

# **MOPANI DISTRICT MUNICIPALITY**



**2018/19**

**DRAFT ANNUAL REPORT**

**(30 June 2019)**

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

### COMPONENT A: MAYOR `S FOREWORD

The Mopani District Municipality continues to play its role in contributing towards the attainment of the goals as set out in the National Development Plan – that of eliminating poverty, reducing unemployment and inequality by 2030. As we draw closer to the end of the first decade of the NDP, we are humbled and inspired by the support we continue to get from various stakeholders and the people of our district in general.



We conclude the year under review in high spirits, having managed to improve our spending on grants. During his State of the Province Address in February 2019, Premier Chupu Mathabatha said that Mopani District Municipality is one of the province's top spending municipalities on Municipal Infrastructure Grants (MIG). We want to continue on this path going into the next financial year.

We remain steadfast and committed to change the quality of lives of our people. Improving the spending on grants means that we are able to spend the money allocated to us to take services to our people. We will continue to spend this money prudently and guided by the wishes of the people of our district. At the centre of everything we do, is the commitment to live up to the expectations of our people who said in 2016, “together advancing people’s power in every community.”

In line with what President Cyril Ramaphosa in his State of the Nation Address on the 16 of February 2018, we successfully hosted the District Mining Indaba in 2019. The President said during SONA, that **“Mining is another area that has massive unrealized potential for growth and job creation. We need to see mining as a sunrise industry rather than a sunset industry. With the revival in commodity prices, we are determined to work with mining companies, unions and communities to grow the sector, attract new investment, create jobs and set the industry on a new path of transformation and sustainability.”**

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We emerged from the Mining Indada saying we are going to profile mining activities in all our local municipalities. We also said that we will ensure a sustained engagement with the institution of traditional leadership as the custodians of land regarding mining activities within their constituencies. We will in the next financial year be working on building strong relations with the mining sector for them to begin to play a prominent role in the development of communities where they do business.

We are also performing very well as a District Municipality on the Expanded Public Works Programme. This is a key programme for providing temporary income relief for our people. Through our massive infrastructure projects, our people have benefitted a lot and will continue to benefit in the coming financial year. We have had interactions with our people through the Imbizo programme. In their majority, they remain hopeful that working together, we are able to deliver on the commitments made in 2016. Our people are also mindful of the limitations that exists, including budgetary constraints and the ongoing drought in the district.

We have taken a decision in November 2018 to impose water restrictions. Even when faced with this unprecedented disaster, we have risen to the challenge as we continue to implement our plan to deal with this drought. We have utilized the Drought Relief Fund to drill additional boreholes, which will provide relief particularly to our rural communities. We are working hard to improve on the consistent negative audit opinion. We are confident that with the right structures that we have and their renewed determination, there is a potential to achieve a positive audit opinion in the next financial year.

We are relentless in a pursuit of our vision to be the food basket of Southern Africa and the tourism destination of choice. This is precisely the reason why we continue to support initiatives and efforts aimed at promoting agriculture and tourism in our district. We have been and will continue to support the annual Agri-Expo hosted in the Greater Tzaneen Municipality. We will be working around developing a programme to get established commercial farmers to offer support to emerging farmers through mentorship programme.

Working together with all our stakeholders and the people of our district, we can achieve more in our sustained efforts to change the quality of lives of our people.

**Cllr P.J Shai**

**Executive Mayor**

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## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW



As with the other districts, Mopani district municipality does not have a distinct land area of its own but share the same operational area with the local municipalities falling within it. Mopani District also embraces certain parts of the Kruger National Park through Ba-Phalaborwa and Greater Giyani. Mopani District Municipality was established in 2000 in terms of the Municipal Structures Act, 1998 (Act No. 117 of 1998). The municipal offices of the district are situated in the government complex in Giyani in the Greater Giyani Municipality.

The District Disaster Management centre is built in Tzaneen town and is in full use including Fire services. The Mopani District Council has distinct roles, powers and functions to those of the local municipalities. Amongst these is the role of coordinating and supporting services across the three spheres of government.

All municipalities are legislatively expected to report annually on their activities and decisions taken by both municipal councils and management. This allows all local government stakeholders and the South African public at large to be properly informed about the affairs of local government, which is in line with the dictated of the Constitution of the Republic of South Africa, 1996.

Mopani District Municipality strives to undertake developmentally oriented planning as enshrined in the Constitution and section 23 of the Municipal Systems Act, No.32 of 2000.

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Guidelines and regulatory frameworks have been developed to enable municipalities to adopt a result-based approach to manage service delivery.

Different mechanisms were employed to monitor and assess the achievement of general key indicators, performance targets that are consistent with development priorities, objectives and strategies as set out in the IDP. It is therefore imperative to reflect on improvements made to service delivery performance and achievements, challenges which will later regulate the corrective actions to be embarked upon to enhance service delivery in the 2019/20 financial year.

The municipality improved in terms of Auditor general, in the year under review, the municipality received a Qualified audit opinion. This is an improvement compared to the adverse obtained in the previous 2017/18 financial year.

It is an honour and privilege that comes with a huge responsibility, not only to turn the situation around, but also set the municipality on the right path, towards a clean administration. To the management and staff, I know that change of leadership brings anxiety and uncertainty, but this time around we must be optimistic about the future, no matter how difficult the situation might be.

Lastly, the integrity of Mopani District Municipality is being restored and this is observable in simplified work processes that are being presented each day. The commitment of leadership in good governance cannot be emphasized there by allowing the municipality to eliminate all unwarranted matters that deter it to its purpose.

**Mr Q Kgatla**  
**MUNICIPAL MANAGER**

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The powers and functions of the Mopani District Municipality, tabled in terms of sections 83 and 84 of the Municipal Structures Act, 1998, the Limpopo Provincial Notice No. 309 of 2000, Government Gazette No. 615 of 1st October 2000 and Notice no 356, Gaz. No. 1195 of 14th October 2005, are as follows:

- (a) Integrated Development Planning for the district municipality, including a framework for integrated development plans for the local municipalities within the area of the district municipality, taking into account the integrated developments plan on those local municipalities.
- (b) Bulk supply of water that affects a significant proportion of municipalities in the district.
- (c) Bulk supply of electricity that affects a significant proportion of municipalities in the district.
- (d) Bulk sewerage purification works and main sewage disposal that affects a significant proportion of the municipalities in the district.
- (e) Solid waste disposal sites serving the area of the district municipality as a whole.
- (f) Municipal roads which form integral part of a road transport system for the area of the district municipality.
- (g) Regulation of passenger transport services.
- (h) Municipal Airport serving the area of the district municipality as a whole.
- (i) Municipal Health Services serving the area of the district municipality as a whole.
- (j) Fire Fighting services serving the area of the district municipality as a whole.
- (k) The establishment conducts and control of fresh produce markets and abattoirs serving the area of the district municipality as a whole.
- (l) The establishment conduct and control of cemeteries and crematoria serving the area of the district municipality as a whole.

- (m) Promotion of local Tourism for the area of the district municipality as a whole.
- (n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
- (o) The receipt, allocation and if applicable, the distribution of grants made to the district municipality
- (p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.

It should be noted that the division of powers and functions between the district municipality and local municipalities were adjusted by the MEC for Local Government and Housing in terms of sections 16 and 85 of the Municipal Structures Act, 1998 and published in the Provincial Gazette No. 878, dated 07 March 2003.

The following District municipal powers and functions were thus transferred to Local Municipalities:

- Solid waste disposal;
- Municipal roads which form an integral part of a road transport system of the municipal area;
- The establishment, conduct and control of cemeteries and crematoria serving the municipal area;
- Promotion of local tourism for the municipal area;
- Municipal works relating to any of the above functions or any other functions assigned to the local municipality.
- NB: The District has not yet taken over on the Municipal Airports function. Study has been commissioned for that.

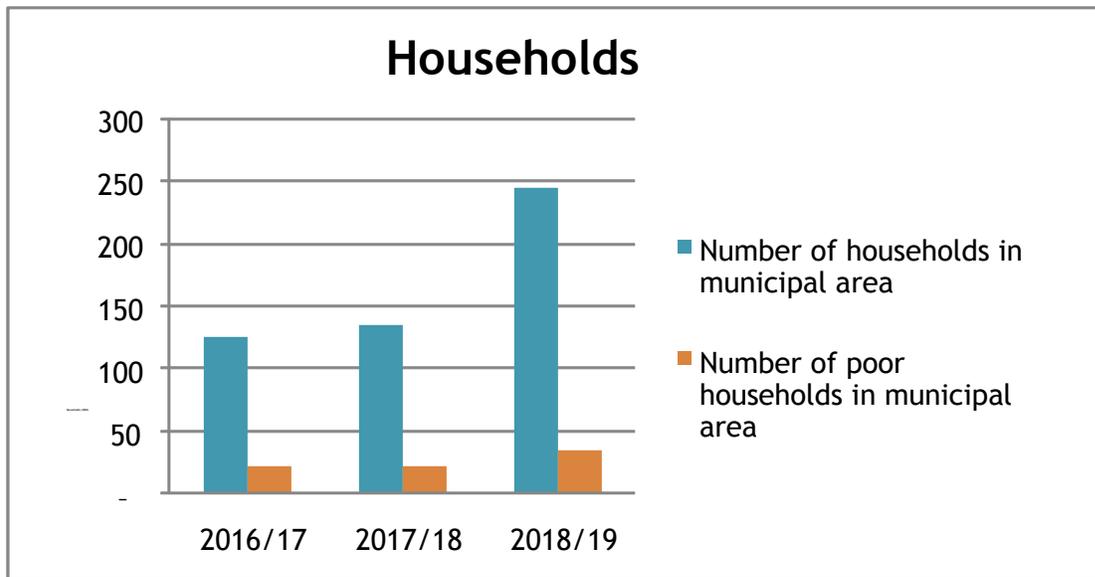
T 1.2.1

The reconciled total population of the Mopani District Municipality has increased from 1 061 107 (Census 2001) to 1 068 569 (Community Survey 2007) to 1 092 507 (Census 2011). The population for each municipality within Mopani District is presented in **Table 6**. Out of the entire district population, 81% reside in rural areas, 14% in urban areas and 5% stay on farms. The population densities vary from municipality to another, but the average is 23 people/ ha. It shows that people are sparsely populated with sufficient land around them. The problem of

land shortage for economic development is perpetrated by the vast land occupied for dwelling purposes, leaving much little for economic growth

Population Details									
Age	2016/17			2017/18			2018/19		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	59,508	54,117	113,625	59,508	54,117	113,625	69,381	69,379	138,760
5-9	67,455	62,576	130,031	67,455	62,576	130,031	57,589	58,160	115,749
10-19	138,750	143,807	282,557	138,750	143,807	282,557	124,410	120,182	244,592
20-29	83,343	93,447	176,790	83,343	93,447	176,790	96,846	106,670	203,516
30-39	58,485	71,977	130,462	58,485	71,977	130,462	55,074	76,330	131,404
40-49	36,292	57,474	93,766	36,292	57,474	93,766	39,715	61,682	101,397
50-59	25,861	34,207	60,068	25,861	34,207	60,068	28,323	41,855	70,178
60-69	17,016	26,422	43,438	17,016	26,422	43,438	17,922	25,925	43,847
70+	10,237	27,585	37,822	10,237	27,585	37,822	12,322	30,747	43,069

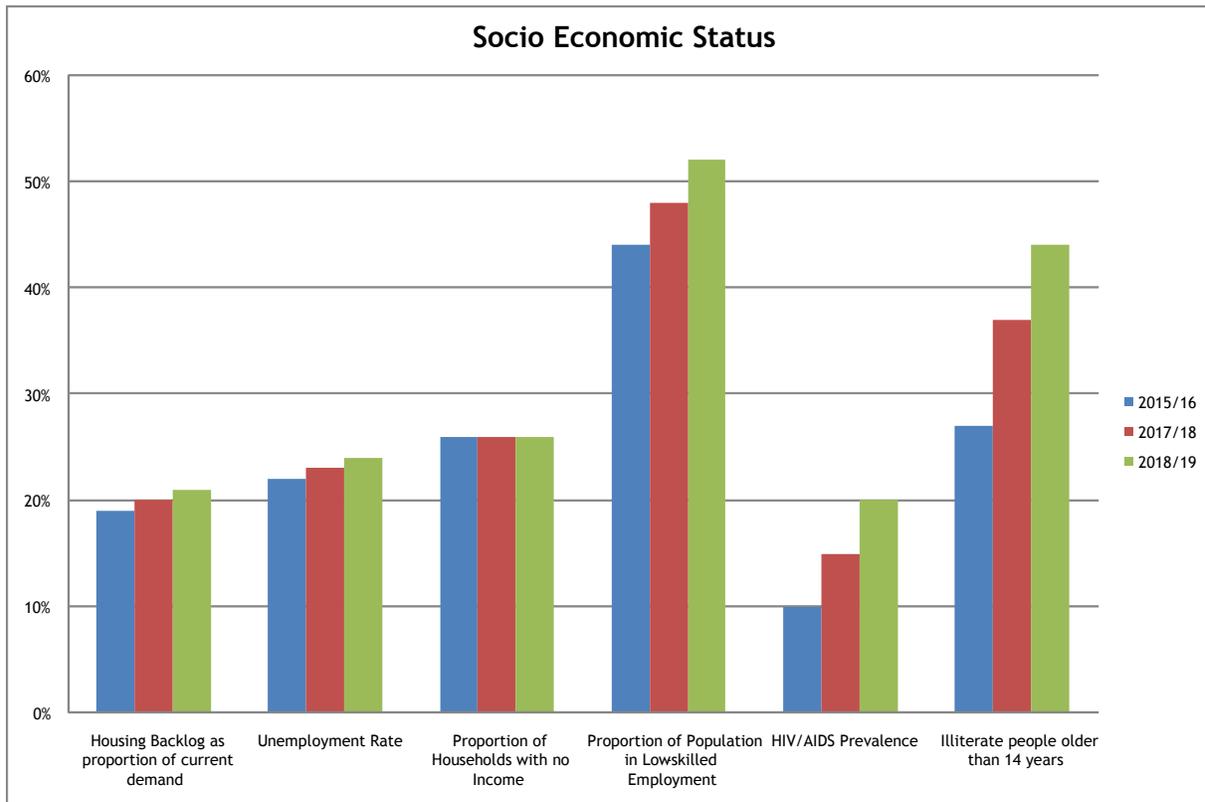
Source: Statistics SA (Statssa 2011 Census) idp18/19  
T1.2.2



Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment rate	Proportion of households with no income	Proportion of population in low-skilled employment	HIV/AIDS prevalence	Illiterate people older than 14 years
<b>2016/17</b>						27.1%
	32.3%	19.7%	48.0%	30.6%	24.8%	
<b>2017/18</b>	8.4%	10.4%	14.2%	30.6%	24.8%	27.1%

<b>2018/19</b>	8.4%	39.0%	43.0%	30.6%	24.6%	12.0%
						<b>T1.2.4</b>

Source: Census 2011, StatsSA; IDP Department



**T1.2.5**

<b>Overview of Neighbourhoods within Mopani District Municipality</b>		
<b>Settlement Type</b>	<b>Households</b>	<b>Population</b>
<b>Towns &amp; Townships</b>		
LIM331: Greater Giyani	8,097	25,643
LIM332: Greater Letaba	4,791	12,124
LIM333: Greater Tzaneen	14,227	40,570
LIM334: Ba-Phalaborwa	18,994	76,824
LIM335: Maruleng	1,187	2,182
Sub-Total	47,296	157,343
<b>Rural settlements</b>		
LIM331: Greater Giyani	55,451	218,576
LIM332: Greater Letaba	53,470	200,578

LIM333: Greater Tzaneen	94,699	349,528
LIM334: Ba-Phalaborwa	22,121	73,811
LIM335: Maruleng	23,283	92,673
Sub-Total	249,024	935,166
<b>Informal settlements</b>		
<b>Farming</b>		
LIM331: Greater Giyani		
LIM332: Greater Letaba		
LIM333: Greater Tzaneen		
LIM334: Ba-Phalaborwa		
LIM335: Maruleng		
Sub-Total	0.00	
Total	296,320.00	1,092,509.00
T 1.2.6		

Source: Census 2011, 18/19 IDP, IDP Department

<b>Natural Resources</b>	
<b>Major Natural Resource</b>	<b>Relevance to Community</b>
Marula Fruit	Job creation through collection of fruit by community members and supply to Amarula producers
Mopani worms	Source of food
Tourism	Job creation and economic growth
Agriculture	Job creation. Food Source
Mining	Job creation and economic growth
<b>T1.2.7</b>	

Source: 18/19 IDP

The reconciled total population of the Mopani District Municipality has increased from 1 068 569 (Stats SA CS 2007) to 1 092 507 (Stats SA Census 2011). Out of the entire district population, 81% reside in rural areas, 14% in urban areas and 5% stay on farms. The population densities vary from municipality to another, but the average is 23 people/ ha. It shows that people are sparsely populated with sufficient land around them. The problem of land shortage for economic development is perpetrated by the vast land occupied for dwelling purposes, leaving little for economic growth. Portion of Kruger National park is mainly occupied by animals with very few people employed.

The average ratio male to female in Mopani District Municipality as a whole is 46% to 54% and the tendencies and trends are still prevalent. The age and gender structure is by and large influenced by levels of fertility, mortality and migration. These factors are also influenced by

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socio-economic circumstances such as education, level of affluence (income) and location. In almost all local municipalities there are more females than males. This is most significant in Greater Giyani and Greater Letaba municipalities which are primarily rural/ non-urban in nature. The scenario could be attributed to low levels of education and affluence in these municipalities, exacerbated by men seeking jobs elsewhere. Ba-Phalaborwa has comparable balance in numbers between females and males, however with more males than females at working age categories. That is ascribed to young men employed in the mining sector at Phalaborwa and Gravelotte. The Kruger National Park also has more males than females and that could be attributed to more men ready for field rangers' jobs than women, with the ratio men: women being 63%: 27%.

The other dimension is that the current highest population number exists in the age category 15 - 19 years whereas in the previous years the highest was in the category 10 – 14 years. These are school-going people who need support for them to be employable in the economic sectors. There is also proportional balance between boys and girls from age zero to 20. Ages 20 and above show females out-numbering males significantly. Further analysis of the demographics indicates that 49,4% of the residents are still at a young age (0-19 years). Population numbers decrease with age increase, i.e. the older generation is less than the young one.

It is also notable that population size of Mopani has grown steadily by 3% since the year 2000 to 2011, with absolute pick up in 2005 when Maruleng and part of Kruger National Park (KNP) got incorporated into Mopani. Redetermination of municipal boundaries in 2008 has not made significant change in this trend since it affected only nature conservation area, Kruger National Park. High population growth itself is a threat to the economic growth in terms of scarcity of prime land space. Since the main source of population growth is birth rate and emigration, programmes geared at combating children pregnancies, women empowerment and those dealing with illegal emigration should be strengthened. As per the Census 2011, the overall population size of Mopani District stands at 1,092,507.

People in the Mopani district are employed in the following sectors: Farming, Industry, Mining, Trade, Government, Transport, Tourism, Manufacturing, Construction and Energy. The Government Sector is the largest employer in the district e.g. 39% of the employed in Greater

Giyani work for government. The second largest employer in Mopani district is the farming sector with 25,9% of the employed people. This is however, not the case when considering the municipalities separately with the mining sector employing the second largest portion of the Ba-Phalaborwa population (19,5%). Greater Giyani has the highest level of unemployment with 47% of the population not being employed. The number of people unemployed as a percentage of the total employable population of the District (287,405) is 39%. It is however important to note that of the unemployed people in the district, approximately 60% are women.

Income from employment determines the overall living standards of people and also the household's affordability levels. These levels should be taken into account when setting service level targets. The majority of people in the district (at least 81%) live in rural areas and most of these rural residents are poor. Income in rural areas is constrained by the rural economy that is unable to provide people with remunerative jobs or self-employment opportunities. A notable percentage of people in the district have no income. It should, however, be taken into account that these figures reflect the total population and not only the potentially economically active portion of the population. Economically inactive people, such as, children and pensioners are also included. It is disturbing to note that, even for the labour force alone, 89.1% of the population in the Greater Giyani Municipality earns less than R800 per month. The situation is worse in Greater Letaba where 92.2% of the earning population earn less than R800 per month, while the situation is much better in Ba-Phalaborwa with only 75% of the labour force earning less than R800 per month. This can be attributed to the high level of urbanization in Ba-Phalaborwa and the presence of mines.

Mopani is also endowed with natural resources such as marula fruits which produce many products in the processing value chain. The name Mopani is loud enough to indicate our wealth in mopani worms, the most nutritious food which is good for health. The provincial economic development study of 2000, identified tourism, agriculture, mining and trade and manufacturing as sectors with a potential for growth in the Mopani district. Agriculture is one sector that yields much products, excelling in tomatoes that are exported throughout the world. Other sectors in Mopani are the red and white meat production. Mopani also boasts of the pool of cost-effective labour to work in labour intensive programmes such as agriculture and EPWP. The challenge may be skilling them for better production.

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The Mopani District also enjoys the beneficiation economic programmes of Kruger National Park where citizens get jobs to conquer poverty. The district also has comparative advantages in agriculture, manufacturing and trade. Hereunder is an analysis of the district economy.

*Source: MDM IDP 18/19*

T1.2.8

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## 1.1. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

The reconciled total population of the Mopani District Municipality has increased from 1 068 569 (Stats SA CS 2007) to 1 092 507 (Stats SA Census 2011). Out of the entire district population, 81% reside in rural areas, 14% in urban areas and 5% stay on farms. The population densities vary from municipality to another, but the average is 23 people/ ha. It shows that people are sparsely populated with sufficient land around them. The problem of land shortage for economic development is perpetrated by the vast land occupied for dwelling purposes, leaving little for economic growth. Portion of Kruger National park is mainly occupied by animals with very few people employed.

The average ratio male to female in Mopani District Municipality as a whole is 46% to 54% and the tendencies and trends are still prevalent. The age and gender structure is by and large influenced by levels of fertility, mortality and migration. These factors are also influenced by socio-economic circumstances such as education, level of affluence (income) and location. In almost all local municipalities there are more females than males. This is most significant in Greater Giyani and Greater Letaba municipalities which are primarily rural/ non-urban in nature. The scenario could be attributed to low levels of education and affluence in these municipalities, exacerbated by men seeking jobs elsewhere. Ba-Phalaborwa has comparable balance in numbers between females and males, however with more males than females at working age categories. That is ascribed to young men employed in the mining sector at Phalaborwa and Gravelotte. The Kruger National Park also has more males than females and

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that could be attributed to more men ready for field rangers' jobs than women, with the ratio men: women being 63%: 27%.

The other dimension is that the current highest population number exists in the age category 15 - 19 years whereas in the previous years the highest was in the category 10 – 14 years. These are school-going people who need support for them to be employable in the economic sectors. There is also proportional balance between boys and girls from age zero to 20. Ages 20 and above show females out-numbering males significantly. Further analysis of the demographics indicates that 49,4% of the residents are still at a young age (0-19 years). Population numbers decrease with age increase, i.e. the older generation is less than the young one.

It is also notable that population size of Mopani has grown steadily by 3% since the year 2000 to 2011, with absolute pick up in 2005 when Maruleng and part of Kruger National Park (KNP) got incorporated into Mopani. Redetermination of municipal boundaries in 2008 has not made significant change in this trend since it affected only nature conservation area, Kruger National Park. High population growth itself is a threat to the economic growth in terms of scarcity of prime land space. Since the main source of population growth is birth rate and emigration, programmes geared at combating children pregnancies, women empowerment and those dealing with illegal emigration should be strengthened. As per the Census 2011, the overall population size of Mopani District stands at 1,092,507.

People in the Mopani district are employed in the following sectors: Farming, Industry, Mining, Trade, Government, Transport, Tourism, Manufacturing, Construction and Energy. The Government Sector is the largest employer in the district e.g. 39% of the employed in Greater Giyani work for government. The second largest employer in Mopani district is the farming sector with 25,9% of the employed people. This is however, not the case when considering the municipalities separately with the mining sector employing the second largest portion of the Ba-Phalaborwa population (19,5%). Greater Giyani has the highest level of unemployment with 47% of the population not being employed. The number of people unemployed as a percentage of the total employable population of the District (287,405) is 39%. It is however important to note that of the unemployed people in the district, approximately 60% are women.

Income from employment determines the overall living standards of people and also the household's affordability levels. These levels should be taken into account when setting service level targets. The majority of people in the district (at least 81%) live in rural areas and most of these rural residents are poor. Income in rural areas is constrained by the rural economy that is unable to provide people with remunerative jobs or self-employment opportunities. A notable percentage of people in the district have no income. It should, however, be taken into account that these figures reflect the total population and not only the potentially economically active portion of the population. Economically inactive people, such as, children and pensioners are also included. It is disturbing to note that, even for the labour force alone, 89.1% of the population in the Greater Giyani Municipality earns less than R800 per month. The situation is worse in Greater Letaba where 92.2% of the earning population earn less than R800 per month, while the situation is much better in Ba-Phalaborwa with only 75% of the labour force earning less than R800 per month. This can be attributed to the high level of urbanization in Ba-Phalaborwa and the presence of mines.

Mopani is also endowed with natural resources such as marula fruits which produce many products in the processing value chain. The name Mopani is loud enough to indicate our wealth in mopani worms, the most nutritious food which is good for health. The provincial economic development study of 2000, identified tourism, agriculture, mining and trade and manufacturing as sectors with a potential for growth in the Mopani district. Agriculture is one sector that yields much products, excelling in tomatoes that are exported throughout the world. Other sectors in Mopani are the red and white meat production. Mopani also boasts of the pool of cost effective labour to work in labour intensive programmes such as agriculture and EPWP. The challenge may be skilling them for better production.

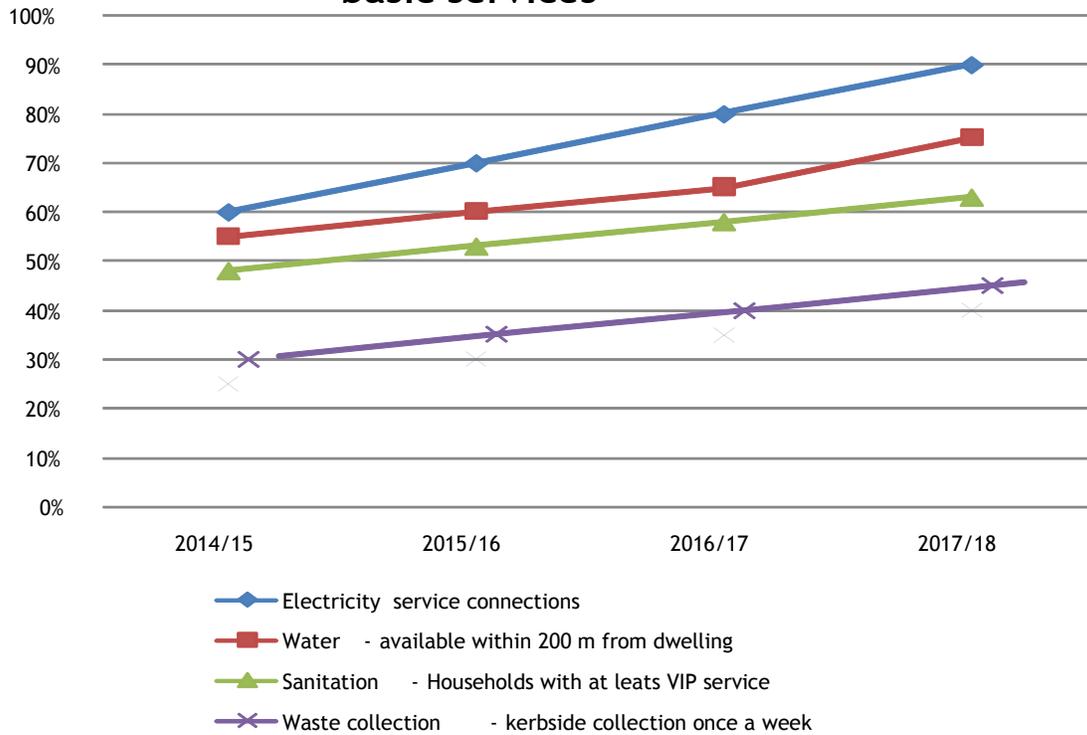
The Mopani District also enjoys the beneficiation economic programmes of Kruger National Park where citizens get jobs to conquer poverty. The district also has comparative advantages in agriculture, manufacturing and trade. Hereunder is an analysis of the district economy.

Source: MDM IDP 18/19

T

1.3.1

## Proportion of households with access to basic services



### ACCESS TO BASIC SERVICES:

The success of local economic development is tied to the provision of basic and other types of infrastructure services to the people. All services under analysis in this section are located in a specific locality (as per SDF) and have potential to boost socio-economic development (as per LED). Infrastructure analysis focuses on the status quo regarding water supply, sanitation facilities, energy, housing provision, roads and public transport, waste management and telecommunications – all of which underpin socio-economic development and determine a people's quality of life. The provision of adequate municipal infrastructure remains a challenge throughout the district.

T1.3.3

## 1.2. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Financial Overview – 2018/19			
			R`000
Details	Original Budget	Adjustment Budget	Actual
<b>Income</b>			
Grants	1 399 558	1 517 028	1 452 310
Taxes, Levies & Tariffs	0	0	0
Other	346 210	340 280	259 724
Sub Total	1 745 768	1 857 310	1 712 034
Less Expenditure	1 266 120	1 280 615	1 322 860
Net Total	479 648	576 695	389 174

Source 18/19 AFS

Operating Ratios 2018/19	
Detail	%
Employee Cost	29.49
Repairs & Maintenance	13.55
Finance Charges & Depreciation	18.89
T1.4.3	

Total Capital Expenditure 2016/17 – 2018/19			
			R`000
Detail	2016/17	2017/18	2018/19
Original budget	460 684	640 835	615 241
Adjustment budget	524 458	610 476	722 183
Actual	449 285	459 705	518 073
T1.4.4			

COMMENT ON CAPITAL EXPENDITURE:

During the period under review, the municipality ended with an Actual Expenditure of R 322 860 305.

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### **1.3. ORGANISATIONAL DEVELOPMENT OVERVIEW**

#### **ORGANISATIONAL DEVELOPMENT PERFORMANCE**

The total approved posts of the municipality are 984 for which 605 posts were filled during the year under review and 327 posts remained vacant. The water services directorate has the highest vacancies at 186 due to the increasing number of retirements, death cases and resignations. For the period under review, a total of 37 employees have been terminated from the system. The total number of Councillors for the municipality is 51 and 1 passed on. The Organogram review was conducted in 2018/19 Financial year.

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### **1.4. AUDITOR GENERAL REPORT**

#### **AUDITOR GENERAL REPORT 18/19**

The municipality has received a Qualified audit opinion. The issues that lead to a Qualification audit opinion was a result of supply chain management, pre-determined objectives and misstatements in the Annual Financial statements.

***SEE THE ATTACHED AUDITOR GENERAL S/ REPORT FOR 2018/19 FINANCIAL YEAR***

## 1.5. STATUTORY ANNUAL REPORT PROCESS

	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	
12	Municipalities receive and start to address the Auditor General's comments	September - October
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	November
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	December
T1.7.1		

## **THE ANNUAL REPORT PROCESS:**

The above timeframes are legislated. It is of great importance to distinguish between the Annual Performance Report (APR) and the Annual Report (AR). The content of the Annual Performance Report is the actual achieved in relation to targets set in the Service Delivery Budget and Implementation Plan (SDBIP) as approved for the specific financial year. This report, together with the Annual Financial Statements are submitted to the Auditor General by the 31 August. Then comes the development of the Annual Report.

The Annual Report content will assist municipal councillors, municipalities, municipal entities, residents, oversight institutions and other users of Annual Reports with information and progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. The Annual Report is tabled before the Council on the 30th January and after consideration by the MPAC, the MPAC will report to council by the 30th March. These reports should be used as a decision-making tool by the municipalities.

Every municipality and municipal entity must prepare an annual performance report which must form part of the Annual Report for each financial year in accordance with the Municipal Systems Act 2000 (MSA) section 46, and the Municipal Finance Management Act 2003 (MFMA) section 121.

The purpose of the Annual Report is:

- i. to provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- ii. to provide a report on performance in service delivery and budget implementation for the financial year;
- iii. to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and
- v. to reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

The annual report is thus a back-ward looking document to inform strategic planning and budgeting for the following year.

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

The Constitution section 151(3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

The municipal Structures Act defines a municipality among other as a structure with political office bearers and administration components; a geographic area and the community of the municipality.

#### **Rights and duties of municipal Council (The Political Component)**

The council of a municipality has the right to govern, on its own initiative the local government affairs of our local communities; and to exercise the municipality's executive and legislative authority without interference. Council must respect the rights of citizens in the way in which they exercise their powers.

Council has duties as well as rights that, amongst others include the duties to:

- ▶ Exercise their powers and use their resources in the best interests of our communities;
- ▶ Provide without favour or prejudice democratic and accountable government;
- ▶ Encourage the participation of the communities;
- ▶ Ensure that Municipal Services are provided to the communities in an equitable, financially and environmentally sustainable manner;
- ▶ Promote development in the municipality;
- ▶ Promote gender equity;
- ▶ Promote a safe and healthy environment in the municipality; and

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- ▶ Contribute to the progressive realisation of the fundamental rights contained in the Constitution.

The Municipal Systems Act puts a responsibility on council to consult the local community about Municipal Services. The community has a say in which services are delivered; the quality of services the range and the level of services which are provided.

### **Duties of the Municipal administration (The Administrative Component)**

The Administrative component have responsibilities towards the communities amongst the responsibilities the following is outlined.

- ▶ Being responsible for the general administration and accounting of the functionaries of the municipality;
- ▶ Being responsive to the needs of the local community;
- ▶ Establishing clear channels of communication with all sectors of the society and governance;
- ▶ Informing the local communities about the services which they are entitled to receive; and
- ▶ Informing the local community how the municipality is managed, what it spends its money on, and who is in charge.

The Municipal administration has the responsibility to facilitate a culture of public service and accountability amongst staff and taking measures to prevent corruption. The municipality is obligated to perform these duties as far as possible, considering the capacity and the available budget.

The Municipality has approved and (partially) implemented its Delegations System – “Delegation of Authority and Accountability By-Law” – that seeks to decentralize and democratize decision-making within the institution and improve the pace at which services are delivered to the community. This is intended to maximize administrative and operational efficiency and provide for adequate checks and balances. In line with the delegations’ system, some decision-making powers have been cascaded from Council to the Executive Mayor,

Mayoral Committee, its Portfolio Committees and the full-time Councillors. Other powers have been delegated to the Municipal Manager and Directors.

Internal audit's role is primarily one of providing independent assurance over the internal controls of the council. It contributes to quality services to our communities in terms of providing checks and balances in the services rendered.

The Municipality established the in-house Internal Audit unit in December 2008 and still functional. The unit is thus far staffed with five officials out of 8 posts.

The Municipal Manager Mr Monakedi SR resigned from the municipality on the 31 July 2019, council has approved the appointment of Mr Kgatla Q as the Acting Municipal Manager and Mr Mangena S as the Acting Chief Financial Officer for a period of Six (6) months ending 31 January 2020

T2.0.1

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

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The Mopani District Council comprises of the political and administrative components responsible for decision-making and implementation. The Executive Mayor, the Speaker and the Chief Whip head the political component of the municipality. The Council had 50 members. There were 30 Traditional Authorities in Mopani District and each of the Local municipalities has at least one representative of Traditional leaders in the District Council.

T2.1.0

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### **Municipal Public Accounts Committee:**

The Municipal Public Accounts Committee (MPAC), heard evidence on and considered the contents of the Annual Report and the Report of the Auditor-General on the 2018/19 annual financial statements of the municipality. The Committee noted the Qualified audit opinion, highlighted areas which required urgent attention of the Accounting Officer and Council. During the 2018/19 Financial year, the Chairperson of the MPAC was Cllr GH Modjadji and in the last month of 2018/19 financial the Cllr Modjadji was allocated to be the Member of Mayoral Committee heading Finance Portfolio. Cllr Nkhwashu MC was allocated to be the Chairperson of MPAC.

#### **MPAC Members**

Chairperson: Cllr Modjadji GH

Cllr Zitha T.C

Cllr Nkhwashu M. C

Cllr Rapatsa K.I.

Cllr Nyakane M.R

Cllr Mushwana D.G

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## **2.1 POLITICAL GOVERNANCE**

### **INTRODUCTION TO POLITICAL GOVERNANCE**

The Mopani District Council has established Portfolio Committees in terms of Municipal Structures Act 117 of 1998. These committees recommend policy issues to Council via Mayoral committee. They serve as interface engine rooms between the political and administrative structures of Council. It is in these committees where policy issues are debated thoroughly prior to their submission to the Mayoral Committee that, in turn, consider and forward them to Council for adoption. Through Portfolio Committees, Councillors are able to give political direction to the administrative component on the programmes of Council, Portfolio Heads (Councillors) are also responsible for different Clusters, e.g. Economic, Social and Infrastructure and Governance and Administration.

**Portfolio Committees and Cluster are depicted underneath:**

<b>Name of Committee</b>	<b>Support Department</b>	<b>Cluster</b>
Finance	Finance Directorate	Governance and Admin
Governance & Admin.	Corporate Services	Governance and Admin
Social Services	Community Services	Social and Infrastructure
Strategy, Planning & IDP	Planning & Development	Economic Development
Roads and Transport	Technical Directorate	Social and Infrastructure
Water	Technical Services	Social and Infrastructure
Infrastructure	Technical Services	Social and Infrastructure
Sports, Arts and Culture	Community Services	Social and Infrastructure
Agriculture	Agricultural Services	Social and Infrastructure

The municipality has a total of seven Portfolio Committees and their meetings are conducted on monthly basis prior to the Mayoral Committee meetings. The attendance in the Portfolio Committee meetings became a serious challenge after the municipality received a circular which explained the need to avoid having members of the Municipal Public Accounts Committee (MPAC) also sitting in different portfolios.

During the last month of 2018/19 financial year, there was re allocation of portfolio committees. Cllr Modjadji GH was moved from MPAC chairperson to the Head of Finance (MMC), Cllr Baloyi NN from Head of Governance & shared services portfolio to Sports, Recreation, Arts & Culture portfolio, Cllr Mathonsi EJ from Head of Finance to Head of Public Transport and Roads Portfolio, Cllr Sefufi MH from head of Roads & Transport to Head of Water Services.

The following councillors were moved from heading portfolios to be ordinary councillors, Cllr Mokgobi ML, Cllr Zamdela NH, Cllr Maswanganyi M & Cllr Maloko ML. The following councillors were moved from being ordinary councillors to head of portfolios , Cllr Malatji GM head of Infrastructure & development , Cllr Mathaba MA to head of Agriculture & Environmental Management Services , Cllr Maake MD to head Governance & Shared Services, Cllr Modjadji GH to head Finance and Cllr Shimange Fazi MI to head Community services.



**Cllr Pule Shayi**  
Executive Mayor

**Our pride is in serving  
our people**



**Cllr Sedibeng WD**  
Speaker

**Our pride is in the wellbeing  
of our society**

## Members of the Mayoral Committee



**Cllr Mohale MC**  
MMC Economic Development,  
Housing and Spatial Planning



**Cllr Maaake MD**  
MMC Governance and  
Shared Services



**Cllr Modjadji GH**  
MMC Finance



**Cllr Sefufi MH**  
MMC Water Services



**Cllr Malatji GM**  
MMC Infrastructure  
Development Services



**Cllr Mathonsi EJ**  
MMC Public Transport  
and Roads



**Cllr Shimange Fazi MI**  
MMC Community  
Services



**Cllr Mathaba MA**  
MMC for Agriculture and  
Environmental Management Services



**Cllr Baloyi NN**  
MMC Sport, Recreation,  
Arts and Culture

***“To be the food basket of Southern Africa and the tourism destination of choice”***

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## COUNCILLORS

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The Mopani District Council comprises of the political and administrative components responsible for decision-making and implementation. The Executive Mayor, the Speaker and the Chief Whip head the political component of the municipality. The Council had 53 members, and 21 of these were proportional representative councillors. There were 10 Traditional Authorities in Mopani District and each of the Local municipalities has at least one representative of Traditional leaders in the District Council.

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A total of eleven(11) Mayoral Committee meetings were held and the attendance by members of the Mayoral Committee stood at 100% except in instances where written applications of absence were received.

Functions of the Mayoral Committee and Council	
Area	Detail
Finance	Assist Council in the allocation of resources for service delivery and ensuring accountability and transparency
Governance	Support Council with Human Resources and General administration in terms of coordination of Council programmes
Roads and Public Transport	Provision of road infrastructure and coordination of public transport activities
Water and Sanitation	Ensures that the community have access to clean water and sanitation services
Energy	Assist in the coordination of electricity distribution and any other form of energy
Planning and Development	Assist in the coordination of the development of the IDP, economic development and planning in general
Social Services	Ensures the provision of fire services to communities, coordination of all the social services including HIV / AIDS
<b>Speaker</b>	
Section 37 of Municipal Systems Act	Presides at meetings of Council;
	Ensure that Council meets once quarterly;
	Maintain order during Council meetings;
	And to ensure that Council meetings are conducted in accordance with the Rules of order
<b>Full time Councillors</b>	
	Ensuring that Portfolio Committee meetings are held monthly
	To serve as a communication link between the Executive Mayor and municipal Councillors in the district;
	Assisting the Executive Mayor in coordinating the activities of developing strategic plan for the Municipality
<b>Municipal Manager</b>	
Section 55 of the Municipal Systems Act	Formation and development of an economic, effective, efficient and accountable administration
	Management of the municipal administration
	Implementation of the municipal Integrated Development Plan and monitoring progress
	Management of the provision of services to the local communities in a suitable and equitable manner

POLITICAL DECISION-TAKING

**Rights and duties of municipal Council (The Political Component)**

The council of a municipality has the right to govern, on its own initiative the local government affairs of our local communities; and to exercise the municipality`s executive and legislative

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authority without interference. Council must respect the rights of citizens in the way in which they exercise their powers.

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- ▶ Promote development in the municipality;
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- ▶ Promote a safe and healthy environment in the municipality; and
- ▶ Contribute to the progressive realisation of the fundamental rights contained in the Constitution.

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## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Mopani District has an administrative component, which helps in carrying the Constitutional mandate, to deliver quality services and to afford local government to be developmental to its constituencies.

The Administrative component has the responsibility towards the communities, which include the following:

- \_ Being responsible for the general administration and accounting of the functionaries of the municipality.
- \_ Being responsive to the needs of local communities.
- \_ Establishing clear channels of communications with all sectors of the society and governance.
- \_ informing the local communities about the services, which they are entitled to receive.

\_ Informing the public of how the municipality is managed.

T2.2.1

<b>TOP ADMINISTRATIVE STRUCTURE</b>		<b>Function</b>
<b>Tier 1</b>		
	Acting Municipal Manager: Mr Q Kgatla	Accounting officer; Managing Internal Audit, IDP  Risk Management; Monitoring and Evaluation and Legal Services
<b>Tier 2</b>		
	Chief financial officer Mr Q Kgatla	Manage Budget and reporting; Revenue Management
	Director: Corporate Services Mr N.G Lebepe	Manage Human Resource; Administration and information Technology.
	Director: Office of The Executive Mr Thwala	Manage Public Participation; Municipal Public Accounts (MPAC),

		Events, Communication Management and Special programmes.
Picture missing	Director: Planning and Development Mrs F.T Maboya	Manage Local Economic Development, Spatial
		
	Director: Water & Engineering Services Mr P.J Shilowa	Manage Infrastructure Development, Giyani, Letaba, Ba- Phalaborwa, Maruleng; Tzaneen and Ritavi water satellites, Maintenance and Operations
	Director: Community Services Mr D.D Shitlhangu	Manage Disaster Management, Giyani , Phalaborwa, Maruleng, Tzaneen and Letaba Fire Services, Traffic and Spots Arts and Culture

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Mopani District Municipality is responsible for facilitating inter-governmental relations within its area of intergovernmental engagements to ensure that proper inter-governmental planning

guides public, private and jurisdiction. In line with the Intergovernmental Relations Framework Act, MDM has taken it upon itself to improve donor investment.

T 2.3.0

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

The relationship between the district municipality, the local municipalities and sector departments in Mopani is improving. There are also inter-municipal structures (i.e. District Intergovernmental Forum, Speakers' Forum and District Managers' Forum) that discuss and resolve issues cutting across all municipalities and sector departments. There are, however, grey areas in how the hierarchical inter-municipal and inter-governmental structures should cross feed into each other's programmes and be measured in terms of performance. For example, it is still a challenge for MDM to hold any sector department accountable for the non-implementation of projects which are included in the IDP document.

The following are "political" and non-political inter-governmental structures that facilitate inter-governmental relations within the province, between the district, province and local municipalities:

T2.3.1

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The relationship between the district municipality, the local municipalities and sector departments in Mopani is improving. There are also inter-municipal structures (i.e. District Intergovernmental Forum, Speakers' Forum and District Managers' Forum) that discuss and resolve issues cutting across all municipalities and sector departments.

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The following are “political” and non-political inter-governmental structures that facilitate inter-governmental relations within the province, between the district, province and local municipalities:

<b>Key Inter-Governmental Structures</b>		
<b>Intergovernmental structures</b>	<b>Participants</b>	<b>Responsibility</b>
Intergovernmental Forum Premier /Mayors’ Forum]	Premier/ Mayors, Heads of Departments and Municipal Managers	Co-ordination of inter-governmental relations (Provincial and Local Government)
District Intergovernmental Forum [Mayors’ Forum]	Executive Mayor, Mayors, Traditional Leaders and Municipal Managers	Co-ordination of inter-municipal relations (District and Local Municipalities)
District Speaker’s Forum	Speakers, Municipal Managers.	Co-ordinate public participation processes in the municipalities
District Ward Committee forum	District Speaker, representatives of Ward committees	Inputs in the IDP and its implementation
<b>NON-POLITICAL STRUCTURES</b>		
District Managers’ Forum	Sector Departments’ District Managers Municipal Managers Municipal Senior Managers (Directors)	Co-ordinate inter-governmental relations at district level between municipalities and sector departments
Clusters	Councillors Municipal Managers Municipal Senior Managers (Directors)	Co-ordinate policy issues affecting government at a district level (between sector departments and municipalities)
Technical Committees of Clusters	Sector Department Officials Municipal Senior Managers (Directors) Municipal Officials	Provide inter-governmental inputs into the work of Clusters
Provincial Planners Forum	Sector Departmental Planners IDP Managers Spatial Planners Town Planners	Provide for a coherent inter-governmental planning framework and alignment and integration of development plans in the province

Key Inter-Governmental Structures		
Intergovernmental structures	Participants	Responsibility
District Development Planning Forum	Sector Depts, SOEs, MDM and LMs	Alignment in the IDP planning process. T2.3.3

**RELATIONSHIPS WITH MUNICIPAL ENTITIES**

**The municipality has no entities**

**Appendix D.**

**DISTRICT INTERGOVERNMENTAL STRUCTURES**

The relationship between the district municipality, the local municipalities and sector departments in Mopani is improving. There are also inter-municipal structures (i.e. District Intergovernmental Forum, Speakers' Forum and District Managers' Forum) that discuss and resolve issues cutting across all municipalities and sector departments. All Municipalities have their different Councils which take decisions affecting each municipality. But through these different layers of interactions, Municipalities find the opportunity of working together, planning together.

T2.3.4

**COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION PAT TWALA**

**OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

One of the Objectives of Local Government captured in section 152 of the Constitution is to encourage the involvement of communities and community organizations in the matters of local government. The white paper on local government expects the municipalities to be working with citizens and groups within the community to find sustainable ways to meet their economic, social and material needs and improve the quality of their lives. Therefore, the municipality is using a number of ways and systems to involve communities and improve governance.

Over and above the formal structure of MDM, the following are in place:

- Anti-corruption Strategy in place as enabler to deal with eradication of corruption.
- Risk Management Strategy in place: the unit is currently staffed with one person, namely the Chief Risk Officer and the Risk Officer position is still vacant.
- Financial control systems: Supply Chain Management, Audit committee, MPAC and financial policies are in place.
- HR policies are in place and some under review process.
- Program of meetings of House of Traditional leaders with Executive Mayor discussing issues of mutual interest.
- IDP Representative Forum to afford community involvement in issues of governance through IDP process.
- Communication forum: to communicate programmes and governance of the District to communities and employees.
- District Development Planning forum: An avenue for integration of Local municipalities and sector Departments (National and Provincial).
- District Managers' forum: Municipal Managers of District and Local municipalities, parastatals and District Managers of sector depts.
- Mayors' intergovernmental forum: Mayors of both District and Local municipalities meet quarterly to track progress on service delivery.
- Disaster Management unit that is linked to the office of the Municipal Manager for prompt response to disasters whenever they occur.
- Forums linking communities with formal structures of municipality (e.g. LED, Business, Energy, Health, Gender, Sanitation, Disability, etc.).

**The office of the Speaker is responsible for the following programmes and they are budgeted for annually:**

Public participation: The platform that affords communities to raise issues of concern directly to the political leadership for effective response. There is also hotline for the Executive Mayor to assist at any given time when members of communities or anyone need his assistance.

Imbizos

District Ward Committees forum (five representatives from each Local Municipality)

Speakers' forum.

Local Government Key Performance Areas	MDM Structures that involve members of communities in matters of governance
Transformation and Organisational Development	MPAC, Audit committee, Disability forum, Gender forum, Youth Council, House of Traditional leaders with Exec. Mayor; anti-corruption forum, Communication forum, Children' Advisory council, Men's forum, Council for the aged
Basic services	Water and Sanitation forum, Transport forum, Energy forum, Health Council, AIDS Council, Education forum, Sport and recreation council, Arts and Culture council, Environmental Management advisory forum, Heritage forum, Moral Regeneration Movement
Local Economic Development	LED Forum, Business forum
Financial Viability	Budget Steering committee (officials and Councillors)
Good Governance and Public participation	District Ward Committees forum, IDP Representative forum, Mayors' intergovernmental forum, Speakers forum

## 2.4 PUBLIC MEETINGS

## COMMUNICATION, PARTICIPATION AND FORUMS

The municipality has the following interactive mediums with the community

- Quarterly newsletters
- Mopani district Municipality website: [www.mopani.gov.za](http://www.mopani.gov.za)
- Complaints register
- Presidential and Premiers `s hotline

T2.4.1

## WARD COMMITTEES

The District has no wards, wards belong to the Local municipalities. The municipality has a unit within the Office of the Executive Mayor a unit responsible for Public Participation, for communities to be awarded an opportunity to contribute to the development of the District. In order to provide support and effective engagement at grass-roots level the District established District Ward Committees forum, made up of 25 members, that is, five representatives from each local municipality. The District Speaker is responsible for coordination of the activities of the forum. Meetings of the District Ward Committees forum are often held concurrently with the Speakers' forum and are chaired by the District Speaker. Further support is provided in the form of funding the accommodation, venues, catering and traveling to the meetings. Workshops are also held to capacitate members with information and affording them opportunity to have a say in matters of District governance as well as service delivery issues.

The forum creates an appreciable platform for the communities to be able to understand the functioning of government and participate effectively in the strategic issues of municipalities. It is the base for building a better stakeholder capacity through programmes of Public participation. It is also a mode to entrench democracy to ordinary members of communities. Again, the District as local government is able to relate better with communities, thus transforming the notion of "local authority" into "local governance", especially on services that are solely provided in terms of the District powers and functions. Every phase of the IDP

process was presented to this forum for information and inputs.  
T2.4.2

Public Meetings for 2018/19						
Nature and purpose of meeting	Date of events	Number of participating Municipal Councilors	Number of participating Municipal administrators	Number of community members attending	Dates and manner of feedback given to community	
03 September 2018						
21 November 2018						
05 October 2018						
12 October 2018						
15 October 2018						
22 November 2018						
06 December 2018						
16 January 2019						
31 January 2019						
16 February 2019						
14 March 2019						
09 April 2019						
07 June 2019						
						<b>07T2.4.3</b>

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The District has no wards, wards belong to the Local municipalities. The municipality has a unit within the Office of the Executive Mayor a unit responsible for Public Participation, for communities to be awarded an opportunity to contribute to the development of the District. In order to provide support and effective engagement at grass-roots level the District established District Ward Committees forum, made up of 25 members, that is, five representatives from

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The municipality has the following interactive mediums with the community

- Quarterly newsletters
- Mopani district Municipality website: [www.mopani.gov.za](http://www.mopani.gov.za)
- Complaints register
- Presidential and Premiers `s hotline

## 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?	No
Are the above aligned and can they calculate into a score?	No
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	YES

Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	
T2.5.1	

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

*“Good corporate governance can be equated to having clear corporate values which are stated and enacted, and ensure that the company is governed in a way that is efficient, responsible, accountable, transparent and with probity. It furthermore, recognises the legitimacy of interest of defined key stakeholders, and engaging in long-term relationships.” (The King Report on Corporate Governance for South Africa, 2002).*

Principles of co-operative government and intergovernmental relations is that All spheres of government and all organs of state within each sphere must

- a. preserve the peace, national unity and the indivisibility of the Republic;
- b. secure the well-being of the people of the Republic;
- c. provide effective, transparent, accountable and coherent government for the Republic as a whole;
- d. be loyal to the Constitution, the Republic and its people;

- 
- 
- e. respect the constitutional status, institutions, powers and functions of government in the other spheres;
  - f. not assume any power or function except those conferred on them in terms of the Constitution;
  - g. exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere; and
  - h. co-operates with one another in mutual trust and good faith by
    - i. fostering friendly relations;
    - ii. assisting and supporting one another;
    - iii. informing one another of, and consulting one another on, matters of common interest;
    - iv. co-ordinating their actions and legislation with one another;
    - v. adhering to agreed procedures; and
    - vi. avoiding legal proceedings against one another.

In the municipal environment, corporate governance is all about how municipalities set their priorities (as per the IDP), conduct their business (through the performance management system and the SDBIP process), and relate to the community they serve (as per the IDP and performance management system). The Tripod Integrated Management System© ensures co-ordinated planning and development in the district. Data is collected, monitored, evaluated, assessed, audited and reported on, for informed decision-making and better service delivery - in other words, for better corporate governance.

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## **2.6 RISK MANAGEMENT**

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

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The Chief Risk Officer as the head of risk management is responsible for co-ordinating, facilitating the risk management within the entire organisation as well as providing expertise on risk issues. Furthermore, she partly performs the functions of security management. The Risk Management unit has assisted management to identify and evaluate the effectiveness of council's risk management system and contribute to the improvement of risk management and control systems. That has been done by taking the identified risks, categorizing them into low, medium and high risks for management to develop actions for mitigation.

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## 2.7 ANTI-CORRUPTION AND FRAUD

Mopani, like most institutions does experience corruption which requires corrective measures for the creation of sound administration of the institution.

The municipality has implemented its Anti-corruption and Fraud Prevention strategy and the results are beginning to show up.

Details of the developed anti-corruption strategy are briefly related below.

### **PURPOSE OF THE STRATEGY**

- ▶ Encouraging a culture within MDM where all employees, the public and other stakeholders continuously behave with, and promote integrity in their dealings with, or on behalf of the municipality.
- ▶ Improving accountability, efficiency and effective administration within MDM including decision-making and management conduct which promotes integrity.
- ▶ Development of anti-corruption capacity within the municipality.

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- ▶ Improving the application of systems, policies, procedures, rules and regulations within the municipality.
  - ▶ Changing aspects within MDM that undermine institutional integrity and facilitate unethical conduct, fraud and corruption and allow these to go unnoticed or unreported.
  - ▶ Encourage all employees and other stakeholders to strive toward the promotion of integrity and for the prevention and detection of unethical conduct, fraud and corruption impacting, or having the potential to impact on the municipality.

## **PRINCIPLES OF THE STRATEGY**

Mopani District Municipality Anti-Corruption Strategy is informed by the following principles to root out corruption:

- ▶ The need for a holistic and integrated approach to fighting corruption, with a balanced mixture of prevention, investigation, prosecution and public participation as the platform for the strategy.
- ▶ District tailor-made strategies are required that operate independently but complimentary to provincial and national strategies, particularly with regard to detection, investigation, prosecution and adjudication of acts of corruption, as well as the recovery of the proceeds of corruption.
- ▶ Acts of corruption are regarded as criminal acts and these acts can be dealt with either in the administrative or criminal justice system or both if need be. All aspects of the strategy are:
  - ▶ Supported with comprehensive education, training and awareness.
  - ▶ Coordinated within the district municipality.
  - ▶ Subjected to continuous risk assessment.

The following structures are in place to curb corruption in Mopani District:

- ▶ Audit committee: They have capacity to detect corruption acts through reports.

- ▶ Portfolio committees: They monitor and also provide political inputs at the planning stage of municipal programmes.
- ▶ Internal Audit unit: Promote professional ethics among employees.

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

Supply Chain Management policy was developed and approved by council for implementation in the 2018/19 financial year.

T2.8.1

### By-laws Introduced during 2018/19

Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
<b>Air Quality by law</b>		N/A			
<b>Food handling by law</b>	Yes	Information not available	Information not available	Yes	9 July 2010
<b>Food vending by law</b>		Not yet			
<b>Water and sanitation by law</b>		Not yet			
<b>Credit control and debt collection</b>		Not yet			
<b>Emergency by law</b>	yes	Information not available	Information not available	Yes	9 July 2010, NO1808
<b>Waste by law by law</b>		N/A			

\*Note: See MSA section 13.

T 2.9.1

#### COMMENT ON BY-LAWS:

Only two by-laws were developed and 5 were revised and unfortunately none of them were tabled for public participation and council structures due to other processes to be followed. The development, revision and tabling

of by-laws is as per the MSA 2000 S11 (3) (m) that provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

T2.9.1.1

## 2.10 WEBSITES

Municipal website: content and currency of material		
Documents published on the municipality's /entity's website	Yes/No	Publishing date
Current annual and adjustment budgets and all budget related documents	Yes	March
All current budget related policies		May
The previous annual report (2017/18)	Yes	February
The annual report (2018/19) published / to be published	Yes	February
All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards	Yes	August
All service delivery agreements (2018/19)	Yes	August
All long term borrowing contracts (2018/19)	Yes	
All supply chain management contracts above a prescribed value (give value) for 2018/19	Yes	
An information statement containin a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2018/19	Yes	
Contracts agreed in 2018/19 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
PPP agreements referred to in section 120 made in 2018/19	No	
All quartely reports tabled in the council in terms of section 52 (d) during 2018/19	Yes	
Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are of course encouraged touse their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments		

T2.10.1

### MUNICIPAL WEBSITE CONTENT AND ACCESS:

The website was fully functional for 2018/19 financial year and all strategic documents were published on the website.

T2.10.1.1

## PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFACTION LEVELS

The Municipality did not conduct a customer satisfaction survey.

T2.11.1

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

### INTRODUCTION

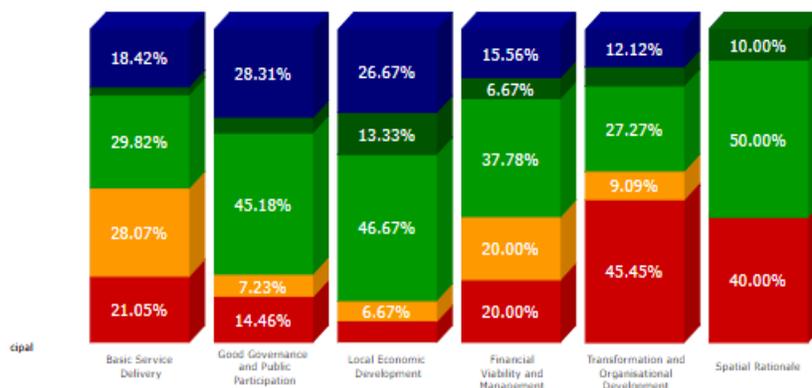
The Mopani District Municipality `s performance is based on the development priorities as in the IDP, the municipal key performance areas, strategic objectives and indicators in the IDP. The Municipal Performance is calculated from all the indicators and projects applicable to the municipality as measured through its performance management system. The indicators and projects are collected into scorecards for General Indicators, Indicators contained in the IDP for 18/19 and SDBIP.

The performance of the Key performance areas is as below:

T3.0.1

**SUMMARY OF PERFORMANCE FOR 2018/19 FINANCIAL YEAR**

### Municipal KPA



	Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Organisational Development	Spatial Rationale
<b>KPI Not Met</b>	24 (21.05%)	24 (14.46%)	1 (6.67%)	9 (20.00%)	15 (45.45%)	4 (40.00%)
<b>KPI Almost Met</b>	32 (28.07%)	12 (7.23%)	1 (6.67%)	9 (20.00%)	3 (9.09%)	-
<b>KPI Met</b>	34 (29.82%)	75 (45.18%)	7 (46.67%)	17 (37.78%)	9 (27.27%)	5 (50.00%)
<b>KPI Well Met</b>	3 (2.63%)	8 (4.82%)	2 (13.33%)	3 (6.67%)	2 (6.06%)	1 (10.00%)
<b>KPI Extremely Well Met</b>	21 (18.42%)	47 (28.31%)	4 (26.67%)	7 (15.56%)	4 (12.12%)	-
<b>Total:</b>	<b>114 (29.77%)</b>	<b>166 (43.34%)</b>	<b>15 (3.92%)</b>	<b>45 (11.75%)</b>	<b>33 (8.62%)</b>	<b>10 (2.61%)</b>

SEE ATTACHED 2018/19 ANNUAL PERFORMANCE REPORT

#### COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

#### INTRODUCTION TO BASIC SERVICES

The success of local economic development is tied to the provision of basic and other types of infrastructure services to the people. All services under analysis in this section are located in a specific locality (as per SDF) and have potential to boost socio-economic development (as per LED). Infrastructure analysis focuses on the status quo regarding water supply, sanitation facilities, energy, housing provision, roads and public transport, waste management and telecommunications – all of which underpin socio-economic development and determine a people’s quality of life. The provision of adequate municipal infrastructure remains a challenge throughout the district.

T3.1.0

### .1. WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

Mopani District Municipality is a Water Services Authority for the whole District area and all its Local Municipalities have Water Service Provider (WSP) Agreements in place. The surface water in urban areas and rural areas are served through boreholes. MDM lies within and is benefitting from the following water catchment areas: Groot Letaba for GLM & GTM, Olifant for MLM & BPM and Klein Letaba for Giyani.

The Mopani district is characterized by low rainfall, especially in the lower-lying areas of the district, namely, Greater Giyani and Ba-Phalaborwa. This results in limited water resources culminating in severe water shortages and regular drought conditions. Subsequently, there is stiff competition between the different water users such as agriculture, mining and forestry. To this end, water use for domestic purposes becomes critical. The main surface water resources for Mopani district are Letaba River

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catchment and all its tributaries. There is a huge potential for usage of borehole water as an augmentation to the surface water resources.

There are over 20 (small and large) dams in the district with 9 being used for primary consumption (domestic, industrial and commercial) and most of the other dams are used for irrigation purposes. Some private small dams also exist and are used for irrigation purpose as well. The total yield from the dams for primary usage is 273 million m<sup>3</sup> per annum. The agricultural sector uses the greatest portion of the available yield in the district, which is estimated at 70%, leaving 30 % for the other water users.

Bulk water supply in Mopani is characterised by numerous surface water schemes in various stages of full development to all consumer points. Water supply scheme clusters are well defined and the service area boundaries are well established. Major upgrading and refurbishment are needed at most localities. The Middle Letaba Sub Scheme area and Modjadji areas are in need of extensions to the existing bulk supply systems. In general, Mopani District is well provided with bulk water supply infrastructure. However, the reason why the supply of water is below the RDP level (25 litres per person per day) is the shortage of pipeline reticulation within villages. MDM gets bulk water from the Lepelle Northern Water Board, treat the water and channel that to reservoirs in villages/ settlements in the five local municipalities. Local municipalities are responsible for reticulation in villages. MDM operates 21 water schemes, 62 pump stations, 19 water treatment works, over 1400km min pipelines, over 500 reservoirs and thousands of boreholes. Further analysis of water sources is depicted in the following table, with numbers of households benefitting

Ba-Phalaborwa municipality has adequate reticulation system, followed by Greater Tzaneen Municipality, Greater Letaba Municipality and then Greater Giyani Municipality. The limited availability of infrastructure in Greater Giyani is attributed to the fact that the villages in the Greater Giyani area are spatially scattered, resulting in difficult and expensive processes to provide water supply pipelines in the villages. It is also deduced that the major factor contributing to shortage of water is related to social aspects. These aspects are mainly vandalism of infrastructure, especially communal boreholes, lack of willingness from the consumers to pay for their water services and illegal (unauthorized) connections of pipelines by communities. These problems are usually prevalent in rural areas than urban areas. Over-usage of water is generally observed in most of the areas, amounting to more than 150 litres per person per day in both towns and villages. Communities are yet to do more to save the already scarce water.

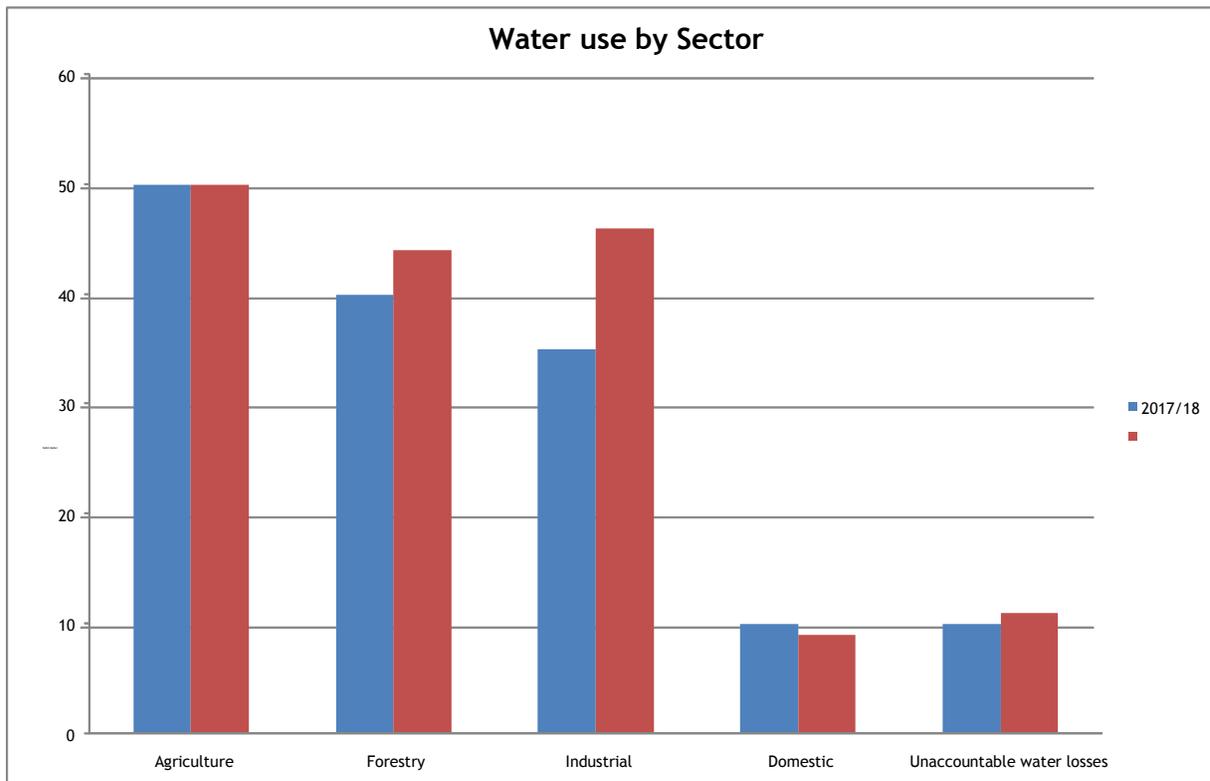
The majority of households in Ba-Phalaborwa (77, 3%) have access to RDP standard water, Greater Tzaneen at 53, 6%, Greater Letaba at 60, 7%, Greater Giyani at 57,3% and Maruleng the lowest at 49,9%. However, taking a look at the households access to the various sources of water per local municipality as a percentage of the district, it becomes clear that the level of services are higher in Ba-Phalaborwa with 35, 3% of the households within the district with access to water inside their dwellings,

especially when taking into consideration that only 12, 9% of the households in the district reside in Ba-Phalaborwa. The smaller population and the absence of many scattered villages in Ba-Phalaborwa, compared to e.g. Greater Giyani, probably contributed to this.

All municipalities in the district are providing free basic water to some extent (6000 litres per household per month) with almost none providing free basic waste removal. To eradicate the water backlog, Mopani district as the water services authority has prioritized water services as the first service among all the other services. The Department of Water Affairs (DWA) have completed the establishment/ construction of the N'wamitwa Dam and the raising of the wall of the Tzaneen Dam to address the water shortage problem in the district.

Source :IDP 18/19

Total use of water by sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2017/18	51 200	44 830	26 380	15 000	16 000
2018/19	51 200	44 831	26 380	16 800	17 000
<b>T3.1.2</b>					



**COMMENT ON WATER USE BY SECTOR:**

MDM contributes to the economy by providing water supply to three sectors of the economy namely; Agriculture, Forestry, Industries and for domestic use. The water uses by the Agriculture sector for 2016/17 and 2017/18 remains relatively the same. Use in the Forestry and Industrial sector has increased in 2018/19 when compared to 2017/18. Water supply for domestic use has also increased in 2018/19 compared to 2017/18. The increase in usage is as a result of increased access to water supply through completed infrastructure projects, refurbishment and drilling of boreholes in areas experiencing shortages in water supply.

T3.1.2.2

Households				
Description	2015/16	2016/17	2017/18	2018/19
	Actual No.	Actual No.	Actual No.	Actual No.
Water: (above min level)				
<i>Piped water inside dwelling</i>	49 923	51 674	51 674	52 966
<i>Piped water inside yard (but not dwelling)</i>	99 434	72 754	72 754	74 572
<i>Using public tap (stand pipes)</i>	57 534	109 341	109 341	91 898
<i>Other water supply (within 200m)</i>	0	29 218	29 218	29 948
<i>Minimum service level and above sub-total</i>	206 891	262 987	262 987	249 384
<i>Minimum service level and above percentage</i>	<b>72%</b>	<b>100%</b>	<b>100%</b>	<b>84.16%</b>
Water; (below min level)				
Using public tap (more than 200m from dwelling)	33 773			
	46 935			
Other water supply (more than 200m from dwelling)			2 303	36 921
No water supply	80 708		2 303	10 014

Below minimum service level sub-total	28%		1%	15.84%
Below minimum service level percentage	<b>287 599</b>	<b>262 987</b>	<b>265 290</b>	<b>296 319</b>
<b>Total number of households*</b>				
To include informal settlements				
<b>T3.1.3</b>				

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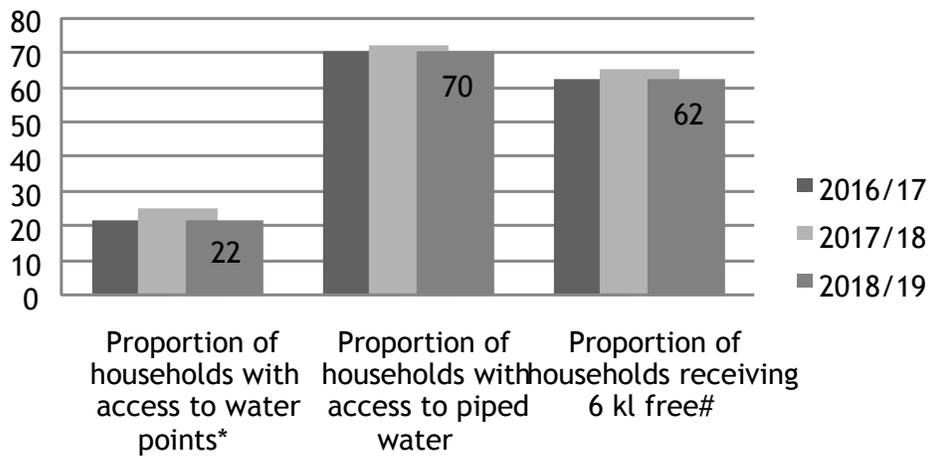
The wording "within/more 200m from dwelling" be replaced with "stand pipes" as it challenging to measure.

Households – water service delivery levels below the minimum						
Description	2015/16	2016/17	2017/18	2018/19		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>	<b>262 987</b>	<b>265 290</b>	<b>265 290</b>	<b>296 319</b>	<b>296 319</b>	<b>296 319</b>
Total households	<b>262 987</b>	<b>265 290</b>	<b>265 290</b>	<b>249 319</b>	<b>249 319</b>	<b>249 319</b>
Households below minimum service level	<b>206 891</b>	<b>265 290</b>	<b>265 290</b>	<b>249 384</b>	<b>249 384</b>	<b>249 384</b>
Proportion of households below minimum service level						
<b>Informal Settlements</b>						
Total households	<b>80 708</b>	<b>0</b>	<b>0</b>	<b>46 935</b>	<b>46 935</b>	<b>46 935</b>
Households below minimum service level	<b>80 708</b>	<b>0</b>	<b>0</b>	<b>46 935</b>	<b>46 935</b>	<b>46 935</b>
Proportion of households below minimum service level						

T3.1.4

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## Access to Water



\* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute

# 6,000 litres of potable water supplied per formal connection per month

T3.1.5

Water service policy objectives taken from IDP									
Service Objectives	Outline service targets	2016/17		2017/18			2018/19	2020/21	
		Target	Actual	Target		Actual	Target		
		*previous year	(iv)	*previous year	*current year	(vii)	*current year	*current Year	*following year
		(iii)	(v)	(vi)	(viii)	(ix)	(x)		
Service objectives									
Water Provision	Additional households provided with minimum water supply during the year (No. of HH) without supply at year end)	5000	20344	20344	1627	21971	10400	32371	34967

<b>Improve reliability of water supply</b>	<b>Reduce the number of interruptions in supply of one hour or more compared to the baseline of 2018/19</b>	80%	82%	80%	75%	78%	84%	88%	93%
<b>Improve water conservation</b>	<b>Reduce unaccountable water levels compared to the baseline of 2018/19 (16000 kiloliters (Kls) unaccounted for during the year</b>	9 000	11 500	13 000	15 000	1500 0	11 0 00	9 000	7500
									T3.1.6

APR 18/19

### 3.2 WASTE WATER (SANITATION) PROVISION

#### INTRODUCTION TO SANITATION PROVISION

Provide brief introductory comments on your strategy for the provision of Sanitation Services and progress being to redress any shortfall in basic standards of service provision by 2012 and with particular reference to progress made in 2018/19 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Indicate how your municipality identifies and responds to those communities that are living in poverty and are deficient in this basic service. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Sanitation Services within the municipality. Comment on trends in Sanitation provision as reflected below and on more specific issues concerning Sanitation Service and demand as appropriate.

T3.2.1

Sanitation Service Delivery Levels				
Description	Households			
	2015/16	2016/17	2017/18	2018/19
	Outcome No.	Outcome No.	Outcome No.	Actual No.

<b>Sanitation/sewerage; (above minimum level)</b>	<b>60 516</b>	<b>60 516</b>	<b>60 516</b>	<b>60 516</b>
Flush toilet (connected to sewerage)				
Flush toilet (with septic tank)				
Chemical toilet				
Pit toilet (ventilated)	<b>187 168</b>	<b>188 968</b>	<b>188 968</b>	<b>188 868</b>
Other toilet provisions (above min. service level)	<b>247 684</b>	<b>249 384</b>	<b>249 384</b>	<b>249 284</b>
Minimum service level and above sub-total	<b>83.6%</b>	<b>84%</b>	<b>84%</b>	<b>84%</b>
Minimum service level and above percentage				
<b>Sanitation/sewerage; (below minimum level)</b>				
Bucket toilet	<b>48 635</b>	<b>46 935</b>	<b>46 935</b>	<b>46 935</b>
Other toilet provisions (below min service level)				
No toilet provisions	<b>48 635</b>	<b>46 935</b>	<b>46 935</b>	<b>46 9 35</b>
Below Minimum service level sub-total	<b>16.4%</b>	<b>16%</b>	<b>16%</b>	<b>16%</b>
Below Minimum service level percentage	<b>296 319</b>	<b>296 319</b>	<b>296 319</b>	<b>296 319</b>
<b>Total Households</b>				
<b>*total number of households including informal settlements</b>				
<b>T3.2.3</b>				

Households; Sanitation service delivery levels below the minimum						
Description	2015/16	2016/17	2017/18	2018/19		
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements	296 319	296 319	296 319	16 700 000	16 700 000	1 075
Total Households						
Households below minimum service level	296 319	296 319	296 319	16 700 000	16 700 000	1 075
Proportion of households below minimum Service level						
Informal Settlements	0	0	0	0	0	0
Total Households	293 319	296 319	296 319	16 700 000	16 700 000	1 075
Households below minimum service level						
Proportion of households below Minimum service level						

T3.2.4

#### **SANITATION SERVICES PERFORMANCE OVERALL:**

MDM has a total number of 327 466 which equates to 96.2% of the community households which have access to sanitation services, whereas 3.8% has no sanitation services in their communities.

At least Greater Letaba has a backlog of 1,4% without sanitation services. The municipality that has the highest backlog is Greater Giyani Municipality with 8,2%. The municipality that has the lowest is Greater Letaba with 1,4% followed by Greater Tzaneen with 1,7%.

T3.2.10

### **3.3 ELECTRICITY**

#### **INTRODUCTION TO ELECTRICITY**

Energy distribution has important economic development implications with a potential to make a considerable development impact. This impact relates to improved standard of living in which people are able to use electric stoves for cooking, electronic equipment such as TVs, sound systems, lights, etc. It also enable people to establish small businesses such as welding, catering and other mechanical works.

In Mopani, electricity is largely provided by ESKOM. Only two Local municipalities (BPM & GTM) are licensed to provide electricity. The GGM, MLM and GLM are fully dependent on ESKOM. Mopani District Municipality has a role of providing bulk electricity to the local municipalities. However, this function is yet to be fully undertaken. National government in consultation with the South African Local Government Association (SALGA), ESKOM and other stakeholders are engaged in discussions regarding the restructuring of the Electricity Distribution Industry in South Africa with the aim of ensuring that the industry is able to meet the needs of electricity consumers in the country and improve the roll out of electricity.

The four local municipalities in the district have signed the service level agreement with ESKOM for the rolling out of Free Basic Electricity to indigent households in the district. Each poor household is entitled to 50KWh per month. It has been found that most of the people in

rural areas and amongst low income households, continue to use a range of energy sources like wood to meet their needs, irrespective of whether their houses are electrified or not. In addition, inefficient energy use compounds poverty: housing without ceilings and a complete lack of accessible information to users on appropriate and efficient energy use condemn poor households to a future of high energy costs.

**3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)**

**INTRODUCTION TO WASTE MANAGEMENT**

In the Mopani District, all local municipalities are responsible for their own land fill sites and waste management services.

3.4.1

**3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT**

**INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT**

Not applicable to the District

T3.6.1

Free Basic Services To Low Income Households						
	Number of households					
	Total	Households earning less than R1,100 per month				
		Free Basic Water		Free Basic Sanitation		
		Total	Access	%	Access	
2016/17	296 320	219 705	34 447	17%	5 389	2.5%
2017/18	296 320	219 705	37 447	17%	5 389	2.5%
2018/19	296 320	219 705	37 447	17%	5 389	2.5%

T3.6.6

## COMPONENT B: ROAD TRANSPORT

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

### INTRODUCTION TO ROAD TRANSPORT

This component is not applicable in the district.

T3.7.0

## 3.7 ROADS

### INTRODUCTION TO ROADS

This component is not applicable in the district

T3.7.1

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

Mopani District Municipality (MDM)'s Vision is: 'To be the food basket of Southern Africa and to be the' tourism destination of choice'. It is therefore necessary to give attention to the four key sectors (Agriculture, Mining, Tourism, Trade and Manufacturing) which contribute towards the achievement of the MDM Vision. **The following are among the opportunities identified during quarterly stakeholder's discussions that resonate within the District:**

- \_ The Development of an integrated GIS which will enable the District and its locals to depict and share planning information.
- \_ The rich cultural diversity, which if fully tapped into, could turn the District into the destination of choice.
- \_ The District has a huge potential on the Agricultural and Mining value chain. Particularly if the potential is linked to the plans of Revitalisation of Industrial Parks Plans.
- \_ The above can be attained through the identified strategies of determining market gaps, Institutional Capacity building and organisational support as well as Production and supplier development for SMMEs and Partnerships

Integration of plans and budgets for all role-players remains a challenge as IDP processes have not yet reached the ideal state. The resuscitated Technical Committees comprising of the District, Local Municipalities and Sector Departments will in time resolve the challenge referred to above.

T3.10.0

## 3.8 PLANNING

### INTRODUCTION TO PLANNING

The planning strategies applied include among others; development and review of SDF, Land Use Scheme Development, Land Use Applications Determination, legislative and policy technical capacity building.

#### **3.8.1. Development and review of SDF**

The SDF stands for Spatial Development Framework aimed at guiding growth of the district communities spatially. It is a key tool for spatial decision-making when allocating various land development and land uses. The SDF was at draft stage by June 2019.

#### **3.8.2. Land Use Scheme Development**

Section 24(1) of Spatial Planning and Land Use Management Act (SPLUMA), 16 of 2013 requires that all municipalities must develop and adopt a single land use scheme for the entire municipality within five years of the promulgation of the SPLUMA. SPLUMA took effect from July 2015 hence all municipalities must develop their SPLUMA aligned Land Use Schemes by 2020. One of the planning strategy is thus to support local municipalities to comply with this requirement. During 2018/19 the district could not support any local municipality on land use scheme development due to insufficient budget allocation .

#### **2.8.3. Land Use Applications Determination**

Section 34 of SPLUMA provides that district municipalities may establish a District Municipal Planning Tribunal to determine land development and land use applications within its district jurisdiction. Mopani District Municipality established a district municipal planning tribunal for the purpose in 2016. In 2017/18 34 applications were determined by the municipal planning

tribunal and in 2018/19 34 applications were determine in the district making a total of 59 applications. There was one major impact application with a potential of appointing over 800 jobs.

#### 2.8.4 Integrated GIS

Equipment for the establishment of integrated GIS has been purchased in 2018/19. The roll out plan and cascading of the programme will be developed in 2018/19. The finalisation of this milestone will enable depiction and sharing od planning information within Mopani District Municipality and the Local Municipalities within the District. GIS is not popularly known as a career, awareness campaigns were conducted in secondary schools to help the teachers and learners in understanding the concept of GIS since it was recently introduced in their syllabus.

T3.10.1

Detail	Formalization of Townships		Rezoning	
	2017/18	2018/19	2017/18	2018/19
Planning application received	5000	0	42	0
Determination made in year of receipt	0	0	34	0
Determination made in following year	0	0	5	0
Applications withdrawn	0	0	0	0
Applications outstanding at year end	5000	0	3	0

Due to delays in the appointment of the Municipal Planning Tribunal,

applications could not be considered in the financial year in question.

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

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic Development (LED) is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in Mopani District.

LED is intended to maximise the economic potential of all Municipal localities throughout the country and, to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development.

The key strategic thrusts identified in the MDM LED strategy can exert the most influence in order to foster a prosperous economy within the District, i.e. Agriculture, Tourism, Mining and Trade & Manufacturing.

Mopani District Municipality was able to create conducive economic environment during the 2018/19 through, among others, the quarterly sessions with LED practitioners in the form of HOD/Technical committees, LED Fora, Mining Indaba, Tourism events including exposing SMMEs at Durban Indaba, training for SMMEs and discussions with different partners with the intention of future signing of MOUs.

T3.11.1

#### **LOCAL JOB OPPORTUNITIES:**

The LED supports local SMMEs by creating a conducive environment to create job opportunities. The LED forum sittings are scheduled to serve as a platform for Local Economic Development engagements. The functionality of the LED subcommittees especially at local levels still need to be improved to enable better functionality at the district level as well as reporting back to stakeholders.

Sessions were conducted with various stakeholders to engage on IDP processes in an endeavor to align planning and implementation.

The District Municipality has through the Tourism trade shows exposed SMMEs from all the five local Municipalities to the market whereby exhibition facilities were procured, and transportation was arranged for the selected SMMEs.

T3.11.4

<b>Job Creation through EPWP* Projects</b>		
<b>Details</b>	<b>EPWP Projects No.</b>	<b>Jobs created through EPWP projects No.</b>
<b>2016/17</b>	<b>2</b>	<b>310</b>
<b>2017/18</b>	<b>3</b>	<b>683</b>
<b>2018/19</b>	<b>3</b>	<b>1912</b>
<b>*-EPWP</b>		<b>T3.11.6</b>

Source APR 18/19

The Planning and Development Directorate brought in a number of initiatives, which lead to the achievement of a number of LED initiatives and strengthened partnership in 2018/19. The LED forum was established, and LED Fora were coordinated successfully, the District Economic Summit was successfully coordinated and held, LED Strategy successfully aligned with the IDP during Stakeholder sessions, coordination of trainings and promotion of SMMEs and trade shows were successful without hindrance. A conducive environment for EPWP coordination was created through the establishment of MDM EPWP Steering committee. Trainings conducted in collaboration with Seda

- LED Fora Minutes and Attendance Registers,
- the Mining Indaba report
- Stakeholder Engagements report
- Trade Shows Reports
- EPWP Coordination Processes which include internal and district wide sessions

## PROJECTS FOR 2018/19 FOR PLANNING DEPARTMENT

LED PROJECTS					
No.	Project name	Description	Location	Funder	2018/19
1	Agri-park program	Fire protection license fee & coordination of meetings	MDM	Own/ES	250 000

2	Agri- expo support	Supporting event in exposing emerging farmers	MDM	Own/ES	100 000
3	Institutional capacity building, organizational support & partnerships	Stakeholder collaborations LEDA – incubation SEDA - training Agriculture – events SMME development support - LED forum - HODs forum - Technical committees	MDM	Own/ES	400 000
5	Partnerships	Collaboration	MDM	Own/ES	450 000
6	Letaba show	Provide & manage exhibition pavilion	MDM	Own/ES	100 000
7	Rand show	Provide & manage exhibition pavilion	MDM	Own/ES	250 000
8	Marula festival	Provide & manage exhibition pavilion	MDM	Own/ES	150 000
9	Marketing/Brochure & promotional material	Provide & manage exhibition pavilion	MDM	Own/ES	100 000
10	Marketing plans and tools development.	Developing plans for marketing	MDM	Own/ES	200 000
11	Tourism association establishment & Coordination	Establishment of tourism association and Coordination	MDM	Own/ES	50 000
12	Profiling the tourism products	Development of marketing plan (DVD, LED screen, website development, grading of accommodation)	MDM	Own/ES	200 000
13	SMME development support	Support SMMEs	MDM	Own/ES	100 000
14	Mining Indaba	Sharing mining information & experience/ to develop the feasibility study on minerals to prioritize	MDM	Own/ES	200 000
15	Durban Indaba show	To develop a tourism marketing brochure	MDM	Own/ES	400 000
16	Mineral resources study & prioritization	To conduct feasibility	MDM	Own/ES	300 000

17	LED Strategy	LED Strategy review	MDM	Own/ES	500 000
18	EPWP	Coordination & compliance on EPWP	MDM	Own/ES	
19	Market Linkages	Empower organized farmers	MDM	OWN/ES	450 000
	<b>Project name</b>	<b>Description</b>	<b>Location</b>	<b>Funder</b>	<b>2018/19</b>
20	Land use & land development applications determinations	Determinations of land use and land development applications to facilitate socio-economic development of the district, MPT administration and maintenance of equipment	N/A	Own/ES	1 000 000
20	SDF Development	Review of SDF	N/A	Own/ES	600 000
21	SPLUMA compliant LUS development	Supporting municipalities to develop Land Use Schemes that complies with SPLUMA requirements	UD	Own/ES	1 500 000
22	Re- planning	Supporting LMs in formalising informal residential areas by developing layout plans that allow installation of basic services with standardized access streets and servitudes	UD	Own/ES	1 000 000
23	IDP dashboard application	Project mapping	MDM	Own/ES	500 000
24	Land use management system	Land use management	MDM	Own/ES	1 000 000
25	GIS applications development	System application development	MDM	Own/ES	1 000 000
	Maintenance	Maintenance	MDM	Own/ES	200 000

#### COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

#### 3.10 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

#### INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Special Programmes unit is a Societal or community based unit that promote Social Cohesion and address different humanities and abilities in the society. The unit focus on developing, coordinate plans and programmes for special focus groups. Implement programmes aimed at supporting and empowering the Traditional Leaders, youth, elderly, women, children and disable persons as well as Gender. To provide technical assistance to special groups. monitor and maintain good relationship between communities and the district, To raise awareness, advocate and lobby for special programmes and projects of the special groups ,develop, review and implement socio-economic development policies and programmes in the Special Programmes .also to ensure special programmes mainstreaming , Establishment of special programmes forums that are functional to Promote relations between the Government and community for better participation for these groups on Government Programs . Monitor and maintain the youth and children's advisory councils and HIV and Aids structures • Perform any related tasks, activities and assignments as may be delegated by the constitution of South Africa

T3.56.1

#### PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL

In the 18/19 financial year the municipality had the aged function. Gender meetings, children's parliament and disability forum meetings

T3.56.7

#### COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

#### INTRODUCTION TO ENVIRONMENTAL PROTECTION

T3.59.0

#### INTRODUCTION TO POLLUTION CONTROL

The Mopani District Municipal area is faced with environmental risks and trends that lead to environmental degradation. In order to ensure that development activities carried out by Mopani District Municipality are sustainable, the IDP of Mopani District had considered environmental and socio-economic issues in an integrated manner in decision making, project planning and implementation.

It is clear that individuals, communities and government need to come up with programmes to bring awareness on the causes and effects of global warming and together strategies on control measures for decreasing emission of the gases that exacerbate temperature increase in the atmosphere. The situation in Mopani calls more on the matter since the demographic dynamics indicate that 81% is rural and therefore vulnerable to any natural hazards without clear mechanisms to combat. Organic agriculture should be encouraged, land use schemes should be managed, veld fires be controlled and deforestation be prohibited.

In order to ensure that there is balanced considerations of environmental and socio-economic in municipal projects planning, all infrastructure projects are screened to check if an Environmental Impact Assessment might be required or not. This is in line with the EIA regulations enacted under the National Environmental Management Acts No: 107 of 1998. Compliance of projects to other legal requirements as outlined by other acts and regulations is also screened before project implementation. This includes compliance with Acts and regulations such as the National Water Act No 36 of 1998, Minerals and Petroleum Resources Development Act No: 28 of 2002, National Heritage Resources act No:25 of 199, section 24 of the Constitution of The Republic of South Africa of 1996 etc

T3.59.1

#### SERVICE STATISTICS FOR POLLUTION CONTROL

Mopani District in particular is facing challenges in water and air pollution. The major cause of water pollution in Mopani is uncontrolled illegal dumping of wastes throughout the district and

unattended sewage spillages. Several cases of illegal dumping of wastes along the river banks and in water bodies has been reported and observed in Greater Giyani and Greater Letaba municipalities. According to the State of Rivers Report for Letaba and Luvuvhu produced by DWS, water pollution in Mopani district is also worsened by deforestation activities associated with fuel-wood collection and agriculture along the river banks and within the riparian zones in the catchment's areas. The lack of water-borne sewerage systems leads to the contamination of ground water.

The most noted water pollution takes place in the Murhogolo stream between Giyani shopping complex and government offices, the Thabina River from Mogoboya downstream, at the Klein and Groot Letaba rivers as well as Molotodzi which is highly choked with solid waste. Water is life and the necessity to conserve it cannot be overemphasized or postponed since it cannot be created. Individual members of communities, sector departments and private institutions need to take conscious decision on its conservation and prevention of water pollution.

T3.59.2

Pollution Control Policy objectives taken from IDP									
Service Objectives	Outline service targets	2016/17		2017/18			2018/19	2019/20	
		Target	Actual	Target		Actual	Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service indicators (i)	(ii)								
To improve community safety, health and social well-being									
Development of the Integrated Waste Management Plan and approval by Council ytd	100	100	100	100	100	100	100	100	100
Number of reports submitted on K2 Biosphere	4	4	4	4	4	4	4	4	4

reserve activities ytd									
Number of projects supported on Green Economy activities ytd	8	8	8	8	8	8	8	9	9
Number of reports on Ambient Air Quality Monitoring submitted to Management ytd	4	4	4	4	4	4	4	6	6
<b>T3.59.3</b>									

Source APR18/19 IDP

**COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:**

The municipality managed to monitor all water sources by taking water samples (300) to confirm quality standards, and forms of pollution. Faecal pollution (i.e human faeces ) is the dominant source of pollution in our rivers and streams. Moor pads were laid for Cholera and Typhoid monitoring. 18 inspections were conducted at sewage treatment plants and 6 were compliant while 12 were noncompliant. 17 Health care facilities were inspected for health care risk waste management 12 were compliant. 05 were noncompliant. Monitoring was conducted 4 times on illegal dumping sites, i.e. 1 for burning of tyres, 1 for burning of refuse and 2 for illegal dumping.

T3.59.7

**COMPONENT F: HEALTH**

This component includes: clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

The challenge of the health sector in South Africa is to develop a unified national health system capable of delivering quality health care to all citizens efficiently and in a decent environment. The provision of health facilities to all settlements in the district is a problem because of the large number of settlements (varying in size), with the majority of them being relatively small and scattered throughout the district. A simplified calculation of the number of people per hospital per local municipality would not provide a true reflection of the actual situation, as hospitals provide services to communities across municipal boundaries and international refugees. The Health plan has been reviewed and further details will be unpacked adequately therein. District Health Council and the AIDS Councils to govern health activities in the district are also established and functional. The prevalence of HIV and AIDS has resulted in the increase of child-headed families without any source of income in the province. However, the Department of Social Development has been proactive in providing child support grants

T.62.0

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

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

Our top priority with regard to health inspections entails the following: conducting routine inspections to all food premises to ensure compliance with health legislations and taking action to improve conditions, sampling of food products to ensure safety and compliance with minimum health. Monitoring of informal street food traders. 17 Health care facilities were inspected for health care risk waste management 12 were compliant. 05 were noncompliant. Monitoring was conducted 4 times on illegal dumping sites, i.e. 1 for burning of tyres, 1 for burning of refuse and 2 for illegal dumping.

T3.64.1

#### SERVICE STATISTICS FOR HEALTH INSPECTION, Etc

#### **THE PERFORMANCE OF HEALTH INSPECTIONS, Etc OVERALL:**

The directorate do not have a capital budget on the said priorities; however, there was an operational budget of R2 525 000, and it could not manage to reach the set priorities. Hence more budget was advocated for in the next financial year (budget was increased to R6 035 000).

T3.64.7

## COMPONENT G: SECURITY AND SAFETY

### 3.13 FIRE

#### INTRODUCTION TO FIRE SERVICES

Mopani has established a fully-fledged unit for fire services in the District. Each local municipality is allocated an operational Fire station in the following areas: Tzaneen, Giyani, Modjadjiskloof, Phalaborwa and Hoedspruit. Every station ensures twenty-four-hour services to communities, in the following services:

- Saving lives and property
- Responding to motor vehicle accidents and incidents
- Specialised search and rescue incidents (high angle, swift water, confined space, trench rescue, hazardous substance, aircrafts & train incidents)

The District Municipality is striving to improve the working relationship with communities, private institutions and sector departments in addressing the problems. Fire protection Associations are established in GLM, GTM, BPM and MLM.

3.66.1

Metropolitan Fire Service Data				
Details	2016/17	2017/18		2018/19
	Actual No.	Estimate No.	Actual No.	Estimate No.

1	Total fires attended in the year	470	1227	1300	1116
2	Total of other incidents attended in the year	920	994	1050	988
3	Average turnout time – urban areas	3 Min	3 min	3 min	3 min
4	Average turnout time – rural areas	30 Min	30 min	30 min	30 Min
5	Fire fighters in post at year end	74	86	86	94
6	Total fire appliances at year end	38	36	36	33
7	Average number of appliance off the road during the year	30	35	35	36

Concerning T3.66.2

The average turn- around time to respond to an emergency call is 30 minutes due to bad roads and sometimes due to misallocation of the actual incident place. Our villages and facilities are not yet captured in the GIS. The process of mapping all our villages and facilities in the GIS has started. Delete Directive note once table is complete - T3.66.2.1

Fire Service Policy objectives taken from IDP									
Service Objectives	Outline service targets	2016/17		2017/18			2018/19	2019/20	
		Target	Actual	Target		Actual	Target		
		*Previous year	(iv)	*Previous year	*Current year	(vii)	*Current year	*Current year	*following year
Service indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
To improve community safety ,health and social wellbeing									
Number of Awareness campaigns conducted	46	29	20	20	20	20	20	20	20
T3.66.3									

The prioritised Disaster Management projects includes Vehicle Tracking System, Upgrading of Command Vehicles and the Upgrading of the Communication Centre.

T3.66.7

### 3.14 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

#### **INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC**

Disaster Management is a continuous and integrated multi-sectoral and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery, and rehabilitation (Disaster Management Act 57 of 2002), so as to minimize the impact upon lives, environment and natural resources. The following hazards are posing the greatest risks in the District on the economy, cultural, welfare, sustained development and sustained livelihoods. The Disaster Management Act (Section 53) requires the Mopani District Municipality to take the following actions:

- Prepare a disaster management plan for its area according to the circumstances prevailing in the area.
- Co-ordinate and align the implementation of its plan with those of other organs of state and institutional role players, and
- Regularly review and update its plan.

T3.67.1

#### **COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:**

Oure prioritised Disaster Management projects includes Vehicle Tracking System, Upgrading of Command Vehicles and the Upgrading of the Communication Centre. The total budget for management of disasters was R23 671 715. The total Capital budget for the projects is R3 600 000; and we managed to meet our set targets.

### 3.15 EXECUTIVE AND COUNCIL

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

#### INTRODUCTION TO EXECUTIVE AND COUNCIL

Three-year IDP targets for the performance of the executive and council has been set as i.e. ensure clean audits, 100% implementation of audit committee recommendations, audit charter developed, compliance with internal audit plan, review of risk register, implementation of risk mitigated plans, compliance to legislative requirements, investigation of anti-corruption cases, submission of Annual Performance Report within timeframe and average organizational performance rating, integration of electronic systems, training of staff, filling of vacant positions, mitigation of industrial relations and employee performance reviews.

Strategies to achieve the above mentioned targets are i.e. regarding audit to Review the audit charter annually. Ensure that identified internal controls are in place. Development of three years and annual internal audit plan. Ensure compliance and consistent adherence to policies (continuous monitoring and reporting).

To strengthen and support oversight regarding Risk Management through the strategies of to conduct risk assessment to ensure risk reduction; Review Enterprise Risk Assessment annually; Ensure that identified risks according to the Risk Assessment are minimised and addressed; Vetting of qualifications and security matters; Conduct auditing of internal controls; Investigating all allegations of fraud and corruption and enforcement of disciplinary and criminal actions. Regarding monitoring and evaluation, the implementation of a procedure manual for monitoring, evaluation and reporting has been developed. Building capacity at the level below S57 to take place to ensure continuity of knowledge that has been built. Regarding legal services, strategies are i.e. intensification of the implementation of anti-corruption strategy. Disseminate the strategy to all employees and Councillors. Utilisation of the hotline to address reported cases of alleged corruption. Once the hotline is in place, review the strategy. Strategies to improve the human resources function are i.e. conduct skills audit. Twinning or employee exchange programme to be directed at employees that are struggling on certain

issues. These identified employees to be referred to other institutions for practical learning. Develop training programmes to address competencies in organisation. Develop and implement coaching and mentoring programme. Develop and submit workplace skills plan. Ensure people are training according to competency assessment and skills audit. Monitor and evaluate the impact of training. Sponsor comprehensive development programme based upon identified criteria. Ensure that skilled personnel are retained and awarded. Attract and appoint skilled and competent staff in appropriate positions. Conduct an analysis of vacancies vis-a-vis the organogram. Development and implementation of succession planning strategy. Embark upon a coaching and mentoring programme. To improve employee monitoring and reporting the aim is to promote accountability and responsibility. Implementation of disciplinary procedures. Develop Change and Diversity Management Programme. Completion and implementation of Personal Development Plans for S57 and contractual managers. Cascading of employee performance management to all levels. Ensure monitoring and coaching and creation of awareness of organisation culture. Implement motivational strategies within the organisation. Monitor whether focused and disciplined workforce has been established.

#### 5.16 FINANCIAL SERVICES

##### INTRODUCTION FINANCIAL SERVICES

The top priorities are water and sanitation, the impact of this is that the district does not receive actual revenue collected on the priorities and it is impact on the cash flow, The municipality is intending to take over the function do it no longer done by local municipalities so that it has a closer monitoring of the function and collection.

T3.70.1

#### 3.17 HUMAN RESOURCE SERVICES

##### INTRODUCTION TO HUMAN RESOURCE SERVICES

The top three Human Capital priorities during the said reporting period were the Organisational Restructuring, cascading of performance management to the next line of management being post level three (3) and finalisation of placement and disparities of former

DWA staff who were transferred in 2012.To date, preliminaries and progress where at advanced stage and middle of completion T3.71.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

T3.71.2

Human Resource Services Policy objectives taken from IDP									
Service Objectives	Outline service targets	2015/16		2016/17			2017/18	2018/19	
		Target	Actual	Target		Actual	Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service indicators (i)	(ii)								
To promote democracy and sound governance									
Employee performance assessment below senior managers conducted ytd	4	0	0	0	0	0	4	2	2
Number of existing policies reviewed and ready for adoption by Council structure ytd	12	12	12	12	12	16	12	12	12
Percentage of women recruited according to recruitment plan ytd	8	8	8	8	8	32.50	8	8	8
Percentage of people with disability recruited ytd	4	4	4	4	4	1.70	2	2	2
Percentage of posts filled timeously ytd	100	100	10	100	100	95	100	100	100
Number of attitude and moral survey conducted ytd	0	0	0	0	0	1	1	1	1
Percentage progress with the review and approval of the Organogram by Council/or next financial	100	100	100	100	100	95	100	100	100

Number of reports on the implementation of the Workplace Skills Plan submitted to Management ytd	12	12	12	12	12	12	12	12	12
Skills Development Plan developed and submitted to SETA by end of June	1	1	1	1	1	1	1	1	1
<b>T3.71.3</b>									

Employees: Human Resource Services					
Job level	2016/17		2018/19		
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	1	1	1	1
4-6	4	4	1	6	6
7-9	10	10	13	9	0.69
10-12	3	3	9	4	0.44
13-15	6	6	2	12	6.00
16-18	33	33			-
19-20	0	0	0	0	-
<b>Total</b>	<b>57</b>	<b>57</b>	<b>26</b>	<b>32</b>	<b>1.23</b>

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

**T3.71.4**

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

The human resource office had a review of the organogram that was successfully done. Employment Equity Plan was developed and submitted to department of labour. Work place skills plan was developed for all employees and submitted to LGSETA.

T3.71.7

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### 3.18 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

#### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Mopani District Municipality has long acknowledged that ICT plays a pivotal role in enabling the municipality to carry out its mandate, execute its powers and functions, and realise its strategic objectives. The municipality recognize that ICT's can be better leveraged to effective administration, service delivery and socio-economic development and are therefore integral to the functioning of the municipality. It is for this reason that the municipality established IT Unit within its Corporate and Shared Services Directorate. Gaps identified in the areas of governance of ICT, strategy, organisation structure and staffing in the ICT Unit, processes, applications, technologies, and information in the ICT function are being address, and the municipality is making strides with the limited resources at its disposal. The appointment of Systems & Networks Officer to increase staffing in the IT Office to two personnel, although not adequate, has improved municipality improved staffing in the IT Office and delivery of IT services and performance in the municipality. Further proposals for improvement of staffing in the unit were forwarded during the organisational structure review in the institution.

During the period under review, the municipality reviewed its Strategic Information System Plan (SISP) to align it with developments within the organisation, local government sphere, legislation, trends in technologies, and requirements within the community where it operates.

In order to mitigate against the risk of loss of critical data and information system in cases of natural and other risk factors the municipality developed and adopted an IT Disaster Recovery Plan (DRP).

The process of refreshing information systems infrastructure took off with the design, construction, and commissioning of the new server room in the main office in Giyani to replace the old server room which did not meet the required standards. The server room was also equipped with current technologies for data storage and manipulation, environment monitoring,

security, and firefighting. Newer and current servers with increased availability, reliability, processing power, and storage replaced old and obsolete servers.

T3.72.1

SERVICE STATISTICS FOR ICT SERVICES

T3.72.2

ICT Services Policy objectives taken from IDP									
Service Objectives	Outline service targets	2015/16		2016/17			2017/18	2018/19	
		Target	Actual	Target		Actual	Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service indicators (i)	(ii)								
To strengthen record keeping & knowledge management									
Percentage of completion of development of the DRP ytd	100	100	100	100	100	100	100	100	100
Percentage of completion of development of the MSP ytd	100	100	100	100	100	100	100	100	100

T3.72.3

Source: IDP18/19

Financial performance 2018/19: ICT Services				
Details	2017/18	2018/19		
	Actual	Original budget	Adjustment budget	Actual
Total operational revenue (excluding tariffs)				
Expenditure:	22 763	24 173	26 423	25 244
Other Employees	1 602	1 600	1 800	1 423
Repairs & Maintenance	40	12	20	18
Other	21 121	22 561	22 600	21 900
Total operational expenditure	22 763	24 173	23 000	22 879
Net operational (service) expenditure				

T3.72.5

Source : Budget 18/19

**COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:**

During the period under review only two major capital projects we planned and achieved, namely Giyani Server Room Designed and Construction and Server Room Equipment. The two projects were aimed at attaining the strategic objective “Manage through Information”.

The project for equipping the server room was attained within allocated capital budget, however the server room design and construction had a budget overrun of 15 percent due to a one percentage increase in the rate of value added tax and the variation in the technical specifications due to the fact that the room which was to be utilised had not been appropriately prepared by the landlord for use as the server room.

T3.72.7

**3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES**

This component includes: property; legal; risk management and procurement services.

**INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES**

The contracts for all service providers were signed to avoid risks on all procurement of services T3.73.1

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

T3.73.2

Property; legal; Risk Management and Procurement Services Policy objectives taken from IDP									
Service Objectives	Outline service targets	2015/16		2016/17		2017/18	2018/19		
		Target	Actual	Target		Actual	Target		
		*Previous year	(iv)	*Previous year	*Current year	(vii)	*Current year	*Current year	*following year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
To promote democracy and Sound Governance									
Percentage of reported cases of Fraud and corruption resolved ytd	100	100	0	100	100	0	100	100	100
Risk assessment report submitted to Council by 30 May	1	1	1	1	1	1	1	1	1
Risk committee resolutions implemented ytd	100	100	100	100	100	90	100	100	100
Number of Risk monitoring reports submitted to Council ytd	4	4	4	4	4	2	4	4	4
Number Strategic Risks mitigated ytd	10	10	10	10	10	5	10	10	10
Number of Risk Management workshops conducted ytd	2	2	2	2	2	2	2	2	2
Number of Risk Management strategy developed and approved by management and tabled to Council ytd	1	1	1	1	1	1	1	1	1

Fraud prevention Strategy updated and approved by council ytd	1	1	1	1	1	1	1	1	1
									T3.73.3

Source: APR 18/19

Financial performance 2018/19: Property; legal; Risk Management and Procurement Services						R'000
Details	2017/18	2018/19				
	Actual	Original budget	Adjustment budget	Actual	Variance to budget	
Total operational revenue (excluding tariffs)	43 755	1 925	1 879	1 985	-106	
Expenditure:	43 755	1 925	1 879	1 985	-106	
Other Employees	1 324	1 952	1 879	1 985	-106	
Repairs & Maintenance	-	-	-	-	-	
Other	42 431	5 783	13 253	12 840	413	
Total operational expenditure	43 755	7 735	15 132	14 825	307	
Net operational (service) expenditure						
					T3.73.5	

**COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:**

In the 2018/19 financial year, MDM has managed to connect more than 10400 new households to the water system. Previously the households had to fetch water from a distance over 200m from their households.

## COMPONENT J: MISCELLANEOUS

The following are the airports and landing strips available in the Mopani District Municipality and the economic activity around each LM:

- ▶ Hoedspruit (Maruleng) airport and landing strip
- ▶ ZZ2 (GLM) – agricultural produce (tomatoes)
- ▶ Ba-Phalaborwa – mines
- ▶ Eiland (Ba-Phalaborwa) – tourism
- ▶ Tzaneen – agricultural produce
- ▶ Siyandani (in Giyani) – shopping, mines, agriculture

### INTRODUCTION TO MISCELLANEOUS

Hoedspruit airport was originally and solely used by military air force. It is now commercial, and it caters for airlines from Hoedspruit to Gauteng and Cape Town and is used by public and also game hunting tourists. The one landing strip in Giyani (Siyandani) is owned by Government but its condition is not maintained. Cattle and other animals roam on it. Other air strips are privately owned and may not be relied upon for commercial purposes for either goods or public. The District has not as yet taken over

T3.75.0

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COMPONENT K: ORGANISATIONAL ANNUAL PERFORMANCE REPORT FOR 2018/19 FINANCIAL YEAR

SEE ATTACHED ANNEXTURE

# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### (PERFORMANCE REPORT PART II)

#### INTRODUCTION

The purpose of conducting an institutional analysis is to ensure that the municipal development strategies take existing institutional capacities into consideration and that institutional shortcomings are addressed. Mopani District Municipality was established in 2000 in terms of the Municipal Structures Act, 1998 (Act No. 117 of 1998). The municipal offices of the district are situated in the government complex in Giyani in the Greater Giyani Municipality. The District Disaster Management centre is built in Tzaneen town and is in full use including Fire services.

Offices for local municipalities are located as follows:

Maruleng Local Municipality .....Hoedspruit Town  
Greater Letaba Local Municipality .....Modjadjiskloof Town  
Greater Tzaneen Local Municipality .....Tzaneen Town  
Ba-Phalaborwa Local Municipality .....Phalaborwa Town  
Greater Giyani Local Municipality .....Giyani Town

The management arrangement of the institution needs continual attention in order to adapt to changing needs and demands. Hence, annual review on the filling in of vacant posts and an on-going management training. There is also a need to define the distinct roles of the various sub-units in the Municipal Manager's Office and their collective mandate in ensuring that the Office of the Municipal Manager is able to discharge the following responsibilities distinctly and with excellence.T4.0.1

#### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

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

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Supply the 18/19 figures

The Municipality employed 720 people during the 18/19 financial year. It incurred 60% vacancy rate with the post of a permanent Corporate Services Director being vacant. High vacancy rates also existed for highly skilled supervision levels 9-12 (excluding finance posts) at 83% and Fire Fighters at 63.5%. Other challenges were:

- ▶ Office space is one limiting factor on appointing units that are office-bound. There is only one block in the parliamentary complex that is full. Some of the Units like, Internal Audit and GIS are accommodated at the Disaster Management center in Tzaneen. Mopani has 24 disabled employees, which is 3,2% of the current workforce. MDM has thus exceeded the 2% threshold required of the staff complement being disabled persons.
- ▶ There are over 600 staff members transferred from DWA. The challenge is that operational cost to MDM has risen and will impact on means for service delivery.
- ▶ MDM do not have full spread of racial diversities. There are largely Ba-pedi, Va-tsonga, Va-Venda and some few Afrikaans. This is informed proportionally by the racial spread of the District. There are also those cases of people who would prefer to work in an urban environment rather than rural area (Giyani) where Mopani District Head office is located.<sup>1</sup>

#### 4.2 POLICIES

HR Policies & Plans				
	Name of Policy	Completed	Reviewed	YES/NO
		%	%	
1	Affirmative Action		95	YES
2	Attraction & Retention		85	YES
3	Code of conduct for employees	100		YES
4	Delegations, Authorisation & responsibility		90	YES

<sup>1</sup> Source: 14/15 MDM IDP

5	Disciplinary Code & Procedures	100		YES
6	Essential Services		80	YES
7	Employee Assistance/ wellness		95	YES
8	Employment Equity		95	YES
9	Exit Management		80	YES
10	Grievance Procedures	100		YES
11	HIV/AIDS	100		YES
12	Human Resource & Development	100		YES
13	Information Technology	100		YES
14	Job Evaluation	100		YES
15	Leave	100		YES
16	Occupational Health & Safety		95	NO
17	Official Housing		80	NO
18	Official Journeys	100		NO
19	Official Transport to attend funerals	100		NO
20	Official working hours and overtime	100		NO
21	Organisational rights	100		NO
22	Payroll Deductions	100		NO
23	Performance Management & Development		95	YES
24	Recruitment, selection & Appointments	100		YES
25	Remuneration Scales & Allowances		85	NO
26	Resettlement	100		YES
27	Sexual Harassment		80	YES
28	Skills development	100		YES
29	Smoking		80	YES
30	Special skills	100		NO
31	Work Organisation		85	YES
32	Uniforms & protect clothing		90	YES
33	Other			
Use name of local policies if different from above and at any other HR policies not listed				T4.2.1

**WORKFORCE POLICY DEVELOPMENT:**

As at the period, 25 policies ranging from HR, Planning, Community and other work units were identified, and discussed at all relevant structures of Council including LLF, Management, Task Team and Councillor components and were an route to Council for adoption. This review and development of these policies were performed with the assistants of both CoGHSTA and SALGA.

T4.2.1.1

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

4.3.3

##### COMMENT ON INJURY AND SICK LEAVE:

The Municipality is currently at moderate level of 20% rate with regard to reduction of Occupational Injury incident, and relation to sick leave, HR record reflects the total of 795 days taken by employees during the reporting period. This was enhanced by creating awareness during inductions, awareness campaigns and developing OHS posters that are circulated monthly through email to everybody /staff, and making constant follow up to Doctors with regard to pending Injury on Duty case and also by circulating Injury on Duty reporting procedure to all employees by email and by pasting on notice boards.

T4.3.4

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 finalized	Date finalized
PMU Manager	Gross Negligence and dereliction of duties	06 June 2018	Dismissed	April 2019
Admin. Officer	Gross Dishonesty	September 2018	Written final warning	November 2018
Satellite Manager	Gross Dishonesty	March 2018	Chargers dropped	October 2019
Satellite Manager	Gross Dishonesty	March 2018	Chargers dropped	October 2019

T4.3.5

Disciplinary action taken on cases of financial misconduct			
Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalized
PMU Manager	Gross Negligence and dereliction of duties	Yes	April 2019
Admin. Officer	Gross Dishonesty	Yes	November 2018
Satellite Manager	Gross Dishonesty	Yes	October 2019
Satellite Manager	Gross Dishonesty	Yes	October 2019

T4.3.6

**SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:**

The cause for the long suspension resulted from the complexity and broadness of the issues at stake. The matters have been set down for hearing at this juncture

T4.3.7

**COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE**

**INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

The total approved posts of the municipality are 984 for which 605 posts were filled during the reporting period and 327 posts remained vacant. The water services directorate has the highest vacancies at 325 due to the increasing number of retirements, death cases and resignations. For the period under review, a total of 37 employees have gone out of the system. The total number of Councillor's for the municipality is 51 and 1 passed on. Municipal Organogram was reviewed for 18/19 Financial year.

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix 2018/19														
Management level	Gender	Employees in post as at 30 June 2019	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual : End of Year -1	Actual : End of Year 0	Year 0 Target	Actual : End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0
MM and s57	Female		0	0	0	1	1	1				1	1	1
	Male		0	0	2	3	3	4				3	3	6
Councillors, senior officials and managers	Female		28	28	40	13	10	10	17	14	14	58	52	64
	Male		33	27	27	21	27	30	9	11	11	63	65	67
Technicians and associate professionals *	Female		41	30	30	18	21	25	13	13	10	72	64	65
	Male		15	14	15	7	7	10	9	7	9	31	28	34
Professionals	Female		18	16	20	4	3	3	11	16	16	33	35	39
	Male		21	17	20	9	7	15	12	9	9	42	33	44
Sub total	Female		87	74	64	39	35	39	31	43	40	157	152	143
	Male		57	68	82	40	44	49	30	27	29	127	139	160
<b>Total</b>		<b>0</b>	<b>144</b>	<b>142</b>	<b>146</b>	<b>79</b>	<b>79</b>	<b>88</b>	<b>61</b>	<b>70</b>	<b>69</b>	<b>284</b>	<b>291</b>	<b>303</b>
*Registered with professional Associate Body e.g CA (SA)														T 4.5.1

# Chapter 4

## COMPETENCY LEVELS FOR THE OTHER EMPLOYEES

# Chapter 4

## CFO'S OFFICE

NO	NAME	GENDER		DESIGNATION	QUALIFICATION	MFMP COMPLAINT	
		M	F			YES	NO
1	Q KGATLA	M		ACTING MM	BCOM		✓
2	NL MASHAO	M		DEPUTY CFO	BCOM	✓	
3	<b>K MATODZI</b>	M		TRAINEE ACCOUNTANT	ND FINANCE MANAGEMENT		✓
4	<b>K MATHEBULA</b>	M		TRAINEE ACCOUNTANT	BCOM		✓
5	<b>HF NKUNA</b>		F	TRAINEE ACCOUNTANT	BCOM		✓
6	<b>O MHANGWANA</b>	M		TRAINEE ACCOUNTANT	ND FINANCE MANAGEMENT		✓
7	<b>NT MAVANGWA</b>		F	TRAINEE ACCOUNTANT	BCOM		✓
8	NR MANGANYI		F	SECRETARY			✓

## BUDGET & REPORTING

NO	NAME	GENDER		DESIGNATION	QUALIFICATION	MFMP COMPLAINT	
		M	F			YES	NO
1	R POOTONA		F	DEPUTY MANAGER: BUDGET & REPORTING	BCOM	✓	

# Chapter 4

2	NE MOLETE		F	ACCOUNTANT; BUDGET & CONTROL	BCOM	✓	
3	MT MONAIWA		F	ASS. ACCOUNTANT; BUDGET & CONTROL	BCOM	✓	

## EXPENDITURE MANAGEMENT

NO	NAME	GENDER		DESIGNATION	QUALIFICATION	MFMP COMPLAINT	
		M	F			YES	NO
1	TT MAHUMANI	M		DEPUTY MANAGER: EXPENDITURE	BCOM	✓	
2	T MKHABELA		F	SUB-ACCOUNTANT CREDITORS	LGAC L2	✓	
3	MMJ MOTHIBI		F	ACCOUNTANT EXPENDITURE	BCOM	✓	
4	ME THOBAKGALE		F	ASS. ACCOUNTANT EXPENDITURE	LGAC L3	✓	
5	SS RIKHOTSO	M		DATA CAPTURER		✓	
6	GT MATHEBULA		F	ASS. ACCOUNTANT PAYROLL	LGAC L2		✓
7	NC MAKHUYELE		F	ADMIN CLERK EXPENDITURE			✓
8	MS SHAI		F	ADMIN CLERK			✓

## SCM

NO	NAME	GENDER		DESIGNATION	QUALIFICATION	MFMP COMPLAINT	
		M	F			YES	NO
1	O HLAISI	M		DEPUTY MANAGER: SCM	BCOM	✓	
2	SA NDLHOVU		F	ACCOUNTANT SCM	BCOM		✓

3	JM MOJELA	M		ACCOUNTANT D&A MANAGEMENT	BCOM		✓
4	RB SEKGOBELA	M		ASS ACCOUNTANT D&A	BCOM	✓	
5	SP MASONTA		F	ASS ACCOUNTANT D&A	BCOM	✓	
6	H MATHONSI		F	ASS. ACCOUNTANT D&A	BCOM	✓	
7	MM HLONGWANI	M		ADMINISTRATOR	GRADE 12		✓

### OTHER EMPLOYEES & COUNCILLORS

NO	NAME	GENDER		DESIGNATION	MFMP COMPLAINT	
		M	F		YES	NO
1	LETSOALO Q		F	DEPUTY MANAGER: SPORTS	✓	
2	MALATJI KP	M		DEPUTY MANAGER: LED	✓	
3	NGOVENI TR	M		DEPUTY MANAGER: PLANNING	✓	
4	MABULANE T	M		DEPUTY MANAGER: ENGINEERING	✓	
5	MANDIWANA M	M		DEPUTY MANAGER: PMU	✓	
6	MATHEBULA ES		F	DEPUTY MANAGER: SPECIAL PROG	✓	
7	MAIFALA MJ	M		DEPUTY MANAGER: IDP	✓	
8	SEKGALAKANE S		F	INTERNAL AUDIT	✓	
9	SHAI M	M		INTERNAL AUDIT	✓	
10	MUEDI L	M		INTERNAL AUDIT	✓	
11	MOKGOLA T		F	INTERNAL AUDIT	✓	

# Chapter 4

NO	NAME	GENDER		DESIGNATION	QUALIFICATION	MFMP COMPLAINT	
		M	F			YES	NO
1	S MANGENA	M		DEPUTY MANAGER: ASSETS	BCOM	✓	
2	AM MAKGOBA	M		ACCOUNTANT ASSET	BCOM		✓
3	IM LEDWABA	M		ASS. ACCOUNTANT ASSET	BCOM	✓	

## REVENUE MANAGEMENT

NO	NAME	GENDER		DESIGNATION	QUALIFICATION	MFMP COMPLAINT	
		M	F			YES	NO
1	NT KGABI		F	DEPUTY MANAGER: REVENUE	BCOM	✓	
2	P MABOTJA	M		ACCOUNTANT REVENUE	BCOM	✓	
3	MM MAHOLOBELA		F	ADMINISTRATOR	LGAC L2		✓

# Chapter 5

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

T4.5.4

T4.6.5

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### 4.6 Municipal Workforce Expenditure

Disclosure regarding the 2018/19 remuneration packages for the Executive Mayor, Councillors and Section 57 Managers were as follows:

**Table 4.3: Remuneration packages- 2018 /19**

DESIGNATION	TOTAL SALARIES & WAGES
EXECUTIVE MAYOR	R825 251
FULL-TIME COUNCILLOR-SPEAKER	R 708 580
FULL-TIME COUNCILLOR-CHIEF WHIP	R 685 404
EXECUTIVE COUNCILLORS	R 674 875
COUNCILLORS	R 381 371
MUNICIPAL MANAGER	R 1 595 544
CHIEF FINANCIAL OFFICER	R 1 273 335
WATER & ENGINEERING DIRECTOR	R 1 304 691
CORPORATE SERVICES DIRECTOR	R 1 303 489
COMMUNITY SERVICES DIRECTOR	R 1 331 482
PLANNING & DEVELOPMENT DIRECTOR	R 1 230 488

# Chapter 5

DIRECTOR OFFICE OF THE EXECUTIVE MAYOR	R 928 534
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## OTHER EMPLOYEES

EXPENDITURE	ACTUALS
Employee related costs	R389 571 228
Remuneration of Councillors	R 13 223 521

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### Containing inflationary pressures

The cost of the consultants are calculated as a percentage of the total project cost. Inflationary pressures are not necessarily prevalent in that the percentage is fixed. The only area of sensitivity to inflation is the project construction costs. These costs are contained through rates negotiations with the contractors keeping in mind the rate of inflation.

### Reason for engagements

The consultants are mainly engaged to supervise the water and sanitation projects. The nature of the projects are such that the contractors' work need to be monitored by the consultants for verification of works.

### Results

The projects deliverables have been achieved except in certain areas where delays are experienced on the part of the contractors mainly due to financial inabilities.

T5.0.1

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The municipality is mainly grant dependent, with grants contributing 40% of total income. The debt collection rate is very low due to municipalities not transferring as per the WSP agreement putting the municipality in a tough liquidity position. There is a huge debt book relating to purchases of water from the water boards putting further pressures on the municipality's financial health. T5.1.0

5.1. STATEMENTS OF FINANCIAL PERFORMANCE

T5.1.2

The revenue collection rate on own revenue, for water and sanitation, was at the lowest due to weak internal revenue collection mechanisms. Spending on projects that are own funded was also at the lowest due to delays in procurement processes.

Operational expenditure relating to employee costs escalated mainly due to legacy backlog on employee benefits that were not budgeted for. The revenue from the Water Services Infrastructure Grant is significantly low due to delays in appointment procurement processes.

T5.1.3

## 5.2 GRANTS

The municipality was able to spend on all the conditional grants except for the Water Services Infrastructure Grant. The municipal infrastructure grant was the second lowest at 92%. All the other grants were fully spent including the equitable shares.

For 2018/19 financial year, the municipality performed as follows:

- (a) MIG – 88%
- (b) WSIG – 100%
- (c) RRAMS -100%

T5.2.2

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

Effective management of infrastructure and community facilities is central to the municipality providing an acceptable standard of services to the community. Infrastructure impacts on the quality of the living environment and opportunities to prosper. Not only is there a requirement to be effective, but the manner in which the municipality discharges its responsibilities as a public entity is also important. The municipality must demonstrate good governance and customer care, and the processes adopted must be efficient and sustainable. Councillors and officials are custodians on behalf of the public of infrastructure assets, the replacement value of which amounts to several hundred million Rand.

# Chapter 5

Key themes introduced in the latest generation of national legislation relating to municipal infrastructure management include:

- long-term sustainability and risk management;
- service delivery efficiency and improvement;
- performance monitoring and accountability;
- community interaction and transparent processes;
- priority development of minimum basic services for all; and
- provision of financial support from central government in addressing the needs of the poor.

Legislation has also entrenched the Integrated Development Plan (IDP) as the principal strategic planning mechanism for municipalities. However, the IDP cannot be compiled in isolation for the above objectives to be achieved. The IDP needs to be informed by robust, relevant and holistic information relating to the management of the municipality's infrastructure.

There is a need to direct limited resources to address the most critical needs, to achieve a balance between maintaining and renewing existing infrastructure whilst also addressing backlogs in basic services and facing ongoing changes in demand. Making effective decisions on service delivery priorities requires a team effort, with inputs provided by officials from all departments of the municipality.

Cooperative Government and Traditional Affairs CoGTA has prepared guidelines in line with international practice, that propose that an Infrastructure Asset Management Plan (IAMP) is prepared for each sector (such as water, roads etc). These plans are used as inputs into a Comprehensive Infrastructure Plan (CIP) that presents an integrated plan for the municipality covering all infrastructures. This is in line with the practice adopted in national and provincial spheres of government in terms of the Government-wide Immoveable Asset Management Act (GIAMA).

# Chapter 5

Accordingly, the asset register adopted by a municipality must meet not only financial compliance requirements, but also set a foundation for improved infrastructure asset management practice.

The Municipal Manager, being the accounting officer of the municipality, is responsible for the following in terms of section 63 of the Municipal Finance Management Act (Act No. 56 of 2003):

- The assets of the municipality, including the safeguarding and the maintenance of those assets;
- Ensuring that the municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- Ensuring that the municipality's assets are valued in accordance with the Standards of Generally Recognised Accounting Practice (GRAP); and
- Ensuring that the municipality maintains a system of internal control of assets, including an asset register.

The Municipal Manager shall ensure that:

- An Asset Management Committee is established, through which all asset processes and procedures will be implemented.
- The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- The municipality's assets are valued in accordance with the standards of generally recognised accounting practice (GRAP);
- The municipality has and maintains a system of internal control of assets, including an asset register; and
- The Directors and their teams shall comply with the Asset Management Policy

T5.3.1

# Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS				
Assets 1				
Name	Jopie Mawa – Block 12 Ramotshinyadi Bulk line and Reticulation			
Description	Construction of bulk line and reticulation			
Asset Type	Infrastructure Asset – Bulk supply			
Key staff involved	Project Management Unit			
Staff responsibilities	Management and Monitoring of projects			
Asset Value	2015/16	2016/17	2017/18	2018/19
Capital implications	Budget allocation for refurbishment and maintenance of the asset			
Future purpose of asset	Bulk Water Supply to the community			
Describe key issues	Access to basic service and Job creation			
Policies in place to manage asset	Asset Management Policy			

Assets 1				
Name	Sefototse to Ditshosini Bulk Water Supply (Bellevue, Sefototse)			
Description	Construction of bulk water supply pipeline			
Asset Type	Infrastructure Asset – Bulk supply			
Key staff involved	Project Management Unit			
Staff responsibilities				
Asset Value	2015/16	2016/17	2017/18	2018/19
Capital implications	Budget allocation for refurbishment and maintenance of the asset			
Future purpose of asset	Bulk Water Supply to the community			
Describe key issues	Access to basic service and Job creation			
Policies in place to manage asset	Asset Management Policy			

Asset 3				
Name	Thapane Water Supply Scheme – Upgrading and Extension			
Description	Upgrading and extension of water treatment plant			
Asset Type	Infrastructure Asset - Water Treatment			
Key staff involved	Project Management Unit			
Staff responsibilities	Management and Monitoring of projects			
Asset Value	2015/16	2016/17	2017/18	2018/19
Capital implications	Budget allocation for refurbishment and maintenance of the asset			
Future purpose of asset	Bulk Water Supply to the community			
Describe key issues	Access to basic service and Job creation			
Policies in place to manage asset	Asset Management Policy			

T5.3.2

COMMENT ON ASSET MANAGEMENT:

# Chapter 5

Municipal assets (such as infrastructure and community facilities) are the means by which the municipality delivers a range of essential municipal services. Consequently, the management of such assets is critical to meeting the strategic objectives of the municipality and in measuring its performance. The goal of asset management is to meet a required level of service, in the most cost-effective manner, through the management of assets for present and future customers.

The core principles are:

- taking a life-cycle approach;
- developing cost-effective management strategies for the long-term;
- providing a defined level of service and monitoring performance;
- understanding and meeting the impact of growth through demand management and infrastructure investment;
- managing risks associated with asset failures;
- sustainable use of physical resources; and
- continuous improvement in asset management practices.

MBRR Table A9

T5.3.3

Repair and maintenance expenditure 2018/19				R`000
	Original budget	Adjustment budget	Actual	Budget variance
Repairs and maintenance expenditure	180 000 000	189 431 256	179 193 731	
				T5.3.4

# Chapter 5

## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The maintenance plan in respect of every new infrastructure assets was not adequately prepared. The repairs and maintenance vote is not adequately monitored. Every director is responsible for ensuring that all assets (other than infrastructure assets) are properly maintained and in a manner, which will ensure that such item attain their useful operating lives.

T5.3.4.1

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Ratio	Basis of calculation	16/17	17/18	18/19
O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	312.6%	272.6	285.7

## COMMENT ON FINANCIAL RATIOS:

**Delete Directive note once comment is complete**- Comment on the financial health of the municipality / municipal entities revealed by the financial ratios set out above. These ratios are derived from table SA8 of the MBRR.

### **Liquidity ratio**

The municipality has invested more cash resources in debtors that are difficult to collect and this put the liquidity position of the municipality at risk.

2019	
Current Assets	727 848 375,00
Current Liabilities	1 735 264 892,00
Liquidity Ratio	0,42

### **Solvency ratio**

Generally the municipality total debt exceed its assets mainly due to significant water board debts.

# Chapter 5

## Current ration

Current assets exceed current liabilities mainly due to an increasing debt book. The municipality must put in efforts to collect debts as this will improve liquidity and provide a more informative current ratio position.

## Creditors payment period

The creditors payment period more than 365 days due to the expensive repayment terms on water boards debts.

## Debtors payment period

The debtors book is growing on an annual basis and currently sitting at more than 365 days. This is due to weak debt collection mechanisms.

T5.4.9

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

The municipality makes use of both conditional (MIG and WSIG) and unconditional grants (Equitable shares) to purchase and/ or acquire its capital assets. The largest projects are in the forms of the capital expenditures include water and sanitation infrastructure assets in various villages in the district. Other capital expenditure include office furniture and equipment.

T5.5.0

## 5.5 CAPITAL EXPENDITURE

	% of Expenditure Budget	Original Budget	Adjustment Budget	Un-audited Full Year Total
Capital Expenditure	37.77%	641	610	610
Operating Expenditure	62.23%	1 035	1 006	1 227
<b>Total expenditure</b>		<b>1 676</b>	<b>1 616</b>	<b>1 838</b>

T5.5.1

## 5.6 SOURCES OF FINANCE

# Chapter 5

Capital Expenditure – funding sources 2017/18 -2018/19						
Details	2017/18	2018/19				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>						
External Loans						
Public contributions and donations						
Grants and subsidies	961 719	1 337 249	1 378 191	1 256 377	103	94
Other	215 089	249 060	243 177	230 439	98	93
<b>Total</b>						
<b>Percentage of finance</b>						
External Loans		-	-	-	-	-
Public contributions and donations		-	-	-	-	-
Grants and subsidies	961 719	1 337 249	1 378 191	1 256 377	103	94
Other	315 089	249 060		230 439	-	93
<b>Capital Expenditure</b>						
Water and Sanitation	511 811	604 645	591 962	534 142	98	88
Electricity		-	-	-	-	-
Housing		-	-	-	-	-
Roads and storm water		-	-	-	-	-
Other	25 002	36 190	18 614	15 568	51	43
<b>Total</b>						
<b>Percentage of expenditure</b>						
Water and Sanitation	95	94	97	97	66	67
Electricity	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Roads and storm water		-	-	-	-	-
Other	5	6	3	3	34	33

T5.6.1

The variances above 10% were as a result of employee related costs on the operational expenditure budget, and on the water and sanitation related projects on the capital expenditure budget.

T5.6.1.1

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

COMMENT ON CAPITAL PROJECTS:

# Chapter 5

Capital projects which incurred the highest expenditure includes the Jopie Mawa, Sefotse to Dishosine bulk water supply and reticulation, Hoedspruit Bulk Water Supply. Tours treatment works was budgeted R17m, due to challenges experienced on the project the budget was reduced

T5.7.1.1

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

MDM has a total number of 296 319 households which are receiving water services from it. 84.2% of the community households have access to water, whereas 15,8% has no water in their communities. At least Ba-Phalaborwa has a backlog of 2,9% without water. The municipality that has the highest backlog is Greater Tzaneen Municipality and The municipality that has the lowest is Ba-Phalaborwa followed by Greater Letaba at 9,3%.

327 466 households which are receiving sanitation services. 96.2% of the community households have access to sanitation services, whereas 3.8% has no sanitation services in their communities. At least Greater Letaba has a backlog of 1,4% without sanitation services. The municipality that has the highest backlog is Greater Giyani Municipality with 8,2%. The municipality that has the lowest is Greater Letaba with 1,4% followed by Greater Tzaneen with 1,7%.

T5.8.1

Service Backlogs as at 30 June 2019				
	*service level above minimum standard		**service level below minimum standard	
	No. HHs	%HHs	No. HHs	%HHs
Water	249 925	84.3%	46 395	15.7%
Sanitation	251 976	85%	44 344	15.7%
Electricity	257 798	87%	38 522	13%
Waste management	53 300	18.7%	241 020	81.3%
Housing	271 518	91.6%	24 802	8.4%

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

## COMMENT ON BACKLOGS:

MDM relies mainly on infrastructure grants to eradicate basic service delivery backlogs. These grants mainly focus on the water and sanitation infrastructure projects.

MDM has a total number of 296 319 households which are receiving water services from it. 84.2% of the community households have access to water, whereas 15,8% has no water in their communities. At least Ba-Phalaborwa has a backlog of 2,9% without water. The municipality that has the highest backlog is Greater Tzaneen Municipality and The municipality that has the lowest is Ba-Phalaborwa followed by Greater Letaba at 9,3%. 327 466 households which are receiving sanitation services. 96.2% of the community households have access to sanitation services, whereas 3.8% has no sanitation services in their communities. At least Greater Letaba has a backlog of 1,4% without sanitation services. The municipality that has the highest backlog is Greater Giyani Municipality with 8,2%. The municipality that has the lowest is Greater Letaba with 1,4% followed by Greater Tzaneen with 1,7%.

T5.8.4

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

The cash flow management of the municipality is critically importance given the current weaknesses on debt collection mechanisms. Own revenue billed is not collected.

The municipality adopted the cost containment measures from National Treasury with the aim of maximising on liquidity.

Due to limited own revenue streams, the municipality invests in call accounts on a regular to make extra income to complement funding for operational activities.

T5.9.0

# Chapter 5

## 5.9. CASH FLOW

### COMMENT ON CASH FLOW OUTCOMES:

The municipality's cash flow situation is critical given the commitments of the municipality mainly on the water boards debts. The total current liabilities exceed total current assets due to expensive repayment terms on water boards debts.

Cash flows from operating activities

CASH FLOWS FROM OPERATING ACTIVITIES	
Services charges	286 074
Grants	1 493 746 508
Interest income	12 958 310
Other receipts	349 797
VAT refund	153 293 808
<b>PAYMENTS</b>	
Employee costs	387 303 183
Suppliers	599 536 744
Finance costs	2 526 038

## 5.10 BORROWING AND INVESTMENTS

The municipality has no borrowing but rather short-term investments on call accounts arrangements. These investments are made on a spontaneous basis when cash resources are available. As already indicated the municipality does not have enough cash resources to afford investments on a fixed term basis.

T5.10.1

## COMPONENT D: OTHER FINANCIAL MATTERS

## 5.12 SUPPLY CHAIN MANAGEMENT

# Chapter 5

## SUPPLY CHAIN MANAGEMENT

MDM had review the SCM policy in financial 2018/19 to be align with PPPFA Regulation 2017; MFMA SCM regulation 2005; MFMA Circular No 77 - Model SCM Policy for Infrastructure Procurement and Delivery Management -28 October 2015; MFMA Circular 83 - eTender Portal - 18 July 2016; MFMA Circular 90 - Tax Compliance Status - 30 January 2018; MFMA Circular 68 - Unauthorised Irregular Fruitless and Wasteful Expenditure

Management through to SCM unit have implemented approved SCM policy and bid committee code of conduct to enhance compliance with as set down by SCM regulation 2005 where in all bid committee or SCM process there is no councillor member appointed or interfering in handling bidding process. Eleven officials employed in SCM have MFMA competency level as per Regulation guideline however the MDM continuously developed SCM official through training & workshop to future capacities SCM official to enhance compliance

T5.12.1

### 5.13 GRAP COMPLIANCE

The municipality obtained a Qualified audit opinion meaning that there was not compliance with GRAP reporting requirements. There is a turn-around plan in the form of the audit action plan to correct the situation.

T5.13.1

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

The municipality received a Qualified audit opinion from the Auditor-General, refer to the audit opinion below.

T6.0.1

**SEE ATTACHED AG REPORT**

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting

Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment.

To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality.

While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be

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relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the 12 months to 30 June 2020 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future. Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's internal auditors. The internal auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements.

The annual financial statements set out on pages 7 to 91, which have been prepared on the going concern basis, are approved by the accounting officer on 31 August 2019 and were signed by:

**Accounting Officer**

**Kgatla Q (Acting Municipal Manager)**

# GLOSSARY

## APPENDICES

### APPENDIX A–COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance						
No	Council Members	Full Time/Part Time	Committee Allocated	*Ward and/or Party Represented	Number of meetings	Percentage apologies for non-attendance
		FT/PT			#	%
1	ClIr PJ Shayi	FT	MAYCO	ANC	2/2	100
	ClIr CN Rakgoale	FT	MAYCO	ANC	9/9	100
2	ClIr WD Sedibeng	FT	Council	ANC	11/11	100
3	ClIr MN Maswanganyi	FT	Council	ANC	11/11	100
4	ClIr MO Maswanganyi	PT	MAYCO	ANC	8/11	73
5	ClIr MH Sefufi	PT	MAYCO	ANC	8/11	73
6	ClIr ML Mokgobi	PT	MAYCO	ANC	10/11	91
7	ClIr ML Maloko	PT	MAYCO	ANC	9/11	82
8	ClIr EJ Mathonsi	FT	MAYCO	ANC	10/11	91
9	ClIr MC Mohale	FT	MAYCO	ANC	9/11	82
10	ClIr GA Maluleke	PT	Chair: Governance & Shared Services Ethics	ANC	8/11	73
11	ClIr KJ Malepe	PT	Chair: Sports, Arts & Culture	ANC	11/11	100
12	ClIr FM Moroatshehla	PT	Chair: Community Development	ANC	9/11	82
13	ClIr PT Malatji	PT	Chair: Water Services	ANC	9/11	82
14	ClIr GJ Mashele	PT	Chair: Finance	ANC	11/11	100
15	ClIr MD Maake	PT	Committee of Chairs Chair: Ethics	ANC	8/9	89%
16	ClIr MR Nyakane	PT	MPAC	DA	5/5	100
17	ClIr MA Helm	PT	Governance & shared services	DA	7/11	64
18	ClIr DG Mushwana	PT	MPAC	EFF	1/3	33
19	ClIr MR Chauke	PT	Community Development	EFF	7/11	64
20	ClIr CM Ramathoka	PT	Finance & Agriculture Ethics	EFF	10/11	91
21	ClIr SJ Nkuna	PT	Chair: Roads & Transport	ANC	11/11	100
22	ClIr GH Modjadji	PT	Chair: MPAC	ANC	7/11	64

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23	Cllr MR Maake	PT	Governance & Shared Services	ANC	8/11	73
24	<b>Cllr MF Manyama (DECEASED)</b>	PT	Chair: Agriculture	ANC	3/8	38
25	Cllr MB Mathedimosa	PT	Community Development	ANC	11/11	100
26	Cllr TJ Senyolo	PT	Finance	COPE	6/11	55
27	Cllr MB Maenetsa	PT	Sports, Arts & Culture	EFF		
28	Cllr MV Mangoro	PT	Agriculture	ANC	8/10	80
29	Cllr NA Sono	FT	MAYCO	ANC	11/11	100
30	Cllr MMA Mathebula	PT	Agriculture	ANC	11/11	100
31	Cllr MR Makasela	PT	LED & Water Services	ANC	11/11	100
32	Cllr MB Ramothwala	PT	LED	DA	11/11	100
33	Cllr CT Shisinga	PT	LED	EFF	5/11	45
34	Cllr D Malemela	PT	Roads & Transport	EFF	10/11	91
35	Cllr KI Rapatsa	PT	MPAC Ethics	ANC	9/11	82
36	Cllr MC Nkhwashu	PT	MPAC Ethics	ANC	8/11	73
37	Cllr MN Mahasha	PT	Finance	ANC	10/11	91
38	Cllr MM Makwela	PT	Road & Transport	ANC	8/11	73
39	Cllr MM Makwala	PT	Infrastructure	ANC	10/11	91
40	Cllr SC Makwala	PT	Sports, Arts & Culture Infrastructure	ANC	7/11	64
41	Cllr NH Zandamela	FT	MAYCO	ANC	10/11	91
42	Cllr RE Pohl	PT	Finance	DA	11/11	100
43	Cllr GM Malatji	PT	Governance & Shared Services and Water Services	ANC	9/11	82
44	Cllr MF Madike	PT	Governance & Shared Services and Water Services	EFF	9/11	82
45	Cllr MA Mathaba	PT	Chair: Infrastructure	ANC	9/11	82
46	Cllr MD Popela	PT	LED	ANC	8/11	73
47	Cllr TC Zitha	PT	MPAC	ANC	9/11	82
48	Cllr T Makhubela	PT	Finance	ANC	8/11	73
49	Cllr TN Mthombeni	PT	Sports, Arts & Culture	ANC	8/11	73
50	Cllr XJ Valoyi	PT	Community Development	ANC	8/11	73
51	Cllr MI Shimange-Fazi	PT	Chair: LED	ANC	10/11	91
52	Cllr SV Manganye	PT	Infrastructure	EFF	3/7	43
4353	Cllr NN Baloyi	FT	MAYCO	ANC	11/11	100
Note:* Councillors' appointed on a proportional basis do not have wards allocated to them						

# APPENDICES

## APPENDIX B—COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral/Executive Committee) and Purposes of committees	
Municipal Committee	Purpose of Committee
Finance	Deal with financial related matters.
Infrastructure	Deal with infrastructure development & maintenance.
Community services	Deal with health services, disaster and fire services.
Governance and Shared Services	Deal with human resource matters, administration, legal and IT matters.
Sport, Arts and Culture	Coordinate anything related to sport, arts and culture in the district.
Roads and Transport	Dealing with roads and transport matters in the district
Planning & Development	Dealing with planning and development in the district.
Agriculture and environment	Dealing with environmental and agricultural matters.
Water and sanitation	Provision and maintenance of water and sanitation.
Municipal Public Accounts	Municipality's watch dog in terms of compliance with legislation and performance.
Rules Committee	Dealing with all rules and policies in the municipality.
By-laws and policies	Dealing with By-laws and policies in the municipality.

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## APPENDIX C—THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Director	Director/Manager (State title and name)
<b>Office of the Municipal Manager</b>	Mr Q Kgatla (Acting)
	Muedi LT - Chief Risk Officer Deputy Manager
	Mphahlele MF- Manager Internal Audit
	Motau TL-Specialised Audit Deputy Manager
	Maifala M.J - Manager IDP
	Tshikhovhi H-Manager Legal
<b>Corporate Services</b>	Lebepe N.G- Senior Manager Corporate Services - Vacant
	Malwandla NJ- Deputy Manager Administration
	Rasekgala MJ – Deputy Manager IT
<b>Budget and Treasury</b>	Mr Kgatla Q. – Chief Financial Officer
	Hlaisi O- Deputy Manager Supply Chain
	Mashao N.L Deputy CFO
	Pootona MR - Deputy Manager Budget & Control
	Kgabi NT – Deputy Manager - Revenue
	Mahumani T - Deputy Manager- Expenditure
	Mangena S- Deputy Manager Asset Management

# APPENDICES

<b>Office of the Executive Mayor</b>	Lebepe NP and Twala P- Senior Manager Office of the Executive Mayor
	Mukhumbi F.T Excecutive Mayor `s Personal Assistant
	Seshoene E - Deputy Manager MPAC
	Mathebula ES- Deputy Manager Special Programmes
	Tiva W- Manager Communication - Vacant
	Assistant Director Events Management - Mavunda NC
<b>Community Services</b>	Mr Shitlhangu D.D. – Senior Manager Community Services
	Letsoalo QHM – Deputy Manager Sports Arts and Culture
	Mudau NR – Deputy Manager Environment and Waste Management
	Visser DJ - Chief Fire Officer
	Masedi KS -Chief Traffic Officer
	Steyn JJ -Head of the Centre.
<b>Engineering Services</b>	Shilowa P – Senior Manager Engineering Services
	Mr Mabunda V. - PMU Manager
	Contract Management - Mandiwana MW
	Masipa MK Deputy Manager Infrastructure Planning
	Mabulane TJ Deputy Manager Energy
	Rammalo AM – Deputy Manager Maintenance and operations Services
	Chavalala R.S –Deputy Manager Water Quality
<b>Planning and Development</b>	Maboya FT - Senior Manager Planning and Development
	Ngobeni TR - Deputy Manager Spatial Planning
	Maponya GT - Deputy Manager GIS
	Mr Malatji K.P- Deputy Manager LED
<b>(T2.2.2).</b>	<b>TC</b>

## APPENDIX D–FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal/Entity Functions		
Municipal Functions	Function applicable to Municipality (Yes/No)*	Function applicable to Entity (yes/no)
<b>Constitution schedule 4, Part B functions</b>		
Air Pollution	Yes	n/a
Building Regulations	No	n/a
Child Care facilities	No	n/a
Electricity and gas reticulation	Yes	n/a
Firefighting services	Yes	n/a
Local tourism	Yes	n/a
Municipal airports	Yes	n/a

# APPENDICES

Municipal planning	Yes	n/a
Municipal Health Services	Yes	n/a
Municipal Public Transport	Yes	n/a
Municipal Public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this constitution or any other	No	n/a
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related	No	n/a
Storm water management systems in built up areas	No	n/a
Trading regulations		n/a
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes	n/a
<i>Continued next page</i>		

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

# APPENDICES

## APPENDIX E – WARD REPORTING

As a District Municipality, there are no wards that directly fall under the Mopani District Municipality.

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 monthly reports submitted to Speakers office on time	Number of quarterly public ward meetings held during year
N/A	N/A	N/A	N/A	N/A	N/A
					TE

## APPENDIX F – WARD INFORMATION

### **APPENDIX F: WARD INFORMATION**

Capital Projects: Seven Largest in 2018/19 (Full List at Appendix N)				
Ward No	Project Name & Detail	Start Date	End Date	Total Value R`000
GTM	Jopie, Mawa & Ramotshinyadi water supply & reticulation	10 July 2018	31 Jan 2020	R 164 135 702
GTM	Thapane regional water scheme & upgrading & extension	26 Sept 2017	30 June 2020	R 139 000 000
GLM	Sefotse to Ditshosine bulk water supply / Ramahlatsi bulk & reticulation	18 Oct 2018	30 March 2020	R 125 023 952
MLM	Mametja Sekororo bulk water scheme	15 Oct 17	30 March 2020	R 70 000 000
GTM	Tours water scheme bulk lines refurbishment & reticulation	5 Sept 2017	30 March 2020	R 57 548 609
GGM	Dzingidzingi & Bode water reticulation	08 June 2018	30 May 2019	R 12 715 866
MLM	Hoedspruit bulk water scheme	02 Feb 2018	30 June 2020	R 12 011 601

# APPENDICES

## APPENDIX G –RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018/19

We are pleased to present our report for the financial year ended 30 June 2019.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee also reports that it has reviewed and adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### Audit Committee members and attendance

**The Audit Committee, consisting of independent outside members listed below is supposed to meet at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises. For the Financial Year 2018/19 the Audit Committee managed to fulfil its obligations. The meetings were held as follows:**

Name of Member	Number of meetings attended	Number of meetings attended
<b>Mr. TC Modipane (chairperson)</b>	<b>13</b>	<b>13</b>
<b>Mr. SAB Ngobeni</b>	<b>13</b>	<b>11</b>
<b>Mr. TG Nevhutalo</b>	<b>13</b>	<b>12</b>
<b>Ms. JM Mabuza</b>	<b>13</b>	<b>12</b>

### The Effectiveness of Internal Control

# APPENDICES

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the municipality revealed certain weaknesses, which were then raised with the municipality.

There was slight improvement in the system of internal control of the municipality to reduce adverse issues raised from previous year. There were several deficiencies in the system of internal control and or deviations that were reported by the internal auditors and the Auditor-General. In most instances, the matters reported previously have not been fully and satisfactorily addressed.

## In-Year Management and Monthly/Quarterly Report

The Audit Committee is not satisfied with quality of monthly and quarterly reporting system to Council as required by the Municipal Finance Management Act (MFMA). There were incomplete, inaccurate and inadequate financial reports that were submitted quarterly to council.

## Performance Management

The Audit Committee is not further satisfied with the functionality of the performance management system and it appears not to be fully functional. There were incomplete, inaccurate and inadequate financial reports that were submitted quarterly to council.

## Risk Management

The Audit Committee is satisfied with the municipality risk management strategy and related policies, however is of the opinion that the implementation of mitigating intervention by management is not effective.

## Information Technology

The Audit committee is not satisfied with the effectiveness of municipality information systems.

## Compliance with laws and regulations

# APPENDICES

Some non-compliance with the enabling laws and regulations were revealed by Internal Audit and Auditor General. There is, however, a space for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations is concerned

## **Management Report and Audit Report**

Audit Committee:

- Had an opportunity to discuss the draft management report with Auditor General; and
- Has discussed the draft Audit Report with Auditor General.

Evaluation of Financial Statements

### **The Audit Committee:**

- Reviewed and discussed, however were not satisfied with the annual financial statements prepared by the municipality before submission to the Auditor-General South Africa for audit;
- **Reviewed the municipality's compliance with applicable accounting framework (GRAP), legal and regulatory provisions; and**

Evaluation of draft Performance Report

### **The Audit Committee:**

- Reviewed and discussed, however they were not satisfied with the draft annual performance report prepared by the municipality before submission to the Auditor-General South Africa for audit;
- Reviewed the reasons provided by management for material deviations from the planned targets;
- Reviewed the proposed remedial actions provided by management to address the issues of non-achievement of targets;

Conclusion

# APPENDICES

The Audit Committee wishes to acknowledge the cooperation and commitment of the Council, management and staff of the municipality. We would also like to thank the Executive Mayor for her support, and Councillors together with senior management for their efforts and internal audit for their contribution.

**Mr. TC Modipane**  
**Chairperson of the Audit Committee**  
**Mopani District Municipality**

## APPENDIX H—LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into 2018/19)					
Name of service provider (entity of municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project Manager	Contract Value
XLP Solution	Supply of managed printing services	01 Mar 2018	28 Feb 2021	Corporate Services	Rates
Kgatla Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Verveen Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Modjadji Raphesu Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Mohale INC	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Raphela Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Morero INC	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Maboku Mangena Att	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
MC Rathelele Att	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Popela Maake Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Ramothwala M Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Magabe Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Lebea & Associates	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Mahowa Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates

# APPENDICES

Long Term Contracts (20 Largest Contracts Entered into 2018/19)					
Name of service provider (entity of municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project Manager	Contract Value
Mogaswa Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Phungo INC	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
NN Mahumani INC	Legal Service (Attorneys)	1-May-18	30-Apr-21	Municipal Manager	Rates
Tshiamiso Trading 135	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Econocom 671	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Sihle Civil and Projects Development	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
LebP Construction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
VME Projects and Construction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Aventino Group JV Bathobohle	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Avansare Development Projects	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Eternity Star Investment 231	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Mbanga Trading Enterprise	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Nandzu Trade and General Projects	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Tainama Civils	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Selby Construction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Titanic Business Enterprise	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Moepeng Trading 39	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Ndoni Properties	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Makgetsi construction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Sohlangana Trading 241	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Zenobia Trading 242	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
PGN Civils	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Lettam Building and Civil (Pty) Ltd	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates

# APPENDICES

Long Term Contracts (20 Largest Contracts Entered into 2018/19)					
Name of service provider (entity of municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project Manager	Contract Value
Mexcon Civil	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Motla Projects	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
HLTC (Pty) Ltd	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Tsentse Manufacture cc	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Nkomaba Trading	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Seedi Development Projects	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Casnan Civils	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Koephu Business Enterprise	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Cerimece Costruction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Rekhuditse Construction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Vharanani Properties	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Matshelane Trading	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Soaring Summits Developers	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Kamojou Trading & project	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Diges Group	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Mologadi A Nape Business Enterprise	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Shonisani Rambau Construction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Civil Element (Pty) Ltd	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Maseakhole Construction+G42:G63	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates

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## APPENDIX I–MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

**No service provider performance assessment conducted for 2018/19**

# APPENDICES

## APPENDIX J–DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2018 to 30 June 2019		
Position	Name	Description of financial interest* (Nil/or details)
<b>Executive Mayor</b>		
<b>Speaker</b>		
<b>Chief Whip</b>	Cllr Maswanganye NM	Juta River Lodge (paying work outside MDM & Directorship) Juta Family Trust Pfunanani Eating house Juta River Lodge Property
<b>Mayoral Committee</b>	Cllr Mathonsi EJ	NIL
	Cllr Sono NA	NIL
	Cllr Maloko ML	Marylouie Trading (Trust) Marylouie Brick yard (other Financial interest)
	Cllr Mohale MC	M20C trading (Directorship)
	Cllr Zandamela NH	Phuthuma Nathi ABSA Investment
	Cllr Modjadji GH	MTN VEXLOTRIX (PTY) Ltd Mamokobe Lodge & Entertainment (PTY) Ltd
	Cllr Maswanganyi MO	Giyani College of Tech & Management Soyrex Investment Holdings
	Cllr Maake MD	NIL

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Councillors	Cllr Moroatshehla FM	NIL
	Cllr Malepe KJ	NIL
	Cllr Shimange Fazi MI	NIL
	Cllr Pohl RE	Old Mutual
	Cllr Sefufi MH	Nil
Municipal Manager	VACANT	
Chief Financial Officer	Mr Q Kgatla	Mining R 63 000
Director: Community Services	Mr DD Shitlhangu	House (Nkowankowa) R 800 000 House Tzaneen R 1 400 000
Director Corporate Services	Mr Lebepe NG	NIL
Water & Engineering Services		
Director Planning & Development	Ms Maboya F	Shares SASOL Justine & Avon (commission based) Rental of units R 12 000 Property (Tzaneen) R 1 200 000 Property (fourways) R 1 400 000
*Financial interests to be disclosed even if they incurred for only part of the year. see MBRR SA34A TJ		

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

# APPENDICES

## APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue collection performance by vote						
						R'000
Vote Description	2017/18	Current Year 2018/19			2018/19 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Budget and Treasury	1 268 336					
Water Distribution	165 532					
Waste Water Management	40 527					
	<b>1 621 367</b>					

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3  
TK.1

## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	2017/18	Current: 2018/19			2018/19	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Example 1 - Vote 1		-	-	-	-	-
Example 2 - Vote 2		-	-	-	-	-
Example 3 - Vote 3		1 558 518	1 302 608	1 144 232	1 302 608	(158 377)
Example 4 - Vote 4		-	-	-	-	-
Example 5 - Vote 5		-	-	-	-	-
Example 6 - Vote 6		-	-	-	-	-
Example 7 - Vote 7		-	-	-	-	-
Example 8 - Vote 8		-	-	-	-	-
Example 9 - Vote 9		-	-	-	-	-
Example 10 - Vote 10		-	-	-	-	-
Example 11 - Vote 11		-	-	-	-	-
Example 12 - Vote 12		203 231	203 231	39 772	67 126	(27 354)
Example 13 - Vote 13		-	-	-	-	-
Example 14 - Vote 14		-	-	-	-	-
Example 15 - Vote 15		41 642	41 642	5 932	12 423	(6 491)
<b>Total Revenue by Vote</b>	<b>-</b>	<b>1 803 302</b>	<b>1 547 482</b>	<b>1 189 935</b>	<b>1 382 157</b>	<b>(192 222)</b>

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3  
TK.1

# APPENDICES

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Details	Budget	Adjustment Budget	Actual	Variance	Adjustment Budget
				Budget	
<b>WSIG</b>	95 000	95 000	58 757	61.8%	61.8%
<b>RRAMS</b>	2 202	2 202	2 202	100%	100%
<b>FMG</b>	1 795	1 795	1 795	100%	100%
<b>EPWP</b>	1 725	1 725	1 725	100%	100%
<b>LP HEALTH</b>	14 232	14 232	10 674	75%	75%
<b>LP ECON BIOSPHERE</b>	0	0	216	100%	100%
<b>LGW SETA</b>	0	0	725	100%	100%
<b>TOTAL</b>	<b>114 954</b>	<b>114 954</b>	<b>76 094</b>		

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2018/19

Wards do not apply to the Mopani District Municipality

## APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

All section 71 reports were submitted to treasury within 10 working days.

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

SEE ATTACHED AFS

**\*END OF REPORT\***