

KPA 5: Municipal Financial Viability and Management

Evidence	Budget	Remedial	Challenges	Progress	Actual	Annual Target	Baseline	KPI	Objective	Project	Directorate
Budget control and payment schedule	R 1 467 175,68	None	None	Achieved	6000	6000	5800	No. of beneficiaries provided with free basic electricity	To Provide free basic Services	Provision of Free Basic Services (FBS)	BTO
Sec 71 Report Billing v/s Report Collection	R 17 782, 84	None	None	Achieved	20%	20%	10%	% Improvement on internally generated revenue and collection in areas outside Marble Hall.	To implement revenue collection in areas outside marble hall	revenue enhancement	
Audit Report	0	Priority given to resolve issues raised in the AG Audit Action Plan in 2016/17	Non adherence to issues raised in the AG Audit Action Plan	Not achieved	Disclaimer audit opinion	A qualified audit opinion	Disclaimer audit report/outcome to 2014/15	Improved audit report/outcome to 2014/15	To ensure that the 2013, 14 audit opinion has improved	Improvement of the audit report	
Asset register	R 3 000 80	None	None	Achieved	1	1	1	No. of GRAP compliant asset register compiled	To ensure completion of a GRAP Compliant fixed asset register	Completion of GRAP compliant asset register	
FMG Report. National Treasury expenditure report.	R 1 675 41	None	None	Achieved	100%	100%	100%	% on Expenditure on Financial Management Grant	To ensure expenditure of Financial management grant	Management of the Financial management grant	
Income and Treasury Report. National Treasury expenditure report.	R 1 100 809	None	None	Achieved	100%	100%	100%	% on Expenditure on Financial Management Grant	To ensure expenditure of Financial management grant	Management of the Financial management grant	



KPA 6: Good Governance and Public Participation

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget	Evidence
Corporate Services	Publishing of Newsletter	To inform the community about municipal activities	No. of newsletters published	1	4	3	Not achieved	Poor coordination	To appoint communication manager in the 2016/2017 FY	R250 000.00 Vote 450/2600 Revised R150 000.00	Published Newsletters
	Mayoral outreach program	To enhance municipal interaction with the communities through mayoral outreach	No. of Mayoral outreach programs conducted	16 Mayoral outreach programs conducted	16 Mayoral outreach programs	18	Achieved	None	None	R394 000.00 Vote no. 505/2607 25	Attendance register and reports
	Ward committees support	To have a well-coordinated communication and good relations with the public.	No. of Ward Committee meetings conducted	192 ward committee meetings conducted	192 ward committee meetings	192	Achieved	None	None	R1 920 000.00 Signed Minutes and attendance register	
	Indigent Register Review	To review Indigent Register	No. of Indigent register reviewed	1 Indigent register in place	1 Indigent register reviewed	0	Not achieved	Poor coordination	WLO to make follow-ups	R00.00 Indigent register Resolution	
	Council meeting	To ensure optimum functionality of Council and council committees	No. of council meetings facilitated	4 council meetings facilitated	4 council meetings	4	Achieved	None	None	R150 000.00 Vote: 505/2607 10	Council agenda, Minutes, attendance registers

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget	Evidence
Corporate Services	EXCO		No. of EXCO meetings to be held	12	12	10	Not Achieved	Adherence to Council approved schedule	Adherence to		Minutes Attendance Registers.
			No. of sec 79 committees to be held	32	72	25	Not Achieved	Committees not forming quorum	Adherence to Council approved programme		
	Special Programs	To give support to special programs in the municipality.	No. of special programs conducted	4	4	4	Achieved	None	None	R250 000.00 Vote:505/ Revised R 150 000.00	Signed Minutes/re ports
			No. of youth developmental programs in the municipality.	1	1	1	Achieved	None	None	R100 000.00 Vote:505/ 260631	Signed Minutes/re ports
	Youth Development matter	To promote youth developmental programs in the municipality.	No. of youth developmental programs conducted.	1	1	1	Achieved	None	None	R100 000.00 Vote:505/ 260631	Quarterly Progress report on Action Plan
			To improve on the AGSA Audit findings				Not Achieved	Prior year finding (unknown receipts) will be resolved in 2016/17	Outstanding findings are currently in progress and will be resolved in 2016/17	0	
MM's Office	AGSA Finding	To improve on the AGSA Audit findings	% of AGSA findings resolved by 30 Jun 2016			100% of findings raised by AGSA should be resolved by 30 June 2016	75.4%	Other findings can only be addressed with year-end process	None		Progress report on Action Plan
			134 findings raised by AGSA during the 2014/15 audit				1	Achieved	None	None	
	Internal audit annual plan	To provide an objective internal audit assurance	Internal Audit annual plan developed by Audit Committee	1	1	1	Achieved	None	None	R0.00	Internal Audit Annual Plan

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
MM's Office	Internal audit engagement	Performance assessments	To maximize and enhance oversight function over the internal audit activity	No of risk based internal audits conducted in 2014/15	2 audits	6	Not achieved	Capacity constrains in the unit (the Chief IA resigned and the position was only filled in February)	The annual internal audit plan was since reviewed and the progress is in line with the reviewed plan		Internal audit reports & Minutes of the Audit & Performance committee meetings
				No of performance internal audits report produced by the Audit & Performance Committee during the 2015/16	4 quarterly	4	4	Achieved	None	Performance reports & Minutes of the Audit & Performance committee meetings	
Audit Committee	To maximize and enhance oversight function over the internal audit activity	No. of Audit Committee reports submitted in 2014/15	2 reports submitted in 2014/15	4 quarterly	4 quarterly	4	Achieved	None	None	0	Reports submitted to council and council resolution
											% of quarterly (Audit Committee) recommendations implemented by 30 Jun 16
Risk assessment	To render value-add enterprise risk management services	No. of risk assessments conducted and processed by risk management committee considered by the Audit & Performance committee	0	3 risk assessments	1 = Strategic 1 = Operational 1 = MSCOA	3	Achieved	None	None	0	Approved risk registers
											% of quarterly (Audit Committee) recommendations implemented by 30 Jun 16

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
MM's Office			No of risk mitigation factors implemented	0	10 Mitigation factors for top 10 risks should be implemented by 30 June 2016	0	Not achieved	Ineffective risk management committee	Capacitate the Risk management committee		Risks management quarterly reports
	Risk Policy Adoption	To ensure a corruption zero-tolerant environment	No. of risk management policies to be adopted by 30 Jun 16	0	3 1. Risk management policy 2. Whistle blowing policy 3. Anti-corruption policy	3	Achieved	None	None	0	Adopted policies
	Capacity Building	To capacitate staff on risk management	No. of awareness campaigns to be held by 30 Jun 16	1	4	3	Not Achieved	Cogosta could not commit to the proposed date	Workshop re-scheduled for July 2016	0	Attendance Registers

**PERFORMANCE OF SERVICE PROVIDERS FOR 2015/16 FINANCIAL YEAR**

This report is prepared in accordance with Section 46(1) (a) of the Local Government Municipal Systems Act 32 of 2000 which requires that a municipality must prepare for each financial year a performance report reflecting the performance of the municipality and each of the service providers during the financial year

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating
Supply and Delivery of Tractor	Simunye Fleet Services	23/6/2016	30/6/2016	None	R500 000 Excluding Vat	R 500 000 Excluding Vat	5
Supply and Delivery of Bush Cutters	Masmock Trading	28/10/2015	2/12/2016	None	R 65 000	R65 000	3
Supply and delivery of Fencing Material	Dudu & Sbusiso Trading and Projects	11/11/2015	25/1/2016	None	R635478.75	R635478.75	3
Supply and delivery of trees	Tubake Catering and Services	15/10/2015	30/11/2015	None	R 195 000	R 195 000	3
Develop a Landscaping Masterplan	Siegwalt Kusel t/a Habitat Landscaping	13/6/2016	26/8/2016	None	R251766,72	Not paid yet	4
Concrete fencing of new cemetery	Asitico Civil and Construction	29/6/2016	26/8/2016	None	R 750 000 Excluding Vat	Not paid yet	3
Opening of new cell and loosening of gravel - Landfill site	Aqua Transport	29/6/2016	15/7/2016	None	R189382,50	R189382,50	3
External audit - Landfill site	Prime Resources	28/6/2016	15/7/2016	None	R 31 954,20	R 31 954,20	4
Disabled toilet - Registration Authority	Thutho Thutho	13/6/2016	15/7/2016	None	R115490,00	R115490,00	2
Valuation roll	Uniquco Valuers	Oct 2012	June 2017		R 1140 000	R 611 780,00	4
Banking Services	ABSA	July 2012	June 2017		R10 000 000	R 324 847,15	2

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating
Printing, sorting and posting of municipal statements	CAB Holdings	April 2013	June 2016	Until appointment of new service provider	Charge per processing, printing and posting.	R 273 426.07	4
Payroll services	VIP	APRIL 2011	Ongoing	Annually revised		R 110 776	4
Financial system	Munsoft	May 2013	Ongoing	Until June 2016	R 70 000	R 1 198 594.83	4
Meter reading	Grobbe Miedenste	June 2014	June 2016	appointment of new service provider		R 54489.60	3
Prepaid services	Conlog	March 2012	Three Month notice (Nov 2015)	MONTHLY		R 222 000.00	3
Banking services	FNB	April 2014	Ongoing			R 6953.07	4
VAT Recovery	Maxprof (Pty) LTD	April 2014	Multi-year	Multi-year	1.R 9,500,000.00 0 2.R 9,500,000.00	R 0	2
1.Puleng Internal Streets- Consulting services	Dikgabo Consulting Engineers	27/11/2014	Multi-year	Multi-year	1.R 865,066.75 2.R 864,952.75		2
2. Matilu Internal Streets- Consulting services							
Puleng Internal Streets- Consulting services	Mathomo Mayo Investments/Moleke Projects JV	15/05/2015	28/09/2015	16/11/2015	R 7,502,058.14	R 8,218,466.96	5
Matilu Internal Streets- Construction	Maesela Construction	15/05/2015	28/09/2015	19/02/2016	R 6,833,729.43	R 6,833,729.43	4



Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating
Elandsraal Internal Streets- Consulting	Dolmen Engineers	20/11/2014	Multi-year	Multi-year	R 18,000,000.00	R 2,520,000.01	4
Elandsraal Internal Streets- Construction	Patrick Makgoga Construction	15/05/2015	30/11/2015	09/12/2015	R 12,758,704.49	R 13,043,556.29	5
Dichoeng Internal Streets- Consulting	EMC Consulting	04/12/2014	Multi-year	Multi-year	R 1,200,000.00	R 2,671,556.10	3
Dichoeng Internal Streets- Construction	Big Rock Construction	14/10/15(Phase 1) 30/03/2016(Phase 2)	01/03/2016(P1) 29/06/2016(P2)	01/03/2016(P1) 29/06/2016(P2)	R6,305,706.82 (P1) R4,826,193.28 (P2)	R 6,305,706.82 (P1) R 4,826,193.28 (P2)	5
Mohlaotwane Internal Streets- Consulting	Tshego Consulting Engineers	04/12/2014	Multi-year	Multi-year	R 1,200,000.00	R 3,153,800.00	2
Mohlaotwane Internal Streets- Construction	Sihle JV	14/10/2015(Phase 1) 11/05/2016(Phase 2)	21/03/2016(P1) 30/01/2017(P2)	21/03/2016(P1) In Progress(P2)	R 6,000,000.00(P1) R 19,698,294.11 (P2)	R 5,999,046.77 (P1) R 10,224,690.60 (P2)	5
Letebjane/Ditholong Internal Streets- Consulting	Ubona Engineers	20/11/2014	Multi-year	Multi-year	R 10,120,000.00	R 0.00	3

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating
Marble Hall Ext.6 Stormwater- Consulting	Mulalo Consulting Engineers	22/12/2015	Multi-year	Multi-year	R7,000,000.00	R 630,000.00	2
Upgrading of N11 Intersections- Consulting	Tshatshu Consulting and Project Managers	22/12/2015	Multi-year	Multi-year	R5,000,000.00	R 317 778.19	4
Moganyaka Internal Streets- Consulting	MTP Infrastructure resources	10/03/2009	Multi-year	Multi-year	R8,500,000.00	R 1,245,459.01	3
Moganyaka Internal Streets- Construction	Kgwadi Ya Madiba/ Big Rock JV	14/10/2015	21/03/2016	06/07/2016	R 6,587,500.00	R 6,587,500.00	3
Substation Upgrade-Retrofit 8 Circuit Breakers	RPS Switchgear SA	20/11/2015	27/02/2016	15/03/2016	R1 199 694.07	R1 161 739.84	4
Transformer Oil Testing	Gifftron Distribution	07/08/2015	14/09/2015	NA	R67 690.35	R67 690.35	4
Public Lighting Maintenance material	Mokatedi a Thapo Lesibana Trading	24/04/2015	26/06/2015	31/08/2015	R197 967.05	R139 360.60	1
Supply and delivery of public lighting maintenance material	Mashmock Construction and General trading	01/04/2016	30/06/2016	NA	R131 980.00	R131 980.00	3
Supply delivery and registration of	Gifftron Distribution	11/12/2015	16/03/2016	NA	R88 344.30	R88 344.30	3

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
Mobile Toilet							
Trailer							
Supply delivery and registration of LDV	Williams Hunt Delta	20/11/2015	09/12/2015	NA	R305 706.00	R305 706.00	5
Supply for mast lights	ESKOM	01/07/2015	30/06/2016	31/10/2016	R670 849.10	R670 849.10	1
Mohalaotwane lights							
Supply for mast lights	ESKOM	01/07/2015	30/06/2016	31/10/2016	R833 028.10	R833 028.10	1
Mbuzini/Morarela lights							
Supply for mast lights Mohlotsi	ESKOM	01/07/2015	30/06/2016	31/10/2016	R491 857.60	R491 857.60	1
Supply for mast lights Dichoenung	ESKOM	01/07/2014	30/06/2015	24/06/2016	R526 193.90	R526 193.90	1
Supply for mast light Tshikanosi	ESKOM	01/07/2014	30/06/2015	27/11/2015	R479 038.71	R479 038.71	1
Substation material	Ntshadikwe Projects	10/03/2015	26/06/2015	31/08/2015	R64 900.00	R64 900.00	1
Supply and Delivery of 403 padlocks for Electrical Network	Takatso Ya Batho Trading	22/12/2015	31/03/2016	NA	R128 970.00	R0.00 Supplier failed	1
Maintenance of Municipal Website	SITA	1-Jul-13	30-Jun-16	N/A	R 72 515.22	R159189.66 Included upgrade	5
VPN Digital lines	Telkom SA	30-Aug-12	30-Aug-15	N/A	R 193 084.64		
Telephone system (VSAT at Zamenkomst)	Telkom SA	30-Aug-14	8-Aug-17	N/A	R 50 549.28	R1212657.27	5

Service /Project	Service Provider	Date appointed	End of the contract	Revised completion date	Bid Amount	Expenditure	Performance Rating
Dignet lines - internet system	Telkom SA	19-Sep-13	19-Sep-18	N/A	R 48 586,68		
Opticon IP ECS 300 PABX - telephone system	Telkom SA	3-Oct-14	30-Sep-17	N/A	R 88 148,40		
Maintenance of copier machines - extended	Ditro IT Resource	13-Jun-13	14-Jun-17	N/A	R 2 520 000,00	R 217405,21	4
Electronic document management system	Business Engineering	1-May-12	28-Feb-2017	N/A	R 371 616,00	R 361 806,36	5
Offsite Archiving	Docuffie (Pty) Ltd	15-May-14	Per given notice	N/A	R 20 789,00	R11716,71	5
ICT support and maintenance	IT Iqhazululo	7-Jan-13	Per given notice	N/A	R 328 320,00	R328 320,00	5
Online gazette and labour update	Sabinet	1-Apr-12	30-Mar-17	N/A	R 70 794,00	R70752,80	5
Wireless inter office connection	HGIT	10-Jan-12	Month to month	N/A	R 478 000,00	R478 800,00	5
Provision of data lines and airtime	Vodacom	14-Jun-12	30-Mar-16	N/A	R 192 677,84	R169 865,81	5
Municipal newsletter	Tlotlego Media	30-Mar-16	30-Mar-18	N/A	Schedule of rates	R122 148,00	4
Maintenance of server room	Multi-Net Systems	5-Apr-16	5-Apr-18	N/A	Schedule of rates	R23002,92	5
Microsoft licences	Forest Technologies (Pty) Ltd	01-Apr-16	30-Mar-19	N/A	Annual licences	R268361,70	5

Description of Performance scoring

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job
3	Fully effective	Performance fully meets the standards expected in all areas of the job
2	Not fully effective	Performance is below the standard required for the job in key areas
1	Unacceptable performance	Performance does not meet the standard expected for the job

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating
Refurbishment of Council Chamber backup	Munsoft	26-Jun-12	Per notice given	N/A	Monthly licence	R750 461.52	5
Refurbishment of Council Chamber	Twain2	02-Dec-15	22-Dec-15	N/A	R616252.08	R616252.08	5

**CONCLUSION**

The general performance of all service providers for the services rendered in the Municipality is acceptable and significantly above expectation. For those not fully performed, effective measures were put in place to assist them.

M.M. MATHHEBELA  
MUNICIPAL MANAGER

Date: 29/08/12

PERFORMANCE OF SERVICE PROVIDERS FOR 2015/16 FINANCIAL YEAR

Section 76(b) of the Municipal Systems Act (MSA) states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. According to Auditor General (AG) of South Africa:

- a) Service provider means a person or institution or any combination of persons and institutions which provide a municipal service;
- b) External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality; and
- c) Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

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

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

The following is an analysis of products and services procured by the Municipality for R 200, 000 and more.

This report is prepared in accordance with Section 46(1) (a) of the Local Government Municipal Systems Act 32 of 2000 which requires that a municipality must prepare for each financial year a performance report reflecting the performance of the municipality and each of the service providers during the financial year.

The table below indicate service providers utilized according to functional areas:

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
Supply and Delivery of Tractor	Simunye Fleet Services	23/6/2016	30 /6/2016	None	R500 000 Excluding Vat	R 500 000 Excluding Vat	5
Supply and Delivery of Bush Cutters	Masmock Trading	28/10/2015	2/12/2016	None	R 65 000	R65 000	3
Supply and delivery of Fencing Material	Dudu & Sbusiso Trading and Projects	15/10/2015	25/11/2016	None	R635478.75	R635478.75	3
Supply and delivery of trees	Tubake Catering and Services	30/11/2015	None	None	R 195 000	R 195 000	3
Develop a Landscaping Masterplan	Siegwalt Kusel Va Habitat Landscaping	13/6/2016	26/8/2016	None	R251766,72	Not paid yet	4
Concrete fencing of new cemetery	Asitico Civil and Construction	29/6/2016	26/8/2016	None	R 750 000 Excluding Vat	Not paid yet	3
Opening of new cell and loosening of gravel – Landfill site	Aqua Transport	29/6/2016	15/7/2016	None	R189382.50	R189382.50	3
External audit – Landfill site	Prime Resources	28/6/2016	15/7/2016	None	R 31 954.20	R 31 954.20	4
Disabled toilet - Registration Authority	Thutho Thutho Setshabeng	13/6/2016	15/7/2016	None	R115490.00	R115490.00	2
Valuation roll	Uniquco Valuers	Oct 2012	June 2017		R 1140 000	R 611 780.00	4
Banking Services	ABSA	July 2012	June 2017		R 10 000 000	R 324 847.15	2
Printing, sorting and posting of municipal statements	CAB Holdings	April 2013	June 2016	Until appointment of new service provider	Charge per printing and processing, posting.	R 273 426.07	4
Payroll services	VIP	APRIL 2011	Ongoing	Annually revised		R 110 776	4
Financial system	Munsoft	May 2013	Ongoing		R	R 1 198 594.83	4
Meter reading	Grobbe Miedenste	June 2014	June 2016	Until appointment of new service provider	70 000	R 54489.60	3



Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
Prepaid services	Conlog	March 2012	Three Month notice (Nov 2015)	MONTHLY		R 222 000,00	3
Banking services	FNB	April 2014	Ongoing			R 6953,07	4
VAT Recovery	Maxprof (Pty) LTD	April 2014				R 0	2
1. Puleng Internal Streets- Consulting services	Dikgabo Consulting Engineers	27/11/2014	Multi-year	Multi-year	1.R9,500,000.00	1. R 865,066.75	2
2. Matlilu Internal Streets- Consulting services					2.R9,500,000.0	2. R 864,952.75	
Puleng Internal Streets- Construction	Mathomo Mayo Investments/Moleke Projects JV	15/05/2015	28/09/2015	16/11/2015	R 7,502,058.14	R 8,218,466.96	5
Matlilu Internal Streets- Construction	Maesela Construction	15/05/2015	28/09/2015	19/02/2016	R 6,833,729.43	R 6,833,729.43	4
Elandskraal Internal Streets- Consulting	Dolmen Engineers	20/11/2014	Multi-year	Multi-year	R 18,000,000.00	R 2,520,000.01	4
Elandskraal Internal Streets- Construction	Patrick Makgoga Construction	15/05/2015	30/11/2015	09/12/2015	R 12,758,704.49	R 13,043,556.29	5
Dichoeng Internal Streets- Consulting	EMC Consulting	04/12/2014	Multi-year	Multi-year	R 1,200,000.00	R 2,671,556.10	3
Dichoeng Internal Streets- Construction	Big Rock Construction	14/10/15(Phase 1) 30/03/2016(Phase 2)	01/03/2016(P1) 29/06/2016(P2)	01/03/2016(P1) 29/06/2016(P2)	R6,305,706.82(P1) R4,826,193.28(P2)	R 6,305,706.82(P1) R 4,826,193.28(P2)	5
Mohlaotwane Internal Streets- Consulting	Tshego Consulting Engineers	04/12/2014	Multi-year	Multi-year	R 1,200,000.00	R 3,153,800.00	2

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating
Mohlaotwane Internal Streets-Construction	Sihle JV	14/10/2015(Phase 1) 11/05/2016(Phase 2)	21/03/2016(P1) 30/01/2017(P2)	21/03/2016(P1) In Progress(P2)	R 6,000,000.00(P1) R 19,698,294.11 (P2)	R 5,999,046.77(P1) R 10,224,690.60(P2)	5
Letebane/Ditholong Internal Streets- Consulting	Ubona Engineers	20/11/2014	Multi-year	Multi-year	R 10,120,000.00	R 0.00	3
Marble Hall Ext.6 Stormwater- Consulting	Mulalo Consulting Engineers	22/12/2015	Multi-year	Multi-year	R7,000,000.00	R 630,000.00	2
Upgrading of N11 Intersections- Consulting	Tshatshu Consulting and Project Managers	22/12/2015	Multi-year	Multi-year	R5,000,000.00	R 317 778.19	4
Moganyaka Internal Streets- Consulting	MTP Infrastructure	10/03/2009	Multi-year	Multi-year	R8,500,000.00	R 1,245,459.01	3
Moganyaka Internal Streets-Construction	Kgwadi Ya Madiba/ Big Rock JV	14/10/2015	21/03/2016	06/07/2016	R 6,587,500.00	R 6,587,500.00	3
Substation Upgrade-Retrofit 8 Circuit Breakers	RPS Switchgear SA	20/11/2015	27/02/2016	15/03/2016	R1 199 694.07	R1 161 739.84	4
Transformer Oil Testing	Gifftron Distribution	07/08/2015	14/09/2015	NA	R67 690.35	R67 690.35	4
Public Lighting Maintenance material	Mokakatedi a Thapo Lesibana Trading	24/04/2015	26/06/2015	31/08/2015	R197 967.05	R139 360.60	1
Supply and delivery of public lighting maintenance material	Mashmock Construction and General trading	01/04/2016	30/06/2016	NA	R131 980.00	R131 980.00	3
Supply delivery and registration of Mobile Toilet Trailer	Gifftron Distribution	11/12/2015	16/03/2016	NA	R88 344.30	R88 344.30	3
Supply delivery and registration of LDV	Williams Hunt Delta	20/11/2015	09/12/2015	NA	R305 706.00	R305 706.00	5

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating
Supply for mast lights Mochlaotwane	ESKOM	01/07/2015	30/06/2016	31/10/2016	R670 849.10	R670 849.10	1
Supply for mast lights Mchlaotwane	ESKOM	01/07/2015	30/06/2016	31/10/2016	R833 028.10	R833 028.10	1
Supply for mast lights Mhuzini/Morarela	ESKOM	01/07/2015	30/06/2016	31/10/2016	R491 857.60	R491 857.60	1
Supply for mast lights Mohlotsi	ESKOM	01/07/2015	30/06/2016	31/10/2016	R526 193.90	R526 193.90	1
Supply for mast light Dichoeung	ESKOM	01/07/2014	30/06/2015	24/06/2016	R479 038.71	R479 038.71	1
Supply for mast light Tshikanosi	ESKOM	01/07/2014	30/06/2015	27/11/2015	R64 900.00	R64 900.00	1
Substation material	Ntshadikwe Construction & Projects	10/03/2015	26/06/2015	31/08/2015			
Supply and Delivery of 403 padlocks for Electrical Network	Takatso Ya Batho Trading	22/12/2015	31/03/2016	NA	R128 970.00	R0.00 Supplier failed	1
Maintenance of Municipal Website	SITA	1-Jul-13	30-Jun-16	N/A	R 72 515.22	R159189.66 Included upgrade	5
VPN Digital lines	Telkom SA	30-Aug-12	30-Aug-15	N/A	R 193 084.64		
Telephone system (VSAT at Zamenkomst)	Telkom SA	30-Aug-14	8-Aug-17	N/A	R 50 549.28		
Dignet lines - internet system	Telkom SA	19-Sep-13	19-Sep-18	N/A	R 48 586.68		
Opticon IP ECS 300 PABX - telephone system	Telkom SA	3-Oct-14	30-Sep-17	N/A	R 88 148.40		
Maintenance of copier machines - extended	Ditiro IT Resource	13-Jun-13	14-Jun-17	N/A	R 2 520 000.00		4
Electronic document management system	Business Engineering	1-May-12	28-Feb-2017	N/A	R 371 616.00	R 361 806.36	5
Offsite Archiving	Docufile (Pty) Ltd	15-May-14	Per given notice	N/A	R 20 789.00	R11716.71	5

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating
ICT support and maintenance	IT Iqhazululo	7-Jan-13	Per given notice	N/A	R 328 320.00	R328 320.00	5
Online gazette and labour update	Sabinet	1-Apr-12	30-Mar-17	N/A	R 70 794.00	R70752.80	5
Wireless inter office connection	HCIT	10-Jan-12	Month to month	N/A	R 478 000.00	R478 800.00	5
Provision of data lines and airtime	Vodacom	14-Jun-12	30-Mar-16	N/A	R 192 677.84	R169 865.81	5
Municipal newsletter	Tlotlego Media	30-Mar-16	30-Mar-18	N/A	Schedule of rates	R122 148.00	4
Maintenance of server room	Multi-Net Systems	5-Apr-16	5-Apr-18	N/A	Schedule of rates	R23002.92	5
Microsoft Licences	Forest Technologies (Pty) Ltd	01-Apr-16	30-Mar-19	N/A	Annual licences	R268361.70	5
Electronic off site backup	Munsoft	26-Jun-12	Per notice given	N/A	Monthly licence	R750 461.52	5
Refurbishment of Council Chamber	Twain2	02-Dec-15	22-Dec-15	N/A	R616252.08	R616252.08	5

## CHAPTER 4 – HUMAN RESOURCE MANAGEMENT

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

Human resource services for the municipality are effective and efficient, and meet the expectations of the community at large. Human resources have the following service delivery priorities:

- Attracting skilled workforce
- Ensuring that the workforce is motivated to perform the required tasks
- Continuous capacity building of personnel
- Retaining the existing staff
- Employees Assistance programme
- Employees Occupational Health and Safety
- Sound labour relations

At the beginning of the financial year 2015/2016 municipality had employed 231 with the total of 38 vacancies. Municipality filled 231 vacant posts prioritised during the year under review. This include the appointment of the Municipal Manager, Internal Auditor and Risk Officer.

The municipality has succeeded in retaining 98% of the workforce.

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Vacant posts are advertised in the local and national print media and on the municipal website. Most internal staff does not apply for some post due to the salary of the positions advertised which are lower than their present salary and senior posts because of lack of experience and/or not meeting the minimum required as required by legislations for the post. The municipality assists officials by enrolling them at accredited institutions for capacity building, so that they can meet the requirements of advertised senior posts in future.

The post for Director Planning remained vacant for more than six months, due to difficulties in attracting suitable and qualified personnel. The position of the Director Community Services, was filled and becomes vacant when the Director was appointed the Municipal Manager as from the 01 April 2015.

Employees						
Description	2014/15		2015/16		Variance %	Variance %
	Employees	Approved Posts	Employees	Vacancies		
	No.	No.	No.	No.		
Electricity	11	12	11	1	92%	
Roads	30		42	12	71%	
Transport	5		7	2	71%	
Planning	7		8	1	88%	
Local Economic Development			1	1	0%	
Planning (Strategic & Regulatory)			1	1	0%	
Community & Social Services	75		85	10	88%	
Environmental Protection	27		29	2	93%	
Corporate Policy Offices	31		29	2	94%	
Support	0		18	6		
<b>Totals</b>	<b>184</b>		<b>231</b>	<b>38</b>	<b>96%</b>	

**Vacancy Rate 2015/16**

Designations	*Total Approved Posts	**Variances that vacancies exist using fulltime equivalents)	(Total time	**Variances (as a proportion of total posts in each category)
	<b>No.</b>	<b>No.</b>		<b>%</b>
Municipal Manager	1	0		0%
CFO	1	0		0%
S57 Managers	6	3		50%

**Vacancy Rate 2015/16**

Designations	*Total Approved Posts	*Variances that vacancies exist using fulltime equivalents)	(Total time	*Variances (as a proportion of total posts in each category)
Senior management: Levels 13-15)	14	2		86%
<b>Total</b>	<b>22</b>	<b>5</b>		<b>78%</b>

**Turn-over Rate**

Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
2015/16	No. 15	No. 14	1

**COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE**

EPMLM has established policies and procedures for the management of workforce. It has the following divisions that ensure that employee rights and needs are being met through appropriate and legitimate processes and systems. Compliance is achieved in terms of approved municipal policies and procedures which are in line with the SLGA Collective agreement and relevant national legislation.

The Municipality has also developed systems in terms of MSA 2000 S67 by developing an Employment Equity Plan (EEP) which has been reviewed for the next five years (2012-2017). The old EEP targets were not achieved as planned because of lack of proper monitoring and supervision of

the plan, however, a reviewed EEP has been developed for the next five years which is ready for adoption by Council.

#### 4.2 POLICIES

The municipality has developed numerous policies as a guideline to all officials. The following policies are in place:

##### Approved and reviewed policies

Ref	Policy Name	Approved	Reviewed	File/Resolution Number
1	Cellphone policy	Yes	28/05/2015	095844
2	Credit Control & Debt Collection policy	Yes	28/05/2015	095857
3	Indigent Support policy	Yes	28/05/2015	095848
4	Overtime & Standby policy	Yes	28/05/2015	095854
5	Property Rates policy	Yes	28/05/2015	095856
6	SCM Policy	Yes	28/05/2015	095855
7	Travel & Subsistence policy	Yes	28/05/2015	095845
8	Acting Allowance policy	Yes	28/05/2015	095846
9	Budget policy	Yes	28/05/2015	095851
10	Virement policy	Yes	28/05/2015	095847
11	Bursary for staff policy	Yes	28/05/2015	095850
12	Bursary for Community policy	Yes	28/05/2015	095849



Ref	Policy Name	Approved	Reviewed	File/Resolution Number
13	Tariffs and Rates policy	Yes	28/05/2015	095852
14	Investment policy	Yes	28/05/2015	095853
15	Transport Allowance policy	Yes	28/05/2015	095843

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

- Six officials were suspended from duty for misconduct during the year under review.
- 01 minor injury was reported on duty and affected officials consulted their doctors and the case was reported to the Department of Labour.
- The municipality spent **R21 010.00** on medical surveillance for officials.

Number and Cost of Injuries on Duty						
Type of injury	Injury Leave Taken	Employees using injury leave	Average injury leave taken per employee	Average Injury Leave per employee	Total Estimated Cost	R'000
	Days	No.	%	Days		
Required basic medical attention only	0	0	0%	0	0	0
Temporary total disablement	0	0	0%	0	0	0
Permanent disablement	0	0	0%	0	0	0
Fatal	0	0	0%	0	0	0
Total	0	0	0%	0	0	0

---

#### 4.4 PERFORMANCE REWARDS

The municipality's performance management is limited to Section 56 managers only.

The municipality has conducted the 2015/2016 annual performance assessments for Four Directors and Municipal Manager who signed the performance agreement with the municipality, and none qualified for performance rewards.

The mid-year assessment is the measure taken by municipality in improving performance because through the session Directors are offered an opportunity to state their challenges and they are assisted by panel members as to how they can overcome those challenges and be able to achieve their target by the end of the financial year.

### COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

---

#### 4.5 SKILLS DEVELOPMENT AND TRAINING

##### **Workplace Skills Plan (WSP)**

The municipality has a Workplace Skills Plan (WSP) that is utilised for capacity building of staff.

Each department is requested to forward their training plans to corporate services in May each year, in order to be included in the WSP - which serves as a guide as to how many officials should undergo training in the next financial year. The plan is also used to determine the expenditure for training. For the year under review 56 employees received different training. The WSP and annual training report were submitted to LGSETA at the end of each financial year. Municipality spent **R650 000.00** of skills development levy and received **R47 095.00** from LGSETA.

At the beginning of the financial year **R650 000.00** was budgeted for training, and these funds were exhausted by the end of the financial year. The training plan is effectively implemented in our municipality as we ensure that all officials on the training plan undergo relevant training.

**Training for officials**

PROGRAMME	NO. OF OFFICIALS	STATUS
MFMP	11	Completed
CERTIFICATE IN SCM	16	Completed
Asset Maintenance & management	1	Completed
PED for IDP	2	Were unsuccessful
ICT Professional	2	Still attending
BASIC COMPUTER TRAINING	1	Retired
CPMD	3	2 Completed, 1 still attends
<b>Total</b>	<b>38</b>	

**Training for councillors**

PROGRAMME	NO. OF COUNCILLORS	STATUS
MFMP/CPMD	4	Completed
<b>Total</b>	<b>4</b>	

**COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE**

**4.6 EMPLOYEE EXPENDITURE**

The municipality manages its workforce expenditure very well, as we have policies in place such as Standby and overtime policies, travelling allowance policies, Cellphone Allowance Policy that are complied with before any expenditure can be incurred. The municipality has the organisational structure that is aligned to the IDP and budget, to ensure that all workforce expenditure has been budgeted for. The three documents - IDP, budget and organisational structure - are approved by council every year.

Employees Appointed to Posts Not Approved			
Department	Level	Date of appointment	Reason for appointment when no established post exists
None	0	0	0
None	0	0	0
None	0	0	0

**Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded**

Beneficiaries			Gender	Total
Lower skilled (levels 1-2)	Female			0
	Male			0
Skilled (levels 3-5)	Female			0
	Male			
Highly skilled production (levels 6-8)	Female			0
	Male			
Highly skilled supervision (levels 9-12)	Female			0
	Male			
Senior management (levels 13-16)	Female			2
	Male			1
MM and S 57	Female			0
	Male			
<b>Total</b>				<b>3</b>

**Disclosure of financial interest**

Disclosure forms are given to all officials and councillors at the beginning of each financial year for completion. For the year under review, 32 councillors and 20 officials completed their disclosure forms. No conflict of interest were identified.

## CHAPTER 5: FINANCIAL PERFORMANCE

### Introduction

The Ephraim Mogale Local Municipality strives to ensure an effective and efficient administration, and has provided the following components for discussion within this chapter:

- Component A: Statement of financial performance
- Component B: Spending against capital budget
- Component C: Other financial matters

## COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

### Introduction

The Ephraim Mogale Local Municipality handed over the annual financial statements to the Auditor General Limpopo, as per the Municipal Finance Management Act, on 31 August 2016 for the financial year 2015/16. The aforesaid components of the financial statements discussed in detail below:

## 5.1 STATEMENT OF FINANCIAL PERFORMANCE

Description	2014/15 Audited Outcome	Budget Year 2015/16				YTD variance YTD variance %
		Original Budget	Adjusted Budget	Year TD actual	Year TD budget	
<b>R. thousands</b>						
<b>Revenue By Source</b>						
Property rates	25 738	26 766	26 766	29 798	26 766	3 031 11%
Property rates - penalties & collection charges						
Service charges - electricity revenue	36 983	50 357	50 357	45 785	50 357	(4 572) -9%
Service charges - water revenue						
Service charges - sanitation revenue						
Service charges - refuse revenue	3 652	4 158	4 158	3 216	4 158	(942) -23%
Service charges - other						
Rental of facilities and equipment	113	197	197	138	197	(59) -30%
Interest earned - external investments	2 515	2 451	1 170	4 677	1 170	3 506 300%
Interest earned - outstanding debtors	1 204	2 241	2 241	3 502	2 241	1 261 56%
Dividends received						
Fines	1 542	684	683	1 554	683	871 127%
Licences and permits	11 193	12 272	10 825	2 457	10 825	(8 367) -77%
Agency services			3 994	3 994		3 994 #DIV/0!
Transfers recognised - operational	95 161	122 308	122 308	121 961	122 308	(347) 0%
Other revenue	8 718	3 334	2 007	913	8 019	(7 105) -80%
Gains on disposal of PPE						
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>186 818</b>	<b>224 769</b>	<b>220 713</b>	<b>217 985</b>	<b>226 725</b>	<b>(8 730)</b> <b>-4%</b>

<b>Expenditure By Type</b>													
Employee related costs	53 150	65 742	62 237	59 377	62 237	(2 860)	-5%						
Remuneration of councillors	10 343	11 003	11 003	10 633	11 003	(370)	-3%						
Debt impairment	2 944	6 900	6 900	3 497	6 900	(3 403)	-49%						
Depreciation & asset impairment	40 722	42 400	42 400	41 399	42 400	(1 001)	-2%						
Finance charges	2 042	3 562	753	2 429	753	1 676	223%						
Bulk purchases	23 580	27 221	27 221	27 803	27 221	582	2%						
Other materials	7 874	13 546	12 730	7 879	12 730	(4 851)	-38%						
Contracted services	4 071			4 680		4 680	#DIV/0!						
Transfers and grants	-	112 642		1 937		1 937	#DIV/0!						
Other expenditure	32 841		135 592	37 034	135 592	(98 559)	-73%						
Loss on disposal of PPE	1 306					-							
<b>Total Expenditure</b>	<b>178 874</b>	<b>283 016</b>	<b>298 835</b>	<b>196 668</b>	<b>298 835</b>	<b>(102 168)</b>	<b>-34%</b>						
<b>Surplus/(Deficit)</b>	<b>7 944</b>	<b>(58 247)</b>	<b>(78 122)</b>	<b>21 327</b>	<b>(72 110)</b>	<b>93 437</b>	<b>(0)</b>						
Transfers recognised - capital	31 584	32 405	55 417	46 309	55 417	(9 108)	(0)						
Contributions recognised - capital													
Contributed assets													
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>39 528</b>	<b>(25 842)</b>	<b>(22 706)</b>	<b>67 636</b>	<b>(16 694)</b>								
Taxation													
<b>Surplus/(Deficit) after taxation</b>	<b>39 528</b>	<b>(25 842)</b>	<b>(22 706)</b>	<b>67 636</b>	<b>(16 694)</b>								
Attributable to minorities													
<b>Surplus/(Deficit) attributable to municipality</b>	<b>39 528</b>	<b>(25 842)</b>	<b>(22 706)</b>	<b>67 636</b>	<b>(16 694)</b>								
Share of surplus/ (deficit) of associates													
<b>Surplus/ (Deficit) for the year</b>	<b>39 528</b>	<b>(25 842)</b>	<b>(22 706)</b>	<b>67 636</b>	<b>(16 694)</b>								