



MAKHADO LOCAL MUNICIPALITY

DRAFT ANNUAL REPORT

2020/2021

"A dynamic-hub for socio-economic
development by 2050"



VISION

"A dynamic-hub for socio-economic development by 2050"

MISSION

"To ensure effective utilization of economic address socio-economic imperatives, through mining, agriculture and tourism"

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GLOSSARY

ACDP	-	African Christian Democratic Party
ADMD	-	After Diversity Maximum Demand
AFS	-	Annual Financial Statements
AG	-	Auditor General
AGSA	-	Auditor General South Africa
ANC	-	African National Congress
APAC	-	Audit and Performance Assessment Committee
B&T	-	Budget and Treasury
CFO	-	Chief Financial Officer
CIPRO	-	Companies and Intellectual Property Registration Office
COGTA	-	Cooperative Governance and Traditional Affairs
COGHSTA	-	Department of Cooperative Governance, Human Settlement and Traditional Affairs
COPE	-	Congress of the People
CPMD	-	Consolidated Program for Management Development
DA	-	Democratic Alliance
DCOMS	-	Department Community Services
DCSS	-	Department Corporate Services
DDP	-	Department Development Planning
DTS	-	Department Technical Services
EAP	-	Employee Assistance Program
EEP	-	Employment Equity Plan
ERM	-	Enterprise Risk Management
EXCO	-	Executive Committee
FBE	-	Free Basic Electricity
FBS	-	Free Basic Services
FBW	-	Free Basic Water
GRAP	-	General Recognized Accounting Practice
HH	-	Households
ICT	-	Information and Communication Technology

IDP	-	Integrated Development Plan
IIA (SA)	-	Institute of Internal Auditors (SA)
INEP	-	Integrated National Electrification Program
IT	-	Information Technology
KPA	-	Key Performance Area
KPI	-	Key Performance Indicator
LED	-	Local Economic Development
LGSETA	-	Local Government Sector Education & Training Agency
MFMA	-	Municipal Finance Management Act
MLM	-	Makhado Local Municipality
MM	-	Municipal Manager
MPAC	-	Municipal Public Accounts Committee
MSA	-	Municipal Structures Act No.17 of 1998
MSA	-	Municipal Systems Act No.32 of 2000
NERSA	-	National Electricity Regulator South Africa
OHS	-	Occupational Health and Safety
OPCA	-	Operation Clean Audit
PAC	-	Pan Africanist Congress of Azania
PMS	-	Performance Management System
RD	-	Refer to Drawer
RDP	-	Reconstruction and Development Program
SCM	-	Supply Chain Management
SDBIP	-	Service Delivery and Budget Implementation Plan
SDP	-	Skills Development Plan
SITA	-	State Information Technology Agency
SLA	-	Service Level Agreement
SMME	-	Small, Medium and Micro Enterprise
VDM	-	Vhembe District Municipality
WSA	-	Water Services Authority
WSP	-	Water Services Provider
WPSP	-	Work Place Skills Plan

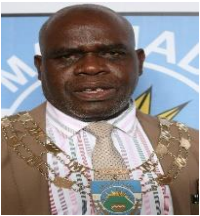
Chapter 1

Mayor's Foreword and Executive Summary

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

1.1 MAYOR’S FOREWORD



His Worship Mayor
Cllr Mnyai N

It is a greatest privilege and honor to present the 2020/21 Draft Annual Report to all members of the community of Makhado Municipality, our partners, district, provincial and national government of the Republic of South Africa. The year under review was again a challenging one, as we had to master the art of effective and efficient service delivery in the advent of our resident Covid-19.

This report is a reflection on our shared commitment and accountability as political leadership, management and staff to accelerate the provision of quality and sustainable services to all residents of Makhado Municipality.

Most importantly the report will outline the performance successes and challenges we have experienced in the delivery of services to all our people as guided by the 2020/2021 Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plans (SDBIP) for the year under review.

Our participation in the Makhado/Musina Special Economic Zone is yielding results and this will result in more than 3000 people acquiring jobs and skills development between the 2 municipalities. Consultation with community and institutional stakeholders is continuing in order to maximize involvement of our communities in the development and implementation of the SEZ.

Our vision of becoming a hub for socio- economic development by 2050, can only be realized if we practically and sustainable develop or local industries, especially mining, tourism, and agriculture. We shall continue to invite local and international investors to prefer Makhado Municipality as an investment destination of choice in the far north region of our Limpopo Province.

We have procured additional yellow machines “graders” and various council vehicles, which are essential tools of service delivery.

Our programme of grading streets in villages and townships is ongoing and we continue to receive feedback about its positive impact in our communities. The dignity of our people remains sacrosanct.

Our Ward Committees are fully functional and continue to become the backbone of service delivery planning, monitoring and implementation at Ward level amidst Covid-19 constraints.

The Executive Committee, Portfolio Committees and all Section 79 and 80 Committees are paying their oversight role to ensure that service delivery remains the core business of the municipality.

Our Municipal Public Accounts Committee- (MPAC), Audit Committee, Planning Tribunals and other strategic instruments of governance remain fully charged with the responsibility that ensures that we account to the public for effective and efficient use of public resources.

During 2020/2021 financial our Municipality received and spent 100% of the Integrated National Electricity Program (INEP), and the Municipal Infrastructure Grant. This is testament to our commitment to continue to better the lives of our people.

Despite all challenges during the year under review, our Municipality achieved an unqualified audit opinion. We thank the management under the leadership of the accounting officer, for implementing the Audit Action Plan as advised by the Auditor General and I have no doubt that we are working towards achieving a better audit outcome in the 2021/2022 financial year.

We shall continue to put mechanisms in place for improved and sound financial accountability in the quest for quality services. We continue to work closely and tirelessly with the Vhembe District Municipality to resolve water supply challenges and we trust that the completion of the Nandoni Bulk Water Supply project, will sustainably address our bulk water supply challenge.

Our Municipality require a reliable bulk water and energy supply capacity in order to fast track residential and industrial growth, especially as a Special Economic Zone.

Maintenance of our strategic roads, storm-water and electricity infra-structure remains a fundamental necessity for our socio-economic growth, in both rural, townships and urban areas.

The Municipality continues to participate in District/Provincial and National Inter-Governmental activities to ensure integrated planning and sharing of best practices to enhance improved service delivery.

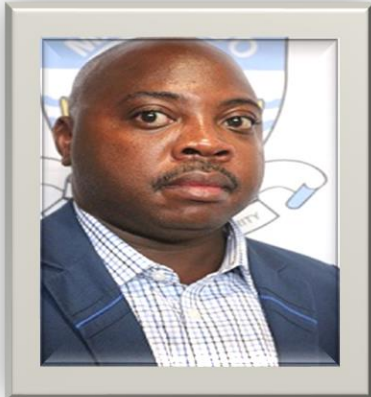
On behalf of the Executive Committee, and the entire political leadership of the municipality, I want to express sincere and revolutionary appreciation to all Councilors, staff members, particularly the Municipal Manager and his management team, traditional leaders, our service providers, media, labour unions, for continuing to serve the people of Makhado Municipality with humility and professionalism.

I also want to thank the Office of the Speaker, Chief Whip, for their support and leadership of our Municipality.

Our plan is achieve an improved audit opinion in the next financial year, to enhance service delivery and to increase access to quality services to all the people of Makhado Municipality.

Cllr Munyai N

Mayor: Makhado Municipality



Mr K.M Nemaname
Acting Municipal Manager

COMPONENT B: EXECUTIVE SUMMARY

1.2 MUNICIPAL MANAGER’S FOREWORD

The year 2020/21 saw the continuous effort by the municipality to try and function under the new normal as covid-19 continues to dictate the new normal. We had to navigate this difficult circumstances which included the decrease in revenue collection. This impacted service delivery and the municipality had to make means with what it had at its disposal in the interest of service delivery.

Municipal powers and functions for the year 2020/21 didn’t change and the table below depicts powers and functions of Makhado Local Municipality.

TABLE 1: POWERS AND FUNCTIONS

<ul style="list-style-type: none"> • Air pollution • Building regulations • Electricity and gas reticulation • Local tourism • Municipal airports • Municipal planning • Municipal health services • Municipal public transport • Municipal public works 	<ul style="list-style-type: none"> • Storm water management systems in built-up areas • Trading regulations • Billboards and the display of advertisements in public places • Cemeteries, funeral parlours and crematoria 	<ul style="list-style-type: none"> • Cleaning • Control of public nuisances • Control of undertakings that sell liquor to the public • Facilities for the accommodation, care and burial of animals • Fencing and fences • Licensing of dogs • Licensing and control of undertakings that sell food to the public • Local amenities 	<ul style="list-style-type: none"> • Local sport facilities • Markets • Municipal parks and recreation • Municipal roads • Noise pollution • Pounds • Public places • Refuse removal, refuse dumps and solid waste disposal • Street trading • Street lighting • Traffic and parking
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As of the 30 June 2021, the municipality managed to achieve 60.34% municipal performance, notwithstanding Covid-19 challenges.

With regard to provision of basic services, municipality managed to provide a total of 960 households with access to basic electricity during the year under review.

In pursuit to improve municipal environment, municipality continued to provide access to refuse removal to a total of 9889 urban households, whilst a total of additional 30 skip bins were bought with a view of expanding refuse removal services to rural areas. It is the view of the municipality, that basic services must be accessed by all citizens on an equal basis.

The municipality had a huge number of old fleet that had exhausted its life-span. In order to improve municipal efficiency and productivity additional new grader was bought during the year under review. This included 12 new waste removal trucks ,to be used for waste collection in all municipal regions and one water tanker, a pole truck, a 14 seater bus, 22 seater bus and 3 x half truck for service delivery purposes. In addition, a total of two sedans and a bakkie were also bought in order to improve efficiency and productivity at the work place. In pursuit to reduce carbon emission, it remains municipality view that new vehicles do contribute in the reduction of municipal contribution towards harming the environment and also contribute towards the reduction of municipality operational expenses.

During the year under review, the municipality has seen an increase in the debt book, especially with residential debtors. This increase in debt could be attributed to the lack of economic activity in the municipality and the difficulty in paying for services in the Township due to the effects of National Lockdown due to Corona Virus.

As at the end of the financial year the debt book amounted to R451.8 Million. The debt has increased from R301.5 Million to R451.8 Million. The increase in debtors during the financial year was R150.3 Million, representing a 50% increase from previous year

As part of revenue enhancement strategy, the municipality has entered into payment arrangement with Vhembe District Municipality, for a total of R 48 million that is being owed to date, for water service function rendered.

Electricity remains the main revenue contributor, which amount to 67% of the total municipal budget, whilst property rates contribute 13% of the total budget.

The municipality managed to close the 2020/21 financial year with a total of R 206 million cash in the bank. This is a huge improvement when compared to R143 million during the 2019/20 financial year.

Mr K. M Nemaname
Acting Municipal Manager

COMPONENT C: MUNICIPAL OVERVIEW

1.3. MUNICIPAL OVERVIEW

The Makhado Municipality is one of the local municipalities, within the Vhembe District, Limpopo Province in the Republic of South Africa. The main town Louis Trichardt is strategically located on N1 and is an important bypass for people travelling to Southern African Developing Countries (SADC), and this provides the municipality with good and attractive economic opportunities. The municipality borders Molemole and Blouberg Local Municipality, which are part of the Capricorn District Municipality, Greater Giyani and Greater Letaba Municipalities, whilst from the South East, it shares the borders Mopani District Municipality. The municipal area covers a total of 8310,586 km² (or 831 058, 64 Hectares) and has a total population of 416 728 majority of which can be classified as predominately rural.

FIGURE 2: LOCATION OF MAKHADO MUNICIPALITY



The total population of Makhado has decreased from 516 031 to 416 728 (based on the 2011 Census outcome) due to the new demarcation of the municipal boundaries in 2016. The number of households also decreased from 134 889 households (Census 2011) to 116 371 with about 145 147 registered voters.

The Municipality is made up of 4 formal towns namely, Louis Trichardt, Vleifontein, Waterval and Dzanani with more than 200 villages. The main administrative office is situated in Louis Trichardt town with two supporting regional administrative offices in Dzanani and Waterval and a satellite office in Vleifontein.

TABLE 2 : SERVICES BACKLOG

Population	Households	Water	Sanitation	Waste management	Electricity	Housing
416 728	116 371	35 623 Households	35 210 Households	99086 Households	6756 Households	16 207 RDP Housing

Source: Council's approved IDP 2020/2021

According to the approved 2020/21 IDP, the service backlogs of the municipality stands as follows: 35 623 households didn't have access to water, 35 210 households don't have access to sanitation, 99086 households don't have access to waste removals, whilst 6756 households don't have access to electricity and 16 207 households were in need of RDP housing.

TABLE 3 : FREE BASIC SERVICES

Indigent households	Receive free basic electricity	Debts owed to Municipality
6556	6556	R 451,8 Million

Source: Council's approved IDP 2020/2021

According to the approved 2020/21 IDP, a total of 18 666 indigent households within the municipality received free basic services. A total 6556 received free basic electricity. The total debt owed to the municipality stood at R 155 820 960.

Chapter 2

Governance

COMPONENT A: GOVERNANCE STRUCTURES

2.POLITICAL GOVERNANCE STRUCTURE

Chapter 7 of the Constitution of the Republic of South Africa, 1996 provides for the establishment of local government as an independent sphere of government. Section 151 of the Constitution states the following:

2.1. STATUS OF MUNICIPALITIES:

Section 151(1)The local sphere of government consists of municipalities, which must be established for the whole of the territory of the Republic.

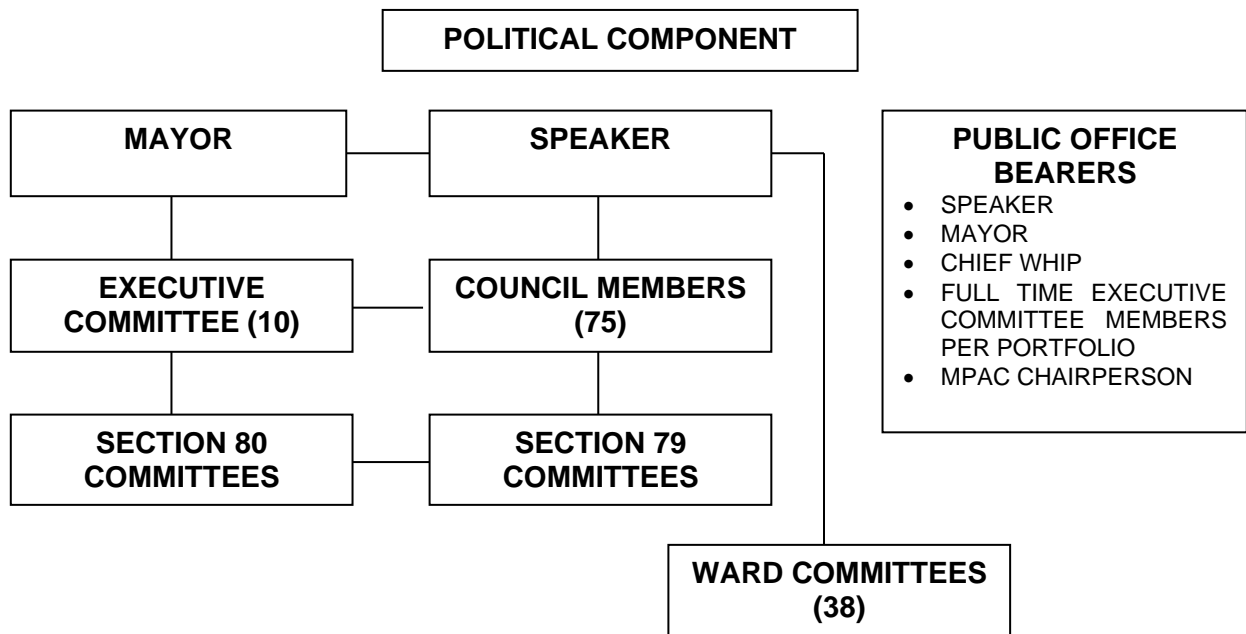
(2) The executive and legislative authority of a municipality is vested in its Municipal Council.

(3) A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.

(4) The national or a provincial government may not compromise or impede a municipality’s ability or right to exercise its powers or perform its functions.

Section 52 (a) of the MFMA further entrusts the responsibility to the Mayor, in that: The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

FIGURE 3 : POLITICAL STRUCTURES



2.2.GOVERNANCE ACTIVITIES

Makhado Local Municipality has an effective governance structures led by the Speaker of Council and Council committees. The structures includes, Council, Executive Committee, Section 79 Committees, Section 80 committees, Ward Committees, Audit Performance and Audit Committee, Risk Committee; Municipal Public Account Committee (MPAC), Municipal Planning Tribunal, Appeal Tribunal for Planning, ICT Steering Committee, IDP Steering Committee, Local Labour Forum, Central Occupational Health and Safety Committee, Investment Committee, Financial Disciplinary Board for Misconduct and Bids Committees. The municipality make use of these structures to improve service delivery to its communities, and to promote public accountability and institutional performance.

2.3. COUNCIL AND COMMITTEES

Makhado Municipality is a Category B municipality with 75 Councilors (37 proportionally elected and 38 Ward Councilors) as promulgated under General Notice No 264 of 2009 by the MEC for Cooperative Governance, Human Settlement and Traditional Affairs (COGHSTA) and published in Provincial Gazette Extraordinary No 1656 on 31 July 2009 and rated Grade 4 in terms of the criteria determined by the National Department of Cooperative Governance and Traditional Affairs (COGTA).

In terms of the Seat Calculation Summary per Municipality received from the Municipal Electoral Officer on 11 August 2016 the names of the elected parties and the number of the respective councilors elected are as follows:

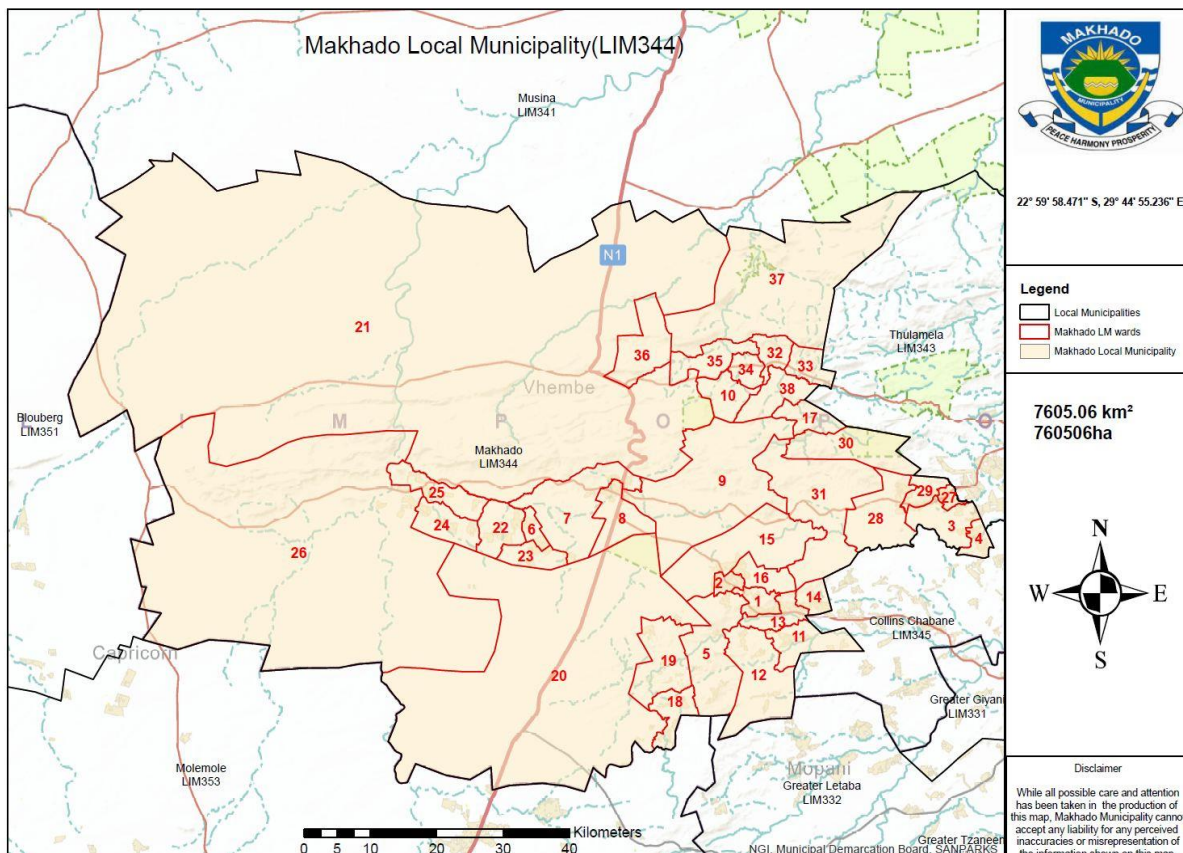
TABLE 4 : REPRESENTATION IN COUNCIL – POLITICAL PARTIES

PARTY	NUMBER OF WARD COUNCILLORS	NUMBER OF PROPORTIONAL REPRESENTATIVE COUNCILLORS	TOTAL
African National Congress (ANC)	37	19	56
Democratic Alliance (DA)	1	8	9
Economic Freedom Fighters (EFF)	0	7	7
Ximoko Party	0	1	1
Congress of the People (COPE)	0	1	1
African Christian Democratic Party	0	1	1
Total	38	37	75

Furthermore, 10 Senior Traditional leaders were appointed to participate in the Municipal Council by the MEC of Cooperative Governance, Human Settlements and Traditional Affairs (COGHSTA)

TABLE 5 : SENIOR TRADITIONAL LEADERS IN COUNCIL:

NO.	NAME OF TRADITIONAL LEADER	TRADITIONAL COUNCIL
1.	MUILA T G	MUILA
2.	MUKHARI S T	NKHENSANI
3.	RAMABULANA V C	NTHABALALA
4.	MASHAMBA N T L	MASHAMBA
5.	MUKHARI H S	ELIM-SHIRLEY
6.	KUTAMA P V	KUTAMA
7.	SINTHUMULE R H <i>(passed away on 05 January 2021)</i>	SINTHUMULE
8.	MPHEPHU M M	MPHEPHU
9.	MOLEMA F	MULIMA
10.	NETSIANDA P	TSIANDA



2.3.1. COUNCIL

Makhado Local Municipality Draft Annual Report 2020/2021

The following were Councilors of Makhado Municipality during the year under review:

TABLE 6 : NAMES OF COUNCILORS

NO.	NAMES OF COUNCILLORS	NUMBER OF COUNCIL MEETINGS ATTENDED 2020/2021
1.	BABADU, T M	11
2.	BALIBALI, T	11
3.	BALOYI, R S	9
4.	BULALA, S I	4
5.	CHILILO, N F	11
6.	DAVHANA, N D	11
7.	DU PLOOY, A	10
8.	DZIVHANI, T E	4
9.	FURUMELE, M G	9
10.	GABARA, M J	8
11.	HLONGWANE, F B	7
12.	JONES, K B	6
13.	JONES, N B	5
14.	KHODOGA J	11
15.	KUTAMA, N	6
16.	KUTAMA, T	8
17.	LUDUVHUNGU, V S	8
18.	LUKHELI, J	6
19.	MACHETHE, M S	8
20.	MADULA, S	11
21.	MADUWA, E	10
22.	MADUWA, L G	9
23.	MADZHIGA, F N	11
24.	MAGADA, M R	9
25.	MAINGO, R T	11
26.	MALANGE, T M	10
27.	MALIMA, M E	9
28.	MALIVHA, N V	11
29.	MALULEKE, K M	11
30.	MAMAFHA T C	9
31.	MAMAFHA, T J	7
32.	MAMOROBELA, T P	6
33.	MAPHUBU, K	7
34.	MARAGA, T A	5
35.	MASHAMBA, M A	2
36.	MASENGANA, M L	10
37.	MASUKA, S	11
38.	MASUTHA, L G	11
39.	MATHALISE, L M	8

NO.	NAMES OF COUNCILLORS	NUMBER OF COUNCIL MEETINGS ATTENDED 2020/2021
40.	MATUMBA, A	11
41.	MBOYI, M D	9
42.	MOGALE, L B	9
43.	MOHLABA, T J	8
44.	MOKGOADI, M R	9
45.	MPASHE, M J	6
46.	MTHOMBENI, S Z	9
47.	MUKHARI, M F	11
48.	MUKWEVHO, G T	9
49.	MUKWEVHO, T D	8
50.	MULEFU, M E	9
51.	MUNYAI, N	10
52.	MUNYAI, N S	11
53.	MUSANDIWA, P N	10
54.	NDOU, M D	7
55.	NDOU, M N	9
56.	NEMATANDANI, M C	4
57.	NEMUDZIVHADI, N S	9
58.	NETHULWE, M F	11
59.	NYELISANI, S S	11
60.	PHOSHOKO, M G	4
61.	RALIPHADA, R	6
62.	RAMAVHOYA, K S	8
63.	RAMUSHAVHA, G M	7
64.	RASHAMUSE, A G (<i>Passed away on 3 November 2020</i> <i>replaced by:</i> MUKHUBA R (<i>Elected on 19 May 2021</i>))	3 2
65.	RATSHIKUNI, D	8
66.	SELAPYANA, M A	3
67.	SESHOKI, T	8
68.	SIMANGWE, N J	8
69.	SINYOSI, S M	8
70.	SITHI, E T	5
71.	TAMBANI, T E	7
72.	TSHIAMBWA, L R	7
73.	TSHIBVUMO, G	9
74.	TSHIFURA, S S	6
75.	TSHILAMBYANA, M S	9

2.3.2.COUNCIL MEETINGS

The Municipality’s Council is effective and functional and continues to discharge its responsibility as expected. Table below depicts the number of council meetings held during year under review:

TABLE 7 : COUNCIL MEETINGS HELD

	Ordinary Council Meetings	Urgent Special Council Meetings	Total Meetings
Number of meetings 2020/2021	4	7	11

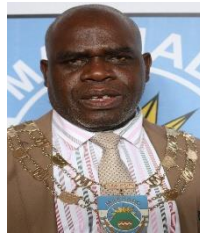
A total of eleven (11) council meetings were held during the year under review. a total of seven (07) meetings were special council meetings, whilst four (04) were ordinary council meetings

2.4 EXECUTIVE COMMITTEE

Makhado Local Municipality uses an Executive Committee system of governance. The Executive Committee is composed in line with the provisions of the Local Government: Municipal Structures Act, 1998. The Executive Committee consists of ten members; five full-time members and five part-time members as arranged by General Notice 94 of 2016 promulgated by the MEC for Cooperative Governance, Human Settlements and Traditional Affairs as published in the Provincial Gazette No. 2735 dated 22 July 2016.

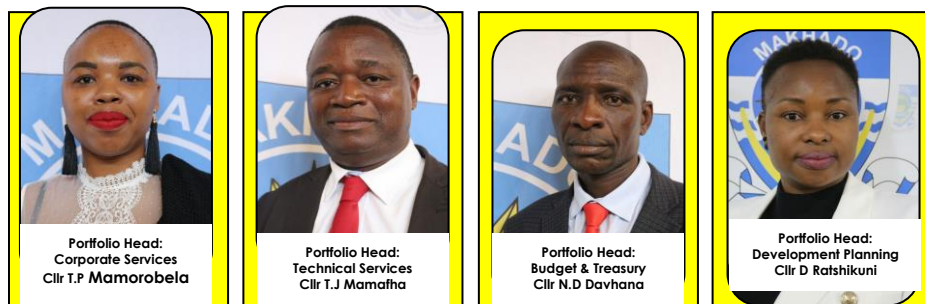
The designation of full-time councilors in terms of the provisions of Section 18(4) of the Local Government: Municipal Structures Act, 117 of 1998 read with Part 14 of the General Notice No. 94 of 2016 published in the Provincial Gazette no. 2735 dated 22 July 2016, coupled with the concurrence of the MEC of COGHSTA and Council Resolution of the 17 August 2017 stipulated the composition of Exco as follows:

FIGURE 4 EXECUTIVE COMMITTEE MEMBERS:



His Worship Mayor
Cllr N S Munyai

FULL- TIME EXECUTIVE COMMITTEE MEMBERS



PART-TIME EXECUTIVE COMMITTEE MEMBERS

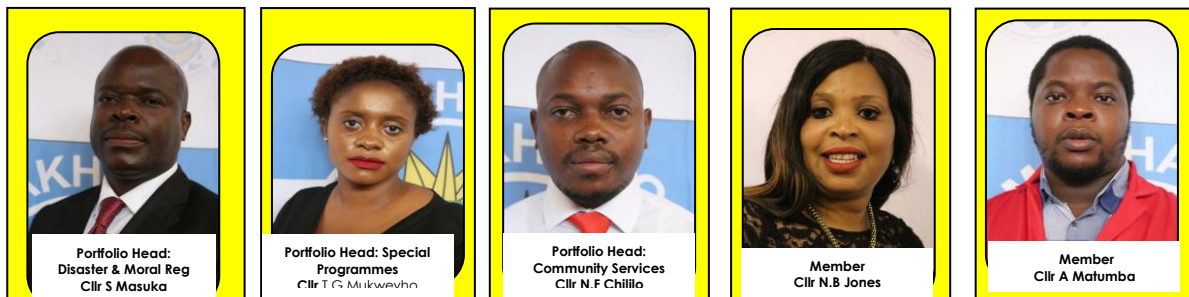


TABLE 8: EXECUTIVE COMMITTEE

COMMITTEE	NAMES OF COUNCILLORS 2020/21	NUMBER OF MEETINGS ATTENDED
EXECUTIVE COMMITTEE	1. MUNYAI, N S (Chairperson)	23
	2. CHILILO N F	21
	3. DAVHANA N D	19
	4. JONES N B	10
	5. MAMAFHA T J	21
	6. MAMOROBELA T P	15
	7. MASUKA S	23
	8. MATUMBA A	21
	9. MUKWEVHO G	20
	10. RATSHIKUNI D	21

The number of meetings held by the Executive Committee were as follows:

TABLE 9: EXECUTIVE COMMITTEE MEETINGS HELD

2020/2021 FINANCIAL YEAR	NUMBER OF MEETINGS HELD
EXECUTIVE COMMITTEE	23

2.4.1. SECTION 79 OVERSIGHT COMMITTEES

TABLE 10: SECTION 79 OVERSIGHT COMMITTEE

NO.	PORTFOLIO COMMITTEE	CHAIRPERSON AND MEMBERS	NUMBER OF MEETINGS ATTENDED
1.	TECHNICAL SERVICES	1. KUTAMA N (CHAIRPERSON)	6
		2. MASUTHA L G	3
		3. SITHI E T	5
		4. SIMANGWE N J	7
		5. NETHULWE M F	8
		6. MUKHARI M F	7
		7. MAPHUBU K	6
		8. LUKHELI J	7
		9. NEMATANDANI M C	3
2.	CORPORATE SERVICES	1. MADZHIGA N F (CHAIRPERSON)	10
		2. MALULEKE K M (<i>removed in February 2021 from Corporate to be Chairperson of Finance</i>)	8
		3. NYELISANI S S	11
		4. BABADU T M	10
		5. TAMBANI T E	11
		6. TSHIAMBWA L R	11
		7. NEMUDZIVHADI N S	7

NO.	PORTFOLIO COMMITTEE	CHAIRPERSON AND MEMBERS	NUMBER OF MEETINGS ATTENDED
		8. MOHLABA T J 9. MAFHALA N A (<i>Passed away on 12 April 2020</i>) 10. KHODOGA J (<i>Replace Mafhala N A</i>) 11. PHOSHOKO M G	10 11 8 5
3.	FINANCE	1. MAGADA M R (CHAIRPERSON) (<i>From July 2020 to February 2021</i>) 2. K M MALULEKE (CHAIRPERSON) (<i>From March 2021 to June 2021</i>) 3. MOHLABA T J 4. MAINGO R T 5. BALIBALI T 6. MUSANDIWA P N 7. TSHILAMBYANA M S 8. GABARA M J (<i>From July 2020 to February 2021</i>) 9. NDOU M N 10. NEMATANDANI M C 11. DU PLOOY A	6 4 8 8 10 9 6 7 9 7 8
4.	COMMUNITY SERVICES	1. MTHOMBENI S (CHAIRPERSON) 2. BULALA S I 3. MULEFU M E (<i>From July 2020 to February 2021</i>) 4. RAMUSHAVHA G M 5. KUTAMA T 6. TSHILAMBYANA M S 7. NETHULWE M F 8. NDOU M N 9. FURUMELE M G 10. MALIMA M E (<i>passed away on 30 June 2021</i>)	8 2 2 5 8 6 7 4 7 5
5.	DEVELOPMENT PLANNING	1. MAMAFHA T C (CHAIRPERSON) 2. TAMBANI T E 3. MADUWA E 4. BABADU T M 5. MUSANDIWA P N 6. MADUWA L G 7. MUKWEVHO T D 8. DZIVHANI T E 9. JONES B K (<i>From September 2020 to June 2021</i>)	10 8 9 8 8 7 7 8 7
6.	DISASTER, MORAL REGENERATION, SPORTS, ARTS AND CULTURE	1. MACHETE M S (CHAIRPERSON) 2. LUDUVHUNGU V S 3. MALULEKE K M 4. MADULA S 5. MULEFU M E	1 0 1 1 1

NO.	PORTFOLIO COMMITTEE	CHAIRPERSON AND MEMBERS	NUMBER OF MEETINGS ATTENDED
		6. RAMUSHAVHA G M	1
		7. TSHIFURA S S	1
		8. MARAGA T A	0
7.	SPECIAL PROGRAMMES	1. MATHALISE L M (CHAIRPERSON)	0
		2. MUKHARI M F	0
		3. MASUTHA L G	0
		4. NYELISANI S S	0
		5. MADUWA L G	0
		6. FURUMELA G	0
		7. PHOSHOKO M G	0

The number of meetings conducted by the Section 79 Oversight Committees were as follows:

TABLE 11: OVERSIGHT COMMITTEE MEETINGS HELD

2020/2021 FINANCIAL YEAR COMMITTEE	NUMBER OF MEETINGS HELD
1. TECHNICAL SERVICES	8
2. CORPORATE SERVICES	12
3. FINANCES	10
4. COMMUNITY SERVICES	8
5. DEVELOPMENT PLANNING	10
6. DISASTER MANAGEMENT, MORAL REGENERATION AND SPORTS, ARTS AND CULTURE	1
7. SPECIAL PROGRAMS	0

2.4.2. SECTION 79 STANDING COMMITTEES

TABLE 11: SECTION 79 STANDING COMMITTEES

NO.	STANDING COMMITTEE	CHAIRPERSON AND MEMBERS	NUMBER OF MEETINGS ATTENDED
1.	MPAC	1. MALANGE T M (CHAIRPERSON)	12
		2. MALIVHA N V	11
		3. MASHAMBA M A	12
		4. NDOU M D	11
		5. MAKGOADI M R	10
		6. RALIPHADA R	9
		7. HLONGWANE B F	12
		8. MPASHE M J	11
		9. SELAPYANE M A	5
2.	ETHICS	1. MUNYAI N (CHAIRPERSON)	6

NO.	STANDING COMMITTEE	CHAIRPERSON AND MEMBERS	NUMBER OF MEETINGS ATTENDED
		28. MARAGA T A	0
		29. DZIVHANI T E	0
		30. PHOSHOKO M G	0
		31. FURUMULE M G	0
		32. MOKGOADI M R	0
		33. MUKWEVHO T D	0

The number of meetings conducted by the section 79 standing committees were as follows:

TABLE 12: SECTION 79 STANDING COMMITTEE MEETINGS HELD

2020/21 FINANCIAL YEAR COMMITTEE	NUMBER OF MEETINGS HELD
1. MPAC	12
2. ETHICS	6
3. RULES	0
4. WOMEN CAUCUS	0

Rules committee did not hold meetings in the year under review because this committee meets when specific matters are referred to it for consideration, and no matter was referred to it whilst Women caucus's term of references are still under review.

2.4.3. SECTION 80 COMMITTEES

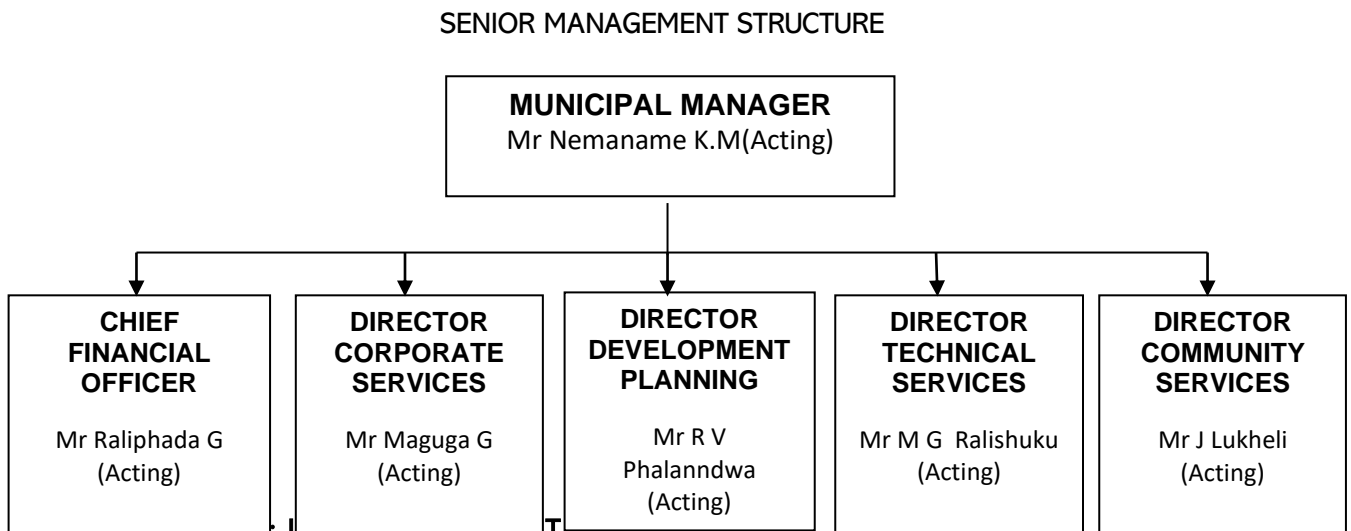
TABLE 13: SECTION 80 COMMITTEES

NO.	COMMITTEE	CHAIRPERSON AND MEMBERS	NUMBER OF MEETINGS ATTENDED
1	GOVERNANCE AND FINANCIAL VIABILITY	1. DAVHANA N D (CHAIRPERSON) 2. MAMOROBELA T P 3. MAMAFHA T J 4. MATUMBA A	0 0 0 0
2	PUBLIC SAFETY AND SOCIAL DEVELOPMENT	1. CHILILO N F (CHAIRPERSON) 2. MASUKA S 3. MUKWEVHO G T 4. JONES B	0 0 0 0
3	DEVELOPMENT PLANNING AND MUNICIPAL INFRASTRUCTURE	1. RATSHIKUNI D (CHAIRPERSON) 2. MAMAFHA T J 3. DAVHANA N D 4. JONES B	0 0 0 0

Note: There were no Section 80 Committee meetings held. Section 80 Committees meets as and when the Executive Committee refers matters for consideration and no matters were referred to Section 80 committee in the year under review.

2.5. ADMINISTRATIVE GOVERNANCE STRUCTURE

FIGURE 5: SENIOR MANAGEMENT STRUCTURE



2.6. INTERGOVERNMENTAL RELATIONS:

Section 3 of the Municipal Systems Act requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Section 41 of the Constitution.

The Municipality participates in the following IGR forums:

- Premier Mayor's Forum,
- District Mayor's Forum,
- District IGR Forum
- Provincial Monitoring and Evaluation forum
- Provincial Back to Basic Forum
- District Command Council
- District AIDS Council

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality continued to hold its IDP Steering Committee meetings during the year under review with the IDP Representative Forum forming a base or platform for the public to make their contributions and hold the municipality accountable. An Imbizo is an initiative of the municipality where questions are answered; concerns are heard and advice is taken from the public about the municipality's programs and services. The Municipality continues to hold the Imbizo's as scheduled

2.7. COMMUNICATION, PUBLIC PARTICIPATION AND FORUMS

Municipality introduced different platforms for Public Participation Programs listed herein below:-

- Izimbizo's
- Ward Based Public Participation Meetings
- IDP Representative Forum meetings
- MPAC Public Participation meetings
- Facebook (Makhado Local Municipality) postings
- Twitter (Makhado Municipal) messages
- Instagram (makhadomunicipality) postings
- Website(www.makhado.gov.za) uploads
- Press/Media Statement broadcasts and publications
- Media Interviews reports and broadcasts

Imbizo's, Ward PP meeting, IDP rep forum- provide a platform for effective communication between the municipality and communities on service delivery issues, while MPAC public meetings provides platform for financial accountability. Social media is another platform that the municipality uses as a means to inform and update communities about municipal activities.

2.8. MUNICIPAL PUBLIC ACCOUNT COMMITTEE (MPAC)

The MPAC played an oversight role by exercising oversight of municipal expenditure and revenue in a transparent and accountable manner.

The Municipal Public Account Committee (MPAC) was established by Council comprising of nine (9) members for the term of the Municipal Council. MPAC was able to conduct fifteen (15) meetings and submitted thirty seven (37) reports to Council for consideration. The MPAC conducted various public hearings and compiled MPAC oversight reports and submitted its recommendation to Council for approval within regulated timeframes.

COMPONENT D: CORPORATE GOVERNANCE

2.9. GENERAL COMMUNICATION

The Municipality has an effective and efficient Communication Unit that implemented a communication strategy that was approved by Council.

Council also approved a Stakeholder Management Framework. Several media statements were produced and radio interviews were conducted with Nzhelele FM, Makhado FM, UNIVEN FM, Sekgose FM, Munghana Ionene FM, Mala FM, Vuwani FM and Phalaphala FM.

The Municipality uses social media to communicate and receive feedback on services being rendered. To this effect the Municipality uses Facebook, Instagram and Twitter. The Municipality also has a functional website. We had 35 109 followers on Facebook, 30 000 on Instagram and 30 000 followers on Twitter.

2.10. INTEGRATED DEVELOPMENT PLANNING STEERING COMMITTEE

The municipality has a functional Integrated Development Plan (IDP) unit in place. The unit coordinates planning processes of the municipality in line with relevant regulations. The municipality annually reviewed and adopts IDP process plan and IDP framework for implementation.

The IDP is a tool that helps the local municipality focus on the most important needs of local communities taking into account the resources available at local level. It helps identify the least serviced and most impoverished areas and points to where municipal funds should be spent. Implementation is made easier because the relevant stakeholders have been part of the process. The IDP provides deadlock-breaking mechanisms to ensure that projects and

programmes are efficiently implemented. It is also worth reporting that the municipality managed to adopt its revised IDP and Budget within the stipulated time-frames.

2.11 INFORMATION TECHNOLOGY SERVICES STEERING COMMITTEE

ICT Steering Committee is a Council appointed Committee consisting of senior management as members, support staff and the chairperson of council Risk Committee who assist with cyber risk and also guide and advice Council on ICT matters. During the year under review, there were several projects completed as per the institutional ICT Strategy. Amongst others we had the following -

Software Upgrade:

Microsoft 2010 was upgraded to Microsoft 365 Business Standard, Office 365 E3 and Microsoft 365 Apps for Business Licenses. All 350 users of the municipal computer system now run on most recent Microsoft software under the volume license for the public sector.

Server hardware:

Outright purchase of server hardware to upgrade our server infrastructure was done. The successful bidder provided server hardware and accessories, and 3 Year Licenses and Software for Hardware Monitoring, and one virtual platform software license for three hosts.

Call center system enhancement:

The 24/7 municipal call center system was enhanced to collapse the call, ticketing, and SMS modules into one window system. This is of value to the agents that operate the system 24/7 as they can view all modules in one window, thereby speeding up the call logging, dispatching and report back functions, an improvement on actual service delivery to clients. This is the first ever call center system installed for municipality and is now in its second cycle of existence – previously this service relied on manual operations.

Email gateway and filtering system upgrade:

The existing Mimecast Cyber Resilience Foundation Plan was upgraded from G1 to M2R for 350 users and the Software License is valid for 3 Year period. With this upgrade the computer Email gateway filtering, monitoring, and reporting is enhanced and municipal cyber security was taken to a next level.

Computer and IT related equipment:

Asset replacement of computer and IT related equipment is an annual event to replace that equipment that is no longer compatible with technology.

2.12. AUDIT AND PERFORMANCE AUDIT COMMITTEE (APAC):

2.12.1. LEGAL FRAMEWORK GOVERNING THE AUDIT COMMITTEE

Section 166(1) of the Local Government: Municipal Finance Management Act, 2003 (Act number 56 of 2003 as amended) (MFMA) requires from each municipality to have an audit committee.

In terms of section 166(2)(a) of the MFMA the audit committee is an independent advisory body which must “amongst others” advise the municipal council on matters relating to:

- i. Internal financial controls and internal audits;
- ii. Risk management;
- iii. Accounting policies;
- iv. The adequacy, reliability and accuracy of financial reporting and information;
- v. Performance management;
- vi. Effective governance;
- vii. Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- viii. performance evaluation; and
- ix. any other issues referred to it by the municipality.

In addition sections 166(2)(b), (c), (d) and (e) require from the committee to review the annual financial statements, respond to Council on any issues raised by the Auditor-General (South Africa) in the audit report, carry out such investigations into the financial affairs of the municipality and to perform such other functions as may be prescribed by the Council.

2.12.2. GOVERNANCE OF THE COMMITTEE

All members of the Audit Committee are non-executive members and all meetings of the committee were held in accordance with the charter of the committee as approved by Council.

During the year under review, revised audit charter was approved by Council. The Manager: Internal Audit reports operationally to the Municipal Manager and functionally to the Audit Committee.

During the year under review, the Audit Committee has executed its responsibilities in accordance with section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act number 56 of 2003 as amended). There were no appointments and resignations during the financial year under review.

The table below detailed the names of audit committee members as appointed by Council and numbers of meetings held.

TABLE 14. MEETINGS ATTENDED BY AUDIT COMMITTEE MEMBERS

Name	Designation	NUMBER OF MEETINGS ATTENDED						
		04 September 2020	27 October 2020	11 December 2020	22 January 2021	23 February 2021	31 March 2021	10 June 2021
Ms. Jane Masite	Chairperson	👍	👍	👍	👍	👍	👍	👍
Mr. Denga Ramuedzisi	Member	👍	👍	👍	👍	👍	👍	👍
Mr. Ntsieni Matenzhe	Member	👍	👍	👍	👍	👍	👍	👍
Mr. Sidwell Mofokeng	Member	👍	👍	👍	👍	👍	👍	👍

👍	Attendance
👎	Non-attendance

2.12.3. INTERNAL AUDIT

Internal Audit reported system weaknesses and recommended corrective actions for management to address the deficiencies. Management implemented internal audit recommendations to enhance the system of internal controls to the acceptable level. The committee is satisfied that the internal audit division has during the period under review effectively focused its available resources towards identified critical risk areas in accordance with the approved Risk Based Annual Audit plan for 2020/21. The committee also approved the Risk Based Annual Audit plan for the 2020/2021 reporting period and was given the assurance that every effort will be made by the Accounting Officer to have all the resources available to properly execute the plan.

During 2020/21, all Internal Audit activities were completed in accordance with the approved Internal Audit Charter and no compromise of the independence or objectivity of the function was observed throughout for the year under review.

Internal Audit follow-up report has noted that management has implemented an appropriate tracking system so that all reported matters are tracked, managed and get resolved timeously.

The committee noted an improvement in the percentage of audit findings resolved by management.

The committee also believes that Internal Audit has effectively carried out its mandate and responsibility in accordance with the MFMA and approved Internal Audit Charter.

One-on-one discussions with the Manager Internal Audit did not reveal any matters of concern.

2.12.4. MATTERS OF CONCERN

Audit Committee entered into discussions with the Accounting Officer again to emphasize the critical need for enhanced revenue management initiatives in order to effectively address the cash flow challenges faced by the municipality. The municipality has a revenue enhancement strategy in place, to enable increased revenue collections.

2.12.5. PERFORMANCE MANAGEMENT

Management has during the year under review implemented the Council approved performance management plan. The Audit Committee noted that Management has developed a performance management policy and procedure manual which was approved by Council.

The Performance Audit Committee monitored management's evaluation of identified "external service providers" as required by section 46 of the Municipal Systems Act, 2000.

The Manager Internal Audit has in terms of the Municipal Finance Management Act and Municipal Systems Act regulations on a quarterly basis audited and provide assurance on the reported performance information. the reported performance information. All system weaknesses were brought to the attention of the Accounting Officer and commitment has been made to improve the system.

2.12.6. COMPLIANCE WITH MFMA, THE ANNUAL DIVISION OF REVENUE ACT AND ANY OTHER APPLICABLE LEGISLATION

The Audit Committee recommended improvement to the system implemented by management. The Chief Audit Executive recommended that, the system to monitor compliance with applicable laws and regulations be enhanced to ensure reliability. The Audit Committee also noted that compliance in some instances is not being addressed in a timely manner. However, the Risk Management, Anti-Fraud and Anti-Corruption Committee as an Independent committee from the Audit Committee, assisted the Audit Committee in tracking the progress by management in this regard.

The municipality Council has zero tolerance for non-compliance with laws and regulations.

2.12.7. REVIEW AND EVALUATION OF QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

With regard to the review and evaluation of quarterly and annual financial statements, the committee has managed to review and discussed the Annual Financial Statements with management and Auditor-General (SA), before it was submitted to AG. This included the review of the Auditor-General's management report and management's responses. The committee also reviewed the changes in the Accounting Policies and Practices.

2.12.8. AUDIT OPINION

The committee concurs with audit opinion (Unqualified).The Audit Committee concurs with the issues raised by the Auditor-General (South Africa). The Audit Committee also concurs with the action plan in terms of which management had addressed the reported issues. The Audit Committee has signed an undertaking with the AG (SA) Office to closely monitor implementation of the corrective measures and on a regular basis the report is submitted to Council.

The Audit Committee also noted that there are no unresolved differences of opinion between the Auditor-General (South Africa) and the Accounting Officer.

2.12.9. INTERACTION WITH THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Audit Committee regularly reported to MPAC the processes followed by the Audit Committee with regard to the evaluation of the Annual Report. MPAC was also briefed on the control system implemented by the Manager Internal Audit for purposes of tracking progress on the resolution of audit findings reported by the Manager Internal Audit and all other role players for the meetings held by the Audit Committee.

2.13. RISK MANAGEMENT










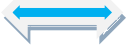





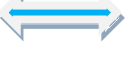





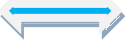


The Municipality has adopted a strategic enterprise risk management, that is aligned to the principles of good corporate governance, as supported by Section 62(1) (C) (i) of the Local Government Municipal Financial Management Act (No. 56 of 2003) and chapter 4 of King III Report (Third report on corporate governance of South Africa). Risk management is recognized as an integral part of responsible management and therefore,municipality has adopted a comprehensive approach to management of risk

The Risk Management Committee and Audit committee have assisted the Accounting Officer to execute his risk responsibilities. Further, the committee acknowledges the progress made in risk management processes which improved the risk management maturity level of the municipality. Risk Management, Anti-Fraud and Anti-Corruption Committee as the name indicates, is a management committee chaired by an independent Chairperson to guide and advice management while providing close Audit Committee oversight.

During the year under review Mr L S Mofokeng served as Chairperson of the Risk Management Committee and he also regularly reported to the Audit Committee on Risk Management matters.

During the year under review, Council managed to adopt a risk management strategy. The risk management strategy ensures that the municipality receive early warning signs on service delivery issues. Municipality has achieved level 4 which is 96% on assessment scale of 1 to 6, compared with the previous 4.8 rating indicating continuous improvement in our governance processes.

2.13.1. TOP EIGHT STRATEGIC RISKS ARE AS FOLLOWS:

No.	Strategic Risk	Risk Movement	Level of satisfaction (Internal Control)	Risk Status
1	Inadequate Services Delivery Imperatives and Maintenance		 Satisfactory	
2	Financial Sustainability		 Satisfactory	
3	Inadequate ICT governance & ICT Delivery risk		 Satisfactory	
4	Fraud, Theft and Corruption		 Satisfactory	
5	Inadequate skill set due to inability to attract & manage talent		 Satisfactory	
6	Health, Safety & Security risks and Environmental welfare		 Satisfactory	
7	Non Compliance with Legislation		 Satisfactory	
8	Ineffective Spatial Planning		 Satisfactory	

2.13.2. FRAUD AND CORRUPTION MANAGEMENT

Fraud and Corruption represent a significant potential risk to the Municipality's' assets, service delivery efficiency and reputation. The Municipality do not tolerate corrupt or fraudulent

activities, whether internal or external. Communities are also encouraged to report all incidents relating to fraud and corruption to the district shared hotline. There were no fraud and corruption cases reported during the year under review. The Municipality always ensure that all incidents reported are followed up and investigated. The hotline number is 0800 66 85 38 or municipal.manager@makhado.gov.za, or fraud@makhado.gov.za

2.14. EFFECTIVENESS OF INTERNAL CONTROL

The Municipality adheres to a dynamic integral process that is continuously adapting to the changes faced by local government as it strives to align itself to the principles of good corporate governance. To this instance it is supported by amongst others, Section 62(1)(C)(i) of the Local Government Municipal Financial Management Act (No. 56 of 2003) and chapter 4 of King III Report (Third report on corporate governance of South Africa).

The municipality recognizes internal control as an integral process that is affected by the Municipal's council, senior management, management and personnel as it is designed to address the risks faced by the Municipality and also to provide reasonable but not absolute assurance that in pursuit of the Municipality's mission and vision. Based on the above-mentioned, the following general objectives of Internal Controls has been achieved:

- Executing orderly, Ethical, Economical, Efficient and Effective Operations
- Fulfilling Accountability obligation
- Complying with applicable laws and regulations
- Safeguarding of Resources against loss, misuse and damages

The Municipality has done a lot in ensuring that the general objectives of internal controls are achieved by creating and establishment of the following structures:

- Risk Management Unit
- Internal Audit Unit
- Performance Management Unit
- Anti-Fraud and Risk Management Committee chaired by an Independent person
- Audit and Performance Audit Committee chaired by an Independent person
- Municipal Public Accounts Committee
- Any other governance committee structure

2.15. INTERNAL AUDIT DIVISION

The municipality has a fully functional Internal Audit Division which is mandated to provide independent, objective assurance and consulting services geared towards adding value to the municipality and improved quality of the service delivery.

Internal Audit is an independent division which is a significant contributor to corporate governance within the municipality by providing assurance services.

To date, the Internal Audit Division has developed and implemented a risk-based Annual Audit Plan which is aligned to the municipality strategy (IDP) and Strategic Risk Register which was adopted and approved by the Audit Committee and Council respectively.

Internal Audit contributed to strengthening of the governance mechanisms the municipality by supporting the Audit Committee and Performance Audit Committee, and presenting audit reports of value adding and system enhancing nature at meetings and in so doing assisting them in exercising their legislative mandates:

2.15.1 INTERNAL AUDIT OUTCOMES FOR 2020/21

The Aggregate Rating of the Audit and Performance Audit Committees' performances on a 1-5 scale during 2020/21 were:

AUDIT COMMITTEE AND PERFORMANCE AUDIT COMMITTEE PERFORMANCE EVALUATION EVALUATED BY THE EXECUTIVE MAYOR; SPEAKER OF THE COUNCIL; MUNICIPAL MANAGER; SENIOR MANAGEMENT TEAM AND AUDIT COMMITTEE MEMBERS	
2020/21	Audit and Performance Committee
Expertise and know-how	4.8
Inquiry attitude, objectivity and independence	5.0
Judgment	4.9
Knowledge of Local Government and its objectives	4.4
Understanding of and commitment to the Committee's duties and responsibilities	5.0
Devotion of time in order to participate effectively in the Committee	5.0
Timely responses	4.8
Attendance of meetings	5.0
Overall Percentage 2019/20	94.8%

Internal Audit plans included a consulting services framework, strategy and methodology, aimed at increasing the range of value-added services that internal audit provides to its stakeholders, while maintaining its independence in relation to assurance services. Consulting services comprise a wide range of activities based on management's needs. These services are tailored to resolve specific issues that senior management identifies as requiring attention which ranges from advisory, educational and/or facilitative in nature.

Internal Audit also contributed to strengthening other governance mechanisms within the municipality by providing technical support to the MPAC as well as by providing quality reports, which the Audit Committee used to exercise its oversight responsibility effectively in terms of its charter.

During the year under review, Internal Audit introduced a continuous auditing/real time audit technique which was used to provide a snapshot of the internal controls in order to enable timely and regular assurance of the municipality control effectiveness by monitoring the compliance with key controls. This approach assisted the municipality in identifying internal control gaps or deficiencies and send the warning signs to management timeously.

During the year under review, Internal Audit provided assurance and reported on the adequacy and effectiveness of controls in the municipality's business processes as well as in specialized areas such as Supply Chain Management, Performance Management, Value for Money Audit, Compliance, Financial, IT Governance, Risk Management and Internal and External OPCA follow-up which resulted in a 100% audit coverage.

It is worth to report that Internal Audit was able to facilitate the AGSA Dashboard Reports on the Key Control Environment which are quarterly signed off by the Mayor. These reports contributed to key leadership commitments made by the key role players, including the Mayor in order to strengthen the executive leadership and oversight in maintaining clean governance.

During the year under review, Internal Audit also provided assurance in respect of the adequacy and effectiveness of controls in all the clusters. Based on the outcomes of these audits, Internal Audit provided the Audit Committee with a written assessment on the status of the municipality internal controls for the 2020/21 reporting period.

For seamless approach on the achievement of clean administration at the municipality, this process was aligned to the Auditor-General Dash Board Report-Drivers of Internal Control which also contributes to commitments made by the Mayor to improve the audit outcomes. Internal Audit reached the same assessment results and/or conclusion as the Auditor-General.

2.15.2. ANNUAL ASSESMENT OF INTERNAL CONTROLS

The figure below depicts municipal internal control assessment.

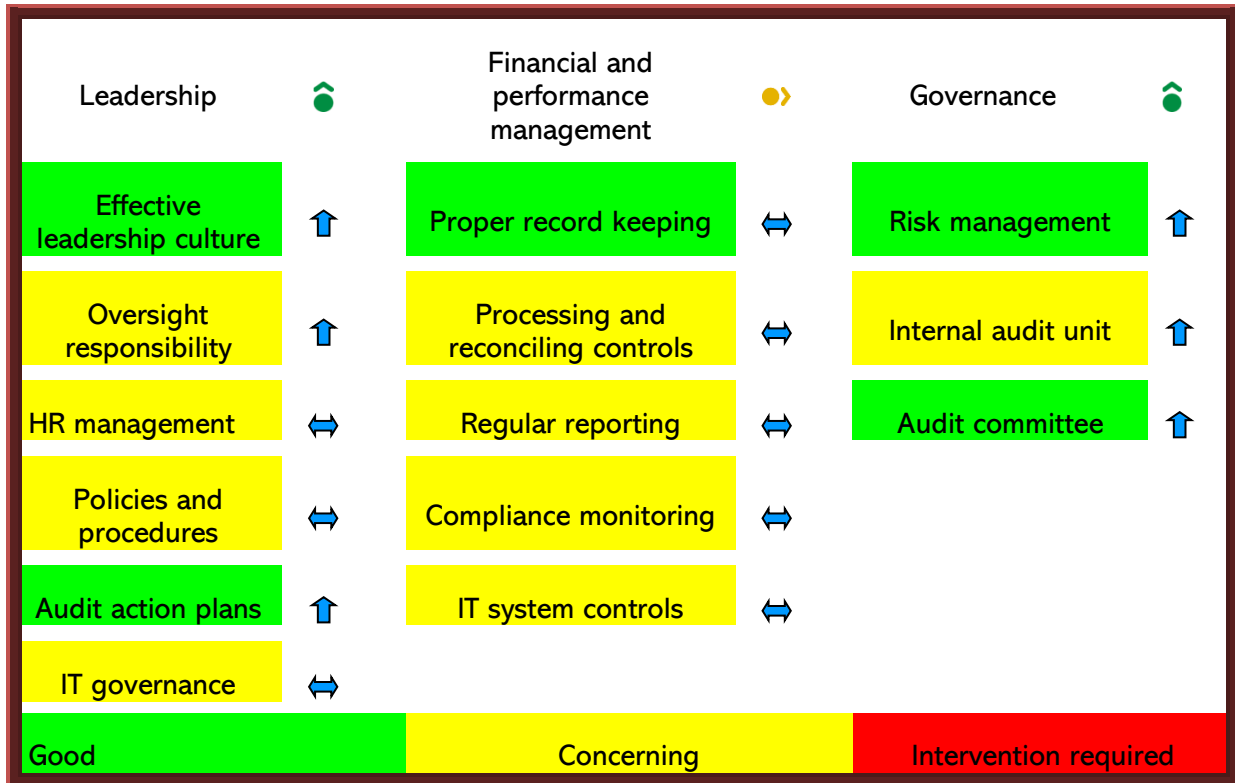


Figure 3.1 Summary of the status on driver of internal controls for Annual AG Dashboard 2020/21

Management attention is needed to implement Management comments and corrective actions furnished into Key Internal Controls.

The report was presented for signed-off by the Mayor, submitted to EXCO and Council for adoption.

Further, continuous key control environment assessment by management and evaluation by AGSA External Auditors as at the end of November 2021 indicated improvement on Leadership, Financial and Performance Management and improvement on Governance processes

Internal audit facilitated and followed up on key commitments and initiatives for 2020/21 financial year as committed by various Assurance Providers. The results were agreed upon by the Accounting Officer, Senior Management, Audit Committee, Mayor, Exco and Council. Internal Audit reached the same assessment results on assurance levels as reported in the Auditor-General management report.

The assessment as performed on the Assurance Providers is outlined below and progress as assessed by Internal Audit for the 2020/21 financial year Annual report.

Key Role Player	Assurance Levels
Senior Management	Provide Some Assurance
Accounting Officer	Provide Some Assurance
Mayor	Provide Assurance
Internal Audit	Provide Some Assurance
Audit Committee	Provide Assurance
Coordinating institutions	Provide Assurance
Municipal Public Accounts Committee	Provide Assurance
Municipal Council	Provide Assurance

Provide Assurance	Provide Some Assurance	Provide limited/No Assurance
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Intervention is required as there are still critical vacant positions at senior management level. The assurance level is yellow on senior management, given that most of senior management position except for the Municipal Manager and Chief Financial Officer remain vacant...

Out of eight (8) key role players in the municipality, All have provided responsibility on their key commitments as compared to previous financial year,

It should be noted that management showed committed to the OPCA process by continuously implementing the internal and external audit recommendations so as to retain an unqualified audit opinion and move towards the clean audit opinion, demonstrating a clean administration.

2.15.3. OPCA EXTERNAL AUDIT FOLLOW-UP

Internal Audit followed up on the progress with regard to the implementation of recommendations and action plans to address internal control deficiencies and resolving External Audit findings.

The table below provides a high-level summary of progress made towards resolving 2019/20 AG findings as at 30 June 2021:

Category of finding	Number of findings	Verified by Internal audit as resolved	Not resolved	Work in progress
BUDGET AND TREASURY DEPARTMENT				
Assets	2	2	0	0
Expenditure	4	4	0	0
Revenue from exchange	5	5	0	0
SCM	4	4	0	0
TOTAL	15	15	0	0
MUNICIPAL MANAGER'S OFFICE				
PMS	2	2	0	0
Internal Audit	1	1	0	0
TOTAL	3	3	0	0
CORPORATE SERVICES DEPARTMENT				
HRM	4	3	0	1
TOTAL	4	3	0	1
OVERALL TOTAL FINDINGS				
	22	21	0	1

Resolved	95,45%
Not resolved	0,00%
Work in progress	4,55%

The municipality managed to resolve 95,45% of the 2019/20 financial year AG findings. The 4.55% of work in progress is a matter which is still under investigation.

2.15.4. EVALUATION OF INTERNAL AUDIT

Internal Audit was evaluated by all the stakeholders on a scale of one to five. The Internal Audit is operating within the commitment of the entire Makhado Local Municipality and internal audit staff where everybody is striving towards meeting agreed upon deadlines.

In overall the Internal Audit had a very successful 2020/21 reporting period.

The following results indicate that internal audit was continuously adding value to the Makhado Local Municipality control, risk management and governance process during the 2020/21 reporting period:

<i>Performance Evaluation of Internal Audit Activity</i>		
<i>Self-Evaluation and Audit Committee 2020/21</i>		
<i>CRITERIA</i>	Audit Committee	Self-evaluation
	Rating	Rating
Managing the Internal Audit Activity	5.0	5.0
Status of the Internal Audit Activity	5.0	5.0
Nature of Work	5.0	5.0
Continuing Professional Development	3.75	4.4
Risk-based Auditing	5.0	5.0
Technology	3.0	4.7
Resources	4.5	4.8
Quality Assurance and Development	5.0	5.0
Communications	5.0	5.0
Relationship with Stakeholders	5.0	4.9
Operational Requirements	5.0	5.0
Overall Percentage 2020/21	93.1%	97.8%
Overall Percentage	95.5%	

2.15.5. INTERNAL AUDIT HIGHLIGHTS AND SUCCESSES FOR 2020/21

- Executed the continuous auditing model;
- Reviewed Mid-Year Financial Statements which resulted in Makhado Local Municipality submitting Annual Financial Statements which were free from material misstatement;
- Participated and assisted in the OPCA process which contributed towards the Municipality achieving Unqualified Audit opinion.
- Followed a communication strategy to build good communication and client relations with management and all related stakeholders.

Chapter 3

Service Delivery Performance

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

3.OVERVIEW OF SERVICE DELIVERY

Makhado Local Municipality is mandated to provide the following basic services:

- Electricity and,
- Refuse Removal, whilst water and sanitation are the responsibility of Vhembe District Municipality as a Water Service Authority (WSA).

According to Census 2011, Makhado Municipality service delivery backlog is summarized as follows:

TABLE: 17 BACKLOGS

SERVICE	NUMBER
Refuse Removal (household)	88 252
Housing	16 807

The electricity backlog stood at 6756 households which included Eskom distribution area and it is predominantly comprised of new developments and extensions. By end June 2021, a total of 960 households were provided with basic electricity in the municipality. Therefore the municipality still had a backlog of 5796 households.

With regards to refuse removal, a total of 9889 households were given access to refuse removal during the year under review. This represents coverage of 15% of the total municipality households. The remaining 85% which is in rural areas are receiving attention through the annual allocation of skip bins.

3.1.OVERVIEW OF CAPITAL PROJECTS IMPLEMENTED

3.1.1. ROAD INFRASTRUCTURE OTHER INFRASTRUCTURE PROJECTS

During the year (2020/2021) under review, the Municipality implemented a total of seventeen (17) infrastructure projects which includes upgrading of gravel to surfaced roads, bridge project, rehabilitation of streets, sports facility, fencing and building projects. Three roads projects completed, two building projects completed and while eight fencing were completed during the year.

3.1.2. ELECTRICITY CONNECTIONS

Eskom provides electricity to township households in 3 Townships and 164 villages as well as some private farms, whilst the Makhado Local Municipality provides electricity to the town of Makhado, 37 villages and private farms.

Currently the provision of basic electricity at household level to reduce the service backlog in both licensed areas is done on an annual basis with funding from the Department of Energy (DoE) through the Integrated National Electrification Programme (INEP). Areas identified are formulated into projects that are incorporated into municipal IDP. Households in the advantaged areas are connected as and when application is received from individuals or developers.

During 2020/21, a total of 1005 households were connected with electricity which represent an increase of 24% as compared to 1257 in the previous financial year.

Financial Year	Makhado Municipality	Local	ESKOM	Total
2020/2021	960		45	1005
TOTAL	960		45	1005

Municipality electrified 960 households, whilst Eskom electrified 45 households. 1005 households were electrified during the year under review.

The major challenge which the municipality is experiencing is the mushrooming of households in arrears where electrification projects had already been implemented; this creates a need for post-connections. Apart from the above mentioned challenge, there are more challenges which the municipality is facing day-by day which affects the electricity supply, which are as follows;

- Ageing infrastructure
- Backlog in preventative maintenance
- Limited funding and resources to maintain and improve the existing infrastructure
- High electricity losses due to theft and failures of old infrastructure
- Illegal connections
- Mushrooming of informal settlements and settlement on private land
- Criminal activities (such as vandalism and theft)

3.1.3. ROADS UPGRADING AND REHABILITATION

The Makhado Local Municipality is also responsible for the provision and maintenance of road infrastructure. Upgrading and maintenance of roads and storm-water improves accessibility within the municipality. The roads infrastructure networks and storm-water systems must be reliable, so as to improve economic conditions of the municipality.

The intention is to ensure that the public have usable roads, this can be achieved through effective spending and high quality maintenance of our roads. The major challenge for the municipality, as maintenance authority, is the ageing of infrastructure, insufficient funding and skilled personnel to adequately maintain the road network. Funding is on a downward spiral as the increase of funding on a year-to-year basis is less than previous years due to inflation.

By end of June 2021, the following six (06) projects were completed which included three (03) roads project and three infrastructure projects:

TABLE 18: ROADS COMPLETED

No.	Project Description	Status
1	Piesanghoek to Khunda Access road Phase 4	1,1km surfaced
2	Gombiti,Tshivhuyuni to Mamphagi Road Phase 3	2,6km surfaced
3	Tshikwarani to Zamkomste Road Phase 3	4,5km surfaced
4	Construction of Fencing N1 Tourism park inclusive of arts and craft centre	fenced
5	Fencing of Makhado municipality cemetry	7 cemeteries fenced
6	Tshakhuma Fruit Market Phase 1	Cooking areas, Ablution blocks, drilling of boles and water storages completed

TABLE 19 : INCOMPLETE AND MULTI-YEAR PROJECTS CARRIED TO 2021/2022

No.	Project Description
1	Valdezia Xitacini to Jiweni Access Road Phase 3
2	Waterval Sports Facility Phase 2 & 3
3	Rehabilitation of Streets Ramaano, Tshitotolwe and Denzhe)
	Multi-Year Projects
4	Tshedza to Vuvha Access Road Phase 3
5	Sane to Natali Bridge
6	Lutanandwa Access Road and Bridge
7	Rivoni to Xihlobyeni Access Road
8	Construction of Rathidili/Tshikwane Incubation Centre
9	Admin Block at Testing Ground
10	Tshakhuma Fruit Market Phase 2

3.1.4. CHALLENGES

The major challenge experienced during the year was suspension of work due to National Lockdown which was as a results of Covid-19 pandemic, some projects were not completed and this has led to roll-over application of grant funding.

3.2. BASIC SERVICES

3.2.1 PROVISION OF ELECTRICITY SERVICES

In terms of Stats SA 2016, by the 1st of July 2017 Makhado Local Municipality had a total of 7504 household without access to basic electricity, comprised of new settlement and villages extensions. Most of this number is under the Eskom licensed areas. The Municipality has a free basic electricity (FBE) policy which is designed to service the poor households or indigents. During the year under review a total of 6208 (2546 Makhado Local Municipality & 3662 Eskom) household were given free basic electricity. A total of 1%. (based on the cost of sales).

Makhado Local Municipality is implementing an alternative source of energy programme. PV Solar is rolled out across the entire municipality to non-grid customers. Engagements are at advanced stage with department of energy for funding as the cost per unit is out of approved norm.

During the year under review a total of 1005 household were electrified within the municipality. Makhado Local Municipality electrified 960 households whilst ESKOM electrified a total of 45 households.

By end of June 2021, municipality had a total of 116 568 households having access to basic electricity. Table below detailed the names of villages benefited including source of funding and budget spent.

TABLE 20 ELECTRICITY CONNECTIONS

Item	Project	Connections
1	Muananzhele Phase3 KANANA	620
2	Buysdorp	100
3	Post connections Makhado licensed area	240
TOTAL		960

It should be noted that, whilst municipality is doing well with regards to electrification, however the municipality is experiencing huge challenge with regard to operation and maintenance of the current electrical infrastructure. Lack of funding as well as a very large backlog in preventative maintenance have been identified as a key risks, of which municipality will need to focus on urgently. Another critical challenge is of bulk supply capacity to expand the growth of town. To date the municipality electrical bulk capacity amount to 48 MVA. This capacity is not enough if municipality intend to meet the Special Economic Zone expectations. The Municipality is currently in negotiation with ESKOM and it is anticipated that additional 18MVA will be made available in year 2020/21.

The Municipality is experiencing low response rate, with regards to respond on call-out. A total of 16996 calls were lodged with the Call Centre during the year under review.

Table below represents the last three (3) years stats of fault attended.

3.2.2. FAULTS REPORTED AND ATTENDED

TABLE 21: ELECTRICITY FAULTS

Unplanned outages	2018/19	2019/20	2020/21
Reported and attended	11,117	12,119	14 480

In order to improve in monitoring the performance a new telephone system were installed at the Call Centre in order to improve on monitoring. Statistics for 2020/2021 depicted below shows the engagement in service delivery response.

TABLE 22: CALL CENTRE STATISTICS – ELECTRICITY

MONTH	ELECTRICITY COMPLAINTS NUMBER OF CALLS	TOTAL NUMBER OF CALLS FOR SERVICE COMPLAINTS
JULY 2020	790	870
AUGUST 2020	1089	1173
SEPTEMBER 2020	1155	1225
OCTOBER 2020	1047	1133
NOVEMBER 2020	1131	1211
DECEMBER 2020	1485	1553
JANUARY 2021	2541	2613
FEBRUARY 2021	1505	2269
MARCH 2021	1400	1447
APRIL 2021	924	1398
MAY 2021	708	1033
JUNE 2021	705	1071
TOTAL	14480	16996

On average, 85.2% of all calls received at the Call Centre were complaints related to electricity services.

Due to the municipality's vast electrical network, the determination of the losses are challenges. The NERSA norm on electricity losses is 10%. Losses are due to overhead power lines, wind, heat, copper, iron and aluminum losses that are inherent in any electrical distribution system. None of the two can be done due to financial capacity and equipment constraints. Table below is the last 3 years distribution (energy) loss.

TABLE 23: ELECTRICITY LOSSES

YEAR	2018/19	2019/20	2020/21
LOSSES	13.62%	10%	10%

3.2.3. PROVISION OF REFUSE REMOVAL SERVICES (WASTE MANAGEMENT)

The municipality has 2 licenses/ permits for waste transfer station in two regions being Watervaal and Dzanani. Dzanani Refuse Transfer Station is in operation whilst Watervaal is not due to land availability challenge. With regards to waste drop off facilities, the municipality has an existing six (6) drop off sites and 43 refuse skip bins were strategically located in 31 villages within the municipality.

As part of poverty alleviation, the municipality participated on Nakisani Vhupo Hashu program and a total number of 298 unemployed workers were appointed as part of Extended Public Works Program (EPWP). A total number of 22 Waste Management ambassadors and coordinator for good green deeds (Thuma-mina) Presidential project was deployed to the municipality to fight against environmental pollution and their contracts to expire on the 30 September 2021.

As per our service standards, all domestic households in R293 towns were serviced once per week, whilst businesses were serviced twice per week. During the year under review a total number of 9889 in urban households were serviced, 984 businesses were serviced twice per week. However, Central Business District's (CBD) were serviced on daily basis. As part of keeping our environment clean, the municipality has rendered refuse collection and cleaning of public open spaces. By June 2021, a total area of 519 km² has been cleaned per day.

The Municipality has appointed a service provider for the Rehabilitation of Vondeling Landfill site phase 1. During the year under review 43 refuse skip bins were allocated to 31 rural villages as a way of extending refuse removal. The increase in the number of employees per annum represent the increase in the volume of work being done as reflected in the table below:

TABLE 23: INCREASE OF CLEANING PROGRAMS

Item.	2018/19	2019/2020	2020/2021
Nakisani Vhupo Hashu program	250 workers	260 workers	298 beneficiaries
Cleaning of public open spaces	519 m ²	519 m ²	519 M ²

The municipality had procured additional 11 refuse removal trucks of which 5 are refuse compactor trucks and 6 are skip loader trucks for removal waste trucks to service household and business premises in urban and rural areas. The municipality appointed the service provider for operation and maintenance of Makhado New Landfill site for a period of three years.

TABLE 24: SOLID WASTE SERVICE DELIVERY LEVELS:

SOLID WASTE SERVICE DELIVERY LEVELS				
DESCRIPTION	HOUSEHOLDS			
	2018/2019	2019/2020	2020/2021	
	ACTUAL	ACTUAL	ACTUAL	REMEDIAL ACTION
<i>Solid Waste Removal: (Minimum level)</i>				
Removed at least once a week	17285	17455	9889 urban areas and 43 skip bins in 31 villages	Increase collection through placing of refuse skip bins in rural areas as refuse referral points
<i>Minimum Service Level and Above sub-total</i>	17285	17455	9889 and 31 villages	None
<i>Minimum Service Level and Above percentage</i>	15%	15%	9889 and 31 villages	None
<i>Solid Waste Removal: (Below minimum level)</i>				
Removed less frequently than once a week	N/A	N/A	None	None
Using communal refuse dump	N/A	N/A	None	None
Using own refuse dump	N/A	N/A	None	None
Other rubbish disposal	N/A	N/A	None	None
No rubbish disposal	116371	116371	116371	None
<i>Below Minimum Service Level sub-total</i>	99104	99086	98916	None
<i>Below Minimum Service Level percentage</i>	85%	85%	85%	None
Total number of households	17267	17285	9889 and 31 villages	None

Variations in the above years were noted due to new demarcation after 2016 Local Government elections, which saw a large part of the municipality falling under Collins Chabane Municipality.

3.2.4. COMMUNITY & SOCIAL SERVICES

The Municipality has a total number of 13 community halls that were servicing communities, during the financial year under review. These halls are strategically located per region. These facilities are also used by communities when they held their community meetings.

3.2.6. MUNICIPAL PUBLIC LIBRARIES

The Municipality owns one (01) public library and play a coordinating role on libraries that belongs to Provincial Government under the Department of Sport, Arts and Culture. The Municipality has coordinated 10 additional satellite libraries located within its jurisdiction. During the year under review municipality also participated at various events of which amongst others, this includes readathon, library week, world book day and back to school campaigns.

TABLE 25: PUBLIC LIBRARY – BOOKS ISSUED AND MEMBERS

ACTIVITY	2018/19	2019/20	2020/2021
Books issued	2659	2260	308
Satellite Libraries	4	9	10
New Members	159	175	50

The Municipality is having one (01) main Library and nine (10) satellite libraries. Currently we are busy establishing another satellite library at Luvuvhu Region, Hamutsha area. The Musekwa satellite library is fully functioning. A total number of 2260 books were issued to library users and the number of new members increased by 175, during the year under review.

3.2.6. MUNICIPAL PARKS AND CEMETERIES

During the year under review, the Municipality managed to operate and maintain a total of twenty nine (29) parks, four (4) sports facilities, six (6) cemeteries and municipal ablution facilities within its jurisdiction. Designs and Bill of Quantities for phase 2 of developed new park under Dzanani Region have been finalised and budgeted for 2021 financial year

3.2.7. MUNICIPAL CREMATORIA AND HERITAGE

The municipality has one crematorium which is mostly used by the Muslim community. The municipality provide basic maintenance. The municipality has also performed some maintenance functions at heritage sites, i.e Dzata Museum.

3.2.8. DISASTER MANAGEMENT SERVICES

With regard to Disaster Management Services, the municipality had experienced a total number of fifty(50) fire and seventy two(72) storm/flood incidences, whilst a twenty seven(27) disaster relieve programs were conducted during the year under review.

TABLE 26: DISASTER INCIDENTS

Incidences	2018/19	2019/2020	2020/2021
Fire Incidence	50	33	56
Storm/floods Incidence	72	4	109
Death Incidences	0	0	0
Burned Incident	0	0	0
Disaster relieve programs	27	37	138

Variations in the above years were caused due to different challenges of climate changes experienced in each year in comparison to the year under review.

3.2.9. ENVIRONMENTAL HEALTH

Makhado Local Municipality is rendering Municipal Health Services which is the competency of District Municipality. During the year under review the following programs were done:

TABLE 27: ENVIRONMENTAL HEALTH ACTIVITIES

Activities	2018/19	2019/2020	2020/2021
Business premises inspected	183	153	161
Certificates of acceptability issued	45	75	56
Water samples performed	3	3	0
School inspection performed	12	34	14
Building plan scrutinized	115	91	180

The section is responsible for the monitoring and supervising the collection and disposal of Health Care Risk Waste by appointed service provider who is responsible for servicing female toilets. The main aim is to reduce the health hazards within its municipal buildings.

3.2.10. PROTECTION SERVICES

The Municipality renders Security Services at all the municipal properties within municipal areas. This includes provision of security for revenue collected at various municipal pay points. The Division is composed of Traffic Law Enforcement, Registering Authorities, Vehicle Testing Stations and Driving License Testing Centres. During the year under review the following activities were performed:

3.2.11. TRANSPORT: VEHICLE LICENSING & TRAFFIC SERVICES

Municipality is an agent of Department Transport for the issuing of vehicle licenses which also includes testing of vehicles as part of vehicle licensing procedure. For this task the Municipality retains 20% of revenue generated from these services which does not cover its operational costs to perform the function. The municipality continue to render traffic services in an effort to ensure the maintenance of highest safety standards.

TABLE 28: TRAFFIC & LICENSING ACTIVITIES:

Activities	2018/19		2019/2020		2020/2021	
	No.	Value	No.	Value	No.	Value
Written notices issued	10382	7992100	7304	4441790	8368	4983550
	Actual		Actual		Actual	
Department of transport 80%	R14 462 300.04		R 14 448 799.80		18590833.58	
	Actual		Actual		Actual	
Municipality 20%	R3 615 575.00		R 3 592 169.95		4647708.41	

3.2.12. SPORTS ARTS AND CULTURE SECTION

This section is responsible for coordination of sports activities and monitoring of sports facilities within Makhado Local Municipality's boundaries.

3.2.13. SPECIAL PROGRAMMES

Special programmes are located in the Office of the Mayor. This unit is responsible with overseeing the following programs:

- Youth, Women and the Aged,
- HIV/AIDS,
- Moral Regeneration,
- Children,
- Traditional Affairs and
- Batho-Pele.

Council has established structures for each category which is governed in terms of national, provincial and local legislation and by laws respectively.

TABLE 29: CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

FINANCIAL YEAR	2018/2019		2019/2020		2020/2021	
	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
SERVICE TARGETS						
Women's Forum	4	4	4	0	4	0
Senior Citizen Forum	4	4	4	0	4	0
Youth Programmes	4	4	4	0	4	0
Moral Re generation	4	4	4	0	4	0

N.B. Special programme could not conduct required meetings due to Covid-19 restrictions

3.2.14. HOUSING FOR THE POOR

The provision of housing is the function of the Provincial Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGHSTA) and the municipality plays an active role in the coordination of the housing development projects by making land available for such development, providing lists of beneficiaries, identifying challenges and resolving them with support from local stakeholders like Ward Committees and traditional leaders. A total number of 300 houses could not be built in the 2020/2021 financial year due to Covid-19.

The Municipality is an accredited level One by the Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGHSTA)

TABLE 30 HOUSING PROJECTS

FINANCIAL YEAR	2018/2019		2019/2020		2020/2021	
SERVICE TARGETS	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Service Objectives	300	300	300	0	300	0

N.B. CoGHSTA is still addressing 2015/16 housing backlogs and the 300 houses could not be built owing to budget cut due to Covid-19.

3.3. DELIVERY OF FREE BASIC SERVICES

The Municipal Council must give priority to the basic needs of the community, promote the social and economical development of the community and ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services in terms of Section 152(1)(b) and 153(b) of the Constitution.

Council adopted a Policy on Subsidy Scheme for Indigent Households, 2018/19 as per Council Resolutio A.57.31.05.18.

The purpose of this policy is to ensure that the subsidy scheme for indigent households forms part of the financial management system of Makhado Municipality and to ensure that the same procedure be followed for each individual case.

Services Subsidised:

Electricity

A subsidy of fifty (50) units of electricity per property per month to all individual households will apply. Where the consumption exceeds fifty (50) units per month the consumer will be charged for actual consumption exceeding fifty (50) units at the approved tariff.

Refuse Removal

A subsidy, determined at the beginning of every financial year and not more than the applicable tariff for that year, will be applied for the duration of that particular financial year. The amount of the subsidy will be determined and approved as part of the tariff policy applicable for the financial year.

TABLE 31: SUPPORT: LOW INCOME HOUSEHOLDS

FINANCIAL YEAR		2018/2019		2019/2020		2020/2021	
SERVICE TARGETS		TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
<i>Provision of Free Basic Services</i>	Electricity	8000	7105	7522	7560	7253	4680
	Refuse Removal	17285	17285	9889	9889	9889	9889

3.4. OTHER MUNICIPAL SERVICES

3.4.1. ROADS AND STORM WATER DRAINAGE

The internal street networks in the rural areas are predominantly gravel and are generally in a bad state. Most of these villages are located in a predominantly clay and mountainous areas which hamper proper access to the communities particularly during the rainy season. There are either inadequate or no proper storm water and drainage systems in rural areas which result in severe erosion of streets as well as damming of water. Most of the roads linking the villages are graveled and lack proper maintenance and cannot be used in very wet conditions.

The streets in Makhado town and the proclaimed townships are generally tarred and provided with storm water drainage systems. Most of the tarred streets are in bad condition and need to be rehabilitated. In general, the roads in Makhado Municipal area are in a bad condition and require either upgrading or rehabilitation to be accessible during all weather conditions.

The total road and storm water management system backlog is estimated at approximately four thousand two hundred and eighty two (4,282) km. The largest backlog is in Dzanani, Waterval and Levubu regions in which most of the villages are located in mountainous, rocky and clayish positions which aggravate the condition.

These regions require more tarring to improve the condition. The Municipality has an annual program for the upgrading of roads from gravel to surfaced over a long term. In 2020/2021 financial year the following roads were upgraded which contributed on the slight reduction of the backlog: Tshikwarani to Zamekomste access road Phase 3, Gombiti, Tshivhuyuni to Mamphagi Road Phase 3 and Piesanghoek to Khunda Access road Phase 4.

TABLE 32: GRAVEL ROAD INFRASTRUCTURE

GRAVEL ROAD INFRASTRUCTURE				
KILOMETERS				
	TOTAL GRAVEL ROADS	NEW GRAVEL ROADS CONSTRUCTED	GRAVEL ROADS UPGRADED TO ASPHALT	GRAVEL ROADS GRADED / MAINTAINED
2018/19	4286.4km	0	11.6km	4286km
2019/20	4282km	0	4.4km	4282km
2020/21	4276.4km	0	5.6km	4276.4km

A total number of 5.6 kilometres of gravel roads has been upgraded to asphalt during the year under review, as compared to only 4.4 kilometres during the 2019/20 financial year.

3.4.2 ROAD MAINTENANCE PROGRAMME

Besides maintenance of surfaced roads, gravel roads are also maintained on a regular basis through our municipality road maintenance Programme.

A total number of 4276.4 kilometres of gravel roads has been maintained during the year under review.

3.5. MUNICIPAL INFRASTRUCTURE GRANT (MIG) EXPENDITURE

Makhado Local Municipality receives MIG funding for development of its infrastructure. In 2020/2021 financial year a total of R 87 876 000,00million was allocated in this regard. Municipality was able to spent 100% MIG expenditure. The approved roll-over of R9 583 566,53 was also spent 100%.

TABLE 33: CAPITAL EXPENDITURE 2020/2021: ROAD SERVICES

PROJECT NAME	MIG FUNDING	ACTUAL EXPENDITURE
Piesanghoek to Khunda Access road Phase 4	R0.00	R0.00
Waterval Sports Facility Phase 2 & 3	R 15 445 376.66	R 15 445 376.66
Tshedza to Vuvha Access road Phase 3	R 36 757 760.02	R 36 757 760.02
Gombiti, Tshivhuyuni to Zamekomste road Phase 3	R 14 701 374.96	R 14 701 374.96
Valdezia Xitacini to Jiweni access road phase 2 & 3	R 5 920 044.25	R 5 920 044.25
Fencing of Makhado Municipality cementery (Dzumbathoho-Phadzima, Vleifontein, Gogobole, Tshivhade, Raliphada, Pfananani, Mashau Matanda)	R 2 573 206.81	R 2 573 206.81
Sane to Natalie bridge	R 3 054 313.68	R 3 054 313.68
Rivoni to Xihlobyeni access road	R3 694 645.31	R3 694 645.31
PMU Management Fees	R 2 469 151.14	R 2 469 151.14
TOTAL	R 87 876 000.00	R 87 876 000.00

Table below is the roll-over expenditure

PROJECT NAME	MIG FUNDING	ACTUAL EXPENDITURE
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PROJECT NAME	MIG FUNDING	ACTUAL EXPENDITURE
Tshikwarani to Zamkomste Road Phase 3	R 3 520 906,82	R 3 520 906.82
Valdezia Xitacini to Jiweni access road Phase 3	R 1 700 000.00	R 1 700 000.00
Waterval Sports Facility Phase 3	R 1 062 626.71	R 1 062 626.71
Tshedza to Vuvha Access road Phase 3	R 1 800 000.00	R 1 800 000.00
Gombiti, Tshivhuyuni to Zamekomste road Phase 3	R 1 500 000.00	R 1 500 000.00
TOTAL	R 9 583 533.53	R 9 583 533.53

MUNICIPAL INFRASTRUCTURE GRANT (MIG) EXPENDITURE

Makhado Local Municipality receives MIG funding for development of its infrastructure. In 2020/2021 financial year a total of R87 876 000,000 million was allocated in this regard. Municipality was able to spent 100% MIG expenditure.

3.6. DEVELOPMENT PLANNING

Development Planning plays a critical role in ensuring that the municipal vision to be realised. The strategic objectives of this unit cannot be isolated from the municipal vision and mission. In order to achieve the Vision there must be planned projects each and every financial year. The spatial plans must be implemented while taking into cognisance provincial and national plans.

The Department is consists of Local Economic Development Division, Town Planning, Building, Survey, Properties, Valuation, Environment ,Local Economic Development (LED) and Housing sections. The Department plays a pivotal role in terms of developing plans, policies, by-laws and strategies aimed at attracting developments, investors and job creation, and it is also the main driver to the success of the Municipality vision.

3.6.1. SPECIAL ECONOMIC ZONE

Makhado Local Municipality is a provincial growth point and has been declared special economic zone. As indicated during the previous annual report that the municipality is taking

full advantage of the special economic zone, the Council at its a meeting held on the 30th October 2018 took a resolution for the maximum participation by delegating Municipal officials to be part of SEZ board .The designated farms that forms part of SEZ include Somme 611 MS, Remainder of farm Lekkerlag 580 MS and Portion 1 of the farm Joffre 584 MS . Municipality is in the process of developing spatial development framework to cover the marked area. We are fully participating in the SEZ steering committee.

3.6.2. AUTHORISED OFFICIAL, MUNICIPAL PLANNING TRIBUNAL AND APPEAL AUTHORITY

3.6.2.1 AUTHORISED OFFICIAL

In compliance with the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) and the Municipality Spatial Planning, Land Development and Land Use Management By-Law, 2016, it was reported during 2018/2019 annual report that the Municipality has since appointed authorised official to consider land development and land use applications. During the 2020/2021 financial year the authorised official considered 154 applications compared to 389 during 2019/20.

3.6.2.2 MUNICIPAL PLANNING TRIBUNAL

Council at its meeting held on the 31 July 2018 and 30 August 2018 considered a report for the advertisement to call for nominations of Municipal Planning Tribunal and Appeal Authority respectively and that the appointment was done in August 2019. It was reported during 2019/2020 financial year that the Municipal Planning Tribunal considered 4 land development and land use applications.

During the 2020/2021 financial year the Municipal Planning Tribunal considered eight(08) land development and land use applications compared to four(04) land development and land use applications considered during the 2019/2020 financial year.

3.6.2.3 APPEAL AUTHORITY

There were no applications considered by the Appeal Authority during 2020/2021 financial year

3.6.3. LAND ALIENATION AND REVENUE COLLECTION

The alienation of properties plays a significant role in terms of bringing development to the Municipality. As part of the revenue collection, the Development and Planning Department is also responsible for the management of the Municipal valuation roll. The valuation roll was successful implemented on the 1st July 2018 and Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) was adhered with during the process. The Department will continue with the monitoring of supplementary valuation roll.

3.6.4. DEMARCATION OF RESIDENTIAL SITES AND TOWNSHIP ESTABLISHMENT

In order to achieve advance spatial planning and promote community well-being and environmental welfare, the municipality is also demarcating residential sites in communal land

and Municipal owned land. This is also aimed at proper implementation of SPLUMA, Spatial Development Framework, Land Use Scheme and By-Law.

3.6.4.1 DEMARCATION OF RESIDENTIAL SITES

During the 2019/2020 financial year that the municipality has demarcated 900 sites at different villages. During the year under review the municipality is in the process of demarcating more than 700 sites in the following areas: Doli-Doli and Tshikuwi. Due to National Lockdown all these projects could not be completed.

3.6.4.2 TOWNSHIP ESTABLISHMENT

During the 2019/2020 financial year the municipality embarked on establishing townships to expand the town. The following townships are being establish: Louis Trichardt Extension 13 and Tshikota extension 2. All these projects combined have 901 erven and due to National Lockdown are not yet completed. Although they are not yet completed there is progress and it is anticipated that during the 2021/2022 the projects will be completed.

The Municipality will continue to support and build on other short to medium public and private programmes like the Expanded Public Works Programme, establishment of cooperatives and SMME's in the tourism and agriculture sectors. It should be noted that there are a number of cooperatives that need funding as financial constraints remain a challenge.

With regards to building and zoning plans, table below detailed the 2020/2021 achievements per category of applications:

TABLE 34. BUILDING AND ZONING PLANS (2020/2021)

Category	Number of new applications received
Building Control	361
Rezoning	12
Consolidation	04
Erven alienated	8
Subdivision	01
Consent	137
TOTAL	523

During the year under review a toatal of 523 applications were rceived and attended to. This included 361 building control, 12 rezoning, 04 consolidation,08 erven alienated, 01 subdivision and 137 consent applications.

3.6.5.LOCAL ECONOMIC DEVELOPMENT

The Municipality is also responsible for Local Economic Development and in partnership with the National Department of Small Business Development Municipality had during 2020/2021 financial year continued to support Tshakhuma Community Fruit Market. Feasibility studies for Erf 210 Burgher stalls, Rathidili Incubation Centre and N1 Tourism center has been completed.

Construction of ERf 210 and Rathidili Incubation Centre has commenced and will be completed in 2021/2022 financial years

The Municipality has during 2020/2021 financial year funded and supported the following cooperatives namely Songozwi Bakery and Confectionary, Byshoek (Buysdrop) Agricultural Cooperative, Chembry Agricultural Cooperative, Rathidili /Tshikwani Agricultural and Exhibition Centre and N1 Recreation and Entertainment Centre .

The projects that were supported by the Municipality from own income, during 2020/2021 financial year are the following:

TABLE 35: LED PROJECTS

No	Name of Project	Kind of Support	Number of beneficiaries
1	Rathidili/Tshikwani Agricultural Cooperative	Construction of an Incubation Centre	16
2	Songozwi Bakery and Confectionary	Bakery Consumables	05
3	Buysdrop Agricultural Cooperative	Boreholes	12
4	Chembry Agricultural Cooperative	Bore-hole	12
5	N1 Recreation and Entertainment Centre	Fencing	14

TABLE 36: EPWP JOBS CREATED

YEAR	JOBES CREATED THROUGH EPWP PROJECTS
2018/2019	250
2019/2020	850
2020/2021	347
TOTAL	1 447

Chapter 4

Organisational Development Performance

CHAPTER 4

COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

As at 30 June 2021, Makhado Municipality had a total workforce of five hundred and twenty nine (529) employees, distributed to departments. The Table below depicts the number of employees and vacancies.

TABLE 37 EMPLOYEE NUMBERS AND VACANCIES

Description	Employees Numbers and Vacancies				
	2018/19	2019/20	2020/21		Vacancies No.
	Employees numbers	Employees numbers	Approved Posts No.	Employees No.	
Office of the Mayor	6	12	12	4	8
Office of the Speaker	5	11	11	7	4
Office of the Chief Whip	-	1	1	1	0
Municipal Manager's	10	16	16	10	6
Corporate Services	39	77	77	45	32
Community Services	160	177	177	136	44
Technical Services	137	234	234	120	113
Development Planning	27	49	52	29	23
Budget & Treasury	72	110	110	60	50
Dzanani Regional Office	60	86	86	58	28
Waterval Regional Office	67	77	77	58	21
Luvuvu Regional Office	-	66	66	0	66
TOTAL	583	916	919	528 filled=524 Pool=4	395

Organizational performance rate is at 57.1% whereas the vacancy rate is at 42.9%. There is a need to fill vacancies if the municipality has to maximise its organizational performance and as such the municipality will develop comprehensive recruitment plan during the 2021/22 financial year .

AGE PROFILE

AGE PROFILE	MALE	FEMALE	Total
61-65 Years	22	21	43
51-60 Years	108	92	200
41-50 Years	116	42	158
31-40 Years	71	50	121
21-30 Years	7	6	13
18-20 Years	0	0	0
TOTAL	324	211	535 - 6 Interns =529

A total number of 358 employees, comprising of 158 and 200 employees were between the ages of 41-50 and 51-60 respectively. This represented a high number of the municipality ageing workforce which will require the municipality to develop a comprehensive succession plan.

Table below depict the staff turnover rate, during the year under review:

TABLE 38. TURNOVER RATE

Details	Total appointments as of beginning of Financial Year No.	Terminations during the financial year No.	Turn-Over Rate %
2018/19	583	25	4.3%
2019/20	553	25	4.5%
2020/21	529	27	5.1%

The Municipality had a staff turnover of 4.5%, which is 0.2% higher than the previous financial year.

COMPONENT B: MANAGING MUNICIPAL WORKFORCE

The following policies amongst others guide the managing of the municipal workforce.

TABLE 39. HUMAN RESOURCES POLICIES

	Name of Policies	Completed %	Reviewed
1	HIV Policy, 2021	100%	30/06/2021
2	Succession Planning Policy, 2021	100%	30/06/2021
3	Housing Allowances Policy, 2021	100%	30/06/2021
4	Acting Allowance, 2021	100%	30/06/2021
5	Appointment Procedures Policy, 2021	100%	30/06/2021
6	Pension Fund and Medical Aid Policy, 2021	100%	30/06/2021
7	Employee Assistance Program Policy, 2021	100%	30/06/2021
8	Career Path, 2021	100%	30/06/2021
9	Dress Code, 2021	100%	30/06/2021
10	In-Service Training Policy, 2021	100%	30/06/2021
11	Language Policy, 2021	100%	30/06/2021
12	Placement Policy, 2021	100%	30/06/2021
13	Retention Strategy Policy, 2021	100%	30/06/2021
14	Training and Development Policy, 2021	100%	30/06/2021

	Name of Policies	Completed %	Reviewed
15	Employment Practices Policy, 2021	100%	30/06/2021
16	Human Resources Strategy, 2021	100%	30/06/2021
17	Employee Funeral Assistance Policy, 2021	100%	30/06/2021
18	Tobacco Control Policy, 2021	100%	30/06/2021
19	Occupational Health and Safety Policy, 2021	100%	30/06/2021
20	Leave Policy, 2021	100%	30/06/2021
21	Standby Policy, 2021	100%	30/06/2021
23	Transfer of Staff Policy, 2021	100%	30/06/2021
24	Amended Overtime Policy, 2021	100%	30/06/2021
25	Sports Team Policy, 2021	100%	30/06/2021
26	Danger Allowance Policy, 2021	100%	30/06/2021
27	Councillors' Funeral Assistance Policy, 2021	100%	30/06/2021
28	Employment Equity Plan 2019-2023	100%	30/06/2021
29	Official Time Policy, 2021	100%	30/06/2021
30	Skills Development Policy, 2021	100%	30/06/2021
31	Travel Allowance Policy, 2021	100%	30/06/2021

The turnaround time for the review of Council policies which were recently adopted by Council was set at 3 years or earlier and as and when the Municipal Manager, Council or any Structure of Council requires changes in Policy position.

4.HEALTH AND SAFETY MATTERS

4.1.OCCUPATIONAL INJURY

During the year under review the Municipality recorded a total of ten(10) injuries, one(01) of which being a **disabling injury**. However, EPWP employees were the most affected with a high injury rate due to negligent and infrequent use of PPE.

TABLE 40 : ALL THE INJURIES RECORDED ON A YEAR UNDER REVIEW:

S/NO	DATE OF ACCIDENT	SALARY NUMBER	INITIAL AND SURNAME	GENDER	PARTICULARS OF ACCIDENT	LEAVE PERIOD	NO OF DAYs
01	16/08/20	EPWP	Khantshi N	Male	Fractured Jaw	28/09/2020-19/10/2020	21
02	25/09/20	EPWP	Tshautshau L	Female	Index Finger Injury	25/09/2020-30/09/2020	05
03	09/10/20	EPWP	Radau A	Male	Middle finger injury	09/10/2020-26/10/2020	17
04	11/12/20	EPWP	Mikosi P	Female	Body Injury	11/12/2020-24/12/2020	13

05	29/12/20	EPWP	Ramaite MG	Male	Foot Injury	29/12/2020-31/12/2020	02
06	24/02/21	S008569	Kutama NO	Female	Electrocuted	Deceased	N/A
07	11/02/21	EPWP	Mathebula NL	Male	Finger Injury	11/02/2021-19/02/2021	08
08	30/03/21	S009582	Mukwevho A	Male	Back Injury	31/03/2021-02/05/2021	32
09	31/05/21	S009504	Silamulela M	Male	Back Injury	N/A	N/A
10	04/05/21	S006289	Mashamba TC	Male	Leg Injury	N/A	N/A

NUMBER AND COST OF INJURIES ON DUTY				
Type of Injury	Injury Leave Taken	Employees Using Injury Leave	Average Injury Leave Taken Per Employee	Total Estimated Cost
	Days	No	%	R,000
Required Basic Medical Attention Only	77	07	9 %	R 9548,00
Temporary Total Disablement	None	None	None	None
Permanent Disablement	None	None	None	None
Fatal	1	None	None	None
TOTAL	77	7	9 %	R 9548,00

The Municipality has introduced mechanisms to address basic causes of all incidents and identify relevant management for intensive and effective incident investigation interventions to reduce the high rate.

PUBLIC INCIDENTS

There was one (1) reported public incidents for the period under review. This can be attributed to the fact that the Municipality has enforced compliance on construction safety. All Contractors appointed by the Municipality has been advised to display safety notices on the construction sites with the intent to prevent injuries and fatalities around construction sites by creating

public awareness on health and safety issues. These notices contain vital precautionary information for communities in the areas where these projects take place.

4.2. ABSENCE DUE TO ILL HEALTH

4.2.1. SICK LEAVE

The employees are entitled to eighty days (80) sick leave in a three year leave cycle in terms of the SALGBC Main Collective Agreement. The table below depicts further information on sick leave.

TABLE 41. SICK LEAVE STATISTIC

How is sick leave controlled NB

Salary Band	No of sick leave days taken	No of Sick Leave without medical certificate	No of Employees granted sick leave	Average Scale	Total Employees in posts	Estimated Cost R
MM and Section 57	0	0	0	R 839 008.20	2	R 0
Management 1 = 0 3 = 5	0	0	4	R 640 453.28	231	R 0
Highly Skilled Supervision 4 = 18 5 = 12 6 = 43	223	0	28	R 467 850.20	121	R 417 322.38
Highly Skilled Production 7 = 55 8 = 08	109	0	10	R 344 577.15	77	R 150 235.64
Skilled 9 = 25 10 = 36 11 = 11 12 = 08	230	0	8	R 221 530.16	53	R 203 807.75
Lower Skilled 13 = 10 14 = 28 15 = 45	430	0	18	R 166 847.52	45	R 286 977.73
Total	992	0	68	R2 680 266.52	529	R1 058 343.50

Estimated cost is calculated as follows

Average scale / 250 (no of working days per annum) * number of sick days leave taken.

SUSPENSIONS

In terms of the Employees Disciplinary Code, in a case of alleged misconduct, an employee may be suspended. No employees were suspended during the year under review .

TABLE 42. SUSPENSIONS

Position	Nature of alleged misconduct	Date of Suspension	Details of Disciplinary Action Taken or Status of the Case	Date Finalised
NONE	NONE	NONE	NONE	NONE

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.3.SKILLS DEVELOPMENT AND TRAINING

The municipality develops its workforce by ensuring that there is sustainable capacity building. This is done in the first place by conducting skills audit. The results of skills audit assist in compilation of the skills development plan or Workplace Skills Plan (WSP). The plan is submitted to **LGSETA** as a guiding document in terms of which training will be done for the particular financial year. **Legislators** and Employees across all levels have gone through various capacity building programs.

4.3.1.TRAINING

The table below provides details of the demographic breakdown of various training provided to Councillors and employees:

TABLE 42 :TRAINING PROVIDED FOR 20 COUNCILORS:

Demographic	Male	Field of Study	Female
African	13	<ul style="list-style-type: none"> • Performance Management System (PMS) (14) • Local Labour Forum Training (LLF) (1) • Public Municipal Account Committee 	6
White	0		1
Coloured	0		
Indian	0		

Total	13	Training (MPAC) (5)	7
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In 2020/21 financial year, training was provided for all twenty(20) councillors which amount to 100% as compared to the previous financial year where there was an overachievement of 30%. The decline in this regard however is attributable to Covid-19 regulations.

TABLE 43 : TRAINING PROVIDED FOR 310 SKILLS PROGRAM:

Demographic	Male	Field of Study	Female
African	136	<ul style="list-style-type: none"> Ward Committee Training (310) 	174
White			
Coloured			
Indian			
Total	136		

In 2020/21 financial year, 310 learners were allocated for skills training programme compared to 200 during 2019/20 financial year. This is a significant increase of 110 students during the year under review.

TABLE 44 : TRAINING PROVIDED FOR 83 OFFICIALS:

Demographic	Male	Field of Study	Female
African	52	<ul style="list-style-type: none"> How to develop an assets management plan (03) Operating Regulation High Voltage Systems (ORHVS) (19) Municipal Finance Management Programme (MFMP) (22) 	31
White	0		
Coloured	0		
Indian	0		

		<ul style="list-style-type: none"> • Utilization of contracts and IDM procedures (05) • ACCA candidacy programme (11) • Operating Regulation High Voltage Systems (ORHVS) practical's (03) • Municipal Public Account committee training (01) • Monitoring & Evaluation (01) • Performance Management System (01) • Local Labour Forum (LLF) (13) • Occupational Health & Safety training (01) • FNB Online banking training system (03) • Office Machine Operation (09) • Gap skills System (02) 	
TOTAL	52		31

A total number of **83** officials were trained during the year under review as compared to 135 of the previous financial year.

4.3.2. BURSARIES AND INTERNSHIP

Bursars who have qualified and received practical training are provided with an opportunity as young graduates to be able to participate in filling of vacant positions, with females being 37.5% of the bursars in the year under review which is higher by 6.25% as compared to the previous financial year wherein females were 43.75%.

The table below provides details of the demographic breakdown of the 6 bursars currently sponsored for full time study:

TABLE 45 : BURSARIES FOR FULL TIME STUDY PER POPULATION GROUP AND GENDER

Demographic	Male	Field of Study	Female
African	3	<ul style="list-style-type: none"> • Electrical Engineering • Bcom Accounting 	3
White	0		0
Coloured	0		0

Indian	0		0
Total	3		3

TABLE 46 : INTERNS BY POPULATION GROUP AND GENDER

Demographic	Male	Area of Studies	Female
African	25	<ul style="list-style-type: none"> • Huma Resource Management • Public Management • Financial Management • Mechanical Engineering • Civil Engineering • Electrical Engineering • Financial Accounting • Urban & Regional Town Planning 	42
White			
Coloured			
Indian			
Total	25		

The number of internships at any given time is fairly stable, however, the numbers do fluctuate over quarters as the interns are on contract and these contracts expire on different dates. Females represented 60.6% of the interns, during the year under review..

TABLE 47. CAPACITY BUILDING – WORK FORCE (TO BE DISCUSSED)

Skills Matrix						
Levels	Gender	Employees in post as at June 2021	Number of Skilled employees as of 30 June 2021			
			No	Skill program and other short courses	Other forms of Training	
			Target	Actual	Target	Actual
Legislators including traditional leaders	Males	52	10	13	10	0
	Females	31	10	7	10	0
MM and Directors	Males	2	1	0	0	0
	Females	0	0	0	0	0
Managers & Assistant Managers	Males	23	7	17	7	0
	Females	9	2	4	2	0
Professionals	Males	96	15	26	15	0
	Females	25	15	7	15	0
Administrators	Males	94	10	13	10	0

	Females	77	10	11	10	0
Elementary	Males	110	30	4	30	0
	Females	98	30	1	30	0
TOTAL		628	120	83	120	00

The target for legislators (councillors) was 20 and for officials was 135 for the year under review. There was an achievement of the set target at 100 % for legislators and for officials the target was not achieved on skills development programs due to covid.

COMPONENT D: MANAGING MUNICIPAL WORKFORCE EXPENDITURE:

During the year under review, the salary bill of the Municipality was **R273 325 660.00**. This represented an increase of 6.48% as compared to the **R256 680 099.00** in the the previous financial year

The yearly increment of salary bill is due to annual increment and recruitment of new staff. The workforce expenditure of the Municipality was at 23% of the total Municipality budget which is less than the norm of 36% set out by the National Treasury.

Chapter 5

Financial Performance

CHAPTER 5: FINANCIAL PERFORMANCE

Sound financial management practices are essential to the long-term sustainability of the municipality. They underpin the process of democratic accountability. Weak or opaque financial management practices and reports result in misdirected and under-utilisation of resources. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernise municipal financial management. The municipality had during the year under review, implemented financial management practices that seeks to effectively and efficiently manage municipality resources.

The chapter comprises four components:

- Component A: Statement of Financial Performance
- Component B: Spending against Capital Budget
- Component C: Cash Flow Management and Investment
- Component D: Other Financial Matters

The municipal overall operating results achieved for the past financial year closed off with a profit of R222.4 million compared to a budgeted surplus of R 79.2 million as well as the 2019/20 profit of R33.1 million, representing more than 100% improvement from previous financial year. Operating revenue for the year was R1.2 billion (2020: R1 billion), which reflects an increase of 23% from previous financial period. The operating expenditure for the year is R1 billion (2020: R 972 million), which indicates a 5% increase from previous financial period.

The total capital expenditure capitalized for the year in respect of property, plant, and equipment amounted to R241 million (2020: R170 million). This includes R109 million from government grants, and R132 million from own cash resources.

Cash and cash equivalents increased by 43% to R206 million (2020: R144 million).

5.1.1. INTRODUCTION TO FINANCIAL PERFORMANCE

Operating revenue excluding capital grants and subsidies for the year was R1.1 billion (2020: R902 million), which shows an increase of 25% from the previous financial period. Included in the above figure are operating government grants to the amount of R477 million (2020: R363 million), which constitute 38% of total revenue as shown in the table below:

NAME OF GRANT	R
Equitable Share	469 106 000
Financial Management Grant	1 700 000
Expanded Public Works	2 270 000
LGSETA	3 748 650
TOTAL	476 824 650

Service charges jointly comprise 36% of total revenue and increased by R86 million from (2020: R 363 million) to R449 million in the current financial year. Electricity remains the largest source of income and contributes 67% to municipal revenue excluding capital &

operational grants. Furthermore, electricity revenue increased by 24% from R351 million in the previous financial year to R436 million in the current year.

Property rates constitute 13% of municipal revenue and increased by 8% from R81 million in the previous financial year to R88 million in the 2020/21 financial year.

Interest received from financial institutions has decreased by 26% from R7.0 million (2019/20) to R5 million in the current year.

The operating expenditure for the year was R1 billion (2020: R972 million), which indicates an increase of 5.0% from the previous financial year. This was mainly due to increases in the following expenses:

- Employee costs increased by 7% from R268 million [2019/20] to R287 million.
- Depreciation increased by 4% from R123 million [2019/20] to R128 million.
- Bulk purchases increased by 3% from R268 million [2019/20] to R276 million.
- Contracted services increased by 37% from R123 million [2019/20] to R168 million.

The major expenditure items during the financial year ended 30 June 2021 were as stated above.

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

The following represent the financial summary of the municipality as audited:

5.2.FINANCIAL SUMMARY OF THE MUNICIPALITY AS AUDITED

LIM344: Makhado Local Municipality

Description	2019/20	Current Year 2020/21				
	R thousands	Audited Outcome	Original Budget	Adjusted Budget	Actual	Original Budget %
Financial Performance						
Property rates	81 250	83 070	87 441	87 658	106%	100%
Service charges	362 565	375 820	375 820	448 766	119%	119%
Investment revenue	6 981	6 695	4 453	5 137	77%	115%
Transfers recognised - operational	363 197	519 370	529 320	476 825	92%	90%
Other own revenue	88 287	70 616	69 616	111 744	158%	161%
Total Revenue (excluding capital transfers and contributions)	902 281	1 055 571	1 066 650	1 130 131	107%	106%
Employee costs	268 232	295 607	289 607	287 367	97%	99%
Remuneration of councillors	26 436	30 410	30 410	26 158	86%	86%
Depreciation & asset impairment	123 036	120 089	135 000	127 663	106%	95%
Finance charges	10 159	8 170	12 415	12 226	150%	98%
Debt impairment	52 862	51 135	63 735	54 958	107%	86%
Materials and bulk purchases	268 244	269 822	275 822	275 610	102%	100%
Contracted services	123 010	129 084	170 584	168 029	130%	99%
Other expenditure	99 749	93 971	62 560	64 415	69%	103%
Total Expenditure	971 728	998 288	1 040 133	1 016 426	102%	98%
Surplus/(Deficit)	(69 447)	57 283	26 517	113 705	198%	429%
Transfers recognised - capital	102 563	53 014	52 657	108 703	205%	206%
Surplus after capital transfers & contributions	33 116	110 297	79 174	222 408	202%	281%
Surplus for the year	33 116	110 297	79 174	222 408	202%	281%

TABLE 48: FINANCIAL SUMMARY

5.2.1.GOVERNMENT CAPITAL GRANTS

The municipality received and spent capital grants during the financial year, which normally have conditions attached. The following table shows the various capital grants receipt and spending for the year ended 30 June 2021.

Table 49: Capital Grants Received And Spent

GRAND TYPE	OPENING BAL	RECEIPTS	EXPENDITURE	CLOSING BAL:30/06/2021
MIG	9 583 566.55	87 876 000.00	-97 459 566.55	-
INEP	-	10 340 000.00	- 10 340 000.00	-
LED	-	903 867.45	-903 867.45	-
GRAND TOTAL	9 583 566.55	99 119 867.45	- 108 703 434.00	-

5.2.2.MUNICIPALITY APPROVED POLICIES

Over and above the direct requirements of different sections of the Local Government: Municipal Finance Management Act, 2003 and its Regulations, Council also adopted the budget related policies in respect of the 2020/21 financial year. The following are the policies:

TABLE 50: BUDGET RELATED POLICIES

COUNCIL APPROVED POLICIES	
Budget policy	Budget Virement
Uniform Credit Control & Debt Collection policy	Uniform Credit Control & Debt Collection by-law
Borrowing Policy	Expenditure Management Policy
Framework for Cash-flow Management Policy	Funding and Reserves Policy
Tariff and Free Basic Services Policy	Policy on Subsidy Scheme for Indigents
Investment of Funds Policy	Revenue Management Policy
Petty Cash Policy	Travel and Subsistence Policy
Principles of Writing-off of Irrecoverable Debt	Asset Management Policy
Property Rates Policy	Property Rates by-law
Supply Chain Management Policy	

5.2.3.THE ASSESSMENT OF ARREARS ON MUNICIPAL TAXES AND SERVICE CHARGES

The municipality considers effective revenue management to be important for a financially sound institution. The municipality monitors its debt book on monthly basis through the MFMA section 71 reports and regular debtors' reconciliations. The indigent policy is in compliance with the government policy that makes provision for free basic services. This policy is further extended to the indigent and poor people of the municipality who are unemployed, depending on government grant and some are child headed. The number of indigent households that benefited during the year from both Eskom and the municipality was 1 999 and 3 640 respectively and the total cost incurred was R1 486 386. The breakdown of the municipality indigents are as follows, old age 1 552, below threshold 98, child headed family 27, unemployed 280 and disability 42.

In the year under review, the municipality has seen an increase in the debt book, especially with residential debtors. This increase in debt could be attributed to the lack of economic activity in the municipality and the difficulty in paying for services in the Township due to the effects of National Lockdown due to Corona Virus.

As at the end of the financial year the debt book amounted to R451.8 Million. The debt has increased from R301.5 Million to R451.8 Million. The increase in debtors during the financial year was R150.3 Million, representing a 50% increase from previous year. Below is the detail for the current financial year debt book per area,

AREA	2019/20 AMOUNT(R)	2020/21 AMOUNT(R)	%
Louis Trichardt	111.2 million	248.2 million	124
Dzanani	23.4 million	27.5 million	18
Vleifontein	34 million	36.7 million	8
Waterval	69.7 million	72.4 million	4
Tshikota	9.3 million	10.5 million	13
Farms	54.4 million	56.7 million	5
TOTAL	302 Million	452 Million	

The municipality also established better communication with national and provincial government as a stakeholder through IGR forums, thus enabling a simplified manner of debt collection for government accounts. The collection rate from government departments averages 43% as at 30 June 2021.

The municipality still has room for improvement with regards to its collection rate. At the moment we have undertaken the exercise to replace conventional meters with prepaid meters.

The municipality had an overall debt collection rate of 89% for the 2020/21 financial year.

5.2.4.ASSET MANAGEMENT

Municipality has asset management policy that complies with all relevant legislative requirements and standards specified by the Accounting Standards Board.

The municipality has developed and maintained an asset register containing key financial data on each item of property, plant, or equipment that satisfies and complies with GRAP standards.

The municipality had non-current assets with a total cost of R2 983 767 455 as at 30 June 2021 as compared to the previous financial year balance of R2 833 348 773, which reflected 5% increase, this was due to capitalization during the year of R241 348 864 (2020: R170 365 064). The capitalization increased by 42% from the previous financial year.

Major asset categories such as Infrastructure assets constituted a greater portion of the total cost with an amount of R2 310 598 944 (2020: R2 241 641 160), representing 77% of the total asset cost, Land cost of R233 839 633 (2020:R233 839 633) was 8% of total assets value, Work in progress of R122 034 874(2020: R92 437 494) was 4% of total assets value and Community assets of R89 384 651 (2020: R76 964 484) was 3% of the total assets value at the end of the financial reporting period.

The total carrying value of municipal assets was R1 621 449 352 (2020: R1 598 693 892) split into immovable asset carrying value of R1 532 059 138 (2020: R1 529 840 511) and movable asset carrying value of R89 390 214 (2020: R68 853 381).

The municipal council approved the following disposals disclosed at net book value after financial year ended 30 June 2021:

ASSET CLASS	(R)
Transport assets	9 449
Machinery and equipment	109 926
Computer equipment	264 642
Buildings	99 018
Community assets	1 950
Infrastructure roads	952 193
TOTAL	1 437 178

Treatment of the three largest assets acquired 2020/21

Table 51: Three Largest Assets

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2020/21			
Asset 1			
Name	Tshikwarani; Manavhele; Zamekomste Access Road Phase 3		
Description	Construction of access road :Tshikwarani; Manavhele; Zamekomste		
Asset Type	Roads and Storm Water Management		
Key Staff Involved	PMU Manager and Director Technical Services		
Staff Responsibilities	Project Manager and Civil Engineering Technician		
	2020/21		
Cumulative Asset Value	R 30 972 409,34		
Capital Implications	Upgrading of road from gravel to tar road and stormwater infrastructure		
Future Purpose of Asset	Provision of access road to Community and Control of Storm Water		
Describe Key Issues	Construction of road and associated storm-water control system		
Policies in Place to Manage Asset	Yes		
Asset 2			
Name	Piesanghoek to Khunda Road Phase 4		
Description	Construction of Piesanghoek to Khunda Road		
Asset Type	Roads and Storm Water		
Key Staff Involved	PMU Manager and Director Technical Services		
Staff Responsibilities	Project Manager and Civil Engineering Technician		
	2020/21		
Cumulative Asset Value	R 14 977 089,62		
Capital Implications	Upgrading of road from gravel to tar road and stormwater infrastructure		
Future Purpose of Asset	Provision of access road to Community and Storm Water Management		
Describe Key Issues	Construction of road and associated storm-water management		
Policies in Place to Manage Asset	Yes		
Asset 3			
Name	Gombiti, Tshivhuyuni to Mamphagi Road phase 3		
Description	Construction of Tshedza to Vuvha Access road Associated with stormwater		
Asset Type	Roads and Stormwater		
Key Staff Involved	PMU Manager and Director Technical Services		
Staff Responsibilities	Project Manager and Civil Engineering Technician		
	2020/21		
Cumulative Asset Value	R 27 181 866,67		
Capital Implications	Upgrading of road from gravel to tar road and stormwater infrastructure		
Future Purpose of Asset	Provision of access road to Community and Storm Water Management		
Describe Key Issues	Construction of sports facility such soccer field, Tennis court, Pavillion structure as well as A		
Policies in Place to Manage Asset	Yes		

TABLE 52: FINANCIAL RATIOS BASED ON KEY FINANCIAL INDICATORS

RATIO	FORMULA	NORM/ RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	COMMENTS	
Asset Management/Utilisation						
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	10% - 20%		19%	The capital expenditure incurred during the year was 19% of total expenditure. This is reasonable based on the maximum norm of 20%.
				Total Operating Expenditure	1 016 425 561	
				Taxation Expense	-	
				Total Capital Expenditure	241 348 864	
Debtors Management						
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	95%		71%	The municipality's collection rate is 71% for the year under review. Collection efforts should be intensified in order to recover outstanding debt amounts.
				Gross Debtors closing balance	451 799 778	
				Gross Debtors opening balance	301 488 331	
				Bad debts written Off	-	
				Billed Revenue	536 424 216	
Liquidity Management						
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	1 - 3 Months		2 Month	The municipality has the ability to cover operational costs with the available cash resources during the financial year.
				Cash and cash equivalents	205 786 440	
				Unspent Conditional Grants	-	
				Overdraft	-	
				Short Term Investments	-	
Total Annual Operational Expenditure	1 016 425 561					
2	Current Ratio	Current Assets / Current Liabilities	1.5 - 2:1		2.66	Municipality was able to settle short term obligations due to the availability of current assets to cover payments to creditors. The ratio is favourable.
				Current Assets	548 878 008	
				Current Liabilities	206 305 259	

RATIO	FORMULA	NORM/ RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	COMMENTS
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Liability Management

1	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	45%		0%	Municipality had no significant borrowings during the year under review. The outstanding obligation of R1.7 million related to finance leases.
				Total Debt	1 743 946	
				Total Operating Revenue	1 238 834 025	
				Operational Conditional Grants	476 824 650	

Revenue Management

1	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue) / previous period's Total Revenue) x 100	= CPI		23%	Municipality achieved revenue increase of 23% from previous financial year.
				CPI	5%	
				Total Revenue (Previous)	1 004 843 408	
				Total Revenue (Current)	1 238 834 025	

Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	30 days		28 days	The creditors payment period was 28 days during the year under review. Suppliers were paid in time in compliance with the legislative requirements.
				Trade Creditors	97 853 175	
				Contracted Services	168 029 272	
				Repairs and Maintenance	-	
				General expenses	572 786 333	
				Bulk Purchases	275 609 956	
				Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	241 348 864	
2	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	25% - 40%		31%	Employee costs was 31% of the total expenditure. The ratio is favourable.
				Employee/personnel related cost	287 366 574	
				Councillors Remuneration	26 157 677	
				Total Operating Expenditure	1 016 425 561	
				Taxation Expense	-	

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.3.SPENDING ON 5 LARGEST PROJECTS

The following represent the capital spending against the capital budget:

TABLE 53: CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*

R' 000

Name of Project	Current: Year 2020/21			Variance: Current Year 2020/21	
	Project Cost	Original Budget	Adjustment Budget	Actual Expenditure	Adjustment variance (%)
A - Tshedza to Vuvha Access Road Phase 3	81 900 857	38 968 870	38 968 870	38 510 248	1%
B- Rivoni to Xihlobyeni Road	44 607 145	2 815 716	2 815 716	2 815 716	0%
C- Lutanandwa access road & bridge Phase 1	47 158 921	3 381 550	3 381 550	3 381 550	0%
D - Waterval Sports Facility Phase 3	28 257 831	14 352 180	14 352 180	14 352 180	0%
E - Valdezia Xitacini to Jiweni Access Road Phase 3	16 783 094	11 946 888	11 946 888	11 946 888	0%
Name of Project - A: Tshedza to Vuvha Access Road Phase 3					
Objective of Project: To ensure easy access to public around municipality's nodal points					
Delays: None					
Future Challenges: Roads infrastructure costs rapidly increasing					
Anticipated citizen benefits: Easy and comfortable access to and from areas within municipal areas					
Name of Project - B: Rivoni to Xihlobyeni Road					
Objective of Project: To ensure access to business facilities is efficient and thus promoting business growth rapidly					
Delays: None					
Future Challenges: None					
Anticipated citizen benefits: Easy and comfortable access to and from areas within municipal areas					
Name of Project - C: Lutanandwa access road & bridge					
Objective of Project: To ensure access to business facilities is efficient and thus promoting business growth rapidly					
Delays: None					
Future Challenges: Roads infrastructure costs rapidly increasing					
Anticipated citizen benefits: Easy and comfortable access to and from areas within municipal areas					
Name of Project - D: Waterval Sports Facility Phase 3					
Objective of Project: To ensure access to promote socio economics through sports facilities					
Delays: Shortage of construction materials due to COVID -19					
Future Challenges: None					
Objective of Project: To ensure access to business facilities is efficient and thus promoting business growth rapidly					
Name of Project - E: Valdezia Xitacini to Jiweni Road Phase 3					
Objective of Project: To ensure access to sports & recreational facilities.					
Delays: Shortage of construction materials due to COVID -19					
Future Challenges: None					
Objective of Project: To ensure access to business facilities is efficient and thus promoting business growth rapidly					

TABLE 54: CAPITAL EXPENDITURE

Capital Expenditure - Funding Sources: Year 2020/21						R' 000
Details	Year 2019/20	2020/21				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Actual to AB Variance (%)	
Source of finance						
Grants and subsidies	102 563	53 014	52 657	108 703	106.44%	
Internal	67 802	247 375	238 413	132 646	44.36%	
Total	170 365	300 389	291 070	241 349	17.08%	
Capital expenditure						
Governance and administration	96 584	36 186	92 220	136 826	48.37%	
Community and public safety	4 087	8 567	6 669	5 790	13.18%	
Economic and environmental services	57 067	235 840	94 118	80 845	14.10%	
Trading services	12 627	19 796	98 064	17 888	81.76%	
Total	170 365	300 389	291 070	241 349	17.08%	

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS

5.4.CASH MANAGEMENT

Proper cash flow management is a critical element to ensure the municipality meets its obligations. A stable positive cash flow balance relative to the growth of the municipality is a good indication of the municipality financial position and health. Cash flow projections are done on a monthly basis, and cash not immediately required are invested for a better return on the short term.

With regards to municipality borrowings, the municipality had no significant borrowings during the financial year ended 30 June 2021.

The municipality is leasing photocopier machines, whereby it is paying monthly instalment for the use of the machines. These transactions resulted in recognition of Finance Lease obligations in the books. As of the end of the financial year 30 June 2021, R1, 744,000 is outstanding.

The below table analyses the municipality borrowings made during the year and previous years.

TABLE 55: BORROWINGS

Actual Borrowings: Year -2018/19 to Year -2020/21			
R' 000			
Instrument	2018/19	2019/20	2020/21
Financial Leases	697	183	1 744
Total	697	183	1 744

5.4.1.CASH AND CASH EQUIVALENTS

The below table shows the cash and cash equivalents of the municipality comparing the budgeted amounts vis-à-vis the actual cash flows.

TABLE 55: STATEMENT OF CASH FLOW

Statement of Cash flow				
R'000				
Description	2019/20	2020/21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	55 623	50 735	55 308	60 491
Service charges	328 330	320 134	343 858	398 602
Grants	472 774	572 384	581 977	575 041
Other receipts	48 567	117 507	96 824	99 267
Payments				
Suppliers and employees	(685 443)	(747 693)	(738 374)	(843 947)
Finance charges	(38)	(105)	(105)	(1)
NET CASH FROM/(USED) OPERATING ACTIVITIES	219 814	312 962	339 488	289 453
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	2 929	–	–	1 890
Payments				
Capital assets	(170 365)	(304 979)	(293 671)	(228 749)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(167 436)	(304 979)	(293 671)	(226 859)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments				
Finance lease payments	(561)	–	–	(459)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(561)	–	–	(459)
NET INCREASE/ (DECREASE) IN CASH HELD	51 816	7 983	45 817	62 135
Cash/cash equivalents at the year begin:	91 835	143 652	143 652	143 652
Cash/cash equivalents at the year end:	143 652	151 635	189 469	205 786

5.4.2.COMMENT ON CASH FLOW

The cash flow from operating activities indicates a positive cash flow of R289.5 million. Further, R228.7 million was utilized on investment activities mainly to purchase property, plant, and equipment, whilst the disposal of land realized an amount of R1.9 million.

The cash flow from financing activities indicated an outflow of R459 thousand, which is mainly attributable to the repayments on finance leases (photocopiers).

Considering the above movements, the net cash position at financial year-end was R205.8 million, which indicates an increase of 43.4% from the previous year. This is mainly due to the municipality having a sound cash management policy.

COMPONENT D: OTHER FINANCIAL MATTERS

5.5.SUPPLY CHAIN AND EXPENDITURE MANAGEMENT

The Council has adopted a Supply Chain Management Policy and practices in compliance with the guidelines set out by the Supply Chain Management Regulations, 2005. The new Preferential Procurement Regulations, 2017, with effect from 01 April 2017, was incorporated in the policy and adopted.

The SCM Policy incorporating the above-mentioned regulations, as well as all other relevant pieces of legislation, regulations, and circulars are annually reviewed during the budget process.

The municipality has established the three (3) bid committee system. No councilors are members of any committee of the committees handling supply chain processes.

The supply chain officials are currently attending accredited training modules to meet the requirements of the minimum competency levels.

5.5.1.PROCUREMENT STATISTICS

The municipality had 49 successful bidders in the 2020/21 financial year. Of that number, 32 were male bidders representing 65%, while female were 17 in total representing 35% and there were no bidders of mixed gender (male and female).

An analysis based on age group showed that successful bidders who were among the youths were 13 in total, representing 27% and the remainder of 36 successful bidders were of the old age and represents 73% of the total successful bidders. There were no bidders with any disability since no bidder indicated disability in their bids during the year under review.

5.5.2.SUMMARY OF PROCUREMENT STATISTICS

GENDER

MALE	FEMALE	MIXED(MALE AND FEMALE)	TOTAL
32	17	0	49
65%	35%	0%	100%

AGE

YOUTH	OTHER	TOTAL
13	36	49
27%	73%	100%

5.5.3.EXPENDITURE

The Municipal Finance Management Act, (Act 56 of 2003) read together with the Municipal Budget and Reporting Regulations, provides the legislative framework within which any expenditure related transactions must take place.

Section 11 of the Municipal Finance Management Act, (Act 56 of 2003) specifically provides the legislative framework for any withdrawals from any bank account in the name of Makhado Municipality.

The turnaround time for processing payments is 30 days and the municipality is complying with MFMA Section 65(e).

5.5.4.GRAP COMPLIANCE

The municipality prepared its annual financial statement in line with GRAP Standards. The objectives of GRAP are the following:

1. To ensure consistency in the accounting treatment of transactions and classification of account balances in municipalities
2. To enhance comparability between similar-sized municipal bodies on a national basis
3. To enable users of financial statements to make more accurate assessments of risks and returns.

5.5.5.MSCOA IMPLEMENTATION

The municipality migrated to MSCOA in July 2016 (2016/17 Financial Year) and there were no major challenges faced during implementation. Initially the municipality ran on version 5.4. Currently the municipality is running on version 6.5.

MSCOA System is a fully Integrated Financial Management System which is 100% South African, developed on the latest development trends and based on international open standards.

The municipality has fully complied with MSCOA regulations and started transacting live on the 01st of July 2016. This is the third year of transacting on MSCOA and the municipality has achieved a qualified audit opinion.

Budgeting is also being done on MSCOA which improves financial planning and reporting. Municipality is also complying on the Section 71 reporting using MSCOA

Chapter 6

Auditor-General Audit Findings

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

6.1. AUDITOR-GENERAL REPORTS PREVIOUS YEAR

TABLE 56. AG REPORT 2019/2020

Audit Report Status*:	Unqualified Opinion
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TABLE 56. AUDIT FINDINGS 2019/2020

Financial Statement Area	Issues Raised	Remedial Action
Revenue	Incorrect billing on property rates.	The whole population of property rates for the 2019/20 will be investigated to establish the real impact of the under/over statement of property rates.

6.2. AUDITOR-GENERAL REPORT – CURRENT YEAR

AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE: 2020/21

TABLE 63. AG OPINION 2020/2021

Audit Report Status*:	Unqualified Opinion
------------------------------	----------------------------

ANNEXURES A1

2020/21 Audit Report



AUDITOR-GENERAL
SOUTH AFRICA

COVERING LETTER FOR SUBMISSION OF AUDIT REPORT TO THOSE CHARGED WITH GOVERNANCE

The Acting Municipal Manager
Makhado Municipality
83 Krogh Street
Limpopo
Louis Trichardt
0920

13 December 2021

Reference: 02264REG20-21

Dear Mr. K Nemaname

Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Makhado Local Municipality for the year ended 30 June 2021.

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa section 121(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our audit report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA you are required to include the audit report in the municipality's annual report to be tabled.
4. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

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5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the Public Audit Act (PAA) and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), the AGSA, or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party unless this is to a legislature or internal committee of a legislature or a court in a criminal matter and the disclosure has been approved by the auditee and the Auditor-General.
7. Until the steps described in par. 2 and par. 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

.....

Thosago Precious
Senior Manager: Limpopo

Enquiries: Shadrack Khoza
Telephone: (015) 283 9351
Email: ShadrackK@agsa.co.za

Report of the auditor-general to provincial legislature and the council on Makhado Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Makhado Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement, appropriation statement and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Makhado Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2020 (Act No. 04 of 2020) (DoRA).

Basis for opinion

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

Emphasis of matters

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

Material impairments

7. As disclosed in note 36 to the financial statements, material losses of R 54 958 048 was incurred as a result of an impairment of irrecoverable debtors.

Material losses - electricity

8. As disclosed in note 51 to the financial statements, material electricity losses of R29 531 721 (2020: R26 933 169) were incurred, which represent 11% (2020: 10%) of the total electricity purchased.

Restatement of corresponding figures

9. As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2020 have been restated as a result of an error discovered in the financial statements of the municipality at, and for the year ended, 30 June 2021.

An uncertainty relating to the future outcome of litigations

10. With reference to note 42 to the financial statements, the municipality is the defendant in various lawsuits. The municipality is opposing these claims, as it believes that the claims have no basis. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements

Other matters

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

Unaudited supplementary schedules

12. The supplementary information as set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of

assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the audit of the annual performance report

Introduction and scope

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

Development priority	Pages in the annual performance report
KPA 2 – Basic service delivery	x – x

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

identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

29. The annual financial statements were not submitted to the Auditor-General, for auditing, within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.
30. The annual financial statements were not submitted to the Auditor-General within two months after the end of the financial year and a written explanation setting out the reasons for the failure was not tabled in council, as required by section 133(1)(a) of the MFMA.

Strategic planning and performance management

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

Revenue management

32. A credit control and debt collection policy was not adopted, as required by section 96(b) of the Municipal Systems Act, 2000 (Act 32 of 2000) and section 62(1)(f)(iii) of the MFMA.

Consequence management

33. Losses resulting from fruitless and wasteful expenditure were not recovered from the liable person, as required by section 32(2)(b) of the MFMA and municipal budget and reporting regulations 75(2).

Asset management

34. An effective system of internal control for assets (including an adequate asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Procurement and contract management

35. Awards were made to providers whose directors were in the service of other state institutions, in contravention of MFMA 112(1)(j) and supply chain management (SCM) regulation 44.
36. Persons in the service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM Regulation 46(2)(e) and the code of conduct for councillors issued in terms of the Municipal Systems Act and the code of conduct for staff members issued in terms of the Municipal Systems Act.

Other information

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

Internal control deficiencies

41. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
42. The accounting officer did not sufficiently exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.
43. Material misstatements were identified in the financial statements and the annual performance report. Although the material misstatements were corrected in the financial statements, the uncorrected material misstatements in the annual performance report resulted in material findings being reported on. This was also caused by capacity constraints in the municipality which resulted in insufficient reviews.

Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

44. Management did not adequately review and monitor compliance with applicable laws and regulations.

Material irregularities

45. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularity in progress

46. I identified a material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting officer was not yet due. This material irregularity will be included in the next year's auditor's report.

Auditor - General

Polokwane

13 December 2021



AUDITOR - GENERAL
SOUTH AFRICA

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Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships

and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



ANNEXURES A2

2020/21 Annual Performance Report



MAKHADO LOCAL MUNICIPALITY

ANNUAL PERFORMANCE REPORT

(2020/2021)

“A dynamic hub for socio-economic development by 2050”

1. INTRODUCTION

Municipal organizational performance monitoring, evaluation and reporting forms part of governance, a good practice and also a statutory requirement in the South African government. The purpose of this Annual Performance Report is to record, disclose and account on the results of the assessment of actual service delivery achievements as measured against predetermined objectives for the 2020/2021 reporting period.

The Performance Management Framework at Makhado Local Municipality integrates organizational strategic management, service delivery, performance measurement and evaluation, and the associated reporting. The performance management function allows the municipality to track service delivery progress towards achieving the municipal objectives set in the Integrated Development Plan (the "IDP") with its linked Medium Term Revenue and Expenditure Framework ("MTREF").

The municipality's 2020/2021 Annual Performance Report focuses on service delivery performance information relating to the key deliverables recorded in the 2020/2021 Integrated Development and Planning implemented through the 2020/2021 Service Delivery and Budget Implementation Plan (the "SDBIP").

2. LEGISLATIVE BACKGROUND

Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (the "MFMA") mandates the municipality to prepare an Annual Report indicative of records of activities of the municipality during the 2020/21 reporting period. The report must also give an account on performance against the budget of the municipality, and promote accountability to the local community for the decisions made by the municipality.

According to the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), *Section 46(1)* of as well as MFMA *Circular 11* on reporting annual performance of the municipality, the compilation of the annual performance report must include an assessment of external providers, a comparison of the performance with targets set for and performance in the previous financial year and measures taken to improve unacceptable performance.

3. PERFORMANCE MEASUREMENT AT MAKHADO LOCAL MUNICIPALITY

Performance measurement of the municipality deals with collection, analyzing and/or reporting information regarding the performance of an individual, group, organization. During the reporting the municipality used the manual system to monitor its performance and manage its performance information. This manual system was guided by the Performance Management Framework, Policy and Procedure Manual.

The basic functioning of the performance monitoring system is to compare actual performance achievements with quarterly performance projections; to determine the deviations of the actuals against the projections; to express those deviations.

The system also provides management information in the form of graphical representations when the actual achievements are compared against the quarterly projections.

These graphical representations are used for performance and trend analyses to reflect on progress meeting predetermined objectives and targets; and for the purposes of early warning indicators of where corrective actions are required. The system also provides for accounts in the form of explanations for actual achievements, putting these achievements into context; and proposed actions for improvement where performance targets and projections were not achieved.

4. 2020/2021 ANNUAL ORGANIZATIONAL PERFORMANCE RESULTS

The 2020/2022 Service Delivery and Budget Implementation Plan on which this Performance Report is based, comprises **58 key** performance indicators with its concomitant performance targets. As an organisation, Makhado Local Municipality in the 2020/2021 reporting period achieved **35** of the performance indicators set and **23** were not achieved. This accounts for **60.34%** target achievement, translating to a negative variance of **39.66%**.

The table below reflect the actual performance per key performance area

CRITERIA	KPA 1	KPA 2	KPA 3	KPA 4	KPA 5	TOTAL
Number of Key Indicators	7	26	12	3	10	58
Number of Targets Achieved	5	11	11	1	7	35
Number of targets Not Achieved	2	15	1	2	3	23

5. **COMPARATIVE ANALYSIS OF ORGANIZATIONAL PERFORMANCE INDICATORS 2019/2020 AND 2020/2021**

The following table compares the Organizational Performance of 2019/2020 with 2020/2021

Activity	Number of indicators planned	Number of indicators achieved
2019/2020	49	31
2020/2021	58	35

ANNUAL PERFORMANCE REPORT 2020 - 2021

<i>Priority Issue/Program me</i>	<i>Developm ent Objectives</i>	<i>Key Performan ce Indicators</i>	<i>Baseline 2019/20 20</i>	<i>Annual Targets</i>	<i>Perform ance Remark</i>	<i>Actual Performa nce</i>	<i>Challenges</i>	<i>Measures taken to improve/pr opose intervention</i>	<i>Project Name</i>	<i>Locati on</i>	<i>Funding Source</i>	<i>Adjuste d Budget 20/21</i>	<i>Portfolio Of Evidence</i>	<i>Dept</i>	<i>ID N o.</i>
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION															
<i>Integrated Development Planning</i>	Good governanc e and administra tive excellence	Reviewed Integrated Developm ent Plan (Annual)	Approve d 2017/18 - 2021/22 IDP	Reviewed Integrated Developme nt Plan by 31 May 2021	Target Achieved	Reviewed Integrated Developm ent Plan	None	None	IDP Review	Ward 8	Income (Own Funding)	Operati onal	Council resolutions, Final IDP, Invitations and attendance register for IDP consultation	MM	1
<i>Performance Management</i>	Good governanc e and administra tive excellence	Approved 2021/22 SDBIP	Approve d 2020/21 SDBIP	Approved 2021/22 SDBIP by 30 June 2021	Target Achieved	Approved 2021/22 SDBIP	None	None	SDBIP Develop ment	Ward 8	Income (Own Funding)	Operati onal	Approved 2021/22 SDBIP	MM	2

Performance Management	Good governance and administrative excellence	Adjusted 2020/21 SDBIP	Adjusted 2019/20 SDBIP	Adjusted 2020/21 SDBIP by 31 March 2021	Target Achieved	Adjusted 2020/21 SDBIP	None	None	SDBIP Review	All Wards	Income (Own Funding)	Operational	Adjusted 2020/21 SDBIP	MM	3
Performance Management	Good governance and administrative excellence	Approved 2020/21 Mid-Year Report	Approved 2019/20 Mid-Year Report	Approved 2020/21 Mid-Year Report by 30 January 2021	Target Achieved	Approved 2020/21 Mid-Year Report	None	None	Mid-Year Report	Ward 8	Income (Own Funding)	Operational	N/A	MM	4
Performance Management	Good governance and administrative excellence	Approved 2019/20 Annual Report	Approved 2018/19 Annual Report	Approved 2019/20 Annual Report by 31 March 2021	Target not Achieved	2019/20 Annual Report not approved by 31 March 2021	Delay in AG finalising the Audit	The 2019/20 Annual Report was approved on the 31 May 2021	Annual Report	Ward 8	Income (Own Funding)	Operational	Approved Final 2019/20 Annual Report	MM	5

Human Resources and Organizational Development	Invest in human capital	Number of employees trained through Workplace Skills Plan	137 employees trained	120 employees trained through Workplace Skills Plan by 30 June 2021	Target not Achieved	83 employees trained through WPS in 2020/21	Covid Regulations	Make use of online training	Employees Training	Ward 8	Income (Own Funding)	Operational	Attendance Registers	CORP	6
		Number of councilors trained through Workplace Skills Plan	Fifty One(51) Councilors Trained	20 councilors trained through Workplace Skills Plan (WSP) by 30 June 2021	Target Achieved	20 Councilors trained through Workplace Skills Plan (WSP)	None	None	Councilors Training	Ward 8	Income (Own Funding)	Operational	Attendance Registers	CORP	7
BASIC SERVICE DELIVERY															
Electricity Provision	Accessible basic and infrastructure services	Number of households electrified	930 Households	700 Households electrified by 30 June 2021	Target Achieved	720	None	None	Electrification of households	Makhado Municipality	INEP	10 340 000	Completion Certificate	TECH	8

Electricity Provision	Accessible basic and infrastructure services	Number of Households serviced with electricity post connections	150 Households	150 Households serviced with electricity (postconnections) by 30 June 2021	Target Achieved	240 Households electrified	None	None	Electricity Post-Connections	All Wards	Income (Own Funding)	2 500 000	Completion Certificates	TECH	9
Electricity Provision	Accessible basic and infrastructure services	LED Street Lights design	0	Approved LED Street Light design by 30 June 2021	Target not Achieved	LED Street Light design not approved	Delay in the appointment of service due to COVID-19 regulations	Immediate inception of project after appointment	LED Street Lights	Ward 8	MIG	1 300 000	Approved LED Street Light design by 30 June 2022	TECH	10
Electricity Provision	Accessible basic and infrastructure services	Electrical Network System GIS inventory	0	Approved Electrical Network System GIS inventory by 30 June 2021	Target not Achieved	Electrical Network System GIS inventory not approved	Delay in the appointment of service provider due to COVID-19 regulation	Immediate inception of project after appointment	Electrical Network System GIS inventory	Ward 8	Income (Own Funding)	1 960 000	Approved Electrical Network System GIS inventory data	TECH	11

							s								
Electricity Provision	Accessible basic and infrastructure services	Additional intake point for MLM Main Substation	0	Commissioned Additional intake point for MLM Main Substation by 30 June 2021	Target not Achieved	Additional intake point for MLM Main Substation not commissioned	Delays due to lead time for manufacturing of equipments due to Covid-19	Immediate inception of project after receipt of material and equipment	Incomer intake point Eskom Substation	Ward 8	Income (Own Funding)	6 200 000	Completion certificate	TEC H	1 2
Cementry Fencing	Accessible basic and infrastructure services	Fenced municipality cementries	N/A	Completed Dzumbatho (Phadzima), Gogobole, Vleifontein, Raliphaswa, Pfananani, Mashau-Matanda and Tshivhade cementries fenced by 30 June 2021	Target Achieved	Completed Dzumbatho (Phadzima), Gogobole, Vleifontein, Raliphaswa, Pfananani, Mashau-Matanda and Tshivhade cementrie	None	None	Fencing of Cementries	Ward 20, 17, 14,24	MIG	1 300 000	Completion Certificate	TEC H	1 3

						s fenced									
Sports Facilities	Accessible basic and infrastructure services	Constructed Waterval Sports facility (Phase 3)	Waterval Sports Facility (Phase 2)	Completed Waterval Sports facility by 30 June 2021 (Phase 3)	Target not Achieved	Waterval Sports facility not completed	Supplier could not source materials due to Covid-19	Extension of time granted	Waterval Sports Facility	Ward 16	Income (Own Funding)	21 993 981	Completion Certificate	TECH	14
Waste Management	Promote community and environmental welfare	Number of households in urban areas with access to refuse removal	9889 Households	9889 Households accessing refuse removals by 30 June 2021	Target achieved	9889 Households	None	None	Waste Management	Ward 7, 8, 10,16, 20	Income (Own Funding)	Operational	Signed Collection slips	COMM	15

Free Basic Services Access	Accessible basic and infrastructure services	Number of Indigents with access to free electricity	7253	8065 Indigents by 30 June 2021	Target not Achieved	4680	Unable to register more indigents due to Covid-19 regulations	To continue advertising indigent registration	Free Basic Services	All Wards	Income (Own Funding)	Operational	Updated Indigent Register	B&T	16
Waste Management	Promote community and environmental welfare	Constructed 2 x High mast light at Makhado Landfill site	0	Constructed 2 High mast light by 30 June 2021	Target not achieved	Construction not Completed	The service provider declined the offer	The tender to be rolled over to 2021/2022 Financial Year	Waste Management	Ward 7	Income (Own Funding)	800 000	Completion Certificate	COM M	17
Waste Management	Promote community and environmental welfare	Rehabilitation of old landfill site (Vondeling) Phase 2 (Construction of evaporation pond, ablation facilities, planting vegetation)	Closed old Landfill site	Rehabilitated Landfill Site by 30 June 2021	Target not achieved	Rehabilitation completed as only phase 1 of the project is completed	Construction delay in the completion of Phase 1	Project rolled over to the 2021/22 Financial Year	Waste Management	Ward 9	Income (Own Funding)	2 000 000	Completion certificate	COM M	18

		, drainage and storm water systems)													
Parks & Recreation	Promote community and environmental welfare	Development of Dzanani Park Phase 2 (Installation of outdoor gym, playing equipment and swimming pool)	Dzanani Park (Phase 1)	Installed Outdoor gym, and playing equipment by 30 June 2021	Target not achieved	Installation not completed	Delays in completing detailed designs	The tender rolled over to 2021/2022 Financial Year	Dzanani Park	Ward 36	Income (Own Funding)	1 500 000	Completion certificate	COM M	1 9
Protection Services and Licensing	Promote community and environmental welfare	Upgrading of Vehicle Testing station (Grade B to A) Dzanani	Vehicle Testing Station	Upgraded Vehicle Testing Station by 30 June 2021	Target not achieved	Upgrading not completed	Delays in the evaluation process	The tender rolled over to 2021/2022 Financial Year	Vehicle Testing Station	Ward 10	Income (Own Funding)	3 500 000	Completion certificate	COM M	2 0

Protection Services and Lisencing	Promote community and environmental welfare	Refurbishment of the existing cattle pound Structure	Cattle pound	Refurbished cattle pound by 30 June 2021	Target not Achieved	Refurbishment not completed	Delay in completing refurbishments due to Covid-19	The project to be completed in the 2021/2022 Financial Year	Makhado Cattle Pound	Ward 9	Income (Own Funding)	1 200 000	Completion certificate	COM M	2 1
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Upgraded Stormwater Infrastructure and resurfacing of roads	Dilapidated stormwater and roads infrastructure	Stormwater Infrastructure and resurfacing of roads by 30 June 2021	Target Not Achieved	Construction not completed	Delay in finalising the designs due to Covid-19	The project rolled-over to the 2021/2022 Financial Year	Storm Water	All Wards	Income (Own Funding)	6 000 000	Completion Certificate	TEC H	2 2
Civil Engineering Services	Accessible basic and infrastructure services	Completed earthwork for New Council chamber and offices	Old Council Chamber	Completed earthwork for New Council chamber and offices by 30 June 2021	Target not Achieved	Earthwork not completed	Delay due to additional input into the initial designs	The project has been deferred to the 2022/2023 Financial Year	Council Chamber	Ward 21	Income (Own Funding)	10 750 000	Progress Report	TEC H	2 3
Local Economic Development	Accessible basic and infrastructure	Refurbished Information Centre	Information Centre	Refurbished Information Centre by 30 June	Target not achieved	Construction not completed	Delays in the evaluation process due to	The project rolled over to 2021/2022 Financial	Information Centre	Ward 21	Income (Own Funding)	2 000 000	Completion Certificate	TEC H	2 4

	services			2021			Covid-19 Regulations	Year							
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Constructed Testing Ground Admin Block	New	Completed Admin Block foundation at Testing Ground by 30 June 2021	Target Achieved	Fondation completed	None	None	Testing Ground	Ward 21	Income (Own Funding)	10 750 000	Progress Report	TEC H	2 5
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Upgraded Tshakuma Fruit Market (Phase 2)	Tshakuma Fruit Market (Phase 1)	Upgraded Tshakuma Fruit Market by 30 June 2021 (Phase 2)	Target not Achieved	Construction not completed	Delay on procurement of contractor due to Covid-19 Regulations	Project is currently on construction and will be completed during 2021/222 Financial Year	Tshakuma Fruit Market	Ward 29	Income (Own Funding)	15 000 000	Completion Certificate	TEC H	2 6
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Rehabilitated Dzanani Streets (Biaba)	Dilapidated streets	Rehabilitated Dzanani Streets (Biaba) by 30 June 2021	Target not Achieved	Construction not completed	Delay due to community dispute on the concrete kerb,	Extension of time granted and construction will be completed during	Dzanani Streets	Ward 10	Income (Own Funding)	10 000 000	Completion Certificate	TEC H	2 7

							requesting that the designs be changed in order to create space for the parking areas	2021/222 Financial Year							
Local Economic Development	Accessible basic and infrastructure services	Constructed N1 Tourism Park, Arts & Craft Centre fence	N1 Tourism Park	Completed N1 Tourism Park, Arts and Craft Centre fence (Phase 1) by 30 June 2021	Target Achieved	Completed N1 Tourism Park, Arts and Craft Centre fence (Phase 1)	None	None	N1 Tourism Park	Ward 21	Income (Own Funding)	3 500 000	Completion Certificate	TECH	28
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Average Percentage progress of Surfaced Tshedza to Vuvha Access Road (Phase 3)	Tshedza to Vuvha surfaced Access Road (Phase 2)	70% Physical progress on Tshedza to Vuvha surfaced Access Road (Phase 3) by 30 June	Target Achieved	70,2% physical progress	None	None	Tshedza to Vuvha Access Road	Ward 25 and 26	MIG	38 968 870	Progress Report	TECH	29

				2021											
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Surfaced Gombita, Tshivhuyuni to Mphagi Access Road	Gombita , Tshivhuyuni to Mphagi surfaced Access Road (Phase 2)	Surfaced Gombita, Tshivhuyuni to Mphagi Access Road (Phase 3) by 30 June 2021	Target Achieved	Surfaced Gombita, Tshivhuyuni to Mphagi Access Road	None	None	Gombita , Tshivhuyuni to Mphagi Access Road	Ward 01, 12, 18	MIG	14 600 380	Completion Certificate	TEC H	3 0
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Surfaced Rivoni to Xihobyeni Access Road	New	Appointment of a Service provider for Rivoni to Xihobyeni Access Road by 30 June 2021	Target Achieved	Service provider appointed	None	None	Rivoni to Xihobyeni Access road	Ward 2	MIG	5 000 000	Appointment letter	TEC H	3 1

Roads, Bridges and Storm water	Accessible basic and infrastructure services	Average Percentage progress on Constructed Sane to Natalie Bridge	New	10% physical progress on Sane to Natalie Bridge by 30 June 2021	Target Achieved	26% physical progress	None	None	Sane to Natalie Bridge	Ward 37	MIG	2 500 000	Progress Report	TEC H	3 2
Roads, Bridges and Storm water	Accessible basic and infrastructure services	Surfaced Valdezia ,Xitacini to Jiweni Access Road (Phase 3)	Valdezia ,Xitacini to Jiweni Access Road (Phase 2)	Surfaced Valdezia ,Xitacini to Jiweni Access Road (Phase 3) by 30 June 2021	Target not Achieved	Valdezia ,Xitacini to Jiweni Access Road not surfaced	Borrow-pit ran out of material and delay due to floods	New borrow pit secured at Bungeni and extension of time granted	Valdezia ,Xitacini to Jiweni Access Road (Phase 3)	Ward 31	MIG	9 724 286,97	Completion Certificate	TEC H	3 3
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT															

Financial Statements	Sound Financial Management and viability	Improved Audit opinion for the previous year	Qualified audit opinion 2018/19	Improved Audit Opinion on previous financial year (2019/20) by 30 November 2020	Target Achieved	Unqualified Audit Opinion	None	None	Audit Opinion	Ward 8	Income (Own Funding)	Operational	AG Report and Management Letter	B&T	34
Financial Statements	Sound Financial Management and viability	Prepared Interim Financial Statement (FS)	2019/20 Interim Financial Statements	Developed and Submitted 2020/21 Interim Financial Statement by 30 April 2021	Target Achieved	Developed and Submitted 2020/21 Interim Financial Statement by 30 April 2021	None	None	Interim Financial Statements	Ward 8	Income (Own Funding)	Operational	2020/2021 Interim Financial Statements	B&T	35
Financial Statements	Sound Financial Management and viability	Prepared and Submitted Annual FS for 2019/20 Financial Year	Annual Financial Statement 2018/19	Developed and submitted 2019/20 AFS by 30 October 2020	Target Achieved	Developed and submitted 2019/20 AFS by 30 October 2020	None	None	Annual Financial Statements	Ward 8	Income (Own Funding)	Operational	Annual Financial Statements	B&T	36

Expenditure management	Sound Financial Management and viability	Percentage Expenditure on MIG	100% 2019/20 MIG spent	100% MIG Expenditure by 30 June 2021	Target Achieved	100%	None	None	MIG	Ward 8	MIG	42 673 815	Section 71 and Quarterly Financial Reports	TECH	37
Expenditure management	Sound Financial Management and viability	Percentage Expenditure on INEP Grant	100% 2019/20 INEP Spent	100% INEP Expenditure by 30 June 2021	Target Achieved	100%	None	None	INEP	Ward 8	INEP	10 340 000	Section 71 and Quarterly Financial Reports	TECH	38
Budget and Reporting	Sound financial management and viability	Approved 2021/22 budget	Approved 2020/21 Budget	Approved 2021/22 Budget by 31 May 2021	Target Achieved	Approved 2021/22 Budget by 31 May 2021	None	None	Approved Budget	Ward 8	Income (Own Funding)	Operational	Approved budget and Council Resolution	B&T	39

Budget and Reporting	Sound financial management and viability	Number of section 71 reports submitted to Treasury within 10 days after the end of the month	12 Reports Submitted during 2018/19	12 Section 71 Reports submitted by 30 June 2021	Target Achieved	12 Section 71 Reports submitted by 30 June 2021	None	None	Section 71 Reports	Ward 8	Income (Own Funding)	Operational	Copy of acknowledgment of receipt by Treasury and COGHSTA	B&T	40
Expenditure management	Sound Financial Management and viability	Percentage Expenditure of Financial Management Grant	100% of 2019/20 Financial Management Grant Spent	100% of 2019/20 Financial Management Grant spent by 30 June 2021	Target Achieved	100%	None	None	FMG Expenditure	All Wards	FMG Funding	1 700 000	Approved and Submitted Expenditure Report	B&T	41
Expenditure management	Sound Financial Management and viability	Percentage of Electricity distribution loss	13%	10% of Electricity Distribution loss (As per Treasury Regulations) by 30 June 2021	Target Achieved	10%	None	None	Electricity Distribution Loss	Ward 8	Income (Own Funding)	Operational	Monthly Expenditure and Revenue Reports	B&T	42

Supply Chain Management	Sound financial management and viability	Percentage of Tenders processed within 90 days (From closing date in the advert)	New	95% of Tenders Processed within 90 Days after bid closure by 30 June 2021	Target not Achieved	77%	Bid committees not meeting as scheduled due to Covid-19 regulations	To convene more Bid Committee meetings	Tender Processing	Ward 8	Income (Own Funding)	Operational	Advertisements, Minutes of Adjudication Committee	B&T	43
Supply Chain Management	Sound financial management and viability	Percentage of Invoices Paid within 30 days of receipt	New	100% of Invoices paid within 30 days of receipt by 30 June 2021	Target Achieved	100%	None	None	Invoices Payment	Ward 8	Income (Own Funding)	Operational	Monthly Expenditure Reports	B&T	44
Revenue Management	Sound financial management and viability	Revenue collection rate	80% of Revenue collected during 2019/20 Financial Year	85% of Revenue Collected during 2020/21 Financial Year	Target Achieved	88%	None	None	Revenue Collection	Ward 8	Income (Own Funding)	Operational	Collection Rate reports	B&T	45

LOCAL ECONOMIC DEVELOPMENT

Local Economic Development	Invest in local economy	Number of LED projects supported	Six (06) Projects Supported during 2019/20 Financial Year	Six (06) Projects Supported by 30 June 2021	Target not Achieved	02	Delay in the appointment of service provider due to COVID-19	Projects to be supported during the 1 st Quarter 2021/2022 Financial Year	LED Projects	All Wards	Income (Own Funding)	900 000	Service Level Agreements (SLA) Close-up report of supported projects	DEVP	46
Local Economic Development	Invest in local economy	Constructed Incubation Centre at Rathidili	New	Completed Incubation Centre at Rathidili by 30 June 2021	Target not Achieved	Construction not completed	Delay in the appointment of service provider due to COVID-19	The project rolled over to 2021/2022 Financial Year	Incubation Centre	Ward 23	Income (Own Funding)	4 000 000	Completion Certificate	TECH	47
Local Economic Development	Invest in local economy	Number of job opportunities created	800 Job opportunities	400 job opportunities created by 30 June 2021	Target Achieved	406	None	None	Employment Opportunities	All Wards	Income (Own Funding)	Operational	EPWP, CWP, and Community Projects employment register	DEVP	48

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Risk Management	Good governance and Administrative Excellence	Reviewed and Developed Strategic and Operational Risk Assessment Register	Reviewed and Developed 2019/20 Strategic and Operational Risk Assessment Register	Reviewed and Developed 2021/22 Strategic and Operational Risk Assessment Register by 30 June 2021	Target Achieved	Reviewed and Developed 2021/22 Strategic and Operational Risk Assessment Register	None	None	Strategic and Operational Risk Register	Ward 8	Income (Own Funding)	Operational	Approved Strategic and Operational risk register	MM	49
Risk Management	Good governance and Administrative Excellence	Coordinate risk management activities	100% of Fraud and Anti-Corruption cases attended	100% of Fraud and Anti-Corruption cases attended by 30 June 2021	Target Achieved	100%	None	None	Fraud and Anti-Corruption	Ward 8	Income (Own Funding)	Operational	Investigation Reports / Case Register	MM	50

Internal Audit	Good governance and Administrative Excellence	Percentage implementation of action plans to address External Audit findings.	80%	90% of External Audit Findings resolved by 30 June 2021	Target Achieved	93%	None	None	External Audit Findings	Ward 8	Income (Own Funding)	Operational	Management Action Plan to address AG(SA) findings.	MM	51
Internal Audit	Good governance and Administrative Excellence	Percentage Resolution of Internal Audit findings	80%	90% of Internal Audit Findings resolved by 30 June 2021	Target Achieved	91%	None	None	Internal Audit Findings	Ward 8	Income (Own Funding)	Operational	Internal Audit Reports	MM	52
Internal Audit	Good governance and Administrative Excellence	Percentage implementation of approved Risk based Annual Internal Audit Plan.	100%	100% of Risk based Annual Internal Audit Plan Implemented by 30 June 2021	Target Achieved	100% of Risk based Annual Internal Audit Plan Implemented	None	None	Risk based Annual Internal Audit Plan.	Ward 8	Income (Own Funding)	Operational	Internal Audit progress report.	MM	53

Internal Audit	Good governance and Administrative Excellence	Developed and approved Risk based three(03) year internal Audit rolling plan.	New	Approved three(03) year internal Audit rolling plan by 30 June 2021	Target Achieved	Approved three(03) year internal Audit rolling plan	None	None	Risk based three(03) year internal Audit rolling plan.	Ward 8	Income (Own Funding)	Operational	Risk based three(03) year internal audit rolling plan	MM	54
Information Technology	Good governance and Administrative Excellence	Number of IT projects completed	05 IT Projects Implemented during in 2019/20 Financial Year	Seven (07) Information Technology Projects completed by 30 June 2021	Target not achieved	Five (5) projects completed.	For 2 projects the SPs were appointed 30 April 2021 and 21 May 2021, very late in the FY. The bidders ultimately was unable to deliver server Software and Server cabinet as specified.	he 2 projects bids will be called anew in Q1 of 2021/22 FY for goods not delivered as ordered under Bid 20 and Bid 24 of 2021.	IT Projects	Ward 8	Income (Own Funding)	4 462 000	Appointment letters and Close-out report	COR P	55

Council Services	Good governance and Administrative Excellence	Percentage Implementation of Council Resolutions	98% Council Resolutions Implemented	90% of Council Resolutions Implemented by 30 June 2021	Target not Achieved	86,36% Council Resolutions implemented	The last meeting held on 30 June 2021; its resolutions cannot be implemented in the reporting cycle	Portfolio departments to prioritise and make Council Resolutions a standing item in the departmental meetings	Council Resolutions	Ward 8	Income (Own Funding)	Operational	Resolutions Register	COR P	56
Council Services	Good governance and Administrative Excellence	Number of Council meetings convened	Four(4) Council Meetings held during 2019/20 Financial Year	Seven (7) Council Meetings held by 30 June 2021	Target Achieved	10	None	None	Council Meetings	Ward 8	Income (Own Funding)	Operational	Minutes, Attendance register, notice of invitations.	COR P	57
Public Participation	Good governance and Administrative Excellence	Number of Imbizos convened	Four(4) Imbizos held during 2019/20 Financial	Four (4) Imbizos held by 30 June 2021	Target not achieved	0	Covid 19 Regulations imposed restrictions on public gatherings	Revert to other forms of public participation through	Public Participation	All Wards	Income (Own Funding)	Operational	Invitations, Attendance Registers	COR P	58

			Year					different media platforms							
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6. SUMMARY: MUNICIPAL PERFORMANCE

A total number of 58 performance targets were due for review at the end of the financial year under review. Out of these 35 were achieved, while 23 were not achieved. This accounts for 60.34% target achievement, whilst the 23 that is not achieved, is translating to a negative variance of 39.66%.

Some of the major causes that gave rise to the under-performance included among others, but not limited to the emergence of COVID-19 pandemic. Out of the total number of 23 key performance indicators not achieved, 15 of which is attributable to COVID-19. This would have made a huge difference on the overall organisational municipal performance.

7. CONCLUSION

Tangible improvement in performance management and service delivery is being realized because there are clearly defined targets to be achieved by using a service delivery budget implementation plan aligned to the municipality's annual budget .

Effective and efficient in-year performance reporting, continues to assist the municipality in accurately tracking progress thereby identifying early warnings and activities that are lagging behind, thereby determine the intervention required and corrective actions are implemented as need arised.

8. SERVICE PROVIDERS PERFORMANCE REPORT

As provided for in Section 76(b) of the Municipal System Act, 32 of 2000, municipal services can be rendered by entering into a Service Delivery Arrangement with an external service provider. The Municipality is responsible for monitoring and evaluating the execution of the agreement, including the performance of the service provider in compliance with Section 41 of the Municipal Systems Act, 32 of 2000.

The performance of service providers that have been selected to provide assistance in the provision of a municipal service, otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies, is required, by section 116 of the Municipal Finance Management Act, to be monitored and reported on.

FOURTH QUARTERS ASSESSMENT OF PERFORMANCE OF CONTRACTED SERVICE PROVIDERS REPORT 2020/2021

ANNEXURE A

FOURTH QUARTERS ASSESSMENT OF PERFORMANCE OF CONTRACTED SERVICE PROVIDERS REPORT 2020/2021								ANNEXURE A			
Dep	Tender number	Project name	Name of Service provider	Starting Date	Completion Date	Extension of completion date (only if applicable)	Challenges and interventions	Assessment of Service Providers			
								(Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 - Excellent			

								Quarter 1	Quarter 2	Quarter 3	Quarter 4
DCOM S	06/2017	Security Services : Municipal properties for the period of three (03) years	Ditirotsaka Trading and Projects	24/05/2017	31/10/2020		Contract ended	5	-	-	-
			Landmark Security and Supply and services	24/05/2017	31/10/2020		Contract ended	5	-	-	-
			Jackcliffy Trading CC	24/05/2017	31/10/2020		Contract ended	5	-	-	-
			Tshakhwilo Trading Enterprise	24/05/2017	31/10/2020		Contract ended	5	-	-	-
			Tshedza Protective Services	24/05/2017	31/10/2020		Contract ended	5	-	-	-
DFS	03/2018	Supply and Delivery of Protective clothing for makhado local municipal	Londola Traders (Pty)Ltd	22/11/2018	21/11/2021		No service rendered during the quarters not rated		3	4	5

		employees for the period of three (03) years	Mirants	22/11/2018	21/11/2021		No service rendered during the quarters not rated		3	3	-
			Silaye General Trading	22/11/2018	21/11/2021		No service rendered during the quarters not rated		-		-
			Ludricks Constructions and Projects (Pty)Ltd	22/11/2018	21/11/2021		No service rendered during the quarters not rated	5	5	5	-
			Muspat Trading	22/11/2018	21/11/2021		No service rendered during the quarters not rated		3	3	5
			Michael Makhado and Associates	22/11/2018	21/11/2021		No service rendered during the quarters not rated		5	5	-
			Nesben Trading	22/11/2018	21/11/2021		No service rendered during the quarters not rated		-		5
			Shamiso trading	22/11/2018	21/11/2021		No service rendered during the quarters not rated		5		-

			Vhahandivhu Business Trading	22/11/2018	21/11/2021		No service rendered during the quarters not rated	-	-	-	3
			Culis Tent Chairs and Tables Hire	22/11/2018	21/11/2021		No service rendered during the quarters not rated	-	5	-	5
DFS	06/2018	Printing and posting of consumer and sundry debtors statements for the period of three (03) years	Obvuledzaho general trading	07/12/2018	06/12/2021			5	5	5	5
DFS	10/2018	Publishing notices and adverts on different Newspaper for three (03) years	Mungona Holdings	19/11/2018	18/11/2021			5	5	5	5
DDP	51/2017	Compilation of General Valuation Roll for the period five years	Geospatial Valuation Technologies	01/07/2018	30/06/2023			5	5	5	5
DCS	12/2018	Supply and Delivery of ICT End user Equipment	Yello Solution Technology CC	07/01/2019	06/01/2022			'5	5	2	5

		for the period of three (03) years	Best Enough Trading and Projects 415 CC	07/01/2019	06/01/2022			'5	5	2	5
DTS	21/2018	Appointment of contractor for construction of Piesanghoek to Khunda Road Phase 4	T and C Civils (Pty)Ltd	19/11/2018	28/02/2020	30/07/2020	Project Completed	3	-	-	-
DTS	23/2018	Construction of Waterval Sports Facility	Diges Group CC	19/11/2018	28/02/2020	30/07/2020	Project Completed	3	-	-	-
DTS	24/2018	Maintenance and Operation of all council air conditioner for the period of three (03) years	Belta Services	20/12/2018	19/12/2021		No service rendered during the quarters not rated	-	-	5	5
			Magekha Electrical JV Mudzusi wa vhutali	20/12/2018	19/12/2021		No service rendered during the quarters not rated	-	-	5	5
			Masgac Trading Enterprise JV MLK Engineering	20/12/2018	19/12/2021		No service rendered during the quarters not rated	-	-	5	5

			and Consultant								
DCS	26/2018	Occupational Medical Services for Makhado local municipality employees for the period of three (03) years	Afrimed Business Solution	19/11/2018	18/11/2021			5	5	5	5
DFS	27/2018	Supply and Delivery of Fuel Lubricants for Small Equipment	Class A Trading 514	19/11/2018	18/11/2021			5	5	5	5
			Northbulk Petroleum Wholesalers	19/11/2018	18/11/2021		No service rendered during the quarters not rated	-	-	-	-
DCS	28/2018	Clinical Psychologist medical services for the period of three (03) years	Afrimed Business Solution	19/11/2018	18/11/2021			5	5	5	5
DTS	31/2018	Construction of Tshikwarani/ Manavhela and Zamenkomste Road	Moda Women Projects	06/12/2018	30/10/2020		Project completed	4	5	-	-
DTS	40/2018	Repairs of Light Vehicles for the Period of Two (02) years	Mamosholagae Trading and Projects 30	30/01/2019	29/01/2021		Contract ended	5	5	-	-

DTS	42/2018	Supply and Delivery of Batteries for the period of Two (02) years	Cesor (Pty)Ltd	31/12/2018	30/12/2020		Contract ended	2	2	-	-
DTS	43/2018	Welding of Light Vehicles, Trucks, Heavy Machinery and Tractor for the period of Two (02)years	Mamosholagae Trading and Projects 30	31/12/2018	30/12/2020		Contract ended	5	5	-	-
DTS	44/2018	Appointment of a Professional Engineer: Additional incomer intake points for Makhado local municipality Main Substation for the period of Two (02) years	NSK Electrical and Construction Managers (Pty)Ltd	30/01/2019	29/01/2022			5	5	5	5
DTS	47/2018	Appointment of panel of Consultants for Professional Civil Engineering Related Services for the Period of Three (03) years which shall be as and when required	Infraburo Civil and Engineering	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			Voningela Consulting and Projects	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			Diges Group CC	30/01/2019	29/01/2022			3	4	4	4

			Victory Development Projects	30/01/2019	29/01/2022			5	5	5	5
			Shumba Engineering Services	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			Ntsako Tiyani and Associates	30/01/2019	29/01/2022			5	5	5	5
			MVE Consulting Engineers	30/01/2019	29/01/2022			5	5	5	5
			Nemorango Consulting Engineers	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			TM Africa Engineering Services	30/01/2019	29/01/2022			4	5	5	5
			Dane Projects (Pty) Ltd	30/01/2019	29/01/2022			5	5	5	5

			Mamadi and Company	30/01/2019	29/01/2022			4	4	4	5
			Tshino Consulting Engineers	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			Botshabelo Consulting and Projects	30/01/2019	29/01/2022			3	3	3	3
			SA Quest	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			Tshashu Consulting and Projects Managers	30/01/2019	29/01/2022			3	3	3	5
			Sizeya Consulting engineers	30/01/2019	29/01/2022			5	5	5	5
			MJT Consulting Engineers 01 (Pty) Ltd	30/01/2019	29/01/2022			3	3	3	5

			Samtak Consulting Services	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			Mulalo Consulting Engineers	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			AES Consulting	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			Morula Consulting Engineers and project managers	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			Mont Consulting Engineers	30/01/2019	29/01/2022			5	5	5	5
			Xilalelo Project Managers	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			T2-Tech Engineering	30/01/2019	29/01/2022			5	5	5	5

			(Pty) Ltd								
			Tshedza Consulting Engineers	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			Ralema Consulting Engineers (Pty)Ltd	30/01/2019	29/01/2022			5	5	5	5
			Muteo Consulting	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			TMS Consulting Engineers and Projects Management	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-
			Dikgabo Consulting Engineers	30/01/2019	29/01/2022			3	4	4	3
			Phamela Engineering	30/01/2019	29/01/2022		No service rendered during the quarters not rated	-	-	-	-

			Services								
			EKS Consulting Engineers	30/01/2019	29/01/2022			5	5	5	5
DTS	56/2018	Appointment of turnkey services for the design and upgrading of Tshakhuma Market	Tshashu Consulting and Projects Managers	31/12/2018	30/06/2021			4	5	5	5
MM'S OFFICE	54/2018	Appointment of a services provider/consultants to render assignment for internal audit unit makhado municipality for the period of three years	Jofani Accounting Consulting	07/03/2019	06/03/2022		No service rendered during the quarters not rated	4	5	-	-
			Shumba Inc	07/03/2019	06/03/2022		No service rendered during the quarters not rated	5	5	-	-
			TNK Business solutions cc	07/03/2019	06/03/2022		No service rendered during the quarters not rated	-	-	-	-
			Victorious Chartered Accountants Inc	07/03/2019	06/03/2022		No service rendered during the quarters not rated	-	-	-	-

			MNB Chartered Accountants	07/03/2019	06/03/2022		No service rendered during the quarters not rated	5	5	-	-
			Eave Solution jv Differentia chartered Account (pty)ltd	07/03/2019	06/03/2022		No service rendered during the quarters not rated	-	-	-	-
			ARMS Audit and Risk Management solutions (pty)ltd	07/03/2019	06/03/2022		No service rendered during the quarters not rated	-	-	-	-
			Morar Incorporated	07/03/2019	06/03/2022			4	5	5	5
			Thuso financial consultants (pty)ltd	07/03/2019	06/03/2022		No service rendered during the quarters not rated	-	-	5	5
DDP	20/2019	Appointment for development of makhado municipality land use scheme for a period of	Matete and associates consultants	26/06/2019	25/06/2021		No service rendered during the quarters not rated	5	-	-	-

		two years									
DDP	22/2019	Preparation of makhado local municipality spatial development for a period of two years	Indalo and development consultant	26/06/2019	25/06/2021		No service rendered during the quarters not rated	5	-	-	-
DCOR P	11/2019	Appointment of panel of service provider for skills development provider for the period of three years	Abakholwe community developers cc	24/06/2019	23/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Arehone consulting	24/06/2019	23/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Regenesys management (pty)ltd	24/06/2019	23/06/2022		No service rendered during the quarters not rated	-	5	5	5
			South african institute of learning	24/06/2019	23/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Masana Social consulting	24/06/2019	23/06/2022		No service rendered during the quarters not rated	-	-	-	-

			Excellent minds institute (pty)ltd	24/06/2019	23/06/2022		No service rendered during the quarters not rated	-	-	-	-
DTS	68/2018	Supply, fitting and repair of tyres for the period of two years	Temitope and tshilidzi trading	28/06/2019	27/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Du toit's bande	28/06/2019	27/06/2021			5	5	5	5
			Lugani trading enterprise t/c Tiger wheel and tyre	28/06/2019	27/06/2021		No service rendered during the quarters not rated	-	-	-	-
DDP	19/2018	Development of Makhado Local municipality Land scheme for the period of two years	Matete and associates consultants	26/06/2019	25/06/2021			5	5	5	5
DFS	16/2019	Cellphone and Tablet contract package for the period of three years	Tawau Trading cc	03/06/2019	02/06/2022			5	5	5	5
DTS	65/2019	Supply and delivery of petrol engine oils for two	Chose trading	28/06/2019	27/06/2021		No service rendered during the quarters not rated	-	-	-	-

		years	Etrotax (Pty) Ltd	28/06/2020	27/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Goldiflo (pty)ltd	28/06/2021	27/06/2021		No service rendered during the quarters not rated	-	5	-	-
			Exilite 349 cc	28/06/2022	27/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Wama business Enterprise (pty)ltd	28/06/2023	27/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Talifhani holdings (pty)ltd	28/06/2024	27/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Reckson Solution (pty)ltd	28/06/2025	27/06/2021		No service rendered during the quarters not rated	-	-	-	-
DFS	75/2018	Provision of Banking Services for a period of five years	First Rand bank limited	24/06/2019	23/06/2024			5	5	5	5

DDP	21/2019	Panel of demarcation of sites and township establishment for a period of three years	Ngoto Development Consultants	19/06/2019	18/06/2022			5	5	5	5
			Mahlori Development Consultants	19/06/2019	18/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Acute Inovation	19/06/2019	18/06/2022			5	5	5	5
			Matete and associates consultants	19/06/2019	18/06/2022			5	5	5	5
DDP	23/2019	Panel of professional surveyors for a period of three years	Rolous Geomatics Solutions	19/06/2019	18/06/2022			5	5	5	5
			N Khoza Land Suveryors	19/06/2019	18/06/2022			5	5	5	5
			MM Geomatics (pty)ltd	19/06/2019	18/06/2022			5	5	5	5

DTS	64/2018	Supply and delivery of diesel engine oils for the period of two years	Exilite 349 cc	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Safe keepers Security	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Siyanincenga Construction and Projects	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Lucy general Suppliers	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			N and C Civils	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	5	-	-
			Zwashu Trading and Projects	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			I Daisy general	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			TMJ Construction	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-

			Wama Business Enterprise	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Teleside Technologies	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Rasoka (pty)ltd	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Wakhuliso investment (pty)ltd	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Northbulk Petroleum	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			C Matodzi projects	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Mungona Holdings (pty)ltd	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Wauluga	30/06/2019	29/06/2021		No service rendered during	-	-	-	-

			(pty)ltd				the quarters not rated				
			Reckson Solution (pty)ltd	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Mudai petrolium	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Ntwani Funi Trading and projects (pty)ltd	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Mudani Petroleum	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Ntwani Funi Trading and projects (pty)ltd	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-
			Mavenas (pty)ltd	30/06/2019	29/06/2021		No service rendered during the quarters not rated	-	-	-	-

DTS	35/2019	Supply and delivery of Electrical Materials for a period of three years	Luraps Trading (Pty)Ltd	26/06/2019	25/06/2022		No service rendered during the quarters not rated	5	-	5	5
			Mafunzwani Construction and General supply	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Bics engineering and supply (pty)ltd	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Tsuamo Civils	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Madeph Technical Services	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	-	-
			HTE Construction	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Magekha Electrical	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	5	5

			Free Horrizon (pty)ltd	26/06/2019	25/06/2022		No service rendered during the quarters not rated	5	5	-	-
			Labstyre (pty)ltd	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	5	5
			angoni capital	26/06/2019	25/06/2022			5	2	5	5
			Murangu Muvuledzi Trading and Projects	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	2	5
			Gerson Matamela Holdings	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Firm Supply Trading (pty)ltd	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Team Lutosh Trading Enterprise	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Ludricks	26/06/2019	25/06/2022			2	2	5	5

			constructions								
			Goldiflo (pty)ltd	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	5	2	5
			1 Daisy General	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	-	5
			Wauluga (pty)ltd	26/06/2019	25/06/2022			2	2	5	5
			Mudumela trading and general projects	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Binofusion (Pty) ltd	26/06/2019	25/06/2022		No service rendered during the quarters not rated	1	-	-	-
			Naps fire service and supply (pty)ltd	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	5	5
			Dreamfinders and projects 133	26/06/2019	25/06/2022		No service rendered during the quarters not rated	5	-	2	5

			MLTS Consultant	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Phenium Trading and projects	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Nergy construction	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	1	-	-
			Vhangwena Business Enterprise	26/06/2019	25/06/2022		No service rendered during the quarters not rated	-	-	5	5
DCOM S	10 /2019	panel of service providers for supply and delivery of library books for a period of three (03) years	Quarts Trading	10/06/2019	09/06/2022		No service rendered during the quarters not rated	-	-	-	-
			BKS Educational Supplies T/A Best book	10/06/2019	09/06/2022		No service rendered during the quarters not rated	-	-	-	-
			Shutter and Shooter Publishers	10/06/2019	09/06/2022		No service rendered during the quarters not rated	-	-	-	-

DFS	24/2019	Auctioneering services on municipal assets for the period of three years	Root -X Auctioneers	19/08/2019	18/08/2022		No service rendered during the quarters not rated	-	-	-	-
DCOM S	35/2019	Provision of Healthcare risk, Waste collection and treatment services for the period of three years	Gonyanie Trading and Technology	19/08/2019	18/08/2022			5	5	5	5
DTS	30 / 2019	Supply and delivery of SS60 and CAT 65 Bituminous Emulsions for the period of two years	Nrath (Pty)Ltd	10/09/2019	09/09/2021		No service rendered during the quarters not rated	5	-	-	-
			Shumela Phanda Investment	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	-	-	-
			Vunakum	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	-	-	-
			Maano Promotions and projects	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	-	-	-
			Point on Services	10/09/2019	09/09/2021		No service rendered during the quarters not rated	2	-	-	-

			Mushavo Trading Enterprise	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	-	-	-
			Vaal Water pipe and pumps supply	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	-	-	-
			Gerson Matamela Holdings	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	-	-	-
			Phem Consulting and projects managers	10/09/2019	09/09/2021		No service rendered during the quarters not rated	5	-	-	-
DTS	31 /2019	Supply and delivery of cold mix asphalt and LBS Filler for the period of two years	Goldiflo (pty)ltd	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	5	5	-
			Gadabi Holdings	10/09/2019	09/09/2021		Waiting for delivery	5	-	5	3
			Mushavo Trading Enterprise	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	-	5	-

			Ronewa Vhutali	10/09/2019	09/09/2021		No service rendered during the quarters not rated	5	5	5	-
			Nrath (Pty)Ltd	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	-	5	-
			MDK Zamafuku Construction	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	-	5	-
			N and C Civils	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	-	5	-
			HMH Construction and general supply	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	5	5	-
			V Mat Trading Enterprise	10/09/2019	09/09/2021		No service rendered during the quarters not rated	5	-	5	-
			Gerson Matamela Holdings	10/09/2019	09/09/2021		No service rendered during the quarters not rated	-	-	5	-
			Shumela Phanda	10/09/2019	09/09/2021		No service rendered during	5	-	5	-

			Investment				the quarters not rated				
			Point on Services	10/09/2019	09/09/2021		Awaiting for delivery	-	-	2	3
			Water of africa	10/09/2019	09/09/2021		No service rendered during the quarters not rated	5	-	5	-
DTS	26 /2019	Appointment of contractor to upgrading the 2.5km gravel to tar road from Gombita , Tshivhuyuni to Mamphagi phase 3	Moswobi Building Construction and Property (Pty)ltd	27/09/2019	26/02/2021	30/06/2021	Project completed	4	4	4	5
DCOM S	36 /2019	Appointment of service provider for Operation and maintenance of Makhado new landfill site for the period of three (03) years	Mascon Trading Cc	30/11/2019	29/11/2022			5	5	5	5
DTS	38/2019	Refill, service, Supply and Delivery of Council fire extinguishers for the period of three (03) years	Quick Fire Services and General Trading	20/11/2019	19/11/2022		No service rendered during the quarters not rated	5	5	-	-

DTS	33 /2019	Construction of Tshedza to Vuvha access road	Tainama Civils (Pty)Ltd	27/09/2019	06/09/2021			4	4	4	4
DTS	27 /2019	Appointment of contractor to upgrading of Mara Line	Kingki Electrical	06/09/2019	05/06/2020		Contract ended	5	5	-	-
DFS	28 /2019	Panel of service provider for sourcing of grants and implementation of programmes on a risk based for a period of three (03) years	Pholisani Capital Advisory and Investment	25/11/2019	24/11/2022		No service rendered during the quarters not rated	-	-	-	-
			Mafumu Consulting (Pty)Ltd	25/11/2019	24/11/2022		No service rendered during the quarters not rated	-	-	-	-
			Masala Ramabulana Holdings	25/11/2019	24/11/2022		No service rendered during the quarters not rated	-	-	-	-
			Pfani IT Services	25/11/2019	24/11/2022		No service rendered during the quarters not rated	-	-	-	-
			Melokuhle Management	25/11/2019	24/11/2022		No service rendered during the quarters not rated	-	-	-	-

			Afrikon Investment	25/11/2019	24/11/2022		No service rendered during the quarters not rated	-	-	-	-
DTS	46/2019	Supply,delivery of materials,labour and construction of pavement at Machanical workshop phase 2	Mvuno geo-environmental civil and construction	26/11/2019	ONCE OFF		Project completed in 1st quarter	5	-	-	-
DFS	55/2019	Provision of meter reading for electrical consumption for the period of three years	KMA Consulting CC	19/12/2019	18/12/2022			5	5	5	5
DFS	56/2019	Provision of Value added tax (VAT) recovery for the period of three years	PF Financial Consulting CC	25/11/2019	24/11/2022			5	5	5	5
DTS	57/2019	Supply, Delivery of Material and Labour for Fencing of Dzanani Regional Office	Wanga Muano General Dealer pty ltd	27/12/2019	ONCE OFF		Project completed in 1st quarter	5	-	-	-
DTS	53/2019	Construction of exhibiting store at showground	Mvuno Geo-Env civil and construction	27/12/2019	ONCE OFF		Project completed in 1st quarter	5	-	-	-

DTS	65/2019	Construction of Xitacini to Jiweni Access road	PGN pty ltd	08/01/2020	30/08/2021			5	5	5	5
DTS	44/2019	Supply and delivery of culverts pipes and round pipes	MWA Infrastructure Developers (pty)ltd	07/02/2020	ONCE OFF		Project completed in 1st quarter	5	-	-	-
DTS	66/2019	Waterval sport facility phase 3	Valcross	07/02/2020	30/08/2021			4	5	5	4
DTS	72/2019	Refurbishment of electrical stores building	Luma General Trading	16/07/2020	15/10/2020		Project completed in 1st quarter	5	-	-	-
DTS	60/2019	Electrical Contractor to upgrade the Levubu East 22KV	Lefhumo Lwa Berema	16/07/2020	15/09/2020		Project completed in 1st quarter	5	-	-	-
DCOR P	67/2019	Panel of service providers to supply and delivery of newspapers for the period of 12 months	Brucheli (Pty)ltd	02/08/2020	01/08/2021			5	5	5	5
DTS	71/2019	Panel of service providers to supply and delivery of electrical materials	Ramsmushavhi General Trading	02/09/2020	01/09/2023		Waiting for delivery	-	-	5	3

		(Group C) for the period of three years	TMMR Trading Enterprise	02/09/2020	01/09/2023		Waiting for delivery	-	-	-	5
			Conan Consulting and Projects	02/09/2020	01/09/2023		No service rendered during the quarters not rated	-	5	5	-
			Nrath Trading (Pty)ltd	02/09/2020	01/09/2023		No service rendered during the quarters not rated	-	-	5	5
			Masgac Trading Enterprise	02/09/2020	01/09/2023		No service rendered during the quarters not rated	-	-	-	5
			Best Enough Trading Projects	02/09/2020	01/09/2023		No service rendered during the quarters not rated	-	-	-	5
			Mphuma Supply and Services	02/09/2020	01/09/2023		No service rendered during the quarters not rated	-	5	5	5
			Maondo Trading and projects	02/09/2020	01/09/2023		No service rendered during this 4th quarter (Not rated)	-	-	5	-

			Angoni Capital	02/09/2020	01/09/2023		No service rendered during the quarters not rated	-	2	5	5
			Cloud One Trading	02/09/2020	01/09/2023		No service rendered during the quarters not rated	-	-	-	5
			Aarotec (Pty)ltd	02/09/2020	01/09/2023		No service rendered during the quarters not rated	-	-	-	-
DCOM S	15/2020	Supply and delivery of refuse skip loader truck	Aarotec (Pty)ltd	28/08/2020	ONCE OFF		No service rendered during the quarters not rated	-	-	3	5
DTS	63/2019	Supply and delivery of Air Conditioners for the period of three (03) years	Mpho's Aircondition	08/09/2020	07/09/2023		No service rendered during the quarters not rated	-	-	2	5
			Ramsmushavhi General Trading	08/09/2020	07/09/2023		No service rendered during the quarters not rated	-	-	2	5
			Nrath Trading (Pty)ltd	08/09/2020	07/09/2023		No service rendered during the quarters not rated	-	-	2	5
			Tsuamo Civils (Pty)ltd	08/09/2020	07/09/2023		No service rendered during the quarters not rated	-	-	2	5

DFS	24/2020	Provision of Short-term insurance for the period of 3 years	Kunene Makopo Risk Solutions	30/09/2020	29/09/2023		No service rendered during the quarters not rated	-	5	5	5
DCOM S	14/2020	Provision of security services to Municipal properties for a period of three years	Collins Sebola Financial Services	11/09/2020	10/09/2023		No service rendered during the quarters not rated		5	5	5
			Tshakhwilo Trading Enterprise	11/09/2020	10/09/2023		No service rendered during the quarters not rated		5	5	5
			Ditiro Tsaka Security Services	11/09/2020	10/09/2023		No service rendered during the quarters not rated		5	5	5
			Vhugi Protection Services	11/09/2020	10/09/2023		No service rendered during the quarters not rated		5	5	5
			Backline Security Services	11/09/2020	10/09/2023		No service rendered during the quarters not rated		5	5	5

DCOR P	16 / 2020	Supply,delivery,installation and commissioning of 19 rental photocopiers and two coin controllers fro a period of 03 years	Todani Development and Consultancy	01/10/2020	30/09/2023		No service rendered during the quarters not rated		5	5	5
DCOM	03 of 2020	Rehabilitation of closed vondeling landfill site Phase 1	Mulaifa development projects	26/10/2020	30/04/2021		Project completed in 3rd quarter		-	5	-
DTS	17 of 2020	Construction of Mashau Matanda Graveyard	Zwashu Trading and Projects	20/11/2020	Once off		Project completed in 3rd quarter			5	-
DTS	19 of 2020	Construction of Fence at Raliphaswa Graveyard	Molouf (pty)ltd	20/11/2020	Once off		Project completed in 3rd quarter			5	-
DTS	20 of 2020	Construction of Fence at Tshivhade Graveyard	Mashnem General Dealer	20/11/2020	Once off		Project completed in 3rd quarter			5	-
DTS	21 of 2020	Construction of Fence at Dzumbathoho (Phadzima) Graveyard	Koephu Business Enterprise	20/11/2020	Once off		Project completed in 3rd quarter			5	-
DTS	22 of 2020	Construction of Fence at Vleifontein Graveyard	Katmal Construction	20/11/2020	Once off		Project completed in 3rd quarter			5	-

DTS	18 of 2020	Constrcution of fence at Pfanani Grave Yard	Wanga Muano General Dealer	20/11/2020	Once off		Project completed in 3rd quarter			5	-
DTS	23 of 2020	Constrcution of fence at Gogobole Grave Yard	Tshithandwa Trading	20/11/2020	Once off		Project completed in 3rd quarter			5	-
DTS	48 of 2020	Appointment of Electrical Contractor for the Electrification of Muananzhele Phase 3 Kanana	Madz Electrical	23/11/2020	Once off		Project completed in 3rd quarter			5	-
DTS	49 of 2020	Appointment of Electrical Contractor for the Electrification of Buysdorp Community	Denzhe Electrical	23/11/2020	Once off		Project completed in 3rd quarter			5	-
DTS	50 of 2020	Appointment Contractor for the Electrification of Muananzhele Line Phase	Tshabalal Multi Service workshop	23/11/2020	Once off		Project completed in 3rd quarter			5	-
DTS	28 of 2020	Upgrading of Tshakhuma Community Market Phase 2	TTR Infrustructure Developers	26/11/2020	Once off		No service rendered during the quarters not rated			5	5

DCOR P	37 of 2020	Supply, Design and Printing of Diaries, Poster and Calenders for	Thina Printers and Distributors	26/11/2020	Once off		Project completed in 3rd quarter			5	-
DTS	29 of 2020	Rehabilitation of Streets Ramaano, Tshitotolwe and Dendze	LTE Civils and plant	18/12/2020	17/06/2021		No service rendered during the quarters not rated			5	5
MM	33 of 2020	Appointment for a Panel of Legal Services for the period of three (03) years	TT NGOGENI ATTORNEYS INC	11/01/2021	10/01/2024		No service rendered during the quarters not rated			5	5
			KGOROEDIRA MUDAU INC	11/01/2021	10/01/2024		No service rendered during the quarters not rated			5	5
		GROUP A- LITIGATION	MAKHUVHA E.M ATTORNEY	11/01/2021	10/01/2024		No service rendered during the quarters not rated			-	-
			RERANI MAWILA JV	11/01/2021	10/01/2024		No service rendered during the quarters not rated			5	5
			MUDAU AND NETSHIPISE ATTORNEYS	11/01/2021	10/01/2024		No service rendered during the quarters not rated			5	5

			MUEDI ATTORNEYS INC	11/01/2021	10/01/2024		No service rendered during the quarters not rated			5	5
			GOGOME NDOU ATTORNEYS J/V	11/01/2021	10/01/2024		No service rendered during the quarters not rated			5	5
			DUBISHI NTHAMBELENI ATTORNEYS	11/01/2021	10/01/2024		No service rendered during the quarters not rated			5	5
MM	33 of 2020	Appointment for a Panel of Legal Services for the period of three (03) years	LEBEA & ASSOCIATES	11/01/2021	10/01/2024		No service rendered during the quarters not rated			-	-
			LRM AND ASSOCIATES INCORPORATED	11/01/2021	10/01/2024		No service rendered during the quarters not rated			-	-
		GROUP B -LABOUR MATTERS	MUEDI ATTORNEYS INC	11/01/2021	10/01/2024		No service rendered during the quarters not rated			5	5

MM	33 of 2020	Appointment for a Panel of Legal Services for the period of three (03) years	DABISHI NTHAMBENI INC	11/01/2021	10/01/2024		No service rendered during the quarters not rated			5	5
			MUNONDE ATTORNEYS	11/01/2021	10/01/2024		No service rendered during the quarters not rated			5	5
		GROUP C - CONVEYANCERS	POPELA MAAKE ANCOPORATED	11/01/2021	10/01/2024		No service rendered during the quarters not rated			5	5
			MAKAMU AND MUNYAI INC	11/01/2021	10/01/2024		No service rendered during the quarters not rated			5	5
DTS	63 of 2020	Construction of rivoni - xihlobeng access road	NT MOLEFE CONSTRUCTION JV NRATH	25/04/2021	31/03/2022		No service rendered during the quarters not rated			5	5
DTS	34 of 2020	Supply and delivery of Pedestrian Rollers	Goldiflo (Pty)Ltd	18/12/2020	once off		Project completed in 3rd quarter			4	-
DTS	35 of 2020	Supply and delivery of Culvert Pipes and Round Pipes	IFWS Projects (Pty)ltd	18/12/2020	once off		Project completed in 3rd quarter			5	-

DTS	46 of 2020	Supply, delivery of Material, Labour and Construction of Fencing of Mutsha Community Hall	Gerson Matamela	18/12/2020	once off		Project completed in 3rd quarter			5	-
DTS	55 of 2020	Appointment for contractor for construction of Sane to Natalie Bridge	Diges Group cc	30/12/2020	31/01/2022		No service rendered during the quarters not rated			5	5
DTS	30 of 2020	Construction of Fence N1 Tourism inclusive of Arts Centre and Craft Centre Project	Ramashu Supply and services	30/12/2020	29/05/2021		Project completed in 4th quarter			5	5
DFS	47 of 2020	Travel	Exila Travels	15/12/2020	14/12/2023		No service rendered during the quarters not rated			5	5
			Nyeleti Travels	15/12/2020	14/12/2023		No service rendered during the quarters not rated			5	5
			Pheto Travels	15/12/2020	14/12/2023		No service rendered during the quarters not rated			5	5
			Ariye Travels	15/12/2020	14/12/2023		No service rendered during			5	5

							the quarters not rated				
DFS	32 of 2020	Disinfection of Municipal Offices	Muponi Property Management	11/01/2021	10/01/2022		No service rendered during the quarters not rated			-	5
			Afrimed Business solutions cc	11/01/2021	10/01/2022		No service rendered during the quarters not rated			-	5
DTS	36/2020	Supply, delivery of Materail, Labour and Construction of Pavement Dzanani Regional Offices	Nrath Trading (pty)ltd	11/01/2021	30/04/2021		Project completed during 3rd quarter			5	-
DFS	38/2020	Panel of service providers to supply and delivery of refuse plastic bags for the period of three years	Umanza Business Enterprise	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
			Savelot	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
			Wauluga (pty)ltd	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3

			Angoni Capital	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
			MMC Consultants (PTY) LTD	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
			Moleke Projects	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
			Enge Security Services and Projects (PTY) LTD	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
			Muponi Property Management	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
			SEOMC Trading Enterprise	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
			Nendila General Supply	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3

			Mbofholowo General Trading and Gardening	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
			Linubrite	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
			Kondelelani Zwidoitea Construction and General Supply	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
			Culis Tent Chairs and Tables Hire	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
			Annah and Son Trading and Projects	15/06/2021	14/06/2024		No service rendered during the quarters not rated				3
DCOM S	42/2020	Supply, delivery and Installation of high mast lights at Makhado new landfill site	Miluwani Electrical and House Wiring	15/06/2021	Once off		Appointment declined				-

DCOR P	19/202 1	Upgrade of server infrastructure hardware	Mubvumela Corporation (PTY) LTD	30/04/2021	Once off		Project completed				5
DCOR P	16/202 1	appointment of service provider for mime cast cyber resilience foundation plan, upgrade from g1 to m2r for 350 users and licensing for the period of three (03) years	Ndila Information Systems (pty) ltd	30/04/2021	29/04/2024		No service rendered during the quarters not rated				5
DCOR P	15/202 1	appointment of service provider for microsoft 365 business licenses (45 users) and munsoft 365 e3 licenses (50 users) for a period of twelve (12) months	Munsoft (pty) ltd	30/04/2021	29/04/2022		No service rendered during the quarters not rated				5
DCOR P	21/202 1	renew Microsoft office 365 apps for business license for the period three (03) years.	QSmart Services	30/04/2021	29/04/2024		No service rendered during the quarters not rated				5

DTS	10/2021	re-advertisement: repairs of small equipment for the period of the two (03) years	Justfix Auto Electrix	19/05/2021	18/05/2024		No service rendered during the quarters not rated				-
DTS	06/2021	supply and delivery of spares for repairs and maintenance for makhado local municipality fleet for the period of two (03) years	Justfix Auto Electrix	19/05/2021	18/05/2024		No service rendered during the quarters not rated				-
DCORP	24/2021	supply, delivery, and commissioning of server cabinet with built-in air-conditioning and controls	Angoni Capital	19/05/2021	once off		Awaiting for delivery				3
DTS	01/2021	Supply and Delivery of Gooseneck Trailer for Makhado local municipality	Cloud One Trading (pty) ltd	30/04/2021	once off		Awaiting for delivery				3
DCOMS	05/2020	Appointment of service providers for rendering of waste material recovery (recycling) at makhado waste disposal	Nweti Wa Tilotla Daily Double	10/03/2021	09/03/2024		Declined appointment				-

		facilities for period of three years									
DTS	64/2020	Appointment of panel of electrical contractors for emergency and preventative maintenance for the period of three (03) years	Avax SA 222 CC	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			FFM Engineering (pty) ltd	29/04/2021	28/04/2024		No service rendered during the quarters not rated				4
			Shudu Trading and Projects	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			Hwali Business Enterprise	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			KMA Consulting CC	29/04/2021	28/04/2024		No service rendered during the quarters not rated				4
			Tsire Consulting JV Masgac Trading Enterprise	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-

			Capotex Trading Enterprise CC	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			Denzhe Electrical CC	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			Miluwani Electrical and House Wiring	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			TM Consortium (pty) ltd	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			Tsire Consulting JV Masgac Trading Enterprise	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			Rivisi Electrical Contractors	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			NSK Electrical and Construction	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-

			Managers (Pty)Ltd								
			IPSUM Engineering Solutions	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
DCOR P	20/2021	Supply and delivery of operating system for server	Fhima Consultancy and Projects	30/04/2021	once off		Awaiting delivery				3
DCOM S	22/2021	Panel of service providers to provide a service of grass cutting, litter picking in makhado municipality parks, empty stand and open spaces as and when required basis for period of three years	MVR Consulting and Projects Managers	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			Velaphe Transport and Projects JV seithuto Trading	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			MNN Landscaping	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			Kaybee Consulting and	29/04/2021	28/04/2024		No service rendered during				-

			Projects				the quarters not rated				
			Mvelaphandle Trading and Projects	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			UB16 Investment and Projects (pty) ltd	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			N and C Civils	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			KMA Consulting CC	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			Muponi Property Management	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			Mvelaphandle Trading and Projects	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-

			Vhashumza Trading (pty) ltd	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			Zabest Construction (pty) ltd	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			PRR Solutions	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
			Ramashu Supply and services	29/04/2021	28/04/2024		No service rendered during the quarters not rated				-
DTS	18/2021	Rehabilitation and resealing of roads, emergency potholes patching within makhado local municipality for the period three years as and when required basis.	Swadawada (pty) ltd	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			Mvuno geo-environmental civil and construction	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			Dzina 10 Trading (pty) ltd	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5

			MH Construction	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			Rixongile Consulting Engineers	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			Swadawada (pty) ltd	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			Edgar Mul Holdings	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			Nrath Trading (pty) ltd JV Makawana Solutions	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			Gerson Matamela Holdings	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			IFWS Projects (Pty) ltd	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5

			Muponi Property Management	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			Courtesy Management (pty) ltd	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
			Pakani Trading Enterprise	29/04/2021	28/04/2024		No service rendered during the quarters not rated				5
DTS	65/2020	Appointment of panel of Engineering Consultants for Electrical projects for the three (03) years	Shumba Engineering Services	21/04/2021	20/04/2024		No service rendered during the quarters not rated				3
			NSK Electrical and Construction Managers (Pty)Ltd	21/04/2021	20/04/2024		No service rendered during the quarters not rated				3
			Risima Projects Management	21/04/2021	20/04/2024		No service rendered during the quarters not rated				3
			Winding Technologies	21/04/2021	20/04/2024		No service rendered during the quarters not rated				3

			(pty) ltd								
			AES Consulting	21/04/2021	20/04/2024		No service rendered during the quarters not rated				3
DCOR P	10/2020	Appointment of service provider for review and consolidation of Makhado local municipality registry and records management processes	Zinjiva Information Brokers	15/04/2021	14/04/2022		No service rendered during the quarters not rated				5
DTS	12/2021	Supply, Delivery and Commissioning of 5MVA Transformers for Eltivillas east substation and information centre – Boom Park substation	NSK Electrical and Construction Managers (Pty) Ltd	15/04/2021	Once off		No service rendered during the quarters not rated				5
DCOM S	25/2021	Refurbishment of the existing cattle pound structure at makhado municipal animal pound	Timbacha Trading	02/06/2021	Once off		No service rendered during the quarters not rated				5

N.B Kindly note that in a case were a service provider hasn't rendered any services during the quarter of the financial year under review(2020-21), no rating is effected.

The Municipal Systems Act, (Act 32 of 2000) as amended, stipulates the following:

Annual performance reports:

46. (1) A municipality must prepare for each financial year a performance report reflecting –

- (a) the performance of the municipality and of each external service provider during that financial year;
- (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
- (c) measures taken to improve performance.

(2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.”

ANNEXURES A3

2020/21 Audited Annual Financial Statement