



NEW DAWN
QUARTER 3
2020/21 FY

NEW DAWN



Pg. 32 Finsch Diamond Mine provides Daniëlskuil High School with technical infrastructure

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MAYORS FOREWORD

On behalf of Kgatelopele Municipality, welcome to the 3rd edition of our Quarterly Newsletter for the 2020/21 financial year, the “New-Dawn.” We hope that you always find it a great read and stay connected with us and as it contains facts, relevant and latest information of our municipality and stakeholders. As council, we see this as a vehicle to provide all service delivery facts and figures and more importantly as a custodian of all truthful information about local governance including all our stakeholders operating within our jurisdiction. Amongst other objectives of this newsletter, serve as a useful tool to connect different stakeholders who are forever committed to the development of our communities. It provides them space to communicate with our communities on their plans, achievements, challenges and available opportunities.

As Councillors, we are also entitled to use this newsletter to provide critical information and feedback to our constituencies. This newsletter provides us with a great opportunity to communicate with the public, more especially now that we are phasing the COVID-19 pandemic, which prohibits large gatherings, like meetings, as it has been our traditional way of doing public participation. We also rely on your feedback as communities to advice on how best we can improve to make information available to them in the same time communities giving feedback. Despite this newsletter, we are using WhatsApp, and Facebook on social media to try and reach out to our young people, as most of them are found there.

In the beginning of this year, in January, the country experienced the Tropical Storm Eloise which we as the municipality also experienced on the 26th and 27th January 2021. We experienced severe rainy conditions after warnings circulated by the South African Weather Services. The severe rainy weather left our roads and a total number of 129 households negatively affected, and we experienced sinkholes in our area, which was officially committed to the communities. This left several communities stranded, as it resulted in families being left without homes, and damaged personal properties. It included dwellers in the formal and informal settlements where the rising water level due to already aged and poor storm water infrastructure seeped into the homes of the community. Majority of households that were affected was due to poor storm water infrastructure which has aged and some that are on the low-lying areas.

Due to all this, council held a special council meeting on the 28th January and resolved that there is a disaster as directed by Legislation disaster management Act of 2002. We urge the community to be vigilant, and to keep safe children and elderly people as the rainy weather still continues. Council will be sitting on the 29th of March to approve both the draft IDP and Budget as the strategic documents guiding the institution on implementing projects and spending, both drafts will be made public after the meeting for your perusal as we are reporting to you, the community who elected us in these positions. Due to COVID-19 regulations, communities are not allowed to attend our physical meetings, but feel free to join the live stream meeting, and ask for feed -back

after virtual meeting as we communicate them to you for your information if not shared. As it is in that way, that you hold us, as council accountable.

I hope you will enjoy reading this third quarter edition with all the content we have packaged for you and we look forward to a long partnership with you, our dear reader. Remember to join our Facebook page for regular updates, check our website, send us a WhatsApp or SMS on our customer care number or give us a call and you will be promptly responded to by our friendly staff.

We are striving to move Kgatelopele Municipality forward. Let's continue to adhere to the COVID19 regulations as advice by the department of health.

Thank you

Cllr Rene Losper
Hon Mayor

Municipal Managers Overview



THE IMPORTANCE OF PUBLIC PARTICIPATION IN THE OPERATION OF MUNICIPALITY

The South African Constitution is underpinned by principles of good governance, highlighting the importance of public participation as an essential element of successful good local governance. Section 152 of the Constitution of the Republic of South Africa, 1996 confirms a number of citizen rights and more specifically, the rights of communities to be involved in local governance. Municipalities are obliged to

encourage the involvement of communities and community organisations in local government. This obligation extends to the entire way in which a municipality operates and functions. The principle behind public participation is that all the stakeholders affected by a public authority's decision or actions have a right to be consulted and contribute to such a decision.

The municipality is obligated to:

- Take into account the interests and concerns of the residents when it develops by-laws, policy and implements its programmes;
- Communicate to the community regarding its activities

Mechanisms of public participation/engagement to be used are as follow:

- **Public communication:** - involves the municipality giving information to other stakeholders.
- **Public consultation:** - involves other stakeholders providing information to the council at the request of council or out of their own initiative.
- **Public dialogue:** - involves the mutual exchange of information between the stakeholders and council representatives.

Public participation methods identify criteria for acceptance of public participation and competence criteria by Rowen, G. and Frewer L.J (2000) are:

- Those participants should be representative of the target population. It might not be possible to include every member of the population but the aim is to strive to include all the known interests including trans-border concerns.

- That the process should be independent of any political or funder's influences. Care should be taken to avoid relying on politically aligned local structures.
 - There should be early involvement of the public. As soon as council has identified a need for policy, it should communicate the perceived need to the public.
 - The inputs by participants should influence policy. For public participation to be effective, the public must have confidence that their contributions will influence decision making. Furthermore, the public must receive feedback on each outcome of their contribution.
 - The process should be transparent, and the process of participation should be communicated to all affected parties.
-
- Participants should access resources including materials, information, experts and sufficient time to make decisions. Council could establish timelines for engagement such that consultation is planned, anticipated and not ad hoc. The timelines should be shared with all stakeholders through the most relevant means.
 - The purpose of the participation should be clearly communicated. The public should be aware if they are receiving, giving, and sharing information with council.
 - There should be a predetermined and structured decision-making process communicated to all stakeholders. Residents should be aware of how their contributions will be processed and input into the decision-making process.
 - The chosen method should be cost effective.

Mr. Monde January
Municipal Manager

Section 72 of the MFMA 2020/2021

Below is Mid-year section 72 implemented during the first six months of the financial year 2020/2021

Performance Management is the institutional mechanism used to monitor and evaluate achievements and under achievements of the Kgatelopele Local Municipality Mid-year performance. Performance Assessment assist management to take strategic decision, provide early warning signals also increase accountability of officials and institutional decision makers.

In terms of Section 72 of Local Government: Municipal Systems Act, Mid-year budget and performance assessment -

The accounting officer of a Municipality must by 25 January of each year-

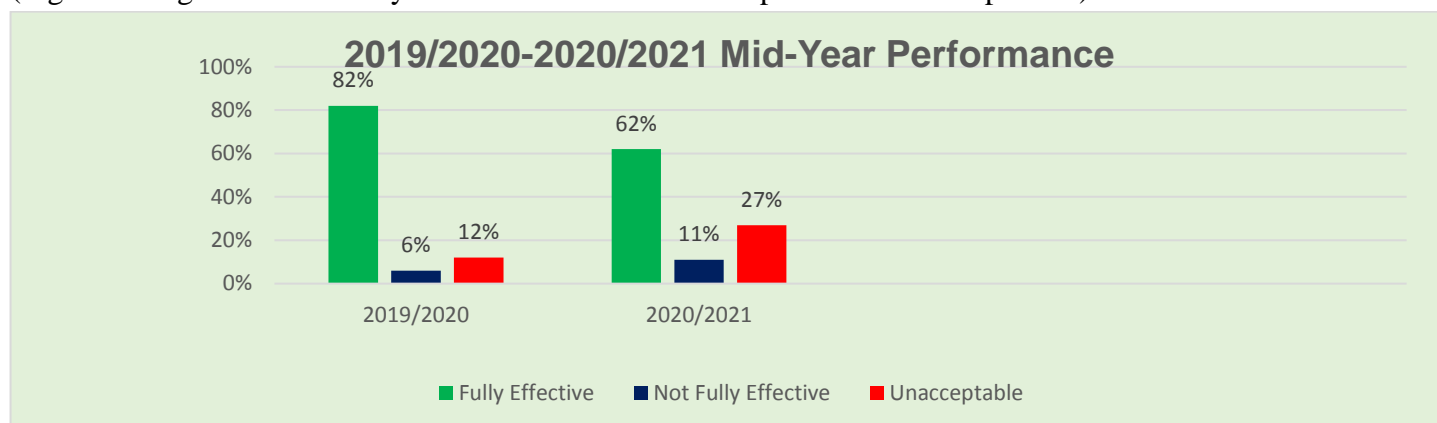
(a) Assess the performance of the Municipality during the first half of the financial year, taking in to account-

(i) The Municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan.

Performance Management and Reporting the organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at Directorate levels. The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget. MFMA Circular No.13 prescribes that: The IDP and budget must be aligned; the budget must address the strategic priorities; The SDBIP should indicate what the municipality is going to do during next 12 months; and The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes. The SDBIP were prepared by the Accounting Officer and approved by the Mayor. The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

SUMMARY OF THE 2019/2020 AND 2020/2021 MID-YEAR PERFORMANCE COMPARISON

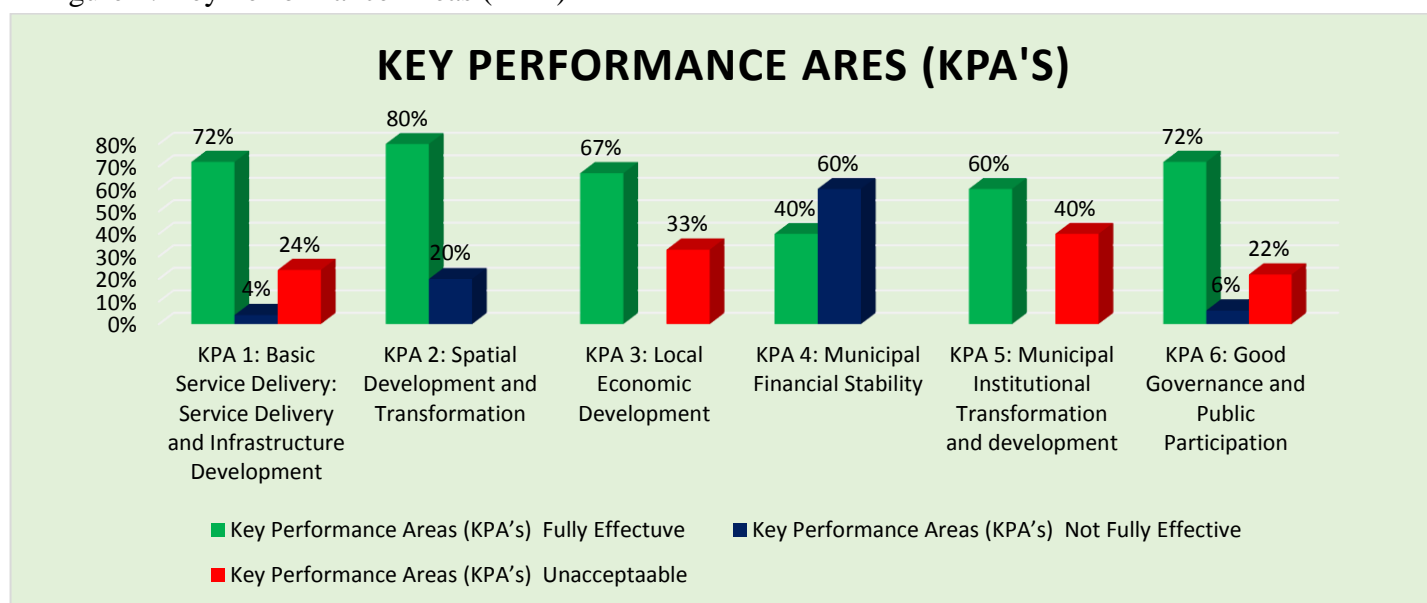
(Figure 1: High level summary 2019/2020 and 2020-2021 performance comparison)



The municipality has translated the national key performance areas into strategic objectives. These strategic objectives assisted the institution to refocus in achieving the developmental agenda. Performance Management System is the key element in ensuring implementation and realisation of the Integrated Development Plan. The Mid-year 2020/2021 financial year performance review realised 20% decline on the institutional performance whereas 2019/2020 performance was at 82% fully effective in relation to the 62% fully effective for 2020/2021 financial year. The total of 68 Key performance indicators were measured and evaluated for 2020/2021 Mid-year, 62% were fully effective, 11 % not fully effective and 27% were unacceptable. Due to South Africa national state of disaster of which national lockdown alert level 1 was instituted, the municipality could not implement its Key performance indicators as planned. However the municipality has incorporated COVID-19 risk mitigation plans in relation to institutional operations and projects.

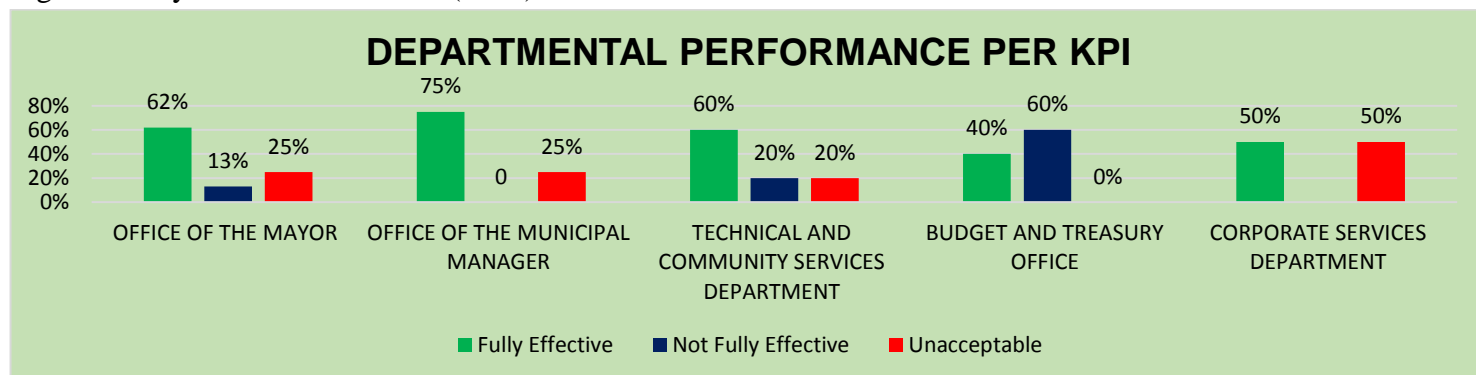
4. MID-YEAR INSTITUTIONAL PERFORMANCE PER KEY PERFORMANCE AREAS (KPA'S) FOR 2020/2021 FINANCIAL YEAR

Figure 2: Key Performance Areas (KPA)



5. MID-YEAR DEPARTMENTAL PERFORMANCE PER KEY PERFORMANCE INDICATORS (KPI) FOR 2020/2021 FINANCIAL YEAR

Figure 3: Key Performance Areas (KPA)



For the Mid-year review, office of the Mayor had 8 KPI's in total of which 62% were fully effective, 13% not fully effective and 25% unacceptable. All ward meetings could not be held according to SDBIP target since public gathering is prohibited during the national lockdown. The Mayor's office took further actions to ensure all awareness takes place through different platforms (e.g. KLM Facebook page) while adhering to South African State of national disaster regulations due to COVID-19 pandemic. Office of the Municipal Manager had 20 targeted KPI's of which 75% were fully effective and 25% were unacceptable. The Lockdown regulation is still a contributing factor mostly for number of people gathering in one area which leads preventing meeting planned to be held accordingly. Over and above, the municipality is determined to improve its performance to ensure the fully implementation of the performance management cycle.

Technical and community services had 25 targeted KPI's for the period of Mid-year, which 60% were fully effective whereas 20% were not fully effective and 20% unacceptable. With some technical KPI's for capital projects and their Proposal/business plans not being approved, with recommendations by the funder it delayed the implementation process for the Municipality. However Capital projects KPI's has been amended based on the recommendations of the funders and Proposal/business plan and correspondence of emails are in place. The budget and treasury department has total of 10 KPI's targeted in Mid-year review of which 40% were fully effective and 60% Not Fully Effective. Billing and collection it's still the contributing factor since Consumers of basic services are not being truthful and they don't commit to the arrangements they have done. Of the 5 set of KPI's for corporate services department for mid-year, only 50% were fully effective and 50% unacceptable. The implementation of South African Risk adjustment –strategy (National Lockdown) due to COVID-19 pandemic has affected the planed targets.

Kgatelopele Declaration of Disaster

On the 28th of January 2021, the Kgatelopele Local Municipality declared a Municipal State of Disaster in-light of the events which led to the negative impact of the Tropical Eloise Storm on the 26 and 27th of January 2021.

The Disaster Management Act No. 57 of 2002 makes provision for the declaration of a local disaster. Section 23(4) of the Disaster Management Act No 57 of 2002 states that a disaster is classified as a local disaster if it affects a single metropolitan, district or local municipality only and the municipality concerned, or if it's a district or local municipality, that municipality either alone or with assistance of local municipalities in the area or district municipality is able to deal with it effectively.

A disaster is defined in section 1 of the Disaster Management Act no. 57 of 2002 as

disaster 'a progressive or sudden, widespread or localized, natural or human-caused occurrence which;

(a) Causes or threatens to cause –

(i) Death, injury or disease

(ii) Damage to property, infrastructure or the environment; or

(iii) Significant disruption of the life of a community; and

(b) Is of a magnitude that exceeds the ability of those affected by the disaster to cope with its effects using only their own resources.

Section 49 of the Disaster Management Act No 57 of 2002, states that when a disastrous event occurs or is threatening to occur in the area of the municipality, the disaster management center of the municipality concerned must determine whether the event should be regarded as a disaster in terms of this Act, and must immediately –

(a) Initiate efforts to assess the magnitude and severity or potential magnitude and severity of the disaster.

(b) Inform the National Center and the relevant provincial disaster management center of the disaster and its initial assessment of the magnitude and severity or potential magnitude and severity of the disaster.

It should be noted that the municipality does not have its own disaster management center, this function lies with the district municipality.

In the event of a local disaster, the council of a municipality having primary responsibilities for the co-ordination and management of the disaster may, by notice in the provincial gazette, declare a local state of disaster if existing legislation and contingency arrangements do not adequately provide for that municipality to deal effectively with the disaster.

In-light of the events that occurred on the 26th and 27th of January 2021, the Municipality has also been able to make specific submission which includes reports to damages as well business plans to the Regional and Provincial Disaster Center for relief based on the negative impacts of the storm.

Draft Integrated Development Projects for 2021/2022 Financial Year

	Level of Service	Project	Estimate	Funding Source	MTREF Allocation	Target
1.	Water	Conversion of 122 Indigent conventional water meters to pre-paid water meters	R 679 052.00	Internal	R 679 052.00	Installation of 122 Meters
2.	Sanitation	Connection of 391 Households to Sewer Network – Phase 1	R 40 282 076.84	WSIG + Co-funding	R5 000 000.00	Planning & Design
3.	Roads	Upgrading Of Internal Roads From Gravel To Paved Roads In Kgatelopele – Phase 1	R 31 618 818.43	MIG + Co-funding	2022/23 Financial year	Planning & Design
4.	Waste	Establishment of New Landfill site	R 78 146 951.75	MIG + Co-funding	R 8 277 000.00	Subject to availability of funding for co-funding. Phase 1 – Under Construction
5.	Renewable Energy & Electricity	Street lights	R3 000 000.00	EEDSM Grant	R3 000 000.00	Refurbishment of existing street lights
6.	General Building	Repairs & Refurbishment of Municipal Facilities	R 1 075 000.00	EPWP	R 1 075 000.00	Refurbishment of municipal facilities including rooftops.
7	Recreation	The construction of a sports facility	R 12 000 000.00	MIG SMIF Grant	R 12 000 000.00	Construction of a sports facility Phase 1

DRAFT ANNUAL BUDGET 2021/22 – 2023/24

	Adjustment Budget year 2020/21	Draft Budget year 2021/2022	Draft Budget year +1 2022/2023	Draft Budget year +2 2023/2024
Total Operating Revenue	R 116 715 269	R 124 462 534	R 134 763 806	R 136 409 009
Total Operating Expenditure	R 116 205 235	R 124 268 519	R 133 638 737	R 131 846 523
Surplus	R 510 033	R 194 015	R 1 125 069	R 4 562 486
Total Capital Expenditure	R 21 845 000	R 90 594 000	R 131 612 000	R 157 462 000

TARIFFS 2021/2022

- Increase Rates and taxes by 4.1%
- Increase Water by 4,1%
- Increase Sanitation by 4,1%
- Increase Refuse removal 4,1%
- Increase Electricity 14,59%

Rebates will be given on property rates for selected categories

POLICY CHANGES

- Indigent incentive write-off will be implemented.
- Decrease in interest on outstanding debt from 7,5% to 3%
- No electricity blocking for Indigents; shared electricity will remain for those with arrears.
- Removing of property rates category ‘state owned’, adding ‘public service purpose’
- Inclusion of multipurpose property rates tariff

GRANT FUNDED PROJECTS

GRANT	AMOUNT	PROJECT
Municipal Infrastructure Grant	R 20 227 000	Establishment of new landfill site & Sports facility
Water Services Infrastructure Grant	R 5 000 000	Planning and design reticulation
Energy Efficiency & Demand Side Management	R 3 000 000	Public lighting
Expanded Public Works Program	R 1 000 000	Municipal property roofing
Regional Bulk Infrastructure Grant	R 62 367 000	Waste water treatment works

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

2021/2022

The below are Draft Key Performance Indicators for SDBIP 2021/2022 on Basic service delivery that the Municipality will implement in the new financial year. Kindly note that this is are draft KPI's for SDBIP based on the submitted business plan from Technical Department and currently KPI's cannot be developed without an approved Business plans for particular project to be on the SDBIP alignment with an IDP will be made once we have finalised all the IDP projects for 2021/2022.

KLM SDBIP- 2021/2022										
KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	Baseline 2019/2020	Annual Targets	Measure	Verification	Quarterly Projections				2021/2022 Budget
IDP OBJECTIVES	(KPI's)	30/06/2021	2020/2022	Unit	PoE	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	R
KPA 1 : Basic Service delivery : Service Delivery and Infrastructure Development										
To ensure the provision of sustainable basic service to our communities	KPI 1. Number of households provided with clean piped water by 30 June 2022.	3040	3045 households	Number	List of households and account listings	3x reports	3x reports	3x reports	3x reports	R10 959 271
	KPI 1.1. Number of Water Quality Assurance reports for the provision of clean piped water by 30 June 2022.	12	12 Monthly lab results	Number	12 Monthly Lab Results	12 Monthly lab results	3x lab results	3x lab results	3x lab results	

	KPI 2. Number of households provided with electricity prepaid and credit by 30 June 2022.	3574	3574 households	Number	List of households-G-Cell list and job card of new connections	3x Electricity Monthly Reports	3x Electricity Monthly Reports	3x Electricity Monthly Reports	3x Electricity Monthly Reports	R10 959 271
	KPI 3. Number of households provided with access to Basic sanitation service by 30 June 2022.	3137	3137 Households	Number	List of households and account listings	3x Sanitation Monthly Reports	3x Sanitation Monthly Reports	3x Sanitation Monthly Reports	3x Sanitation Monthly Reports	R7 849 937
	KPI 4. Number of households provided with weekly solid waste removal services in Daniëlskuil and Lime Acres by 30 June 2022.	2795	2795 Households	Number	List of households and account listings	3x waste collection Monthly Reports	3x waste collection Monthly Reports	3x waste collection Monthly Reports	3x waste collection Monthly Reports	R7 849 937

KLM SDBIP- 2021/2022										
KEY PERFORMANCE AREA IDP OBJECTIVES	KEY PERFORMANCE INDICATORS (KPI's)	Baseline 2019/2020	Annual Targets	Measure	Verification	Quarterly Projections				2021/2022 Budget
		30/06/2020	2021/2022	Unit	PoE	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	R
KPA 1 : Basic Service delivery : Service Delivery and Infrastructure Development										

To ensure the provision of sustainable basic service to our communities	KPI 5. Number of Indigents provided with Free basic water in terms of equitable share requirements (06KL per indigent household) by June 2022.	1611	1500	Number	Indigents Register and Application file 2021/2022	1500	1500	1500	1500	
	KPI 6. Number of Indigents provided with Free basic electricity in terms of the equitable share requirements (Free 50kw basic electricity per indigent household) by June 2022	1611	1500	Number	Indigents Register and Application file 2021/2022					
	KPI 7. Number of Indigents provided with Free basic sanitation services per indigent household by June 2022	1611	1500	Number	Indigents Register and Application file 2021/2022	1500	1500	1500	1500	
	KPI 8. Number of Indigents provided with Free weekly solid waste removal services in Daniëlskuil and Lime Acres per indigent household by 30 June 2022	1611	1500	Number	Indigents Register and Application file 2021/2022	1500	1500	1500	1500	

KLM SDBIP- 2021/2022										
KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATORS	Baseline 2019/2020	Annual Targets	Measure	Verification	Quarterly Projections				2021/2022 Budget
IDP OBJECTIVES	(KPI's)	30/06/2020	2021/2022	Unit	PoE	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	R
KPA 1 : Basic Service delivery : Service Delivery and Infrastructure Development										
To ensure the provision of sustainable basic service to our communities	KPI 9. Number of Indigent water meters converted to pre-paid water meters phase 3 by 30 June 2022.	73	122	Number	Progress Report	10	40	30	42	679 052.00
	KPI 10. Number of existing High Masts lights refurbished In Ward 1, 2 and 3 by 30 June 2022	N/A	15	Number	Progress Report	3	4	4	4	3 000 000.00
	KPI 11 Number of existing street lights refurbished In Ward 1, 2 and 3 by 30 June 2022		31	Number	Progress Report	7	8	8	8	3 000 000.00
	KPI 12 Percentage completion for Construction of a sports	N/A	60%	Percentage	Progress Report	Appointment of contractor and site establishment		30%	30%	12 000 000.00

	facility in Daniëlskuil Phase 1 by 30 June 2022								31 618 818.43
	KPI 13 Number of internal road meters Upgraded from Gravel to paved roads In Ward 2&3 – Phase 1	N/A	2 771m	Meters	Close out report, reflecting meters of roads paved	Appointment of contractor	1 385.5 Meters	1 385.5 Meters	

KLM SDBIP- 2021/2022										
KEY PERFORMANCE AREA IDP OBJECTIVES	KEY PERFORMANCE INDICATORS (KPI's)	Baseline 2019/2020	Annual Targets	Measure	Verification	Quarterly Projections				2021/2022 Budget
		30/06/2020	2021/2022	Unit	PoE	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	R
KPA 1 : Basic Service delivery : Service Delivery and Infrastructure Development										
To ensure the provision of sustainable basic service to our communities	KPI 14 Number of internal road meters Upgraded from Gravel to paved roads In Ward 1 – Phase 1	N/A	1050 meters	Meters	Close out report, reflecting meters of roads paved	Appointment of contractor	525 Meters	525 Meters		
	KPI 14 Number of internal road meters Upgraded from	N/A	1610 meters	Meters	Close out report, reflecting	Appointment of contractor	805 Meters	805 Meters		

	Gravel to paved roads In Ward 1 – Phase 1				meters of roads paved				
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AUDIT STATUS OF THE 2019/2020 FINANCIAL STATEMENTS

Section 126 of MFMA act 56 of 2003 states that accounting officer of the municipality must prepare the annual financial statement of the municipality within two months after the end of the financial year to which those statements relate, submit the statement to the auditor general for auditing by 31 August. Normally the audit would be finalised by 30 November, which enables municipalities to table their annual reports by 31 January annually.

Due to the state of disaster declared by the President on 26 March 2020, the Minister of Finance issued Government Notice No. 851, which exempted the executive from complying with the relevant deadlines contained in Sections 126(1) and (2), 127(1) and (2), 129(1) and 133(2) of the Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

As a result of this, the annual financial statements were due on 31 October 2020. The audit process and timelines by the Office of the Auditor-General to perform its audits, is also extended accordingly.

The AGSA will endeavor to finalise the municipal audits by 31 March 2021 for annual financial statements, to enable the necessary oversight processes to be successfully concluded.

The Minister of Finance therefore exempted municipalities and municipal entities from submitting key reports. The notice allows for a two-month delay in the submission of Annual Financial Statements, Annual Reports, Audit Opinions, Oversight reports and associated processes

Audit scope and objective

The auditor general commenced the audit on 02 November 2020.

The auditee's financial statements, annual performance report and compliance with legislation form the scope of the annual audit. The objective of the annual audit is to:

- provide an opinion on the financial statements.
- report findings regarding reported performance information against predetermined objectives for the selected development priorities as presented in the annual performance report.
- report findings on compliance with specific legislation in terms of selected subject matters.
- report significant deficiencies in internal control.

Audit process

As part of the audit process, the AGSA issues Request for Information (RFI's), Cut-off letters and Communications of Audit findings to request information and also to communicate errors, differences identified and internal control deficiencies. The following tables provide details of these communications issued by the AGSA.

➤ Request for information (RFI)

Request for Information				
No. of RFI's Issued	No. of RFI's Submitted	No. of Outstanding RFI's	No. of Overdue RFI's	No of RFI's relating to Cut-off Letters
98	98	None	None	14

➤ Cut-off Letters

Cut-off letters				
No. of Cut-off letters Issued	No. of Cut-off letters Submitted	No. of Outstanding Cut-off letters	No of Resolved	No of Unresolved
14	14	None	11	3

➤ Communication of Audit Findings

Communication of Audit Findings				
No. of COMAF	No. of findings / Issues	No. of Outstanding COMAF	No. of Overdue COMAF	Auditor's conclusions received
12	187	None	None	7

Disputes regarding Audit findings

The municipality disagrees with the auditors on the following findings and are awaiting final conclusions regarding these findings.

No	Component	Issue	Description	Status
1	PPE	ISS.14	Limitation of scope- Land cannot be traced to title deeds	Unresolved
2	PPE	ISS.53	Land as per the valuation roll cannot be traced to the asset register	Unresolved
3	PPE	ISS.25	Limitation of scope - Other immovable assets physically verified not traced to deed reports	Unresolved
4	Journals	ISS.154	Limitation of scope (Restatement Journals)	Unresolved
5	Employee Cost	ISS.82	Amounts as per the AFS do not agree to the Payroll Summary - SDL	Unresolved
6	Employee Cost	ISS.70	Incorrect classification of general expenses (Non-SCM) - SDL	Unresolved
7	Employee Cost	ISS.83	Senior Managers remunerations as per the AFS does not agree to the amounts as per the General Ledger - SDL	Unresolved
8	Restatements	ISS.162	Inappropriate journals processed (Prior year restatement journals)	Unresolved

Audit adjustments

On the 04 March 2021 management had submitted adjusted AFS to the auditors for review. Draft comments had been received from auditors and management is in the process to finalise the audit adjustments.

Finalisation of audit

The anticipated date of completion of the audit is as follows:

No.	Event	Responsibility	Planned date
1	<i>Issue draft management letter</i>	<i>PwC</i>	<i>31 January 2021</i>
2	<i>Prepare audit report</i>	<i>PwC</i>	<i>15 February 2021</i>
3	<i>Final review of audit file</i>	<i>PwC</i>	<i>20 – 28 February 2021</i>
4	<i>Finalise audit report</i>	<i>PwC</i>	<i>15 March 2021</i>
5	<i>Complete and tidy audit file</i>	<i>PwC</i>	<i>31 March 2021</i>

The audit process had been positive to date. Material findings had been raised by the AGSA and opportunity had been granted for corrections of some of these findings. Management hope that the audit report will be finalise by 25 March 2021.

THE RELATIONSHIP BETWEEN INTERNAL & EXTERNAL AUDITORS

The role of Internal Audit

The Institute of Internal Auditors defines internal auditing as:

“An independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objective by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

The internal audit activity should therefore evaluate and contribute to the improvement of risk management, control and governance systems of the organisation. Typical input/responsibilities of the internal audit activity should include, amongst others:

Governance in the Municipality

The internal audit activity should assist management in achieving the goals of the municipality by evaluating the process through which:

1. Goals and values are established and communicated.
2. The accomplishment of goals is monitored.
3. Accountability is ensured and corporate values are preserved.

In terms of Controls

Internal Audit should evaluate whether the controls, which management relies on to manage the risks down to acceptable levels, are appropriate and functioning as intended (i.e. are they effective yet efficient) and propose recommendations for enhancement or improvement.

The Internal Audit unit will conduct audits in accordance with the “Code of Ethics” and “Standards for the Professional Practice of Internal Auditing- of The Institute of Internal Auditors, as well as other corporate governance regulations.

Internal Audit Strategic/Coverage Plan

The “Standards for the Professional Practice of Internal Auditing”- as issued by the Institute of internal auditors requires that: “The internal audit activity’s plan of engagements should be based on a risk assessment, undertaken at least annually. The inputs of senior management should be considered in this process.”

The critical success factors for an effective internal audit plan are that it:

1. Is aligned with strategic objectives of the organisation.
2. Covers the strategic risk areas facing the organisation
3. Is risk based – addresses the key risks areas/concerns of management.
4. Is prepared in consultation with management, the audit committee and external auditors.
5. Matches assurance needs with available resources.

The Internal Audit Plan will be aligned with the strategic risks identified and could encompass risk-based, compliance, financial discipline and cyclical reviews and the output of the risk assessment process at the municipality will, amongst others, be used to develop the internal audit plan by identifying and allocating a priority ranking to the respective audit areas. Based on experience, establishing the need and appropriateness for specific types of audits/ reviews.

Assessing the level of audit skills and estimating resources required for each type of audit/review determining a proposed timetable for the respective audits/reviews.

Role of External Audit – An Audit of Financial Statements

The auditor's opinion on the financial statements deals with whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework in our case Grap. Such an opinion is common to all audits of financial statements. The auditor's opinion therefore does not assure, for example the future viability of the municipality nor the efficiency and effectiveness with which management has conducted the affairs of the municipality. In some jurisdictions, however, applicable laws and regulations may require auditors to provide opinions on other specific matters such as the effectiveness of internal controls or the consistency of a separate management report with the financial statements. While the ISAs (International Standards of Auditing) include requirements and guidance in relation to such matters to the extent that they are relevant to forming an opinion on the financial statements, the auditor would be required to undertake further work if the auditor had additional responsibilities to provide opinions.

Preparation of Financial Statements.

Law, or regulation may establish the responsibilities of management and those charged with governance in relation to financial reporting. However the extent of these responsibilities, or the way in which they are described, may differ across jurisdictions. Despite these differences an audit in accordance with ISAs (International Standards of Auditing) is conducted on the premises that management and those charged with governance have acknowledged and understand that they have a responsibility: 1) for the preparation of the financial statements in accordance with applicable reporting framework including their fair representation. 2) For such internal controls as management and those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Institutional COVID-19 risk assessment & outcome

The coronavirus is a hazard as it has the potential to cause harm to a person. The coronavirus only becomes a risk if a person is exposed to it through droplets or touching contaminated surfaces. The municipality is required to conduct risk assessment (RA) to identify, evaluate and control health risks at work associated with exposure to the virus.

Risk assessment

Prior to commencing operations, employers are directed to undertake a risk assessment to give effect to the health and safety directives issued by the government and the specific conditions of workplaces. This includes identifying all areas within the workplace that are a transmission risk for Covid-19. The following are KLM top COVID-19 risks:

- **Macroeconomic Conditions:** closing down of the economy can weaken consumer spending, consequently leading to loss of revenue
- **Supply Chain Management:** unavailability of spares and consumables to carry out required maintenance and upgrades.
- **Health:** non adherence to Disaster management act, 2002 regulations issued in terms of section 27(2) of the disaster management act, 2002 and OHSA 85 of 1993 and regulation-s
- **Fraud & Corruption:** misappropriation of resources
- **Capital Infrastructure Projects:** delays in completing projects on time that leads to increased costs.

Current controls/measures to mitigate the risk:

The employer has a duty of due diligence and is responsible for taking all reasonable precautions, under the particular circumstances, to prevent exposure in the workplace. Draft Occupational Health and Safety COVID-19 Standard Operating Procedures (OHSC-19SOPs) has been developed and under review. In addition, South African Local Government Bargaining Council (SALGBC) has issued specific compliance matters to be addressed by the employer in terms of circular 8/2020, the municipality can confirm that we are at 95% compliance with those said requirements. Municipality has adopted based, balanced response concerning return-to office (RTO) plan.

Current controls/measures to mitigate the risk:

- Implementation of COVID-19 regulations and SOPs;
- Biometric system and breathalysers disabled;
- Everyone is sanitized before entering the premises and No mask, no access, employees are provided with cloth face mask;
- All persons seeking access to the institution get screened before entering the premises;
- Temperature scanning at the entrance by security personnel;
- Reporting structures in place in the event a person is suspected of being COVID-19 positive;
- Social distancing to be adhered to and appropriate measures put in place for managing queues, seating and the like to facilitate same;

- Cleaning to take place in accordance with schedules designed to ensure frequent cleaning of commonly used surfaces and disinfecting of premises takes place as scheduled ;
- Vulnerable employees identified and advise to work from home.
- All facilities to be appropriately ventilated. (By natural or mechanical means)
- OHS committee seats on quarterly or when need arise to discuss concerns relating to COVID-19 and propose changes to the municipality that may affect the health and safety of all.
- Communication to all through platforms i.e. Facebook, WhatsApp, SMS Etc.

The municipality has recorded 9 positive case with one active case and 8 employees recovered. Overall, the municipality has 28 employees went to test for COVID-19, with 19 employees tested negative, with no death.

As the country approach winter season, employees are reminded to be very vigilant and adhere to disaster management act regulations as the new COVID variant(s) is said to be more transmissible.

GENERALLY ACCEPTED RECRUITMENT PROCESS IN SOUTH AFRICA

Recruitment process can be regarded as the process of attracting candidates in sufficient numbers and with appropriate skill-sets and encouraging them to apply for vacancies within the organisation. The recruitment process typically consists of a sequence of steps that need to be followed to ensure that the best possible job applicant is appointed in terms of relevant knowledge, skills and capabilities. These steps provide a sequential and systematic way of managing the recruitment process. Usually such a management process starts off with human resource planning to determine the realities of supply and demand facing the labour force. This is followed by considerations of a more operational nature. These include a thorough job analysis, the nature and requirements of the incumbent for the position, and the nature of the job.

An analysis of the recruitment steps by focusing on their nature and content was imperative to help design a process model for recruitment and selection. the statutory and regulatory framework governing HRM in the country, the financial standing of the organisation, and what the labour market offers in terms of the skills, competencies and knowledge of potential job applicants. An analysis was undertaken of the different recruitment processes and steps. The aim of the analysis was to identify “generic” or common steps in the recruitment process. The steps below contain a synopsis of these common or generic steps proposed for recruitment.

These synergized steps were used to design a comprehensive recruitment process model.

Common sequential steps in the recruitment process

- Identify the need to recruit/determine whether a vacancy exist
- Update the job description, specification and profile
- Determine the key performance areas of the job/recruitment planning
- Consult the recruitment policy and procedure
- Consider the sources of recruitment (searching)
- Choose the appropriate recruitment method
- Develop the recruitment advertisement/strategy development
- Place the advertisement in the most appropriate and suitable communication medium/implement a decision
- Ensuring availability of application /ensure pool of potential qualified applications/allow sufficient time for responses
- Screen responses/screening

Recruitment evaluation and control the sources and methods from which an organisation recruits potential candidates are critical to the success of its overall recruitment strategy. The sources and methods from which an organisation recruits potential candidates are critical to the success of its overall recruitment strategy.

ROADS AND STORM WATER STATUS REPORT

Our Municipal roads and storm water infrastructure is in a poor to very poor condition, with Lime Acres excluded. The roads, especially the unpaved roads are in a generally very poor condition.

Transportation is one of peoples' fundamental needs. It provides the essential link between activities and is also one of the important factors for promoting social and economic development. It has a major impact, not only on the physical form of the municipality, but also on the lively hood of the community.

The Municipality has developed a systematic inspection process, including unscheduled inspections in response to the community's advices which are conducted routinely after heavy or consistent rains, on call from public and during daily work schedules.

When inspections are conducted, defects and key maintenance items such as potholes, storm water blockages and traffic signs that require attention are noted and treated according to their maintenance needs.

The maintenance items identified are assessed, prioritized and added to maintenance works programs, to ensure that the high-risk maintenance items are attended to in order of priority, taking into account roads hierarchy and traffic volumes.



Patching and Sealing of Potholes

The Municipality has also submitted Business Plans at the MIG (Municipal Infrastructure Grant) Offices for the upgrading of unpaved roads from gravel to pave to address the poor status of the roads.

MAYORAL PROGRAMMES

On 02 March 2021 the Hon. Mayor Cllr R Losper attended the opening of the cyber lab at the Daniëlskuil Youth and Information centre whereby 21 laptops were donated by the Jasper Lesedi Trust.

[Picture] Hon Mayor at the opening of the Cyber lab



Figure; 1

Finsch Diamond Mine provides Daniëlskuil High School with technical infrastructure

On Friday 05 March 2021 the Hon. Mayor attended the opening ceremony of the technical division of Daniëlskuil High School.

The project is in line with the developing trend for high schools to focus on science, technology, engineering and mathematics (STEM), allowing students to learn in a practical and hands-on manner. The initial trades that are going to be taught by the school are automotive and plating or metal work.

Various stakeholders agreed that there was a need to construct a technical high school within circuit 5 (Postmasburg, Daniëlskuil and Lime Acres) and it was included into FDM's Social and Labour Plan.

Local SMMEs, P&E Artisans (the main contractor) and Power Solutions (the sub-contractor) completed the project, providing 42 job opportunities.



Figure 1 DK High newly build class rooms



Figure 2 FDM General Manager Mr N Ngema with Principle Mrs J Bezuidenhout accompanied with two learners.

Wheelchair for the Needy

On 08 March 2021 the Hon. Mayor handed over a wheelchair to a needy lady whose eye sight is not good. The wheelchair will assist her to move around more frequently.

[Picture] Hon Mayor Cllr R Losper accompanied with Delani Mahash handing over the wheelchair to the beneficiary.



School shoes and Shova Kalula bicycles for needy learners in Kgatelopele

On 15 February 2021 as part of the Mayoral back to school programme the Hon. Mayor Cllr R Losper distribution school shoes and socks at Die Kuil Intermediate School and Daniëlskuil Intermediate School.

Later in the day the Hon. Mayor Cllr R Losper together with the District Executive Mayor Cllr P Mcgera accompanied the Hon. MEC Nomandla Bloem for the School Reopening of the 2021 Academic Year to Daniëlskuil Intermediate - Handing over 25 Shova Kalula and also at Kuilsville High handing out 35 Shova Kalula bicycles to promote non-motorized transport and access to schooling for needy learners. 🇿🇦



[Picture] Hon District Mayor Cllr P Mcgera and Hon Mayor Cllr R Losper accompanying the Hon. MEC N Bloem