

**NORTH WEST  
NOORDWES**

***EXTRAORDINARY • BUITENGEWOON***

**PROVINCIAL GAZETTE  
PROVINSIALE KOERANT**

**Vol. 261**

**MAHIKENG  
11 MAY 2018  
11 MEI 2018**

**No. 7881**

**IMPORTANT NOTICE:**

THE GOVERNMENT PRINTING WORKS WILL NOT BE HELD RESPONSIBLE FOR ANY ERRORS THAT MIGHT OCCUR DUE TO THE SUBMISSION OF INCOMPLETE / INCORRECT / ILLEGIBLE COPY.

**No** FUTURE QUERIES WILL BE HANDLED IN CONNECTION WITH THE ABOVE.

**CONTENTS**

	<i>Gazette</i>	<i>Page</i>
	<i>No.</i>	<i>No.</i>
<b>PROVINCIAL NOTICES • PROVINSIALE KENNISGEWINGS</b>		
78	7881	3
Department of Local Government & Human Settlements: 2015/2016 North West MSA Sec 47 Report: Bokone Bophirima Consolidated Performance Report on municipalities .....		

PROVINCIAL NOTICES • PROVINSIALE KENNISGEWINGS

PROVINCIAL NOTICE 78 OF 2018



**dlg&hs**

Department:  
Local Government & Human Settlements  
North West Provincial Government  
REPUBLIC OF SOUTH AFRICA



2015/2016

**North West MSA SEC 47 REPORT**  
**BOKONE BOPHIRIMA CONSOLIDATED PERFORMANCE REPORT**  
**ON MUNICIPALITIES**

**B-B**  
BACK TO BANKS

Putting People First and Engaging with Communities

Delivering Basic Services

Good Governance

Sound Financial Management

Building Capable Institutions

2030 NDP

## Contents

<b>1. SECTION 1: INTRODUCTION .....</b>	<b>4</b>
1.1 Foreword by the MEC .....	4
1.2 Executive summary by the Head Of Department .....	7
1.3 Legislative Background .....	10
1.4 Objective of the report .....	13
1.5 Source of information .....	14
1.6 Limitations in provincial reporting.....	14
1.7 Overview of Municipalities in province- Census 2016.....	15
<b>SECTION 2: MUNICIPAL PERFORMANCE REPORT.....</b>	<b>18</b>
2 KPA :Basic Service Delivery and Infrastructure Development .....	18
2.1 Service Delivery Access Levels.....	18
2.2 MIG Expenditure .....	20
2.3 Overall Challenges encountered.....	25
2.4 Under performing Municipalities .....	27
2.5 Intervention .....	28
<b>3 KPA 2: Municipal Institutional Development and Transformation.....</b>	<b>30</b>
3.1 Human Resource Management .....	30
3.2 State of Disciplinary Action.....	32
3.3 Under performing Municipalities .....	33
3.4 Intervention .....	33
<b>4. KPA 3: Local Economic Development (LED).....</b>	<b>34</b>
4.1 Status of LED Strategies and structures.....	34
4.2 Number of jobs created through LED initiatives and capital projects (MIG) .....	38
4.3 Under performing Municipalities .....	38
4.4 Interventions .....	39
<b>5 KPA 4: Municipal Financial Viability and Management .....</b>	<b>41</b>
5.1 Municipal Property Rates Act .....	41
5.2 Capital Funding.....	48
5.3 Capital Expenditure .....	50
5.4 Operating Revenue .....	52
5.5 Operating Expenditure .....	54
5.6 Debtors .....	57
5.7 Government Debts .....	59
5.8 Creditors .....	60
5.9 Outstanding Debt To Eskom .....	62
5.10 Outstanding Debt To Water Boards.....	63
5.11 Cash Flow.....	65
5.12 Under performing Municipalities .....	68
5.13 Revenue Enhancement Programme .....	68
5.14 Municipal standard chart of accounts (mSCOA).....	69
5.15 Consolidated MFMA Section 131 Report .....	70

---

<b>6 KPA 5: Good Governance and Public Participation</b> .....	<b>89</b>
6.1 Integrated development plan (IDP) assessment.....	89
6.2 Councillors and Council Meetings Attendance .....	91
6.3 MPAC functionality .....	92
6.4 Tabling and Submission Of The Oversight Report.....	93
6.5 Ward Committees.....	94
6.6 Functional ward committees .....	95
6.7 Anti-Corruption .....	98
6.8 Under performing Municipalities .....	102
6.9 Internal Audit and Audit Committee .....	103
<b>7 Municipal Disaster Management</b> .....	<b>109</b>
7.1 Municipal Heads of Disaster Management Centres (Section 45 of the DM Act).....	110
7.2 Establishment of Municipal Disaster Management Advisory Forums .....	111
7.3 Municipalities affected by disaster incidents.....	112
7.4 Public Advocacy and Awareness Campaigns .....	122
7.5 Declared Disaster: Classified and their effects (Section 40 and 41 of the DM Act) .....	123
7.6 Summary of disaster performance .....	124
<b>8 Overall Underperforming Municipalities</b> .....	<b>126</b>

<b>A</b>	<b>Acronyms</b>	<b>O</b>	
AFS	Annual Financial Statements	OD	Organizational Development
AGSA	Auditor General of South Africa	OHASA	Occupational Health and Safety Act.
APP	Annual Performance Plan	OHS	Occupational Health and Safety
AR	Annual Report	OOP	Office of the Premier
ARTG	Analytical Reporting Template	<b>I</b>	
<b>B</b>		ICT	Information Communication Technology
BAS	Basic Accounting System	IDP	Integrated Development Planning
BTO	Budget and Treasury Office	IGR	Inter-Governmental Relations
BOC	Budget Oversight Committee	IMI	Integrated Municipal Infrastructure
BBBEE	Broad Based Black Economic Empowerment	IMMIS	Integrated Municipal Management Information System.
BBPCC	Bokone Bophirima Provincial Coordinating Committee	IT	Information Technology
<b>C</b>	Chief Financial Officer	IWMP	Integrated Waste Management plans
CFO	Common Wealth Local Government Forum	IA	Internal Audit
CLGF	Community Works Programme	<b>K</b>	
CWP	Culture Arts and Traditional Affairs	KPA	Key Performance Areas
CATA	Corporate Governance and Traditional Affairs	KPI	Key Performance Indicator
COGTA		KRA	Key Result Area
<b>D</b>	Development Bank of Southern Africa	<b>L</b>	
DBSA	Deputy Director General	LED	Local Economic Development
DDG	Department of Cooperate Governance (Technical Support Unit)	LG	Local Government
DCOG (TSU)		LGNET	Local Government Network
DGDS	District Growth and Development Strategy	LG	Local Government Sectoral Education and Training Authority
Dlg&hs	Department of Local Government and Human Settlement	SETA	Local Government Turn –Around Strategy
DM	District Municipality	LGTAS	Local Municipality
DMC	Departmental Management Committee	LM	Land Use Management Bill
DoL	Department of Labour	LUMB	Land Use Scheme
DORA	Division of Revenue Act	LUS	Local Government Anti Corruption Strategy
DPC	Departmental Procurement Committee	LGAS	Local Government Task Team
DPSA	Department of Public Service and Administration	LTT	
DPW	Department of Public Works.	<b>S</b>	
DPWRT	Department of Public Works, Roads and Transport	SALGA	South African Local Government Association
DrKK	Dr Kenneth Kaunda	SCM	Supply Chain Management
DRRSMDM	Dr Ruth Segomotsi Mompoti District	SDA	Skills Development Act
		SDBIP	Service Delivery and Budget Implementation Plan.

## SECTION 1: INTRODUCTION

**1.1 Foreword by the MEC**

## MEC FENNY GAOLAOLWE

The National Development Plan (NDP) envisions that by 2030 South Africa will have a state that is capable of playing a developmental and transformative role. In broad terms such a state intervenes to support and guide development in such a way that benefits accrue across society (especially the poor). Drawing from the NDP chapter on a Capable and Developmental State, by 2030 we will have a developmental local state that is accountable, focused on citizen's priorities and capable of delivering high-quality services consistently and sustainably through cooperative governance and participatory democracy.

The fifth Administration in the Bokone Bophirima Province adopted the 5 concretes towards the realization of the National Development Plan Vision by 2030. The Province of Bokone Bophirima continue to pride itself with the realization of improvements in our communities through the implementation of Setsokotsanane programme. The Department of Local Government and Human Settlements remains at the centre of Rebranding, Repositioning and Renewing (RRR) the image of our province as pronounced by the fifth administration.

The Department's priority is to achieve the targets and priorities set out by the Local Government's Back to Basics Programme and that the Department as well as Municipalities must strive towards obtaining unqualified audit opinions.

For the year under review, the Department has also registered significant progress in terms of implementation of outcome 9 and Back to Basics establishment phase, the highlights are summarized as follows:

### **Back to Basics Pillar 1: Public Participation: Putting People First**

The Department believes that the people centered-approach to governance and development is a core part of building developmental state. On average, 68% ward committees in the province are functional . Moretele Local Municipality (LM), Ratlou LM and Kagisano-Molopo LM have high percentage of ward committee's functionality.

Community Works Programme is implemented in 17 Municipalities and it created 16500 work opportunities for the year under review.

### **Back to Basics Pillar 2: Creating conditions for decent living**

81% of households have access to a basic level of water, 63%of households have access to a basic level of electricity while access to basic level sanitation is at 63%.

### **Back to Basics Pillar 3: Good Governance**

All the Municipalities submitted their Integrated development plan (IDP) during the year under Review. Fourteen (14) Municipalities tabled the Oversight Report on Annual Report for the 2015/16 Financial Year

### **Back to Basics Pillar 4: Sound Financial Management**

4 out of 23 Municipalities received a financially unqualified audit outcomes with matters of emphasis viz Kgetleng Rivier LM, Dr. Ruth Segomotsi Mompati District Municipality (DM), Naledi LM, Kagisano-Molopo LM.

12 Municipalities received financially qualified audit outcomes and 7 Municipalities received disclaimer Audit outcome.

The Department will continuously support and monitor Municipalities with the process of the development and implementation of AG's action plan, implementation of revenue enhancement strategies, assist struggling Municipalities with development of financial recovery plans and implementation thereof and provide support to Municipalities with regard to MPRA issues.

### **Back to Basics Pillar 5: Building Capable Institutions and Administrations**

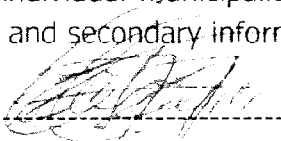
Overall vacancy rate within the Municipalities is 28%, Ngaka Modiri Molema DM and City of Matlosana LM are the highest in the Province with high senior management turnover rate. This suggests that there is generally no administrative capacity and capability to assist Councils to deliver on their constitutional obligation of delivering services.

87% of Municipalities are compliant with filling of Municipal Manager and Senior Managerposts with Minimum Competency levels.



Although Tswaing Local Municipality tabled and submitted incomplete annual reports I wish to thank all twenty three (23) Municipalities submitted the MFMA section 121 annual reports to the Department. Due to their submission efforts the Department is able to identify the support needed and undertake the necessary remedial action.

This is a report on the performance of municipalities in the Bokone Bophirima Province in respect of the 2015/16 Financial year, it has been compiled in accordance with the provisions of Section 47 of the Local government: Municipal Systems Act (Act 32 of 2000) . It is a consolidated report that is, to a large extent, based on the annual reports prepared by individual municipalities in terms of Section 121 of the Municipal Finance Management Act and secondary information from department.

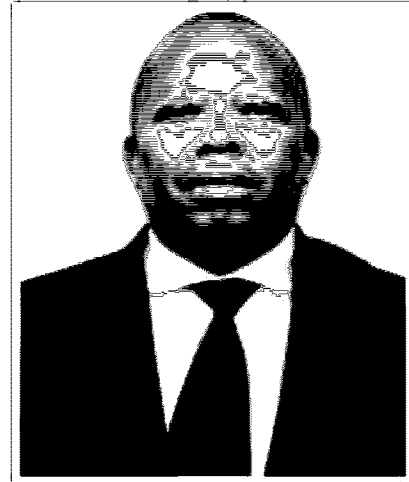
  
-----

Hon. Galaletsang Fenny Gaolaolwe  
MEC for Local Government & Human Settlements

  
-----

Date

## 1.2 Executive summary by the Head Of Department



The report presents an analysis conducted and a comparison of past and current progress on municipal performance. This is followed by a brief assessment summary Analysis of Performance and best-Practices Identified.

### PERFORMANCE HIGHLIGHTS

This Annual Performance Report for 2015/16 financial year is in compliance with section 47 of the Local Government Municipal Systems Act. (Act No. 32 of 2000). The report measures the progress made by the Local Government Provincially in meeting its constitutional mandate to, namely:

- (a) To provide a democratic and accountable government for local communities;
- (b) Ensure that services are provided to the community in a sustainable manner;
- (c) Promote social and economic development;
- (d) Promote safe and healthy environment; and
- (e) Encourage the involvement of communities and community organizations in the matters of Local Government [section 152 (1) RSA Constitution 1996]

**The approach** adopted in reporting the municipal performance for the period under review is based on the *Analytical Reporting Template and Guide* ("ARTG") and *Support Monitoring and Intervention Plan* ("SMIP"). A limited number of key indicators have been selected from the ARTG, which allow for a high level overview of the status of performance and resilience of Municipalities in a Province, and for interprovincial comparison. The majority of these indicators are measured annually. The base-line year is equivalent to year 1 of the reporting cycle. Recording three years of indicators allow for municipal performance trend analysis, Municipal bench- marking and an assessment of whether government-wide support, monitoring and intervention within Municipalities is effective or not. The analysis provided in this guide should draw from key themes and findings as reported in the

Analytical Reports compiled per Municipality, and may reflect on the same considerations for analysis as are provided for in corresponding sections of the ARTG.

## SERVICE DELIVERY

***Municipal Infrastructure Grant (MIG) Expenditure:*** The total budget for all 23 Municipalities in the province for 2015/16 amounts to R 1, 556, 296, 000.00 and total spending of MIG amounts to R 1, 396, 068, 458.31 (90%) and which increased as compared to 14/15 which was 88%. MIG Expenditure per district ranges from average 70%-99%.

## COMMUNITY ENGAGEMENTS

Ward committees' functionality decreased as compared to the prior years, 68% during the year under review 14/15 at 70%, 13/14 at 74%. 1 ward in Rustenburg LM (ward 38) remains to be not formalised due to the ward been won by an independent individual.

Number of CWP work opportunities created in the province by Municipalities are 16500 as compares to financial year 14/15 at 15448.

## FINANCIAL MANAGEMENT

**Debtors** Total outstanding debtors in the Bojanala District amounted to R5 billion, of which R4,2 billion or 83 per cent is owed for more than 90 days. The overall increase indicates that Municipalities in the district are not implementing their credit control and debt collection policies effectively. The most contributing Municipalities to the outstanding debt are Rustenburg LM and Madibeng LM.

Total debtors outstanding in the Ngaka Modiri Molema LM district amounted to R 1,5 billion, of which R1,4 billion or 93 percent is owed for more than 90 days. Mafikeng Municipality amounted to R840 million or 55 percent which is the highest Municipality owed in the District.

Total debtors outstanding in the Dr Ruth Segomotsi Mompati District amounted to R 917 million, of which R 838 million or 91 percent is owed for more than 90 days. Lekwa-Teemane LM Municipality remains the most owed Municipality in the district. They currently have outstanding debtors amounting to R407 million or 44percent, The second highest owed Municipality is Naledi with total outstanding amount of R267 million or 29 percent.

Outstanding debtors amounted to R2,2 billion for the Dr Kenneth Kaunda District, of which R1,9 billion or 85 percent is owed for more than 90 days. The City of Matlosana is the

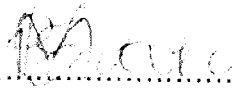
Municipality with the highest debt outstanding at R1, 4 billion or 64 percent when compared to other Municipalities in the district. Maquassi Hills has recorded the second highest amount of outstanding debtors in the district at R589 million or 26 percent.

**Audit Outcomes:** None of the Municipalities achieved clean audit.

**GOVERNANCE**

**IDP:** all Municipalities submitted their Integrated Development plan (IDP)

Thank you

  
.....

Mr. PE Motoko  
HEAD OF DEPARTMENT

  
.....

Date

## FULL REPORT

---

Please access the full 2015/16 MEC sec 47 report with the following links:

Direct link:

<http://www.nwpg.gov.za/HumanSettlements/site/documents/reports/final%20Printed%20sec%2047%20report.pdf>

or navigate to it under reports page as follows

<http://www.nwpg.gov.za/HumanSettlements/site/reports.html>

To be emailed soft copy or more clarity please contact the departmental Performance management system (PMS) unit on the following:

018 388 2925, 018 388 3610, 018 388 2271, 018 388 2323, 018 388 3551, 018 388 2375

## Recommendation

- Given the limited resources the Department will continuously monitor and support Municipalities to comply with Disaster Management Act. 2002 (Act No 57 of 2002).
- Support Mahikeng, Tswaing, Naledi and Greater Taung Local Municipalities with fire fighting vehicles.
- Put measures in place to ensure that resident in drought stricken areas are not adversely affected.
- Conduct Drought Mitigation & Relief awareness campaigns.

## 8 Overall Underperforming Municipalities

Not doing well	Potential to do well
<ul style="list-style-type: none"> <li>• Lekwa-Teemane LM</li> <li>• Ventersdorp LM</li> <li>• Tswaing LM</li> <li>• Kgetleng Rivier LM</li> </ul>	<ul style="list-style-type: none"> <li>• Mahikeng LM</li> <li>• Ramotshere Moiloa LM</li> <li>• Ditsobotla LM</li> <li>• Mamusa LM</li> <li>• Maquassi Hills LM</li> <li>• Ngaka Modiri Molema DM</li> </ul>

## Intervention

1. Facilitate the inauguration of new councillors
2. Council, MPAC and ward committees induction
3. Develop ward improvement reporting
4. Support with development of Integrated Development Plans (IDPs)
5. Launch rates & taxes payment campaign
6. Fast track water and sanitation projects
7. Support Municipalities with the compilation of valuation rolls and maintenance and promulgation of rates tariffs
8. Determine the root causes of the regression and negative audit opinion
9. Develop intervention plans with an intention to address weakness in different Municipalities.
10. Assess the capability of PMU units within the technical departments in municipalities to manage Infrastructure Grant as per MIG policy framework
11. Department in partnership with Cogta, Department Water and Sanitation and SALGA to conduct an assessment for water and sanitation function in Dr Ruth Segomotsi Mompati and Ngaka Modiri Molema District Municipality
12. Engage Municipalities to develop and implement revenue enhancement strategies.
13. Monitor and support functionality of municipal public account committees (MPAC)

- 14.** Support Municipalities with LED strategies
- 15.** Coordinate IGR disaster management advisory forum
- 16.** Assesses compliance with Sections 53 of the disaster management Act.
- 17.** Drought Mitigation & Relief awareness campaigns
- 18.** Department in partnership with FEED to initiate operation audit rooms
- 19.** strengthen municipal audit committee and internal audit structure
- 20.** Launch Moses Kotane Municipal Performance Excellence Awards to encourage and recognize municipal good performance.





**DEPARTMENT OF LOCAL GOVERNMENT & HUMAN SETTLEMENTS**

**2nd Floor West Wing, University Drive  
Garona Building  
Mmabatho  
2735**



facebook

[facebook.com/dlgh](https://facebook.com/dlgh)

twitter  
@dlgh

Instagram  
dlgh

