational Expenditure** | -1 840 763,00 | -872 673,00 | -4 256 669,43 | 57% |

**TABLE 53: FINANCIAL PERFORMANCE OF SOLID WASTE MANAGEMENT SERVICES - AFS**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Capital Expenditure 2019/20: Waste Management Services** | | | | | |
|  |  |  |  |  | **R' 000** |
| **Capital Projects** | **2019/20** | | | | |
| **Budget** | **Adjustment Budget** | **Actual Expenditure** | **Variance from original budget** | **Total Project Value** |
| Total All | 391000 | 391000 | 340000 | -15% |  |
|  | | | | | |
| Project A | 391000 | 391000 | 340000 | -15% | 0 |
| Project B | 0 | 0 | 0 | #DIV/0! | 0 |
| Project C | 0 | 0 | 0 | #DIV/0! | 0 |
| Project D | 0 | 0 | 0 | #DIV/0! | 0 |

**TABLE 54: CAPITAL EXPENDITURE –WASTE MANAGEMENT SERVICES – SOURCE AFS**

Below is the service policy objectives taken from the IDP for the financial year under review:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Waste Service Policy Objectives Taken From IDP** | | | | | |
| **Service Objectives** | **Outline Service Targets** | **2017/2018** | | **2019/20** | |
| **Target** | **Actual** | **Target** | **Actual** |
| Number of formal | Number of | 4716 | 4861 | 4800 | 4811 |
| residential | residential |  |  |  |  |
| properties for | properties |  |  |  |  |
| which refuse is | which are |  |  |  |  |
| removed once per | billed for |  |  |  |  |
| week and billed for | sewerage |  |  |  |  |
| the service as at | (Debtors |  |  |  |  |
| 30 June 2019 | listing) |  |  |  |  |

**TABLE 55: WASTE SERVICE POLICY OBJECTIVES TAKEN FROM THE IDP**

**107**



3.5 HOUSING

Kannaland Municipality appointed CHS Developments as Implementing Agent for the development and construction of low-cost houses and associated infrastructure for the Municipality in terms of Regulation 32 of the Municipal Supply Chain Regulations with effect from October 2019 for a three-year period.

Applications were submitted during the course of 2019 to the Western Cape Provincial Department of Human Settlements for the following projects:

1. Parmalat site, Ladismith where 280 housing units will be developed;
2. Middleton Street site with 78 Finance Linked Individual Subsidy (FLISP) housing units. This project subsequently changed from FLISP (GAP) housing to Community Residential Units (CRU).
3. Upgrading of Informal Settlement (UISP) in Zoar, where an informal settlement will be formalised. After completion of the project residents of the informal settlement will have access to basic services. At the moment residents of the informal settlement do not have access to basic services.
4. Zoar Maxi’s site, where 100 housing units will be developed.

Some of our less fortunate experiences were the fact that the Municipality could not deliver basic services to informal settlements to a certain extent. A challenge which we are facing is the fact that bulk services cannot be delivered in informal settlements because plots in these areas which cannot be formalised.

A constraint which hampers service delivery in the informal settlements is the absence of bulk basic services which cannot be delivered to some of these settlements. Environmental Impact Assessments have to be conducted to ascertain whether these areas occupied to erect informal settlements are conducive for occupancy. Applications to deliver bulk basic services in informal settlements were submitted to Municipal Infrastructure Grant (MIG) through Technical Services Department in March 2018. The application was however declined because the plots were not registered.

The provision of affordable housing is a high priority for the Municipality. Challenges do exist with regards to the capacity of bulk infrastructure services with specific reference to waste water treatment works, water storage and water works. This has delayed the delivery of housing projects over the past few years which has resulted in the significant increase on the housing demand.

The Municipality developed a Human Settlement Allocation Policy which regulates the housing demand and the allocation of housing opportunities to the different categories on our Housing Demand Database.

**108**



No houses have been built during the year under review but a significant number of title deeds for houses were transferred to respective beneficiaries across the municipal area.

The tables below indicates the financial performance and capital expenditure for 2017/18 financial year:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Financial Performance for the financial year 2018/19 - 2019/20: Housing Services | | | | | | | |
| R'000 | | | | | | | |
| Details | | **2018/19** | | **2019/20** | | | |
| **Actual** | | **Original Budget** | **Adjustment Budget** | **Actual** | **Variance to**  **Budget** |
| Total Revenue | Operational | 789 521,64 | | 380000 | 380000 |  |  |
| Expenditure: | |  | |  |  |  |  |
| Employees | | 931 131,39 | | 1202800 | 1075650 | 792628 | 74% |
| Repairs Maintenance | and | - | |  |  |  |  |
| Other | | 1 108 723,21 | | 413715 | 2391765 | 8210 | 0% |
| Total Expenditure | Operational | 2 039 854,60 | | 1616515 | 3467415 | 800838 | 23% |
| Net Expenditure | Operational | - | 1 250 332,96 | -1236515 | -3087415 | -800838 | 26% |

**TABLE 56: FINANCIAL PERFORMANCES OF HOUSING SERVICES -** SOURCE: AFS

No capital expenditure incurred for housing development for the year under review.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic municipal services are rendered to all urban areas and some rural areas within the municipal boundaries. The objective of Kannaland Municipality is to ensure that the procedures and guidelines, regarding indigent household subsidies, are known to all.

This action is usually done through public participation meetings, ward committee meetings and councillor feedback meetings. Applications for a subsidy can be made with the assistance of a person in charge of permanent offices in the areas.

Special drives are also performed in the different wards where the community is invited to come and apply for a subsidy at a hall nearby or municipal offices and where they are also assisted with the completion of the applications.

**109**



The tables below indicate the households that received free basic services:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Free Basic Services To Low Income Households** | | | | | | | | |
|  | **Free Basic Water** | | **Free Basic Sanitation** | | **Free Basic Electricity** | | **Free Basic Refuse** | |
| **Access** | **%** | **Access** | **%** | **Access** | **%** | **Access** | **%** |
|  |  |  |  |  |  |  |  |  |
| 2018/19 | 2572 | 100% | 2572 | 100% | 2572 | 100% | 2572 | 2479 |
| 2019/20 | 2479 | 100% | 2479 | 100% | 2479 | 100% | 2479 | 2479 |

**TABLE 57: FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS -** SOURCE: SAMRAS (MUNICIPAL STATISTICS)

## COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

3.1 ROADS AND STORM WATER

Municipal Roads

The Municipality is responsible for the maintenance of roads within the four (4) towns (Ladismith, Calitzdorp, Zoar and Van Wyksdorp).

The Municipality is aware of the challenges with regard to road maintenance in Ladismith and is planning to upgrade all the streets and pavements in Ladismith in the next few financial years. During the 2019/20 financial year, operational maintenance commenced and potholes were filled as a temporary measure.

Storm water systems exist in most of the residential areas. In informal and low-cost housing areas. Daily maintenance consists of opening and cleaning catch pits, manholes, side drains and open channels.

No capital expenditure incurred for the year under review. Challenges in funding projects remain unchanged, however it should be taken into consideration that business plans have been submitted to address the road and storm water backlogs as outlined in the IDP.

**110**



3.2 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

NO INFORMATION

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

3.3 PLANNING

**Building Control**

The Municipality provides a full spectrum of town planning and building control services within the administrative area. The Division Town Planning and Building Control also includes a compliance component which is responsible for the enforcement of the regulations relating to municipal planning and building control, as well as environmental issues – this must be enforced by a bylaw which the Municipality does not consist of yet.

In terms of spatial planning, there is no capacity within the municipality to assist in running the process. The Department of Environmental Affairs and Planning assisted to start with the process of amending the SDF. The Municipality raised the challenges at the Back to Basics with regards to funding or sourcing expertise to support in this matter.

Since the lockdown started, a number 50 building plans have been approved and implemented.

3.4 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The Garden Route District Municipality assisted the Municipality with a tourism strategy and intended a Tourism Indaba, but unfortunately this had to be postponed to a later stage. All strategies and policies can be obtained from the Municipality for further assistance.

**111**

A platform must be developed for for continuous interaction between business sectors, political leadership, the administration and community to build a common understanding on Local Economic Development objectives and outcomes linked to the IDP.



**112**

The objective of the EPWP Phase 4 program is to provide work opportunities and income support to poor and unemployed people through labour intensive work. Various projects has been approved by Council for implementation and the Municipality managed to achieve the target as set out.

The tables below will show the jobs created through EPWP programme during the year under review:

|  |  |  |  |
| --- | --- | --- | --- |
| JOBS CREATED THROUGH EPWP | | | |
| **EPWP Projects**  **2018/19** | **Jobs created through EPWP**  **projects** | **EPWP Projects**  **2019/20** | **Jobs created through EPWP**  **projects** |
| **No** | **No** |
| IG ACCESS CONTROLL AT LANDFILL SITES | 9 | IG ACCESS CONTROL AT LANDFILLSITES | 11 |
| IG BEAUTIFICATION AND CLEANING OF TOWNS | 31 | IG SECURITY SERVICES FOR MUNICIPAL SITES AND DISASTER CONTROL ROOM | 11 |
| IG CLEANING AND BEAUTIFICATION OF KANNALAND TOWNS | 30 | IG WASTE RECYCLING | 16 |
| IG CLEANING AND MAINTENANCE OF MUNICIPAL BUILDINGS | 7 | IG CLEANING AND MAINTENANCE OF MUNICIPAL BUILDINGS | 9 |
| IG CLEANING OF ELECTRICAL SUBSTATIONS AND WORK ARE | 3 | IG BEAUTIFICATION AND CLEANING OF TOWNS | 37 |
| IG CLEANING OF PUBLIC TOILETS | 4 | IG HUMAN RESOURCE INTERNSHIPS | 6 |
|  |  | IG CLEANING OF ELECTRIFICATION SUBSTATIONS | 4 |
|  |  | IG REPARING OF POTHOLES IN CALITZDORP | 7 |
|  |  | IG CLEANING OF SEWERAGE, WATER WORKS AND STORMWATER STRUCTURES | 28 |
|  |  | IG INSTALLATION OF WATERMETERS | 21 |



**TABLE 58: JOBS CREATED THROUGH EPWP**

###### Tourism

The IDP recognises tourism as one of the key economic sectors in the municipality, calling for the development of a tourism master plan or a municipal wide tourism strategy. The local tourism offices need urgent support from the government department to assist in either funding of programs or the development of each town.

The tourism sector can contribute significantly to the reduction of unemployment. Kannaland’s local economy is built on the opportunities created by tourists visiting the area. It is essential that the tourism industry be further developed and investment into this industry be promoted to ensure continuous growth. The aim is that each town should have a tourism satellite office which will reside under the Kannaland Tourism umbrella.

Each town has its unique economical set-up and programs. Given the above, Garden Route District Municipal Council has passed a resolution to support Kannaland Municipality with the development of a tourism strategy; this tourism strategy aims to transform Kannaland into a viable tourist destination to improve local economy.

##### COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

###### LIBRARIES

The municipality renders the library service on an agency basis for the Provincial Government which is funded 100% through grants (Municipal Replacement fund and Conditional Grant) The municipality views the libraries as key to developing the human capital, encouraging people to equip themselves with knowledge and skills in order to lead quality lives.

|  |  |  |
| --- | --- | --- |
| **Libraries** | **Users** | **Stock** |
| **Ladismith** | 5042 | 18941 |
| **Calitzdorp** | 575 | 10882 |
| **Zoar** | 446 | 6851 |
| **Van Wyksdorp** | 101 | 5178 |

*KANNALAND LIBRARY SERVICES*

**113**



|  |  |  |
| --- | --- | --- |
| **Libraries** | **Objects Removed from stock** | **Objects Added to Stock** |
| **Calitzdorp** | **29** | **39** |
| **Ladismith** | **281** | **110** |
| **Van Wyksdorp** | **36** | **3** |
| **Zoar** | **127** | **126** |

Removal of objects from stock take place due to varies reasons, this can be due to stock losses or old and out dated items that are send back to regional libraries. Objects are added to the stock on a quarterly bases but due to budget cuts only n few items are added per annum.

**Ladismith Public Library** is currently operating at its full capacity. An electronic lending system SLIMS has been introduced successfully since September 2011. The circulation with reference to the number of registered users remains high. The RLCP Program has been successfully introduce. The library still struggles to render a service which fills the void created by weak school libraries. Staff in the Ladismith Library attend to the information needs of learners. The library is in need of additional space for individual learners and those working in groups and transport the visit remote farm communities.

The library provides free internet access to users for which the demand is high and increasing due to the effective management of the service. Expansion is vital and is being addressed presently. Additional computers with internet access will be provided.

**Calitzdorp Library** Calitzdorp Library is currently operating at its full capacity. The SLIMS electronic lending system has been introduced October 2017; the library has three computers with internet access for users.

**Zoar Library**: Zoar library is currently operating at its full capacity. The SLIMS electronic lending system has been introduced March 2019 the library has two computers with internet access for users. With an upgrade of 4 new computers in 2020. The library has lots of outreach and literacy programs for young children. This includes a newly established reading club for young adults during the winter periods.

**Van Wyksdorp**: The operating hours were extended. Morning hours were minimized to five hours (8:00 – 13:00) Mondays to Fridays. Extension of the afternoon hours (13:30-16:00) to benefit learners and premises occupied presently are in the process of being reviewed. Van

**114**



Wyksdorp Library is fully functioning on the SLIMS lending system for libraries and has three computers with internet access for the public and learners.

Bergsig and Hoeko Libraries

###### Hoeko Library

The Hoeko valley are located 13 KM outside of Ladismith with a population of round about 600 people living there and a well-known for its seasonal fruits. Kannaland Library Service has a long and fruit full history with the people of Hoeko out of this relationship were and by working closely with the Department of Education came this idea to light to open a satellite library for the people of Hoeko. The opening of the library were planned for March 2020 but could not be finalized due to Covid -19.

###### Bergsig Library

The Bergsig Library is one of the oldest library in the Garden Route District. Kannaland Municipality received funding for the renovation and repair of the Bergsig Library. Due to COVID-19 all process were placed on hold.

**Library Outreach Programs and Displays**

Library outreach programs have been conducted to raise educational awareness amongst scholars and adult uses. Kannaland library service has been liaising with various stakeholders to ensure that outreach programs are successful and that it reaches the bulk of Kannaland communities.

**Extended Library Hours**

All Library hours were extended in January 2018, libraries are now longer open to attend to the public during the week and on weekends.

**New Libraries in the pipeline**

* Hoeko Mini Library ( On hold Due to COVID-19)
* Bergsig Public Library ( On hold Due to COVID-19)

**115**



###### Below is the highlights and challenges during the year under review:

|  |  |
| --- | --- |
| **Highlights** | **Description** |
| **Bergsig Library** | Funding were received for the upgrade and opening of the old Bergsig Library. |
| **Library Week** | Is Celebrated on an annual base during this week  library staff create awareness on reading and the importance of libraries in communities |
| **Outreach Programs (16 Days of Activism, World book day, National Book Week and school**  **holiday programs.** | Over the past year Kannaland Library Service had great success with outreach programs |
| **Internet Access to all Kannaland Communities** | All Four Kannaland Libraries has internet Access for public use. |
| **Mzansi Libraries Online** | Ladismith library was one of only a few libraries in South Africa who received equipment from the Bill and Melinda Gates Foundation in collaboration with the National Department of Cultural Affairs and Sport. The equipment is to establish a game room for the all library users this includes and to ensure that all South Africans has access to the internet.  10 Tablets  5 Computers  2 Projectors  2 Xbox one with games.  1 Laptop  The abovementioned equipment has been a great asset for the library during the COVID-19 Pandemic. |

|  |  |
| --- | --- |
| **Challenges** | **Description** |
| **Mayor Stock losses** | Stock Losses are one of the mayor challenges libraries face. (Library Material on loan are not returned by users) Due to Lockdown |
| **Transport** | Kannaland Library Service are in need for dedicated vehicle to ensure that remote farming Communities are also  serviced. |
|  |  |

**Service Delivery levels:**

None

**School Holiday Programs**

Weekly Until March 2020

**Old age home visits**

4 Until March 2020

**Visits to schools**

Weekly Until March 2020

**Children’s programmes**

4871

**Internet use**

48

**Exhibitions held/ Displays**

**116**

21454

**Library material circulated**

6164

**Library members**

**2019/2020**

**Type of service**



|  |  |
| --- | --- |
| **In-house library use** | 14874 |

The tables below indicates the financial performance and capital expenditure for the year under review:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial Performance for the financial year 2018/19 to 2019/20: Libraries** | | | | | | | | | | |
| **R'000** | | | | | | | | | | |
| **Details** | **2018/19** | | **2019/20** | | | | | | | |
|  | **Actual** | | **Original Budget** | | **Adjustment Budget** | | | **Actual** | | **Varianc e to**  **Budget** |
| **Total**  **Operational Revenue** | 2  833,00 | 047 | 3  000,00 | 529 | 3  980,00 |  | 550 | 2  423,23 | 626 | 74% |
| **Expenditur**  **e:** |  | |  | |  | | |  | |  |
| **Employees** | 1  323,00 | 917 | 2  016,00 | 269 | 2  461,00 |  | 248 | 2  907,28 | 090 | 93% |
| **Repairs and Maintenanc**  **e** | - | |  | |  | | |  | |  |
| **Other** | 292  800,00 | | 556  984,00 | | 651  019,00 | | | 391  124,70 | | 60% |
| **Total Operational Expenditur e** | 2  123,00 | 210 | 2  000,00 | 826 | 2  480,00 |  | 899 | 2  031,98 | 482 | 86% |
| **Net Operational Expenditur**  **e** | - 162 290,00 | | 703  000,00 | | 651  500,00 | | | 144  391,25 | | 22% |

**TABLE 59: FINANCIAL PERFORMANCE 2019/20 LIBRARIES -** SOURCE: AFS

3.6 CEMETERIES

The Municipality has identified the need to develop new cemeteries due to capacity restrictions and the remaining utilisation expectancy of the current cemeteries. Land for the new cemetery in Zoar has been identified and the re-zoning approved. The Environmental Impact Assessment is in progress.

The Ladismith cemetery has nearly reached its capacity but sufficient adjacent land is available to accommodate extension in terms of the Environmental Impact Assessment (EIA) Legislation. A formal process has been initiated to seek suitable alternative land.

The Bergsig and Calitzdorp town cemeteries have also reached full capacity. The Bloekomlaan cemetery will be utilised as an alternative cemetery site for the Bergsig and Calitzdorp town

**117**



communities. This will be formally communicated through public participation processes. In addition a further utilisation expectancy study will be conducted.

The Van Wyksdorp cemetery has nearly reached its capacity and the consulting engineers have been instructed to seek suitable alternative land to establish a new cemetery for Van Wyksdorp. The Municipality is successful in maintaining the cemeteries to a high standard even though vandalism and theft of property are problematic and on the increase.

It should be noted that the planning for cemetery projects has been shifting to the outer financial years due to prioritisation on water and sanitation projects

## COMPONENT E: ENVIRONMENTAL PROTECTION

Urban expansion and farming in marginal areas to meet the demand of an increasing population, are leading to a loss of land and productivity. Secondary pressures, such as climate change, desertification and alien plant invasion, are further contributing factors.

Humans influence land degradation in three principle ways:

* The use of land resources for productive purposes: for agriculture, the collection of wood for fuel and building materials, as well as water abstraction and mineral extraction.
* The use of land resources for space needs, for example, settlement, infrastructure and recreational purposes.
* A tertiary set of influences comprises the incidental and often remote impacts of economic activity on land resources: for example, pollution of (sub) surface and atmospheric water resources by industry, alien plant invasion and climate change.

Agriculture has transformed much of Kannaland’s natural landscape to cultivated lands. The Little Karoo, in general, which is under extensive agriculture, game farming and conservation land uses, falls within the category “Succulent Karoo /Spekboom/ Fynbos”.

Land degradation manifests itself in the soil and in the veld. Sheet erosion is the most common form of soil degradation, with some rill and gully erosion in Kannaland. The Combined Land Degradation Index (CDI) indicates that the most degraded areas within.

Kannaland are situated around Ladismith and Calitzdorp because of overgrazing. The rest of Eden is only lightly affected by soil and veld degradation issues.

To monitor land degradation in Kannaland, the following indicators need to be identified:

**118**

* Area of land under formal conservation protection;
* Landscape change;



* Number of agricultural subdivisions; and
* Combined Land Degradation Index.

Six impact groups associated with land degradation drivers in Kannaland are:

* Farming in marginal areas, which leads to loss of ecosystem integrity, loss of natural habitats and which exerts stresses on the natural resource base, for instance on water through irrigation of crops.
* Subdivision of agricultural land into uneconomically viable units and urban sprawl leads to diminishing agricultural returns.
* Urban expansion triggered by population growth and a better standard of living leads to the loss of agriculturally productive land and other land conflicts (e.g. conservation vs. urban development).
* Alien plant invasions cause veld degradation, a reduction on the quality and quantity of water and hence the loss of biodiversity resources.
* Climate change (global warming) brings an increase in the frequency of extreme weather events (droughts/ flooding), change in rainfall patterns and in extreme cases desertification. Loss of biodiversity is strongly associated with these phenomena.

###### WATER

Kannaland falls largely within the Gouritz Water Management Area, a grouping of primary water catchments, which are diverse in nature, evaporation exceeds rainfall in the northern catchments meaning that these are water stressed areas. In contrast, rainfall generally matches evaporation in the southern catchments meaning that these are generally moister environments. In the Gouritz River catchment the development of surface water resources has reached its full potential and all the water is fully utilised.

The inland water resources are under severe pressure through urban population increased. In concert with population growth Kannaland has experienced expansion in the provision of water services. In addition, low cost housing projects emerging from the National Reconstruction and Development Programme (RDP), together with the National Water and Sanitation Programme which has contributed to water demand. A further pressure on the water resource is the influx of tourism over the holiday season, introducing a spike in water demand. Economic growth and consumer and export demand has led to an increase in agricultural production, which in turn has placed greater pressure on water resources through greatest abstraction for irrigation.

**119**



Alien invasive plant and animal species, introduced by human actions either accidentally or for commercial purposes, are proving a major threat to the quality and quantity water, as well as to the biodiversity of freshwater systems. Climate change is expected to lead to slightly reduced rainfall over the Kannaland region, increased variability of rainfall, fewer but heavier precipitation events and increased temperatures and evaporation. These effects could work together to increase flooding, but could also reduce base-flow (long term low flow).

###### BIODIVERSITY

Owing to its broad range of climatic conditions, geology, soils and landscapes, Kannaland has a very substantial share of global biodiversity within its borders. Kannaland’s biological heritage is important in many ways – providing ecosystem services like clean water, contributing directly to the economy through industries like fishing and tourism, supporting livelihoods by providing food, medicines and building materials and generally improving health and well-being. Through habitat destruction and ill-conceived developments biodiversity is under threat world-wide.

To counteract this threat Kannaland should protect representatives of as many types of community and ecosystem as possible. By conserving suitable habitat we are also improving the survival chances of the species and populations contained therein. Living landscapes preserve the option value of biodiversity – the potential to provide benefits in the future.

Important driving forces putting pressure on the biodiversity resources of Kannaland are:

* Population growth;
* The demand for economic growth to provide wealth and job creation;
* Demand for housing and associated services for historically disadvantaged people;
* Unsustainable extraction of natural resources as a result of poverty or greed;
* Poor land use practices promoting soil erosion and infestation by invasive alien plants;
* Poor waste and pollution management;
* Climate change; and
* Lack of understanding

In terms of appropriate responses, the mainstreaming biodiversity consideration into socio- economic agendas holds most promise to turn the situation around. It is necessary to:

* Integrate the protection and management of biodiversity resources with all human development by means of regional and national conservation initiatives;
* Build capacity in the areas of conservation assessment, taxonomy, green technology and knowledge transfer;

**120**

* Increase capacity in environmental law enforcement, management and education;



* Strengthen existing biodiversity conservation programmes to identify ecosystems, species and genetic resources that are at imminent risk of extinction;
* Implement strong counter measures to slow down the speed with which the loss of biodiversity occurs; and
* Link biodiversity protection and economic upliftment, as biodiversity protection provides an opportunity for less formal, nature-based community initiatives to act as economic engines and job creators.

###### CLIMATE

There is general scientific agreement that the world is now warmer than at any time in the last 1000 years, and that the cause for this warming is due to human activities. Kannaland is at risk from projected changes in rainfall pattern and warming induced by changes in the global energy balance and atmospheric water balance.

However, the average for the five-year reporting period may be useful for simple comparative purposes against the long term average. Once a continuous ambient air quality sampling programme is in place, quarterly air quality reports which will provide useful state of environment data.

Increased drying and changes to the seasonal nature of precipitation will bring an increase in irrigation requirements which are likely to desiccate wetlands and threaten seasonal ecosystem interactions within the wetland. Such impacts are likely to further threaten the biodiversity of freshwater resources, which in turn will impair the environmental services they provide. The impact caused by climate change in terrestrial ecosystems include the detrimental effects associated with wildfires due to increased berg-wind conditions, and the possibility of changes in the distribution of alien invasive species, apart from changes in indigenous species distribution and interactions.

Numerous economic sectors could be affected by changes in temperature and precipitation patterns. The impact is likely to be felt in agriculture, fisheries, forestry, the manufacturing industry, tourism, finance and investment, transport, communication and trade, and construction. Climate change is likely to impact water services in terms of diminishing reserves on the one hand, and damage to infrastructure due to heavier precipitation events on the other.

###### KANNALAND FLORA

The Cape Floral Kingdom is characterized by its exceptional richness in plant species. More than 8 700 species are known to exist, with more than 68% of these being endemic. The Cape Floral Kingdom, thus, compares with some of the richest floras worldwide. It is the smallest of

**121**



the Floral Kingdoms and covers a mere 0.06% of the earth's surface, and is the only Floral Kingdom contained in its entirety within a single country.

Kannaland is a region of extensive plains, arid foothills and rugged rocky ridges and includes a wide range of microhabitats with extreme seasonal and diurnal temperature fluctuations. There are 1325 plant species in this area, including 182 Succulent Karoo endemics and 92 Red List species (www.skep.org.za). While unique and rare species are found throughout the landscape, many of the endemics are concentrated along veins of weathered quartz, where patches of white pebbles provide camouflage and moderate the temperature for “stone plants”

### COMPONENT F: SAFETY AND SECURITY

3.7 TRAFFIC SERVICES

Safety and security is the responsibility of the Protection Services Department of the Community Services Directorate. The Department is committed to provide a high quality community-oriented service to meet the safety and security needs of a diverse community. The Division strives to constantly improve its standing within the community it serves and the profession itself. Several awareness campaigns regarding road safety and fire protection are conducted throughout the year.

The traffic services unit consist of a chief traffic officer, two traffic officers, motor registration clerks chief clerks and 2 motor registration clerks, administration clerk.

During the year under review a chief traffic officer was appointed on 01st July 2018 to manage all traffic services functions. Activities such as testing of motor vehicles, motor registration and examine of drivers licences.

Awareness on road safety was implemented and conducted at schools whereby the school busses were inspected i.t.o road worthy and to adhere to the road transportation act.

Road markings were paint to ensure visibility and to encourage motorist to adhere road traffic act.

Because of the high demand of testing of driver licencing it was planned to construct a K53. The project were not completed to funding constraints. Pre planning were done on the course of where it will be situated and looks like.

**122**



It will generate revenue for the municipality and enable a service to the local community in terms of affordability for each.

Below are pictures of the operations carried out by the traffic unit:



The Kannaland Municipality is eager to ensure a safe environment for the public, personnel and councillors. The Municipality therefore makes use of private security firms to ensure the

**123**



safety of the personnel and councillors, as well as members of the public that visit municipal offices. Bylaws still needs to be reviewed approved by council in order to carry out the relevant law enforcement in areas.

3.8 DISASTER MANAGEMENT AND FIRE SERVICES

The Municipality has a Disaster Management Plan which is an integral part of the IDP.

The establishment of a Disaster Management Centre has also been identified in terms of the Municipality’s Disaster Management planning, however the Municipality does not have a functional disaster management ICT, GIS and early warning system. The Municipality is currently making use of the Disaster Management DS Tool of the Western Cape Disaster Management Centre to assist the Municipality in making informed decisions relating to Disaster Management.

As throughout the IDP is identified that water storage capacity is the main problem and has therefor prioritized the water and sanitation needs as a high and urgent matter to be attend to.

In accordance with the applicable legislation and with the desire to provide for the well-being of its citizens, the Kannaland Municipality has adopted a Disaster Management Plan in 2019/20 to ensure preparedness and effective response by the Municipality and its citizens in the event of a disaster. The Disaster Management Plan will assist Kannaland Municipality to be better prepared to support the local communities in dealing with disasters and to speed up the recovery process. It is crucial to have effective and efficient disaster risk reduction management measures in order to save lives, prevent escalation of emergencies and incidents as well as to relieve suffering. The implementation of this Disaster Management Plan will assist the municipality in clarifying roles and responsibilities with different stakeholders who are essential for disaster management. The purpose of the disaster plan is not only a legislative requirement, but enhances community safety through, planning, mitigation, response and recovery.

As defined in the prescriptions of the Act, the Municipal Manager is the Head of Disaster Management with the delegation of assistance through to the Senior Manager: Community Services. A Joint Operation Centre has recently been established. Mr Wayne Robertson has been appointed as the dedicated disaster management official with cross-functional influence to facilitate proper coordination and focused advocacy of disaster management.

The municipality adopted the Disaster Management Plan and recently a Disaster Management Centre has been established in terms of the municipality’s disaster management planning. The municipality utilizes the following systems:

* Ventusky (weather predictions);

**124**

* Afis (active fires in the area);
* Functional disaster management ICT, GIS and early warning system.



###### RISK REDUCTION MEASURES

No other risk reduction measures are in place other than proactive measures during early warnings and forecasts or progression of incidents. Preventive measures are relocating or evacuating members of communities and providing support at a local level or as assisted through the District.

A number of effective programmes have been implemented to mitigate the, which include:

* Awareness programmes to protect citizens from fires and floods;
* Regular cleaning of the storm water channels;
* Clean-up programmes of rivers and streams;
* The Fire and Rescue Services do regular awareness programmes in the communities and schools.
* Water restrictions in place

The impact prioritization for the most important risks (in order of priority) is as follows:

* Floods
* Plantation and vegetation fires
* Agricultural epidemics
* Hazardous materials transport
* Drought

###### Preparedness measures

* Disaster Management Advisory Forum has been established.
* Meetings/ forums / workshops (newly established Disaster Management Forum) The fire services function is managed by the Garden Route District Municipality.

Some of the achievements were:

* Members were identified who worked at working on fire (WOF) has been selected to undergo training to become qualified fire fighters. They received a high level of technical and administrative training to enhance their knowledge, skill and experience which will be beneficial for the community at large.
* The Fire Service embarked on a community educational drive within the informal settlement areas as well to schools to educate residents and scholars of the dangers associated with fires as well as preventative measure that could be used to prevent

**125**



* The outbreak of fires. Department of Local Government has donated a fully equipped fire truck as well uniforms were received from City of Cape Town, Knysna and George Municipality.
* Fire detectors were installed in municipal areas – process continuous
* Fire Safety awareness at schools
* Capacity building through training to the officials
* Maintenance of Fire Hydrants
* Water Delivery during the drought
* Disaster Management plan currently being implemented

It should be noted that the Kannaland Municipality is in process to review all its bylaws in order to improve enforcement in the area.

Fire flood kits were received from Province

The table below indicate the financial performance for fire services:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial Performance for the financial year 2018/19 to 2019/20: Fire Services** | | | | | |
| **R'000** | | | | | |
| **Details** | **2018/19** | **2019/20** | | | |
|  | **Actual** | **Original Budget** | **Adjustment Budget** | **Actual** | **Variance**  **to Budget** |
| **Total Operational Revenue** | 17 171,00 | 2018580 | 2018580 | 1916577 | 95% |
| **Expenditure:** |  |  |  |  |  |
| **Fire fighters** | 9 627,94 | 509300 | 509300 | 0 | 0% |
| **Other employees** | - |  |  |  |  |
| **Repairs and Maintenance** | - |  |  |  |  |
| **Other** | 7 543,90 | 252400 | 257400 | 28115 | 11% |
| **Total Operational Expenditure** | 17 171,84 | 761700 | 766700 | 28115 | 4% |
| **Net Operational Expenditure** | - 0,84 | 1256880 | 1251880 | 1888462 | 151% |

**TABLE 60: FINANCIAL SERVICES FOR FIRE SERVICES 2019/20 - SOURCE AFS**

### COMPONENT G: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

**126**



3.9 SPORT AND RECREATION

In terms of our mandate we make facilities, such as sport fields, available to the broader

community. The Municipality is responsible for development of the facilities and the upgrading thereof whilst the sport clubs leases the facilities and as agreed upon, must maintain it.

The Municipality develops and maintains community parks, halls, camp sites and the caravan park. This service places an enormous financial burden on the Municipality, with its limited staff capacity and finances. The vastness of the municipal footprint demands a duplication of all services throughout the area and poses to be a well-oiled machine due to strict adherence to planning and implementation schedules.

The Sport section performed their duties excellently taking into consideration the challenges and demands they face on a continuous basis. There is a need for additional facilities but the availability of land is problematic, as well as the funds needed to develop the facilities.

The table below indicate the financial performance for sport and recreation:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial Performance for the financial year 2018/19 to 2019/20: Sport and Recreation** | | | | | | | |
| **R'000** | | | | | | | |
| **Details** | **2018/19** | | **2019/20** | | | | |
|  | **Actual** | | **Original Budget** | | **Adjustment Budget** | **Actual** | **Varianc e to**  **Budget** |
| **Total Operational Revenue** | R | - | R | - | R - | R - |  |
| **Expenditur e:** |  | |  | |  |  |  |
| **Employees** | R 418,39 | 230 | R | - | R 13 200,00 | -R 54 591,48 | -24% |
| **Repairs and**  **Maintenanc e** | R | - |  | |  |  |  |
| **Other** | R  945,10 | 453 | R  220,00 | 282 | R 472  530,00 | R 434  633,17 | 92% |
| **Total Operational Expenditur**  **e** | R 363,49 | 684 | R 220,00 | 282 | R 485  730,00 | R 380  041,69 | 78% |
| **Net Operational Expenditur e** | -R 363,49 | 684 | -R 220,00 | 282 | -R 485  730,00 | -R 380  041,69 | 78% |

**TABLE 61: FINANCIAL PERFORMANCE FOR SPORT AND RECREATION 2019/20 - SOURCE AFS**

**127**



3.10 PROJECT MANAGEMENT UNIT

###### MUNICIPAL INFRASTRUCTURE GRANT – MIG

The purpose of the grant is to provide capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprise and social institutions servicing poor communities.

The outputs of the programme are:-

* Infrastructure for:
* basic water and sanitation
* central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites
  + sport and recreation facilities, street and community lighting and public facilities
  + Number of kilometers of municipal roads developed, upgraded and maintained.
  + Number of work opportunities and full-time equivalents (FTE’s) created using the Expanded Public Works (EPWP) guidelines for the above outputs.

###### Allocation for the past 3 years

The to Kannaland Municipality for the past three financial years is indicated in table below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2017/2018** | **2018/2019** | **2019/2020** |
| **Original allocation (R’)** | R10 370 000 | R10 156 000 | R10 271 000 |
| **Roll over approved** | N/A | R0 | R0 |
| **Additional allocation** | R0 | R0 | R0 |
| **Stopped allocation** | R0 | R 1 764 000 | R0 |
| **Final allocation** | R10 370 000 | R 8 392 000 | R10 271 000 |
| **Amount spent** | R 9 214 970 | R 8 393 205 | R 7 509 022 |
| **Amount not spent** | R1 155 030 | R0 | R 2 761 978 |

**TABLE 62: MIG ALLOCATIONS**

Expenditure on 2019/20 funds was delayed due to Covid-19 pandemic and the nationwide lockdown. Two of the MIG projects contractors could not commence on site and started later then the planned date with construction. Other MIG projects stopped due to this pandemic.

**128**



###### Key Challenges since onset (establishment of the programme)

Committing the projects for a specific year results in extra prioritization as the allocation for the year is not enough to implement all urgent projects.

**Progress to date**

The table provides summary of progress in relation to projects implemented during the 2019/20 financial year.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Proje ct ID | Project Name | MIG  approved budget (R’) | Exp. in previous fy (R’) | Balance (R’) | 2019/2020  budget (R’) | 2019/202  0 exp. (R’) | Physi cal progr ess  (%) | **129** |
| **2220**  **50** | Calitzd orp New water availabi lity  study | R1 500  606.81 | R1 334 31  3.40 | R166 293.  41 | R166 293.  41 | R60 588.4  2 | 80% |
| **2351**  **24** | Kannal and Installa tion of water  meters | R2 339 96  4.00 | R1 478 20  4.00 | R861 760.  00 | R391 808.  69 | R218 444.  91 | 60% |
| **2094**  **50** | Zoar Upgrad e water reticula  tion | R12 401 2  60.00 | R12 303 5  66.00 | R97 693.4  0 | R97 693.4  0 | R97 693.4  0 | 100% |
| **2203**  **11** | Van Wyksd | R498 207.  00 | R250 307.  00 | R247 899.  46 | R247 899.  46 | R210 864.  29 | 95% |



**130**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | orp Greenh ills new street  lighting |  |  |  |  |  |  |
| **2205** | Calitzd | R1 102 04 | R761 001. | R341 043. | R341 043. | R302 847. | 98% |
| **49** | orp | 4.00 | 00 | 89 | 89 | 95 |  |
|  | New |  |  |  |  |  |  |
|  | sport |  |  |  |  |  |  |
|  | field |  |  |  |  |  |  |
|  | lighting |  |  |  |  |  |  |
| **2192** | Zoar | R6 366 66 | R2 772 01 | R3 594 65 | R3 594 65 | R3 400 61 | 95% |
| **27** | Upgrad | 6.00 | 2.00 | 4.42 | 4.42 | 4.19 |  |
|  | e sport |  |  |  |  |  |  |
|  | field |  |  |  |  |  |  |
|  | Ph2 |  |  |  |  |  |  |
| **1608** | Ladism | R14 687 5 | R3 462 13 | R11 225 3 | R2 202 25 | R801 288. | 40% |
| **43** | ith New | 00.00 | 7.00 | 63.00 | 0.00 | 59 |  |
|  | Waste |  |  |  |  |  |  |
|  | Water |  |  |  |  |  |  |
|  | Treatm |  |  |  |  |  |  |
|  | ent |  |  |  |  |  |  |
|  | Works |  |  |  |  |  |  |
| **2854** | Ladism | R6 579 13 | R0 | R6 579 13 | R2 715 80 | R1 903 12 | 70% |
| **50** | ith | 0.00 |  | 0.00 | 6.73 | 9.87 |  |
|  | Upgrad |  |  |  |  |  |  |
|  | e Water |  |  |  |  |  |  |
|  | Treatm |  |  |  |  |  |  |
|  | ent |  |  |  |  |  |  |
|  | Works |  |  |  |  |  |  |
|  | PMU | R513 550. | R0 | R513 550. | R513 550. | R513 550. | 100% |
| 2019/2 | 00 |  | 00 | 00 | 00 |  |
| 020 |  |  |  |  |  |  |



**131**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Total** | **R10 271 0**  **00.00** | **R7 509 02**  **1.62** |  |

**TABLE 63: SUMMARY OF IMPLEMENTATION OF PROJECTS**

Detailed progress on projects implemented over the 2019/20 financial year are reflected in the tables below:

###### Project #1: Calitzdorp New Water Availability Study Project #1: Calitzdorp New Water Availability Study

|  |  |  |
| --- | --- | --- |
| Item No. | Item Description | Detail information |
| 1 | Project Description | A total of four studies to be investigated |
| 2 | Scope of work (2019/2020 plan) | Replacement of defective bulk water meters Testing of 3 x existing boreholes  Re-drilling of one borehole |
| 3 | Construction period | N/A |
| 4 | Consultant | Aurecon |
| 5 | Contractor | N/A |
| 6 | Implementation Plan (contractor) | Tender Closing date: N/A Tender award date: N/A Contract start date: N/A Practical completion: N/A  Completion / Handover: 31/12/2019 Defects liability period: N/A |
| 7 | Progress | Against 2019/2020 scope:  Purchasing bulk water meters.  Camera logging of the three existing boreholes.  Overall progress (if multiyear project):  Re-drilling of the borehole on the sport field to do yield and quality testing was completed. No water found at the borehole. Project is 80% complete. Installation of bulk water meters to be done. |



**132**

|  |  |  |
| --- | --- | --- |
| Item No. | Item Description | Detail information |
| 1 | Project Description | A total of four studies to be investigated |
| 8 | Major / key challenges (if delayed) | COVID-19 pandemic restricted the installation process and therefore the project was delayed. |
| 9 | Pictorial depiction | \\192.168.10.31\users\danielle\My Documents\My Pictures\Calitzdorp Water Availability\IMG_20200228_113843.jpg |
|  | | |

**Project #2: Kannaland Installation of water meters**

|  |  |  |
| --- | --- | --- |
| Item No. | Item Description | Detail information |
| 1 | Project Description | Faulty meters to be replaced |
| 2 | Scope of work (2019/2020 plan) | Install water meters with fittings |
| 3 | Construction period | N/A |
| 4 | Consultant | N/A |
| 5 | Contractor | War on Leaks students |
| 6 | Implementation Plan (contractor) | Tender Closing date: N/A Tender award date: N/A Contract start date: N/A Practical completion: N/A Completion / Handover: N/A Defects liability period: N/A |
| 7 | Progress | Against 2019/2020 scope: |



**133**

|  |  |  |
| --- | --- | --- |
| Item No. | Item Description | Detail information |
| 1 | Project Description | Faulty meters to be replaced |
|  |  | Installation of water meters with fittings.  Overall progress (if multiyear project): Project is 60% complete. |
| 8 | Major / key challenges (if delayed) | COVID-19 pandemic restricted the installation process and therefore the project was delayed. |
| 9 | Pictorial depiction | \\192.168.10.31\users\danielle\My Documents\My Pictures\WATER METER PROJECT\IMG_20200303_115416.jpg |

#### Project #3: Zoar Upgrade water reticulation

|  |  |  |
| --- | --- | --- |
| Item No. | Item Description | Detail information |
| 1 | Project Description | Construction of a 1Ml reservoir and associated works |
| 2 | Scope of work (2019/2020 plan) | Construction of 1Ml reservoir |
| 3 | Construction period | 6 months |
| 4 | Consultant | Aurecon |
| 5 | Contractor | Kuthele General Projects and Silver Mountain Projects JV |



|  |  |  |
| --- | --- | --- |
| Item No. | Item Description | Detail information |
| 1 | Project Description | Construction of a 1Ml reservoir and associated works |
| 6 | Implementation Plan (contractor) | Tender Closing date: 09/03/2018 Tender award date: 17/05/2018 Contract start date: 31/05/2018 Practical completion: 03/12/2018 Completion / Handover: December 2019 Defects liability period: December 2020 |
| 7 | Progress | Against 2019/2020 scope:  Construction of a 1Ml reservoir with interconnecting pipework. Water tightness test outstanding.  Overall progress (if multiyear project): Project is 100% complete. |
| 8 | Major / key challenges (if delayed) | Water tightness test was delayed by contractor’s internal financial issues. |
| 9 | Pictorial depiction (1Ml Reservoir) | \\192.168.10.31\users\danielle\My Documents\My Pictures\Zoar Reservoir\IMG_20190925_140101.jpg |

###### Project #4: Van Wyksdorp Greenhills new street lighting

**134**

|  |  |  |
| --- | --- | --- |
| Item No. | Item Description | Detail information |
| 1 | Project Description | New Street lights for Greenhills area |
| 2 | Scope of work (2019/2020 plan) | A total of 18 streetlights to be installed |
| 3 | Construction period | 17 weeks |
| 4 | Consultant | Aurecon |



**135**

|  |  |  |
| --- | --- | --- |
| Item No. | Item Description | Detail information |
| 1 | Project Description | New Street lights for Greenhills area |
| 5 | Contractor | VE Reticulation |
| 6 | Implementation Plan (contractor) | Tender Closing date: 18/01/2019 Tender award date: 26/04/2019 Contract start date: 13/06/2019 Practical completion: 11/10/2019 Completion / Handover: 11/10/2019 Defects liability period: 11/10/2020 |
| 7 | Progress | Against 2019/2020 scope: Installation of 18 streetlights.  Overall progress (if multiyear project): Project is 95% complete |
| 8 | Major / key challenges (if delayed) | Additional funds were required to implement project therefore contractor was appointed later than planned. |
| 9 | Pictorial depiction (Streetlights) |  |



**136**

**Project #5: Calitzdorp New sport field lighting**

|  |  |  |
| --- | --- | --- |
| Item No. | Item Description | Detail information |
| 1 | Project Description | New lights to be installed at sport field |
| 2 | Scope of work (2018/2019 plan) | New lights to be installed at the rugby/soccer field and at the netball court. |
| 3 | Construction period | 17 weeks |
| 4 | Consultant | Aurecon |
| 5 | Contractor | VE Reticulation |
| 6 | Implementation Plan (contractor) | Tender Closing date: 18/01/2019 Tender award date: 26/04/2019 Contract start date: 13/06/2019 Practical completion: 11/10/2019 Completion / Handover: 11/10/2019 Defects liability period: 11/10/2020 |
| 7 | Progress | Against 2018/2019 scope: Installation of sport field lights.  Overall progress (if multiyear project): Project is 98% complete |
| 8 | Major / key challenges (if delayed) | Additional funds were required to implement project therefore contractor was appointed later than planned. |
| 9 | Pictorial depiction |  |



**137**

|  |  |  |
| --- | --- | --- |
| Item No. | Item Description | Detail information |
| 1 | Project Description | New lights to be installed at sport field |
|  | | |

###### Project #6: Zoar Upgrade sport field Ph2

|  |  |  |
| --- | --- | --- |
| Item No. | Item Description | Detail information |
| 1 | Project Description | A new sport field to be constructed |
| 2 | Scope of work (2019/2020 plan) | A new sport field to be constructed  A new ablution facility to be constructed Irrigation to be installed  Two wooden pavilion structures to be erected Sewer reticulation with connections |
| 3 | Construction period | 20 weeks |
| 4 | Consultant | Aurecon |
| 5 | Contractor | Amandla GCF Construction |
| 6 | Implementation Plan (contractor) | Tender Closing date: 18/01/2019 Tender award date: 25/04/2019 Contract start date:16/05/2019 Practical completion:30/09/2019 Completion / Handover:30/09/2019 Defects liability period:30/09/2020 |
| 7 | Progress | Against 2019/2020 scope:  Construction of a new sport field with ablution facility. Installation of irrigation system  Overall progress (if multiyear project): Project is 95% complete. |



|  |  |  |
| --- | --- | --- |
| Item No. | Item Description | Detail information |
| 1 | Project Description | A new sport field to be constructed |
| 8 | Major / key  challenges (if delayed) | Additional funds were required to implement project therefore contractor was appointed later than planned.  COVID-19 pandemic restricted the installation process and therefore the project was delayed |
| 9 | Pictorial depiction (New Ablution facility and wooden pavilion) | \\192.168.10.31\users\danielle\My Documents\My Pictures\Zoar Sport Field\Zoar Sport Field.jpg |
| 10 | Pictorial depiction (New Sport Field) | \\192.168.10.31\users\danielle\My Documents\My Pictures\Zoar Sport Field\IMG_20200619_151624.jpg |
|  | | |

**The 2019/20 service delivery performance:**

* Number of poor households impacted through the construction of new infrastructure and upgrading and renewal of existing infrastructure for:

**138**



* + All households in Zoar are provided with basic water services and extra storage capacity.
* Number of infrastructure constructed (new infrastructure, upgraded or renewed):
  + One sports and recreation facilities is in the process of development

###### Key Challenges

The following challenges are currently being experienced in the management of the programme which often result in delaying progress and low expenditure:

* External factors
  + Poor contractor performance
* Internal factors
  + Slow SCM procurement processes
  + Delays in payment of service providers
  + Unavailability of counter funding

### COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

3.11 EXECUTIVE AND COUNCIL

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

The Council consists of seven (7) councillors, including the Executive Mayor, Deputy Executive Mayor and Speaker as determined by the MEC for Local Government in the Western Cape.

The tables below indicates the financial incurred for the year under review:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Financial Performance for the financial year 2018/19 to 2019/20: The Executive and Council** | | | | | | **139** |
|  |  |  |  |  | **R'000** |
| **Details** | **2018/19** | **2019/20** | | | |
| **Actual** | **Original Budget** | **Adjustment Budget** | **Actual** | **Variance to Budget** |
| **Total Operational**  **Revenue** |  | R 8 740 490,00 | R 9 511 210,00 | R 29 032 737,64 | 305% |



**140**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Expenditure: |  |  | |  | |  | |  |
| Employees |  | R | 5 889 270,00 | R | 6 694 210,00 | R | 6 014 307,03 | 90% |
| Repairs and Maintenance |  |  | |  | |  | |  |
| Other |  | R | 2 861 600,00 | R | 2 933 084,00 | R | 173 786,80 | 6% |
| **Total Operational Expenditure** |  | R | 8 750 870,00 | R | 9 627 294,00 | R | 6 188 093,83 | 64% |
| **Net Operational Expenditure** |  | -R | 10 380,00 | -R | 116 084,00 | R | 22 844 643,81 |  |

TABLE 64: FINANCIAL PERFORMANCE 2019/20: THE EXECUTIVE AND COUNCIL – SOURCE AFS

3.12 FINANCIAL SERVICES

Sound financial management practises are essential for municipalities. The major challenge for municipalities is long term financial sustainability. The MFMA aims at directing municipalities in a sustainable financial environment and to modernise financial management practices.

The act places municipalities on a financially sustainable footing and supports co-operative government between all spheres of government. Successful implementation of the provisions of the act will maximise the capacity of municipalities to deliver services to their residents, users and customers.

It is critical for the Municipality to review how we conduct our business to ensure that value for money is obtained in all our expenditures, that revenue administration systems are operating effectively, and that creditors (including bulk service providers) continue to be paid timeously and in full.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial Performance for the financial year 2018/19 to 2019/20: Financial Services** | | | | | | | | |
| **Details** | **2018/19** | **2019/20** | | | | | | |
| **Actual** | **Original Budget** | | **Adjustment Budget** | | **Actual** | | **Variance**  **to Budget** |
| **Total Operational Revenue** |  | R | 4 106 400,00 | R | 9 676 170,00 | R | 8 696 497,37 |  |
| Expenditure: |  |  | |  | |  | |  |
| Employees |  | R | 14 008 060,00 | R | 13 464 800,00 | R | 10 556 094,83 |  |
| Repairs and Maintenance |  |  | |  | |  | |  |
| Other |  | R | 14 419 800,00 | R | 15 063 077,00 | R | 12 516 520,43 |  |
| **Total**  **Operational Expenditure** |  | R | 28 427 860,00 | R | 28 527 877,00 | R | 23 072 615,26 |  |



|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Net Operational Expenditure** |  | -R 24 321 460,00 | -R 18 851 707,00 | -R 14 376 117,89 |  |

TABLE 65: FINANCIAL PERFORMANCE 2019/20: FINANCIAL SERVICES SOURCE AFS

3.13 HUMAN RESOURCE SERVICES

The broader objectives of the Human Resource Services division of the Municipality is to ensure that:

* The appropriate staff members are recruited and appointed
* Staff members are optimally placed in relation to the needs of the organisation
* An environment is created conducive of staff performing their functions in line with their knowledge, experience and skills
* Staff members are adequately compensated and that their vested interests and benefits are professionally administered
* Staff members are allowed the opportunity to develop and be promoted in a physical environment that is free from safety, health and psychological hazards
* An organisational design is implemented that promotes productivity and sustains high levels of morale and ethical behaviour
* A culture of discipline, equally, transparency and fairness is promoted in the workplace
* The organisation is free from all forms of discrimination and prejudice

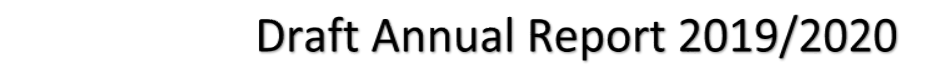
In order to achieve these broader objectives, the Human Resource Services is organized in a manner to respond to the following functions:

* Organisational efficiency and improvement
* Staffing in relation to recruitment, selection and appointments
* Administration of employee benefits
* Skills development and training
* Occupational health and safety
* Labour relations
* Employee wellness (EAP)
* Performance management
* Employment equity
* Change Management
* Statistics and Reporting

The organisational structure have been reviewed to ensure alignment with the municipal strategic objectives (IDP) to ensure compliance and effective and efficient service delivery. The objective with the review of the organisational structure is to improve revenue collection and a flatter management structure for faster decision making.

**141**

**142**

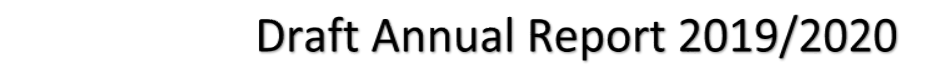


## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

The organisational structure of Kannaland Municipality for the Municipal Manager and three directorates namely, Corporate Services (Administration and Community Services), Finance and Infrastructure Services.

The organizational structure is currently being reviewed. The outcome of this project will result in establishment of individual performance which will be aligned to the job descriptions. The organizational structure is currently being revised for the best service delivery at the lowest cost to the Municipality. Job descriptions are being reviewed based on job content and volume in the attempt to form specialist units.

The vacancy rate of the municipality was 33.37% for the year under review. The ideal is to decrease the rate below 20% in order to achieve the goals as mentioned above.



### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

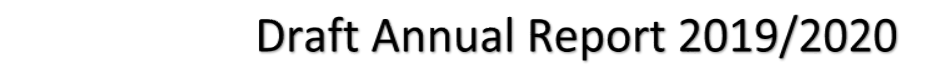
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Employees | | | | |
| Description | **Year 2019/20** | | | |
|  | **Approved Posts** | **Employees** | **Vacancies** | **Vacancies** |
|  | **No.** | **No.** | **No.** | **%** |
| **Water** | 35 | 26 | 9 | 25.7% |
| **Waste Water (Sanitation)** |  |  |  |  |
| **Electricity** | 16 | 12 | 4 | 25% |
| **Waste Management** |  |  |  |  |
| **Housing** | 3 | 2 | 1 | 33.33% |
| **Waste Water (Stormwater Drainage)** | 7 | 6 | 1 | 14.26% |
| **Office of the MM** | 8 | 4 | 4 | 50% |
| **Infrastructure Services**  **Admin support** | 1 | 1 | 0 | 0 |
| **Water and sanitation roads and storm water** | 44 | 34 | 10 | 22.72% |
| **PMU** | 3 | 2 | 1 | 33.33% |
| **Electrical and Mechanical Service** | 16 | 12 | 4 | 25% |
| **Corporate Services** | 104 | 75 | 25 | 24.03 |
| **Finance** | 47 | 29 | 18 | 38.29% |

**TABLE 66: NUMBER OF EMPLOYEES**

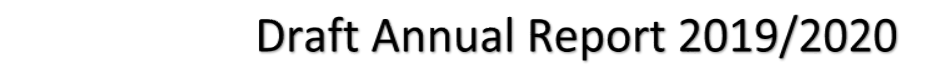
**143**

**144**



|  |  |  |  |
| --- | --- | --- | --- |
| Turn-over Rate | | | |
| Details | Total Appointments as of beginning of Financial Year | Terminations during the Financial Year | Turn-over Rate\* |
|  | No. | No. |  |
| 2019/20 | 36 | 6 | 0.166% |
|  |  | | |

TABLE 67: TURNOVER RATE



### COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

The Municipal Systems Act, 32 of 2000, Section 67, 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.

The purpose of the Disciplinary Board is restricted to alleged offences of financial misconduct related to municipal officials as per sections 171 (financial misconduct by municipal officials of a Municipality) and 172 (financial misconduct by officials of municipal entities) of the Municipal Financial Management Act, 2003 (Act 56 of 2003), and has no jurisdiction to address any allegation relating to offences in terms of section 173 of the Act (criminal proceedings). Roles and functions are derived from the Municipal Financial Management Act (sections 171 and 172) and the MFMA Regulations on Financial Misconduct Procedures and Criminal Processes, 2014.

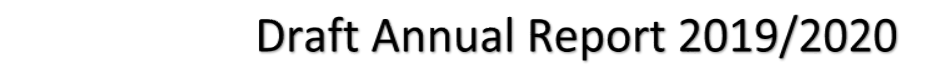
Council as a whole is the legislative body and delegates some of this authority to the committees established in terms of section 79 of the Local Government: Municipal Structures Act. The Disciplinary Board is established in terms of Section 79 of said Act.

The scope for the Municipal Public Accounts Committee’s activities also encompass, amongst other, issues relating to recommendations on unauthorised, irregular, fruitless and wasteful expenditure as well as performance, within the delegation framework of the Municipal Council

The Municipal Systems Act (Section 59 (1) prescribes that a Municipal Council must develop a system of delegation that will maximise administrative and operational efficiency and provide for adequate checks and balances. The prudent use of this system allows municipalities to separate council powers between executive (the Executive and Mayoral Committee for example) and legislative authority (Council as delegated to the Disciplinary Board, other committees and officials) in terms of a set of delegations approved by Council.

Managing the municipal workforce is not only the duty of the Human Resources section and every manager in Kannaland Municipality is responsible for managing of his/her own line function in an integrated manner.

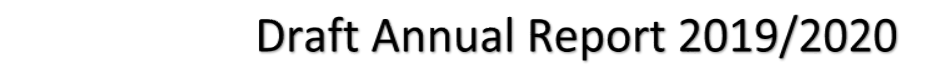
**145**



4.2 POLICIES

The followings policies have been adopted and are in force:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **POLICIES** | | | | | **146** |
| **Name of Policy** | **Completed** | **Reviewed** | **Date adopted by** | |
|  | % | % | **council or comment**  **on failure to adopt** | |
| **Attraction and Retention** | YES |  | October 2011 | |
| **Code of Conduct for employees** | YES |  | Use BCE-act & | |
|  |  | regulations & Systems | |
|  |  | Act Code | |
| **Delegations, Authorisation & Responsibility** | YES |  |  | |
| **Disciplinary Code and Procedures** | YES |  | Use | SALGBC |
|  |  | agreements |  |
| **Essential Services** | YES |  |  | |
| **Employee Assistance / Wellness** | NO |  |  | |
| **Employment Equity** | NO |  |  | |
| **Grievance Procedures** | NO |  | Use | SALGBC |
|  |  | agreements |  |
| **HIV/Aids** | YES |  | Feb 2008 | |
| **Job Evaluation** | NO |  |  | |
| **Leave** | YES |  | Feb 2008 | |
| **Occupational Health and Safety** | YES |  | 9 Sept 2008 | |
| **Official Journeys (S & T)** | YES | October 2013 | 19-Mar-12 | |
| **Official Working Hours and Overtime** | YES |  | 19-Dec-12 | |
| **Organisational Rights** | YES |  |  | |
| **Payroll Deductions** | YES |  |  | |
| **Performance Management and Development** | YES |  |  | |
| **Recruitment, Selection and Appointments** | YES |  | 27-Oct-11 | |
| **Remuneration Scales and Allowances** | YES |  |  | |
| **Skills Development** | YES |  | Jan 2008 | |



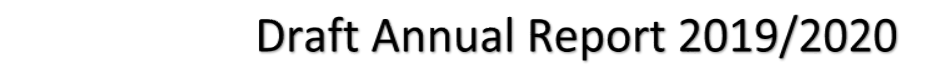
|  |  |  |  |
| --- | --- | --- | --- |
| **POLICIES** | | | |
| **Name of Policy** | **Completed** | **Reviewed** | **Date adopted by council or comment on failure to adopt** |
| % | % |
| **Special Skills (Scarce Skills)** | YES |  | Oct 2011 |
| **Long Service Recognition** | YES |  | 9-Sep-08 |
| **Acting Allowance** | YES |  | 19-Dec-12 |
| **Standby Allowance** | YES |  | 9-Sep-08 |
| **Nepotism** | YES |  | 9-Sep-08 |
| **Demotion, Promotion & Transfer** | YES |  | 9-Sep-08 |
| **Personnel Production: Performance Recognition** | YES |  | 9-Sep-08 |
| **Whistle-blowers** | YES |  | 9-Sep-08 |
| **Alcohol & Substance Abuse** | YES |  | 9-Sep-08 |
| **Cellphone Users Scheme** | YES |  | 9-Sep-08 |
| **Car-allowances Scheme** | YES |  | 29-Jan-09 |
| **Legal Representative** | YES |  | 21-Oct-11 |
| **Study-loan Scheme** | YES |  | 19-Dec-11 |
| **Cellphone Users Scheme for Officials** | YES |  | 13-Jan-12 |
| **Retention of Staff** | YES |  | 27-Oct-11 |
| **Access of Information** | YES |  | 18-Nov-11 |
| **Anti-Fraud & Corruption Strategy and Prevention** | YES |  | 12-Nov-13 |

TABLE 68 - HR POLICIES AND PLANS

All policies will be reviewed in 2019/20 financial year.

**147**

**148**



4.3 INJURIES, SICKNESS AND SUSPENSIONS

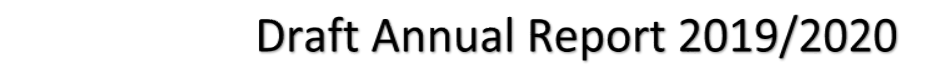
|  |  |  |
| --- | --- | --- |
| Number and Cost of Injuries on Duty | | |
| Type of injury | **Injury Leave Taken** | **Employees using injury**  **leave** |
|  | **Days** | **No.** |
| **Required basic medical attention only** | 0 | 1 |
| **Temporary total disablement** | 0 | 0 |
| **Permanent disablement** | 0 | 0 |
| **Fatal** | 0 | 0 |
| **Total** | 0 | 0 |

TABLE 69: NUMBER AND COST OF INJURIES ON DUTY

The Municipality has an employee assistance programme to visit employees who are hospitalized for long periods due to illness or injuries and to assist them with procedures to be boarded or whatever they need assistance with.

The Occupational Health and Safety structures are being strengthened to reduce occupational injuries. Internal departments attend monthly meetings to discuss and seek possible solutions wrt OHS matters.

**149**

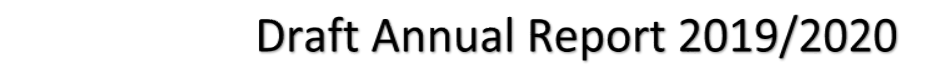


DISCIPLINE

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Number and Period of Suspensions** | | | | |
| **Position** | **Nature of Alleged Misconduct** | **Date of Suspension** | **Details of Disciplinary Action taken or**  **Status of Case and Reasons why not Finalised** | **Date Finalised** |
| Ian Avontuur | Gross Misconduct | 9de Januarie | The effect of Covid-19 and booked of sick | Complete |
| JCP Olivier | Theft | 26 Feb 2019 | Dismissed | Complete |
| Rosemary Rothman | Insubordination | 14 Oct 2019 | Dismissed | Complete |
| Elvis Ntlebi | Gross Misconduct | 11 June 2020 | Dismissed | Complete |
| Gerhard Pretorius | Dishonesty | 23 Julie 2020 |  | Complete |

TABLE 70: NUMBER AND PERIOD OF SUSPENSIONS

As result of various charges on allegations of misconduct, the general discipline in the workplace has improved during the year under review. The status quo can be improved even more with awareness campaigns and training.



4.4 PERFORMANCE REWARDS

The individual performance management system has not yet been developed to include other officials than the section 56 and 57 senior managers.

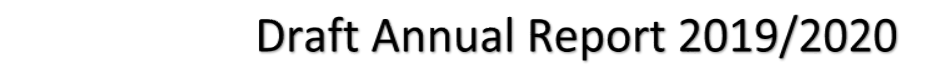
### COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68 of the Local Government: Municipal Systems Act requires from the Municipality to develop the workforce capacity to a level that enables them to perform their functions and exercise their posers in an economical, effective, efficient and accountable way in accordance with the Employment Equity Act, 1998.

Challenges experienced regarding training of officials:

1. As part of a training audit to identify employees’ needs for training, they had to complete a questionnaire and submit the document to the Human Resources office. The interest that the employees took into this exercise was disappointing; and
2. Funding for training remains a challenge. LGSETA do not allocate funding to Kannaland Municipality for Municipal Minimum Competency training due to the fact that a MMC course had been stopped due to the fact that the beneficiaries on course were not from the target group for MMC training. It is of critical importance that the financial and other personnel who are required to comply with MMC Regulations, be trained as a matter of urgency. The programme for the capacitation of financial interns will be utilized to train the finance department staff.

**150**

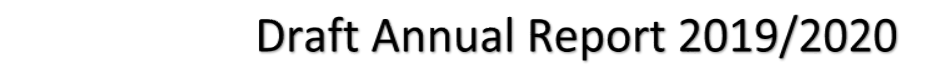


4.5 SKILLS DEVELOPMENT AND TRAINING

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Skills Matrix | | | | | | | | | | | | | | |
| Management level | Gender | Employees in post as at 30 June 2019 | Number of skilled employees required and actual as at 30 June 2018 | | | | | | | | | | | |
| Learnerships | | | Skills programmes & other short courses | | | Other forms of training | | | Total | | |
| No. | 2019/20 | 2019/20 | 2019/20 | 2019/20 | 2019/20 | 2019/20 | 2019/20 | 2019/20 | 2019/20 | 2019/20 | 2019/20 | 2019/20 |
| MM and s57 | Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Male | 1 |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Councillors, senior officials  and managers | Female | 3 |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Male | 4 |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Technicians and  associate professionals\* | Female |  |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Male |  |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionals | Female |  |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Male |  |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub total | Female |  |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Male |  |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total |  | 0 |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

TABLE 71: SKILLS MATRIX

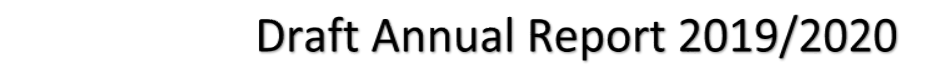
**151**



|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 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 |  |  |  |  |  |  |
| Accounting officer | 1 | 0 | 1 | 1 | 1 | 1 |
| Chief financial officer | 1 | 0 | 1 | 1 | 1 | 1 |
| Senior managers | 4 | 0 | 4 | 1 | 0 | 0 |
|  | 56 | 0 | 56 | 0 | 0 | 0 |
| Any other financial officials |  |  |  |  |  |  |
| Heads of supply chain management units | 1 | 0 | 1 | 0 | 0 | 0 |
| Supply chain  management senior managers | 0 | 0 |  | 0 | 0 | 0 |
| TOTAL | 63 | 0 | 63 | 3 | 2 | 2 |

TABLE 72: FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT

**152**



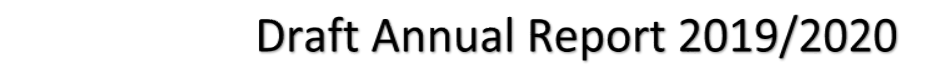
DISCLOSURES OF FINANCIAL INTERESTS

Please refer to disclosures made by officials and councillors concerning their financial interests as required by the Performance Management Regulations 805 of 2006 set out table below:

|  |  |  |
| --- | --- | --- |
| Disclosures of Financial Interests | | |
| Period 1 July 2018 to 30 June 2019 | | |
| Position | **Name** | **Description of Financial interests\* (Nil / Or details)** |
| (Executive) Mayor | M. Barry | None |
| Member of Mayco / Exco |  |  |
| **Deputy Mayor** | P. Antonie | None |
|  |  |  |
| **Councillor** |  |  |
| **Speaker** | A. Theron | None |
| **Ward 1 Councillor** | J. Donson | None |
| **Ward 3 Councillor** | W. Meshoa | None |
| **PR Councillor DA** | Johnson | None |
| **PR Councillor ICOSA** | H. Ruiters | None |
|  |  |  |
| Municipal Manager | R. Stevens | 10 Sasol shares |
| Chief Financial Officer | R Butler | Attached to his performance agreement |
| Deputy MM and (Executive) Directors |  |  |
| **Acting CFO** |  |  |
| **Director Corporate Services** | Vacant | None |
|  |  |  |
| Other S57 Officials | None | None |

TABLE 73: DISCLOSURES OF FINANCIAL INTERESTS

**153**



CHAPTER 5 – FINANCIAL PERFORMANCE

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

This component provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

In terms of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), section 126(1)(a), the accounting officer must prepare the annual financial statements of the Municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.

According to section 133(1)(a) of the MFMA, the mayor must promptly table in the council a written explanation setting out the reasons for the failure if the accounting officer fails to submit financial statements to the Auditor-General in accordance with section 126(1) of the MFMA.

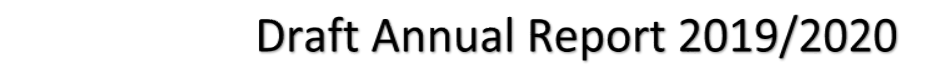
The reasons for the delay in submitting the annual financial statements to the Auditor-General for auditing, as contemplated in section 126(1) (a) of the MFMA can be ascribed to the following:

*Governance challenges*

The Municipality has been facing significant governance challenges due to leadership instability at time, including long-standing key vacancies in the finance department.

**154**

**155**



*Skills and capacity challenges*

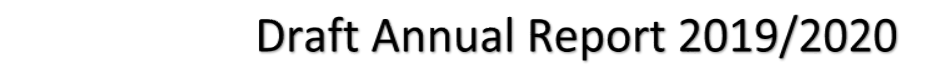
The finance Section is not fully capacitated as some of the employees do not have the required competency levels. The department has however enrolled the affected employees and also is putting in place measures to ensure that all employees are fully skilled.

*System challenges*

It should be noted that the municipality is not utilising the latest modules in its financial systems due to lack of funding. We still await the approval of grant funding from the Provincial Government to implement the latest modules.

STATEMENT OF FINANCIAL PERFORMANCE

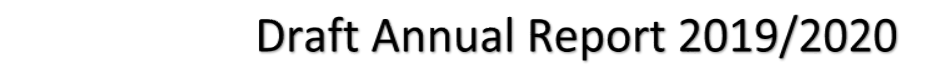
The financial performance of Kannaland Municipality for the 2019/20 financial year is summarized in the Statement of Performance:



**156**

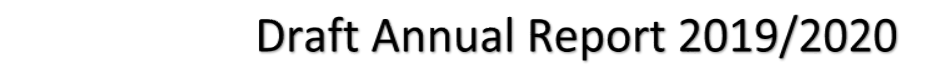
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Reconciliation of Table A1 Budget Summary** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Description**  **R thousands** | **2019/20** | | | | | | | | | | | **2019/20** | | | |
| **Original Budget** | **Budget Adjustments** (i.t.o. s28 and s31 of the  MFMA) | **Final adjustments budget** | **Shifting of funds**  (i.t.o. s31 of the MFMA) | **Virement** (i.t.o. Council approved policy) | **Final Budget** | **Actual Outcome** | **Unauthorised expenditure** | **Variance** | **Actual Outcome as % of Final Budget** | **Actual Outcome as % of Original Budget** | **Reported unauthorised expenditure** | **Expenditure authorised in terms of section 32 of MFMA** | **Balance to be recovered** | **Restated Audited Outcome** |
|  | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** | **13** | **14** | **15** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Financial Performance** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Property rates | 20 113 | 17 117 | 17 117 |  |  | 17 117 | 16 753 |  | 364 | 97,88 | 83,30 |  |  |  |  |
| Service charges | 74 994 | 90 425 | 90 425 |  |  | 90 425 | 87 281 |  | 3 144 | 96,52 | 116,38 |  |  |  |  |
| Investment revenue | 500 | 778 | 778 |  |  | 778 | 1 014 |  | (236) | 130,31 | 202,72 |  |  |  |  |
| Transfers recognised - operational | 33 611 | 46 313 | 46 313 |  |  | 46 313 | 39 943 |  | 6 369 | 86,25 | 118,84 |  |  |  |  |
| Other own revenue | 17 248 | 16 606 | 16 606 |  |  | 16 606 | 11 772 |  | 4 834 | 70,89 | 68,25 |  |  |  |  |
| **Total Revenue (excluding capital transfers and**  **contributions)** | **146 466** | **171 238** | **171 238** |  |  | **171 238** | **156 763** |  | **14 475** |  |  |  |  |  |  |
| Employee costs | 55 215 | 64 962 | 64 962 |  |  | 64 962 | 58 588 |  | 6 374 | 90,19 | 106,11 |  |  |  |  |
| Remuneration of councillors | 3 053 | 3 408 | 3 408 |  |  | 3 408 | 3 146 |  | 262 | 92,30 | 103,05 |  |  |  |  |
| Bad debts | 16 018 | 11 584 | 11 584 |  |  | 11 584 | 4 905 |  | 6 678 | 42,35 | 30,63 |  |  |  |  |
| Depreciation & asset impairment | 10 661 | 11 984 | 11 984 |  |  | 11 984 | 13 130 |  | (1 146) | 109,56 | 123,16 |  |  |  |  |
| Finance charges | 422 | 610 | 610 |  |  | 610 | 5 267 |  | (4 657) | 863,05 | 1 249,19 |  |  |  |  |
| Materials and bulk purchases | 35 312 | 42 761 | 42 761 |  |  | 42 761 | 43 096 |  | (336) | 100,78 | 122,04 |  |  |  |  |
| Transfers and grants | 2 766 | 150 | 150 |  |  | 150 | 96 |  | 54 | 64,16 | 3,48 |  |  |  |  |
| Other expenditure | 20 201 | 40 163 | 40 163 |  |  | 40 163 | 20 061 |  | 20 101 | 49,95 | 99,31 |  |  |  |  |
| **Total Expenditure** | **143 647** | **175 621** | **175 621** |  |  | **175 621** | **148 290** |  | **27 331** |  |  |  |  |  |  |
| **Surplus/(Deficit)** | **2 819** | **(4 383)** | **(4 383)** |  |  | **(4 383)** | **8 473** |  |  |  |  |  |  |  |  |
| Transfers recognised - capital | 52 236 | 54 838 | 35 396 |  | 35 396 | 18 344 | 17 052 | 51,82 | 35,12 |  |
| Contributions recognised - capital & contributed assets |  |  |  |  |  |  |  |  |  |  |
| **Surplus/(Deficit) after capital transfers & contributions** | 55 055 | 50 455 | 31 013 |  |  | 31 013 | 26 817 |  | 4 196 | 86,47 | 48,71 |  |  |  |  |
| Share of surplus/ (deficit) of associate |  |  |  |  |  |  |  |  |  |  |  |  |
| **Surplus/(Deficit) for the year** | **57 874** | **46 072** | **26 630** | **–** | **–** | **26 630** | **35 290** | **–** | **4 196** | **0** | **0** |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Capital expenditure & funds sources** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Capital expenditure** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Transfers recognised - capital | 52 236 | 55 482 | 35 002 |  |  | 35 002 | 8 344 |  | 26 658 | 23,84 |  |  |  |  |  |
| Public contributions & donations | – | – |  |  |  |  |  |  |  |  |
| Borrowing | – | – |  |  |  |  |  |  |  |  |
| Internally generated funds | 390 | 490 | 490 |  | 490 | 98 |  | (98) | 20 000,00 |  |  |
| **Total sources of capital funds** | **52 626** | **55 972** | **35 003** |  | **35 003** | **8 442** |  | **26 561** | **24,12** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash from (used) operating | 15 325 | 20 270 | 7 117 |  |  | 27 387 | 28 087 |  | (700) | 102,56 |  |  |  |  |  |
| Net cash from (used) investing | (52 626) | (55 972) | 20 230 |  | (35 742) | (17 563) | (18 178) | 49,14 |  |  |
| Net cash from (used) financing | (720) | (720) | – |  | (720) | (441) | (279) | 61,28 |  |  |
| **Cash/cash equivalents at the year end** |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**157**



**TABLE 74: RECONCILIATION OF TABLE A1 BUDGET SUMMARY SOURCE AFS**

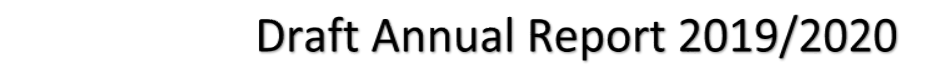
5.1 FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES



|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial Performance of Operational Services** | | | | | | | |
| **R '000** | | | | | | | |
| **Description** | **2019/20** | | | **Variance** | | | |
| **Original Budget** | **Adjustments Budget** | **Actual** | **Original Budget** | | **Adjustments Budget** | |
| **Operating Cost** |  |  |  |  | |  | |
| Water | 12 195 670,00 | 12 694 293,00 | 8 872 688,00 | 3 322 982,00 | | 3 821 605,00 | |
| Waste Water (Sanitation) | 6 607 084,00 | 7 120 800,00 | 5 740 360,00 | 866 724,00 | | 1 380 440,00 | |
| Electricity | 50 932 403,00 | 49 066 940,00 | 48 983 726,00 | 1 948 677,00 | | 83 214,00 | |
| Waste Management | 6 792 184,00 | 5 980 036,00 | 5 456 483,00 | 1 335 701,00 | | 523 553,00 | |
| Housing | 1 616 415,00 | 3 467 415,00 | 800 842,00 | 815 573,00 | | 2 666 573,00 | |
| Component A: sub-total | **78 143 756,00** | **78 329 484,00** | **69 854 099,00** | **8 289 657,00** | | **8 475 385,00** | |
| Waste Water (Stormwater Drainage) |  |  |  | - | | - | |
| Roads | 10 618 460,00 | 10 396 460,00 | 8 188 113,00 | 2 430 347,00 | | 2 208 347,00 | |
| Transport |  |  |  | - | | - | |
| Component B: sub-total | **10 618 460,00** | **10 396 460,00** | **8 188 113,00** | **2 430 347,00** | | **2 208 347,00** | |
| Planning | 6 291 322,00 | 6 330 430,00 | 6 515 785,00 | - | 224 463,00 | - | 185 355,00 |
| Local Econom ic Developm ent |  |  |  | - | | - | |
| Component B: sub-total | **6 291 322,00** | **6 330 430,00** | **6 515 785,00** | **-** | **224 463,00** | **-** | **185 355,00** |
| Planning (Strategic & Regulatary) | 7 750 515,00 | 8 750 870,00 | 9 627 292,00 | - | 1 876 777,00 | - | 876 422,00 |
| Local Econom ic Developm ent |  |  |  | - | | - | |
| Component C: sub-total | **7 750 515,00** | **8 750 870,00** | **9 627 292,00** | **-** | **1 876 777,00** | **-** | **876 422,00** |
| Community & Social Services | 2 872 073,00 | 3 166 860,00 | 3 232 690,00 | - | 360 617,00 | - | 65 830,00 |
| Envirom ental Proctection |  |  |  | - | | - | |
| Health |  |  |  | - | | - | |
| Security and Safety | 9 095 481,00 | 8 739 460,00 | 9 525 285,00 | - | 429 804,00 | - | 785 825,00 |
| Sport and Recreation | 385 003,00 | 282 220,00 | 604 530,00 | - | 219 527,00 | - | 322 310,00 |
| Corporate Policy Offices and Other | 18 849 208,00 | 14 994 290,00 | 14 505 803,00 | 4 343 405,00 | | 488 487,00 | |
| Component D: sub-total | **31 201 765,00** | **27 182 830,00** | **27 868 308,00** | **3 333 457,00** | | **-** | **685 478,00** |
| **Total Expenditure** | **134 005 818,00** | **130 990 074,00** | **122 053 597,00** | **11 952 221,00** | | **8 936 477,00** | |

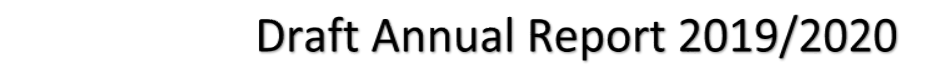
**TABLE 75: FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES SOURCE AFS**

**158**



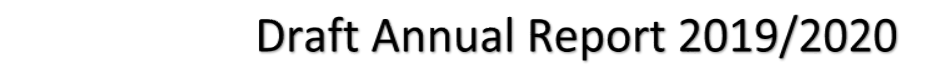
**159**

5.2 GRANTS



**160**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Grant Performance**  **R' 000** | | | | | |
| **Description** | **2019/20** | | | **2019/20** | |
| **Budget** | **Adjustments Budget** | **Actual** | **Original Budget**  **(%)** | **Adjustments Budget**  **(%)** |
| **Operating Transfers and Grants** |  |  |  |  |  |
| **National Government:** | **54 718** | **54 718** | **43 188** |  |  |
| Equitable share | 28 147 | 28 147 | 28 147 | 100,00% | 100% |
| Municipal System s Improvem ent |  |  |  |  |  |
| Department of Water Affairs |  |  |  |  |  |
| Levy replacem ent |  |  |  |  |  |
| Expanded Public Work Programme | 1 184 | 1 184 | 1 184 | 100,00 | 100,00 |
| Financial Management Grant | 2 215 | 2 215 | 1 960 | 88,49 | 88,49 |
| Municipal Infrastructure Grant PMU | 514 | 514 | 514 | 100,00 | 100,00 |
| Municipal Infrastructure Grant | 9 757 | 9 757 | 6 800 | 69,69 | 69,69 |
| Water Services Infrastructure Grant | 10 000 | 10 000 | 4 381 | 43,81 | 43,81 |
| INEP(integrated National Electrification Programme) | 2 901 | 2 901 | 202 | 7 | 7 |
| Other transfers/grants [insert description] |  |  |  |  |  |
| **Provincial Government:** | **14627** | **14627** | **10320** |  |  |
| WC - FINANCIAL MANAGEMENT SUPPORT GRANT | 4821 | 4821 | 4006 | 83,09 | 83,09 |
| WC - MSCOA | 330 | 330 | 330 | 100,00 | 100,00 |
| FINANCIAL MANAGEMENT CAPACITY BUILDING GRANT | 470 | 470 | 139 | 29,57 | 29,57 |
| GRANT: INTEGRATED HOUSING & HUMAN SETTLE | 380 | 380 |  | 0 | - |
| LIBRARY CONDITIONAL GRANT CAPITAL | 650 | 650 |  | 0 | - |
| MRF | 2876 | 2876 | 2634 | 91,59 | 91,59 |
| MUNICIPAL DISASTER GRANT FIRE | 830 | 830 | 830 | 100 | 100,00 |
| GRANT: CDW | 222 | 222 |  | 0 | - |
| COVID 19 GRANT RELIEF (WESTERN CAPE) | 748 | 748 | 709 | 94,79 | 94,79 |
| DRAUGHT RELIEF | 3300 | 3300 | 1672 | 50,67 | 50,67 |
| *[insert description]* |  |  |  |  |  |
|  |  |  |  |  |  |
| **Other grant providers:** | **–** | **–** | **–** |  |  |
| *[insert description]* |  |  |  |  |  |
|  |  |  |  |  |  |
| **Total Operating Transfers and Grants 69 345** | | **69 345** | **53 508** | 77,16 | 77,16 |



**TABLE 76: GRANT PERFORMANCE SOURCE AFS**

##### 5.3 BORROWINGS

|  |  |
| --- | --- |
| **Instrument** | **2019/20** |
| **M unicipality** |  |
| Long-Term Loans (annuity/reducing balance) | **1 435 865** |
| Long-Term Loans (non-annuity) |  |
| Local registered stock |  |
| Instalm ent Credit |  |
| Financial Leases |  |
| PPP liabilities |  |
| Finance Granted By Cap Equipm ent Supplier |  |
| M arketable Bonds |  |
| Non-M arketable Bonds |  |
| Bankers Acceptances |  |
| Financial derivatives |  |
| Other Securities |  |
| **M unicipality Total** | **1 435 865** |
|  |  |
| **M unicipal Entities** |  |
| Long-Term Loans (annuity/reducing balance) |  |
| Long-Term Loans (non-annuity) |  |
| Local registered stock |  |
| Instalm ent Credit |  |
| Financial Leases |  |
| PPP liabilities |  |
| Finance Granted By Cap Equipm ent Supplier |  |
| M arketable Bonds |  |
| Non-M arketable Bonds |  |
| Bankers Acceptances |  |
| Financial derivatives |  |
| Other Securities |  |
| **Entities Total** | 0 |

**TABLE 77: ACTUAL BORROWINGS SOURCE AFS**

**161**



5.4 REVENUE COLLECTION BY VOTE

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Revenue Collection Performance by Vote** | | | | | | |
|  | | | | **R' 000** | | |
|  | **2018/19** | **2019/20** | | | **2019/20** | |
| **Vote Description** | **Actual** | **Original**  **Budget** | **Adjusted**  **Budget** | **Actual** | **Original**  **Budget** | **Adjustment**  **s Budget** |
| Vote 1 - Executive Council | 25 441 | 8 740 | 9 556 | 29 032 | 332,17 | 303,81 |
| Vote 2 - Corporate Services | 17 759 | 25 275 | 23 814 | 20 154 | 79,74 | 84,63 |
| Vote 3 - Financial Services | 28 170 | 34 910 | 30 479 | 25 449 | 72,90 | 83,50 |
| Vote 4 - Technical Services | 86 863 | 155 393 | 139 476 | 82 133 | 52,86 | 58,89 |
| **Total Revenue by Vote** |  | **224 318** | **203 325** | **156 768** | **69,89** | **77,10** |

**TABLE 78: REVENUE BY VOTE 2019/20 VOTE AFS**

5.5 REVENUE COLLECTION PERFORMANCE BY SOURCE

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Revenue Collection Performance by Source**  **R '000** | | | | | | |
| **Description** | **2018/19** | **2019/20** | | | **2019/20** | |
| **Actual** | **Original Budget** | **Adjustments Budget** | **Actual** | **Original Budget** | **Adjustmen ts Budget** |
| Property rates | 16 271 | 20 113 | 23 629 | 16 753 |  |  |
| Property rates - penalties & collection charges |  |  |  |  |  |  |
| Service Charges - electricity revenue | 44 924 | 74 994 | 71 638 | 52 824 |  |  |
| Service Charges - water revenue | 12 958 | 16 920 | 16 920 | 19 804 |  |  |
| Service Charges - sanitation revenue | 5 986 | 6431 | 5112 | 6 823 |  |  |
| Service Charges - refuse revenue | 5 799 | 6 684 | 6 684 | 6 743 |  |  |
| Service Charges - other Fire Levy |  |  |  | 1 087 |  |  |
| Rentals of facilities and equipment | 516 | 909 | 471 | 528 |  |  |
| Interest earned - external investm ents | 732 | 500 | 794 | 1 014 |  |  |
| Interest earned - outstanding debtors | 4 836 | 5 327 | 5 147 | 3 230 |  |  |
| Dividends received |  | 3 |  |  |  |  |
| Fines | 6 021 | 8 486 | 8 480 | 6 637 |  |  |
| Licences and permits | 173 | 152 | 170 | 164 |  |  |
| Agency services | 1 053 | 960 | 1 220 | 958 |  |  |
| Transfers recognised - operational | 40 032 | 33 146 | 39 652 | 39 943 |  |  |
| Other revenue | 588 | 1 876 | 324 | 260 |  |  |
| Gains on disposal of PPE |  |  |  |  |  |  |
| Environm ental Protection |  |  |  |  |  |  |
| **Total Revenue (excluding capital transfers and contributions)** | **139 890** | **176 501** | **180 241** | **156 768** |  |  |

**TABLE 79: REVENUE COLLECTION BY SOURCE 2019/20 SOURCE AFS**

**162**



**163**

5.6 ASSET MANAGEMENT

The unit experienced problems as a result of under staffed where only one accountant and one intern in this department. This makes it impossible to function effectively. Fleet management was also added to the asset management department and is also managed by the acting accountant.

Lack of Asset Management System, we are currently still making use of an excel register which only allows annual update of the FAR, which makes us dependant on consultants. Lack of a store room, we currently have no space for the storage of assets.

Co-operation by staff is poor. They still believe that they carry no responsibility towards the management of the assets assigned to them and that the responsibility remains with the asset management unit.

The availability of financial and technical information regarding projects that was done is still a huge challenge. We are still struggling to obtain the correct information in the required format to do the unbundling of projects efficiently. The problems with the Financial System as well as how it is being used, also contribute to the difficulty regarding the data needed for the unbundling.

Availability of staff to do quarterly sample verifications, due to the lack of staff in the department, is difficult. Without sufficient staff it is impossible to implement the basic policies and procedures required to manage the assets efficiently and effectively.

Despite numerous challenges and shortages in the Asset Management section, the most pressing challenge is to attain a fully complete asset register.

This is a process that takes time as well as financial resources to be fully functional and compliant. The Municipality has an asset management plan which produces a credible asset verification register with GIS mapping.



### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.7 CAPITAL PROGRAMME

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Capital Expenditure of 5 largest projects\***  **R' 000** | | | | | |
| **Name of Project** | **Current: 2019/20** | | | **Variance** | |
| **Original Budget** | **Adjustment Budget** | **Actual Expenditu re** | **Original Variance (%)** | **Adjustmen t variance (%)** |
| Zoar: Upgrade Sport Field Ph2 | R3 726 953,42 | 3 594 654,00 | 3 400 614 | 91% | 95% |
| Ladismith: New Waste Water Treatment Works | R1 600 000,00 | 2 202 250,00 | 801 289 | 50% | 36% |
| Ladismith: Upgrade Water Treatment Works | R2 715 806,73 | 2 715 807,00 | 1 903 130 | 70% | 70% |
| Calitzdorp: Replacement of raw water supply pipeline | R10 000 000,00 | 10 000 000,00 | 4 384 189 | 44% | 44% |
| Calitzdorp: Electrification of 100 houses in Bergsig | R2 901 000,00 | 2 901 000,00 | 201 980 | 7% | 7% |

**TABLE 80: CAPITAL PROGRAMME BY PROJECT 2019/20**

##### COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

**164**



5.9 CASH FLOW

**TABLE 81: CASH FLOW SOURCE AFS 2019/20**

**165**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Cash Flow Outcomes**  **R'000** | | | | |
| **Description** | **2018/19** | **2019/20** | | |
| **Audited**  **Outcome** | **Original**  **Budget** | **Adjusted**  **Budget** | **Actual** |
| **CASH FLOW FROM OPERATING ACTIVITIES** |  |  |  |  |
| **Receipts** |  |  |  |  |
| Ratepayers and other | 87 805 | 89 796 | 73 715 | 94 213 |
| Governm ent - operating | 59 947 | 33 146 | 3 918 | 52 505 |
| Governm ent - capital |  | 44 648 | 23 333 | 21 730 |
| Interest | 5 569 | 3 434 | 4 601 | 4 243 |
| Dividends |  |  |  |  |
| **Payments** |  |  |  |  |
| Suppliers and employees | -127 693 |  | -122 387 | -115 461 |
| Finance charges | 2 866 |  | -921 | -5 267 |
| Transfers and Grants | -406 |  | -751 | -96 |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | **28 087** | **171 023** | **-18 492** | **51 633** |
|  |  |  |  |  |
| **CASH FLOWS FROM INVESTING ACTIVITIES** |  |  |  |  |
| **Receipts** |  |  |  |  |
| Proceeds on disposal of PPE |  |  |  |  |
| Decrease (Increase) in non-current debtors |  |  |  |  |
| Decrease (increase) other non-current receivables |  |  |  |  |
| Decrease (increase) in non-current investm ents |  |  |  |  |
| **Payments** |  |  |  |  |
| Capital assets | -17 563 |  | -25 119 | -20 338 |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | **-17 563** | **–** | **-25 119** | **-20 338** |
|  |  |  |  |  |
| **CASH FLOWS FROM FINANCING ACTIVITIES** |  |  |  |  |
| **Receipts** |  |  |  |  |
| Short term loans |  |  |  |  |
| Borrowing long term/refinancing |  |  |  |  |
| Increase (decrease) in consum er deposits | 11 |  |  | 57 |
| **Payments** |  |  |  |  |
| Repaym ent of borrowing | -452 |  | -720 | -496 |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | **-441** | **–** | **-720** | **-439** |
|  |  |  |  |  |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | **10 083** | **171 023** | **-44 331** | **30 856** |
| Cash/cash equivalents at the year begin: | **1 549** |  | **1 545** | **11 631** |
| Cash/cash equivalents at the year-end: | **11 631** | **171 023** | **-42 787** | **42 488** |



5.10 BORROWING AND INVESTMENTS

Kannaland Municipality as many other municipalities in South Africa, is reliant on grant funding to enhance their income and to properly execute their duties and functions as prescribed by the Constitution of South Africa. Therefore all grant funding received from National and Provincial Government needs to be used, solely for the purposes intended and granted for.

All grant funding are safely deposited at the Municipality’s bank on 32 days investments. This not only ensures safekeeping of grant funding, but also enhancing the cash flow position of the Municipality by earning additional income from interest.

5.11 PUBLIC PRIVATE PARTNERSHIPS

N/A

### COMPONENT D: OTHER FINANCIAL MATTERS

5.12 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the guidelines by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative. It will also ensure that the Municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is required to enable National Treasury to assess the pace of progress and consider the implications.

The financial statements have been prepared in accordance with Standards of Generally Recognized 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 judgements and estimates.

**166**



**167**

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

The Constitution in S188 (1) (b) states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements and financial management of all municipalities. In accordance with the Local Government: Municipal Systems Act, 2000 (section 45) the results of performance measurement must be audited annually by the Auditor- General.

##### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2019/20

**Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Kannaland Municipality**



**168**

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. |



**169**

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| --- | --- |
| **Integrated Development Plan**  **(IDP)** | Set out municipal goals and development plans. |
| **National Key performance areas** | * Service delivery & infrastructure * Economic development * Municipal transformation and institutional development * Financial viability and management * Good governance and community participation |
| **Outcomes** | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve". |
| **Outputs** | The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area. |
| **Performance Indicator** | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to  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. |



**170**

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| --- | --- |
| **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. |



**171**

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Councilors, Committees Allocated and Council Attendance | | | | | |
| Council Members | Full Time / Part  Time | Committees Allocated | \*Ward and/ or Party Repres ented | Perc enta ge Cou ncil Mee tings Atte nda  nce | Perc enta ge Apol ogie s for non- atte nda  nce |
|  |
| FT/PT | % | % |
| J Donson | FT | Mayco / Council | Ward | 100  % | 0% |
| P Antonie | FT | Mayco / Portfolio Administration / Council / MPAC | Party Repres  entative | 100  % | 0% |
| H Ruiters | FT | Mayco / Portfolio Technical / Council | Ward | 100  % | 0% |
| M Barry | PT | Council / Mayco | Ward | 100  % | 0% |
| W Meshoa | PT | Council | Ward | 100  % | 0% |
| J Johnson | PT | Council | Ward | 100  % | 0% |
| A Theron | PT | Council | Ward | 100  % | 0% |

TABLE 82: COUNCILORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE



**172**

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

|  |  |
| --- | --- |
| Committees (other than Mayoral / Executive Committee) and Purposes of Committees | |
| Municipal Committees | Purpose of Committee |
|  |
| Local Labour Forum | To regulate HR matters |
| Audit Committee | To have oversight with regard to finance (MFMA) and legislative requirements |
| MPAC Committee | To have oversight with regard to the Annual Report |
| Technical Committee | To have oversight with regard to Technical projects |
| Risk Committee | To have oversight with regard to the Risk Management function |

TABLE 83: COMMITTEES AND COMMITTEE PURPOSES

APPENDIX C – FUNCTIONS OF MUNICIPALITY / ENTITY

|  |  |
| --- | --- |
| **Municipal Functions** | |
| MUNICIPAL FUNCTIONS | Function Applicable to Municipality  (Yes / No)\* |
| Constitution Schedule 4 and 5 Part B functions: |  |
| Air pollution | YES |
| Building regulations | YES |
| Child care facilities | YES |
| Electricity and gas reticulation | YES |
| Firefighting services | YES |
| Local tourism | YES |
| Municipal airports | YES |
| Municipal planning | YES |
| Municipal health services | YES |
| Municipal public transport | YES |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned  to them under this Constitution or any other law | YES |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto | NO |
| Stormwater management systems in built-up areas | YES |
| Trading regulations | NO |
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems | YES |



**173**

|  |  |
| --- | --- |
| **Municipal Functions** | |
| MUNICIPAL FUNCTIONS | Function Applicable to  Municipality (Yes / No)\* |
| Beaches and amusement facilities | NO |
| Billboards and the display of advertisements in public places | NO |
| Cemeteries, funeral parlours and crematoria | YES |
| Cleansing | YES |
| Control of public nuisances | PARTIAL |
| Control of undertakings that sell liquor to the public | NO |
| Facilities for the accommodation, care and burial of animals | NO |
| Fencing and fences | YES |
| Licensing of dogs | YES |
| Licensing and control of undertakings that sell food to the public | YES |
| Local amenities | YES |
| Local sport facilities | YES |
| Markets | NO |
| Municipal abattoirs | YES |
| Municipal parks and recreation | YES |
| Municipal roads | YES |
| Noise pollution | YES |
| Pounds | NO |
| Public places | YES |
| Refuse removal, refuse dumps and solid waste disposal | YES |
| Street trading | YES |
| Street lighting | YES |
| Traffic and parking | YES |

**TABLE 84: MUNICIPAL FUNCTIONS**



**174**

APPENDIX D – WARD REPORTING

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Functionality of Ward Committees** | | | | |
| Ward Name (Number) | Name of Ward Councillor and elected Ward committee members | Committee established (Yes / No) | Number of monthly Committee meetings held during  the year | Number of quarterly public ward meetings held during  year |
| Nissenville Ward 1 | Councillor J Donson | Yes | The ward committee was established  01 April 2017 | 3 |
| Calitzdorp Ward 2 | Councillor W Meshoa | Yes | The ward committee was established  01 April 2017 | 4 |
| Zoar Ward 3 | Executive Mayor M Barry | Yes | The ward committees were established  01 April 2017 | 4 |
| Ladismith Ward 4 | Speaker A Theron | Yes | The ward committees were  established 01 April 2017 | 4 |

**TABLE 85: FUNCTIONALITY OF WARD COMMITTEES**



**175**

VOLUME II: ANNUAL FINANCIAL STATEMENTS