



EPHRAIM  
MOGALE LOCAL  
MUNICIPALITY

**DRAFT  
ANNUAL  
REPORT  
2016-17**

## CONTENTS

CHAPTER 1: MAYOR'S FORWARD AND EXECUTIVE SUMMARY .....	7
COMPONENT A: MAYOR'S FOREWORD.....	7
COMPONENT B: EXECUTIVE SUMMARY .....	11
1.1 MUNICIPAL MANAGER'S OVERVIEW .....	11
1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW.....	11
1.3 SERVICE DELIVERY OVERVIEW .....	15
1.4 FINANCIAL HEALTH OVERVIEW .....	17
1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW .....	18
1.6 AUDITOR GENERAL REPORT .....	19
1.7 STATUORY ANNUAL REPORT PROCESS.....	20
CHAPTER 2 - GOVERNANCE .....	21
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....	21
2.1. POLITICAL GOVERNANCE.....	22
2.2 ADMINISTRATIVE GOVERNANCE .....	25
COMPONENT B: INTERGOVERNMENTAL RELATIONS.....	29
2.3 INTERGOVERNMENTAL RELATIONS.....	29
COMPONENT C: PUBLIC ACCONTABILITY AND PARTICIPATION .....	29
2.4 PUBLIC MEETINGS .....	30
2.5 IDP PARTICIPATIOn AND ALIGNMENT.....	32
COMPONENT D: CORPORATE GOVERNANCE.....	32
2.6 RISK MANAGEMENT .....	34
2.7 ANTI-CORRUPTION AND FRAUD.....	36
2.8 SUPPLY CHAIN MANAGEMENT.....	37
2.9 BY-LAWS .....	38

2.10 WEBSITES.....	38
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES.....	39
CHAPTER 3: SERVICE DELIVERY.....	40
COMPONENT A: BASIC SERVICES.....	40
3.1 WATER PROVISION .....	40
3.2 WASTE WATER (SANITATION) PROVISION .....	40
3.3 ELECTRICITY .....	40
3.4 WASTE MANAGEMENT.....	46
3.5 HOUSING .....	48
3.6 FREEBASIC SERVICES AND INDIGENT SUPPORT.....	48
COMPONENT B: ROAD TRANSPORT .....	48
3.7 ROADS.....	48
3.8 TRANSPORT .....	52
3.9 STORMWATER .....	53
COMPONENT C: PLANNING AND DEVELOPMENT .....	53
3.10 PLANNING.....	53
3.11 LOCAL ECONOMIC DEVELOPMENT.....	56
COMPONENT D: COMMUNITY AND SOCIAL SERVICES.....	58
3.12 LIBRARIES AND COMMUNITY FACILITIES.....	58
3.13 CEMETRIES.....	59
3.14 SOCIAL PROGRAMMES - CHILD CARE, AGED CARE.....	59
COMPONENT E: ENVIRONMENTAL PROTECTION .....	60
3.15 POLLUTION CONTROL.....	60
3.16 BIO-DIVERSTY – IANDSCAPE .....	60
COMPONENT F: HEALTH.....	61

3.17 CLINICS.....	61
3.18 AMBULANCE SERVICES .....	61
3.19 HEALTH INSPECTION: FOOD INSPECTION ETC.....	61
COMPONENT G: SECURITY AND SAFETY.....	61
3.20 POLICE.....	61
3.21 FIRE .....	61
3.22 DISASTER MANAGEMENT.....	61
COMPONENT H: SPORT AND RECREATION .....	62
3.23 SPORT AND RECREATION.....	62
COMPONENT I: CORPORATE POLICY SERVICES .....	62
3.24 EXECUTIVE AND COUNCIL .....	63
3.25 FINANCIAL SERVICES.....	63
3.26 HUMAN RESOURCES SERVICES.....	63
3.27 INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES .....	63
3.28 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES .....	65
COMPONENT J: MISCELLANEOUS .....	69
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD .....	69
KPA 1: SPATIAL RATIONALE.....	71
KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT .....	74
KPA 3: LOCAL ECONOMIC DEVELOPMENT .....	81
KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT .....	84
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT.....	89
KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION .....	93
PERFORMANCE OF SERVICE PROVIDERS FOR 2015/16 FINANCIAL YEAR.....	99
CHAPTER 4 – HUMAN RESOURCE MANAGEMENT .....	106

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL .....	106
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES .....	106
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE .....	109
4.2 POLICIES .....	109
4.3 INJURIES, SICKNESS AND SUSPENSIONS .....	110
4.4 PERFORMANCE REWARDS .....	111
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE .....	111
4.5 SKILLS DEVELOPMENT AND TRAINING .....	111
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE .....	112
4.6 EMPLOYEE EXPENDITURE .....	112
CHAPTER 5: FINANCIAL PERFORMANCE .....	114
COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE .....	114
5.1 STATEMENT OF FINANCIAL PERFORMANCE .....	115
5.2 GRANTS .....	118
5.3 ASSET MANAGEMENT .....	119
5.4 FINANCIAL RATIO'S .....	120
COMPONENT B: SPENDING AGAINST CAPITAL bUDGET .....	122
5.5 CAPITAL EXPENDITURE .....	122
5.6 SOURCE OF FINANCE .....	124
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS .....	125
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS .....	127
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS .....	129
5.9 CASH FLOW .....	129
5.10 BORROWING AND INVESTMENTS .....	131
5.11 PUBLIC PRIVATE PARTNERSHIPS .....	134

COMPONENT D: OTHER FINANCIAL MATTERS ..... 134

    5.12 SUPPLY CHAIN MANAGEMENT ..... 134

    5.13 GRAP COMPLIANCE ..... 134

CHAPTER 6: AUDITOR GENERAL REPORT ..... 135

COMPONENT A: AUDITOR GENERAL’S OPINION OF FINANCIAL STATEMENTS..... 135

    6.1 AUDITOR GENERAL’S REPORT 2015/16 ..... 135

GLOSSARY ..... 136

## CHAPTER 1: MAYOR'S FORWARD AND EXECUTIVE SUMMARY



The EPMLM's annual report for the period 1 July 2016 to 30 June 2017 is presented in compliance with Treasury Regulations and according to 121 of the Municipal Finance Management Act 56 of 2003 and read with section 46 of the Municipal Systems Act of 2000. The Annual Report serves as a communication tool for providing broad information on activities carried out and services provided, and for comparing actual service delivery with projected service delivery. The information in this annual report will inform the community, and the wider public assess how the municipality has performed in relation to stewardship of community needs, efficiency, effectiveness, and cost-effectiveness of operations. Chapter 1 of the report provides Mayor's forward and an overview of the Municipal Manager with a brief summary of key service delivery essentials.

### COMPONENT A: MAYOR'S FOREWORD

#### 1.1 MAYOR'S FOREWORD

##### a. Vision

"Viable and sustainable municipality that provides quality service and enhance economic growth"

##### b. Key Policy Developments

This report follows six years after the remarkable year of the local government elections (2011). These elections presented the Municipality with a challenge to review and assess whether a positive impact and a shift in the development of our communities has been made, in terms of the Council's existing vision and strategy. The review process required an innovative way of looking at issues at large. A new focus is on optimizing organizational performance to ensure a move towards organizational culture that adapts more easily to change.

Despite all challenges we will strive to continue rendering high quality services to our communities during 2017/2018 financial year. The Municipality committed itself to the principles of innovation and improved service delivery to take us forward into the future. EPMLM have obtained a qualified audit opinion during the 2016/2017 financial year. Chartered Institute of Government Finance, Audit & Risk Officers (CIGFARO) also awarded the municipality with 02 awards which were CIGFARO Clean Administration Award and CIGFARO Best Improved Municipality.

### c. Key Service Delivery Improvements

In the year under review the municipality successfully completed the following capital projects:

NUMBER OF KILOMETRES IN ROADS TARRED	LOCATION/VILLAGE	PROJECT VALUE
Elandskraal Internal Streets= 1.4km	Elandskraal	R8 140 596.71
Phetwane Internal Road=1 km	Phetwane	R6 260 544.84
Rathoke Internal Streets= 1 km	Rathoke	R6 091 179.22
Ngwalemong Internal Streets=3.2 km(multi-year)	Ngwalemong	R 19 120 628.18
Marble Hall Industria Road= 0.25km	Marble Hall	R 1 797 713.36
Rehabilitation of Leeuwfontein Internal Streets= 0.6km	Leeuwfontein	R1 978 538.06
Rehabilitation of streets in Marble Hall=0.5km	Marble Hall	R 3 099 325.07
Marble Hall Extension 6 stormwater (1123m)	Marble Hall	R 5 828 500.00

### d. Public Participation

The municipality has developed an annual public participation program. The program targets all 16 wards and specific villages. These meetings afford politicians opportunity to report back on progress made and direct contact with ordinary community members. The Municipality continued to develop and improve mechanisms to ensure a culture of participative governance as a priority. Cluster- Based consultation has been adopted as a form of participatory community action linked to the Integrated Development Planning (IDP) process. Ward committees enhances a more effective communication between the council and the community.

MAYORAL/SPEAKER OUTREACHES	
NUMBER OF OUTREACHES	LOCATION/VILLAGES
Annual Report 2015/16 Public Participation	Mokgwaneng Community Hall, Manapjane Sports Ground next to Montsosaboshego Primary School, Vaalbank SASSA Pay Point, Mbuzeni Agricultural Office & Marble Hall Town Hall
Back to School Opening Campaign	Moutse west circuit offices, Rakgwadi circuit Mokone A Mabula senior secondary school, Tsimanyane circuit office, Lepelle circuit Ngala H School & Marble Hall Town Hall
MPAC Annual Report 2015/16 Public Hearing	Municipal Chamber
SOMA	Dichoeung Community Hall
Annual Ward Committee Conference 2016/17	Tiveka Lodge
IDP Review Public Participation 2017/18	Phetwane Sports Ground , Moomane Community Hall, Leeuwfontein Community Hall & Klopper Community Hall
Ward Committee Induction	Schuinsdraai (Tambotie Lodge)

#### **e. Future Actions**

The speaker's office facilitated constant interaction with the communities by quarterly ward committee meetings with their constituencies, to get the problems encountered in their wards. The mayor's office also embarks on the mayoral outreach programs focusing on focal groups, i.e. women, children, disabilities, etc.

#### **f. Agreements / Partnerships (announcements on special partnerships initiated)**

During the period under review, Mayor's Office awarded top learner a special bursary and Econ Oil & Energy also allocated 10 laptops for achieving top learners. This is part of our programme to interact with other State Owned Enterprises and the Private Sector to concluded meaningful partnerships that will be beneficial to both our municipalities and communities. In the anticipated future we hope this will lead to joint programmes and projects.

#### **g. Conclusion**

The Municipality have installed 30 LED floodlights at Matlala a Ramoshebo as an energy efficiency pilot project and to test if this will provide a more reliable service to communities. Whilst we acknowledge the progress made, we are also very conscious about the fact that some segments of communities are still living in depressing poverty, we remain committed and determined to persevere in realising the key focus areas that Council adopted in the IDP 2016- 2017. In terms of our Vision, the Municipality wants to thank the community of EPMLM as well as all other stakeholders for their will to participate in the affairs of the Municipality. We appeal to all our stakeholders to continue to do so, by joining hands with the Municipality in an effort to make EPMLM "**Agricultural Hub of choice**".

**Table 1: Comparison of the two financial years; 2015/2016 and 2016/2017**

Ref No	KPA	2015/16			2016/17		
		Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved
1	Spatial Rationale	9	4	44,4%	18	13	72.2%
2	Basic Service Delivery and Infrastructure Development	54	26	48,1%	36	19	52.7%
3	Local Economic Development	6	5	83,3%	10	06	60%
4	Municipal Transformation and Institutional Development	39	21	53,8%	26	21	80.7%
5	Municipal Financial Viability and Management	8	7	87,5%	25	18	72%
6	Good Governance and Public Participation	20	11	55,0%	33	27	81.8%
<b>Total</b>		<b>136</b>	<b>74</b>	<b>54.4%</b>	<b>148</b>	<b>104</b>	<b>70.2%</b>

All gratitude goes to the team (Executive Committee, Speaker, Chief Whip, and all Councilors, the Municipal Manager and Senior Managers, as well as the rest of the staff and public. Without the determination and commitment shown, EPMLM's vision would have never been realised.

(Signed by :) \_\_\_\_\_

**Mayor: Cllr. Kupa C.R.**

1.1 MUNICIPAL MANAGER'S OVERVIEW



The preparation and publication of the Annual Report is a legislative requirement as per Section 46 of the Municipal Systems Act (MSA) 32 of 2000 and Section 121 of the Municipal Finance Management Act (MFMA) 56 of 2003. Section 46 (1) and (2) outlines the frequency of the Annual Report and what should be reflected therein; whilst Section 121 of the MFMA provides timeframes within which the report should be prepared and made available for perusal by the council and its committees. It further set out latest date by which the report should be approved by council and then ultimately be adopted and publicized an official service delivery report of the municipality. Again, in terms of section 121 of the MFMA the purpose of an annual report is:

- (a) To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- (b) To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- (c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Accordingly; my main role as an accounting officer in the preparation of this report was to ensure that the report is completed timely and that it accurately recount the key activities undertaken in the year reported hereon, giving a clear indication of achievements, non-achievement, challenges and opportunities realized in the course of undertaking such activities. On top of my mind; such achievements includes the improved audit opinion and the 100% MIG spending and successful completion of capital projects thereof. Amidst such achievement, there were challenges which we honestly reflected in the report. Of great importance is the fact the municipality has developed strategies to forge a successful way-forward in dealing with such challenges – thus giving me confidants that Ephraim Mogale Municipality will grow strong and continue to realise its vision in relation to the core business of the municipality which is service delivery to our people.

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**MATHEBELA MM**  
**MUNICIPAL MANAGER**

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## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The name of the municipality was changed to Ephraim Mogale Local Municipality by an amendment of section 12 notice in Provincial Gazette No 1721 by General notice 10 of 2010 on 28 January 2010 with new logo and slogan - RE HLABOLLA SETSHABA which means “We develop our people”.

The EPMLM is composed of former Marble Hall New City council, Moutse West, Leeuwfontein/Moganyaka, portion of former Hlogotlou/Lepelle TRC, portion of former Greater Nebo North TRC, the entire area of former Middle Lepelle TRC, portion of Naboomspruit / Roedtan, Thusang TLC area and part of the former Springbokvlakte TLC.

The Municipality was established soon after the elections in December 2000 in terms of section 12 notice no.302 dated 1 October 2000. The municipality was a cross boundary municipality which comprises of 16 villages, Marble Hall town and farming areas in Mpumalanga and 2 Townships and 47 villages in Limpopo. The municipality has been incorporated in Limpopo province in accordance with proclamation no.422 dated 27 December 2005.

Ephraim Mogale Local Municipality, formerly known as Greater Marble Hall Local Municipality is a local municipality (category B4) within the Sekhukhune District Municipality, in Limpopo. The municipality's new name was adopted in January 2010 with a new slogan that says “Rehlabolla setshaba”, meaning “We develop our people”. The municipality is named after the struggle hero Ephraim Mogale. The municipality borders Makhuduthamaga Local Municipality in the south, Elias Motsoaledi Local Municipality in the east, Lepelle-Nkumpi Local Municipality in Capricorn District, Mookgopong Local Municipality in Waterberg and Mpumalanga's Dr. JS Moroka Local Municipality. It is situated about 150 km from Polokwane, 100 km from Mokopane, 145 km from Pretoria, and 250 km from Mbombela. The municipality is the second smallest of the five local municipalities in the district, constituting 14, 4% of the area with 1 911, 07 square kilometers of the district's 13 264 square kilometres. Land ownership is mostly traditional and the municipality is predominantly rural with about 56 settlements, most of which are villages. The municipality has 16 wards.

### Powers and functions

Function	Municipal Authority	District Authority	Remarks
1.Air Pollution	Yes		
2.Building regulations	Yes		
3.Child care facilities	Yes		
4.Electricity reticulation	Yes for Marble Hall town		Eskom reticulate rest of municipality
5.Fire fighting	No	Yes	
6.Local tourism	Yes		
7.Municipal airport	Yes		
8.Municipal planning	Yes		
9.Municipal Health Service		Yes	
10.Municipal Public Transport	Yes		Bus & Taxi rank in private ownership
11.Pontoons & Ferries	Yes		
12.Storm water	Yes		
13.Trading regulations	Yes		
14.Water (potable)		Yes	
15.Sanitation		Yes	
16.Beaches and amusement facilities	Yes		
17.Billboards and the display of advertisements in public places	Yes		
18.Cemetries,funeral parlours and crematoria	Yes		
19.Cleansing	Yes		
20.Control of public nuisance	Yes		
21.Control of undertakings that sell liquor to the public	Yes		
22.Facilities for the accommodation, care and burial of animals	Yes		
23.Fencing and fences	Yes		
24.Licensing of dogs	Yes		
25.Licensing and control of undertakings that sell food to the public	Yes		
26.Local amenities	Yes		
27.Local sports facilities	Yes		
28.Markets	Yes		
29.Municipal Abattoirs	Yes		
30.Municipal parks and recreation	Yes		
31.Municipal roads	Yes		
32.Noise pollution	Yes		
33.Pounds	Yes		
34.Public places	Yes		
35.Refuse removal refuse dumps and solid waste disposal	Yes		The land fill site in Marble Hall town is licenced and authorised
36.Street trading	Yes		
37.Street lighting	Yes		
38.Traffic and parking	Yes		
39.Registration authority	Yes		

Table 3: the table above depicts the powers and function of the municipality

Population	2011	2016	Households	2011	2016	Youth	2011	2016
<b>Total</b>	123 082	127 168	Total	32 284	33 936	Total	42 964	51 829

*Table4: As per the community survey 2016 statistics conducted, the number of households has increased by 12%*

### Natural Resources

Natural Resources	
Major Natural Resource	Relevance to Community
Land	Agricultural and Human Settlement
Dam	Tourism attraction, Agricultural use and Consumption
Minerals	Economic Empowerment and job creation
<i>T 1.2.7</i>	

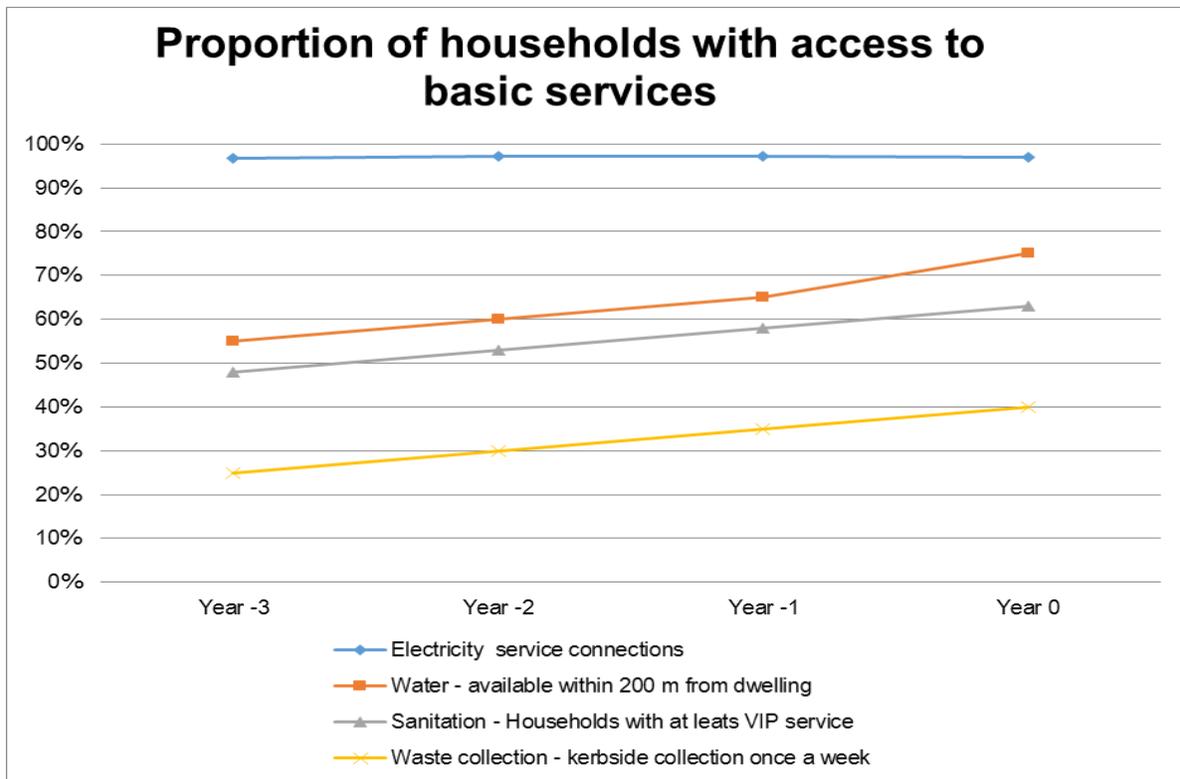
### Ephraim Mogale Local Municipality Is Established to Perform the Following Functions:

- Municipal transformation and organizational development
- Basic service delivery and infrastructure
- Local economic development
- Financial viability
- Good governance and public participation
- Spatial Rationale

### 1.3 SERVICE DELIVERY OVERVIEW

The municipality's core business is to provide safe and sound road infrastructure network and uninterrupted electricity network to its community. Water and Sanitation are provided by Sekhukhune District Municipality and electricity is provided by Eskom in the rural parts of the municipality. The electrification backlog was maintained at 3%. Public lighting was extended to 5 areas. Supply in the license area was maintained with interruptions within the NERSA specification.

Proportion of Households with minimum level of Basic services				
	Year -3	Year -2	Year -1	Year 0
Electricity service connections	96.1%	97.2%	97.3%	97.0%
Water - available within 200 m from dwelling	55%	60%	65%	75%
Sanitation - Households with at least VIP service	48%	53%	58%	63%
Waste collection - kerbside collection once a week	25%	30%	35%	40%



## The Backlog on Services

With regard to the provision of free basic water, SDM is providing to approximately 90% of households.

### Water

EPMLM	Households	%Backlog
	28 313	87%

### Sanitation

The provision of sanitation in EPMLM faces considerable challenges at present. The situation is more of a concern that it was the cases with water.

The municipality has different households that use different types of toilet facilities. In town the municipality uses flushing toilets while in the rural areas there are few households that use flushing toilets. The rest of the population in the rural areas of the municipality use pit latrines.

EPMLM	Households	%Backlog
	29 346	90%

### Electricity

EPMLM	Households	Backlog
	33 936	3.03%

Backlog at 3.03% because Eskom deferred 5 projects and reduced 400 planned connections to 176 and completed only 81.

### Public lighting backlog

EPMLM	Villages	Backlog
	56	34

This is just areas with some form of public lighting and not 100% coverage

## 1.4 FINANCIAL HEALTH OVERVIEW

<b>Financial Overview – 2016/2017</b>			
<b>Details</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>
Income	110,546,734	107,424,505	105,457,098
Grants	152,541,000	160,948,309	158,219,637
<b>Sub-Total</b>	<b>263,087,734</b>	<b>268,372,814</b>	<b>263,676,735</b>
Less Expenditure	245,505,961	250,704,795	218,430,232
<b>Net Total</b>	<b>17,581,773</b>	<b>17,668,019</b>	<b>45,246,503</b>

<b>Operating Ratios</b>	
<b>Detail</b>	<b>%</b>
Employee Costs	97%
Repairs & maintenance	65%
Finance charges and Depreciation	103%

<b>KPA and Indicator</b>	<b>Municipal Achievement</b>		
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Debt coverage (Total operating revenue –operating grants received)/ debt service payments due within a year	3.9	2.4	2.2
Service debtors to revenue –(Total outstanding service debtors/ revenue received for services)	0.4	0.9	0.7
Cost coverage ( Available cash +investments)/ Monthly fixed operating expenditure	0.9	1	1
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	55%	73%	77%

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

Human resource services for the municipality are reasonably effective and efficient, and relatively meet the expectations of the community at large. The department is responsible for attracting skilled workforce, motivating workforce to perform the required tasks and continuous capacity building of personnel.

Category	Number
Total posts on the organogram	269
Total number of employees	232
Total number of vacancies	37
Number of terminations	0
Number of retirements	2
Resignations	2
Death	1
Contract ended	1
Retention/Promotions	3

### Committees Established to Strengthen Human Resource Management

- OHS Committee
- EAP Committee
- Employment Equity Committee
- Training Committee
- Local Labour Forum
- Editorial Committee
- Housing Committee
- Essential Services Committee

### Bursaries Awarded

NAMES & SURNAMES	ID & STUDENT NUMBER	INSTITUTION	DURATION OF THE COURSE	FIELD OF STUDY	LEVEL	WARD	COST
Tlaka M.L.	970325 5717 084/ 1406 419	Witwatersrand University	04	Bachelor of Science	Second Year	10	<b>R111 926.90</b>
Malope Z.	940124 6206 981/ 2014 24893	University of Limpopo	04	B.Com Economics.	Fourth Year	08	<b>R41 213.94</b>
Nkoana S.K.P.	951013 0059 081/ 2014 11120	Sefako Makgato Health Science University	07	MBCHB Degree.	Fourth Year	01	<b>R99 664.00</b>
Maserumule M.W.	960928 0356 089/ 2691 9346	North-West University	04	BSC. Financial Mathematics.	Third Year	11	<b>R55 000.00</b>

Moeng C.G.	951107 5604 089/ 1521 1003	University of Pretoria	04	Bachelor in Mining Engineering.	Third Year	11	<b>R52 490.60</b>
Kgwale L.	930206 5848 088/ 1501 5454	University of Venda	04	Bachelor of Science. Bio Chemistry.	Third Year	09	<b>R42 000.00</b>
Napo F.R.	960915 0368 081/ 1422 8999	University of Pretoria	04	B. Com-Accounting Science	Third Year	02	<b>R55 000.00</b>
Chidi T.P.	960422 6117 083/ 1927 1328-2015	University of Stellenbosch	07	MBCHB	Third Year	15	<b>R55 000.00</b>
Hopyani K.G.	2015 71074	University of Johannesburg	04	LLB Degree	Third Year	16	<b>R52 643.50</b>
Matlala P.K.	940227 5683 083/2015 31536	Sefako Makgato Health Science University	04	BSC. In Life Science	Third Year	11	<b>R55 000.00</b>
Mmakola O.M.	960621 5635 082/ 1158 133	Witwatersrand University	04	Bachelor of Science	Third Year	08	<b>R90 344.00</b>
Nkogatse Moleseng	980728 0799 080/ 17112682	University of Pretoria	04	MBCHB	First Year	08	<b>R97 798.00</b>
Phasha Given Mathogoshane	960607 5911 086/ 1595089	University of Witwatersrand	04	Bachelor Of Science in Engineering	First Year		R55 000.00
Monama Tadima Vincent	970815 5888 083/ 17100349	University of Pretoria	03	Bachelor Science in Computer Science	First Year		R55 000.00
Chagane Katlego	960713 5664 087/ 1348100	University of Witwatersrand	03	Bachelor Science in Computer Science	First Year		R22 317.97
Skosana Kgaugelo Hope	960808 0617 088/ 215452603	Tshwane University of Technology	03	National Diploma Agriculture	First Year		R17 050.00
Kokobane Mohlonyang Daniel	951002 5616 086/ 216454782	Tshwane University of Technology	03	National Diploma Agriculture	First Year		R30 433.60
Makola Makate Abia	930709 5530 085/ 217067707	Tshwane University of Technology	03	National Diploma of Local Government Man.( Records Mana.)	First Year		R33 310.00
Mohlala Lekolokoto Adonia Quite	971105 5347 085/ 216042558	University of Johannesburg	03	National Diploma Town and Regional Planning	First Year		R55 000.00

## 1.6 AUDITOR GENERAL REPORT

The Municipality committed itself to the principles of innovation and improved service delivery to take us forward into the future. EPMLM have obtained a qualified audit opinion during the 2016/2017 financial year.

See Chapter 6: Auditor-General Report 2016/17

## 1.7 STATUARY ANNUAL REPORT PROCESS

Table 16: statutory annual report process

No	Activity	Date	Responsibility
1	Finalise 4th quarter report for previous financial year	July 2017	Management/Municipal Manager
2	Submit draft annual report to internal audit and Auditor General	August 2017	Municipal Manager
3	Audit/Performance Committee considers draft annual report of Municipality	August 2017	Municipal Manager
4	Mayor tables the unaudited annual report	August 2017	Mayor
5	Municipality submits draft annual report, including the consolidated annual financial statements and the performance report, to the Auditor General	August 2017	Municipal Manager
6	Auditor General assesses draft annual report, including the consolidated annual financial statements and performance data	August – 28 November 2017	Auditor General
7	Municipalities receive and start to address the Auditor General's Comments	November 2017	Municipal Manager
8	MPAC Committee assesses the annual report	March 2018	MPAC Chairperson
9	Mayor tables annual report and audited financial statements to council, complete with the Auditor General's Report	January 2018	Mayor
10	Audited annual report is made public and representation is invited	January 2018	Municipal Manager
11	Council adopts oversight report	March 2018	Council
12	Oversight report is made public	April 2018	Municipal Manager
13	Oversight report is submitted to relevant provincial councils	April 2018	Municipal Manager

It is also a compliance issue to meet the deadlines, as non-compliance will result in a negative audit opinion for the municipality. Meeting deadlines also assists with receiving feedback, comments and inputs from relevant stakeholders, and helps with rectifying mistakes whilst learning good practice at the same time.

The alignment of IDP, budget and the performance system is important, as the three documents are the strategic documents of the municipality. They serve as a guiding tool to determine whether the municipality is working towards achieving its set goals and objectives, while using the budget in the correct manner, so as to avoid wasting public funds. This is done through the performance management, where there will be quarterly reporting about the performance of the municipality and whether the budget is still aligned to the set objectives, or if it is being spent on something that is not helping achieve set objectives and goals. Performance management helps to give an early indication of non-performance, and allows for the taking of corrective measures as soon as possible.

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of municipality has the right to govern on its own initiative, the local government affairs of the local community. EPHMLM Council comprises of the political and administrative components responsible for decision-making and implementation respectively. The Mayor is the political head of the Institution and the Speaker is the head of council. The Municipality has all the powers assigned to it in terms of the Constitution as well as relevant national and provincial legislations. The municipality has the authority to take any possible actions to effectively exercise powers assigned to it.

#### **Overview**

The municipality is a category B municipality with an Executive Committee system with 32 Councillors, 16 ward Councillors and 16 PR Councillors. The municipality has 6 full time Councilors, namely the Mayor who heads the Executive committee, the Speaker who is head of Council, the Chief Whip, and two executive committee members. The Executive Committee consist of 6 members including the Mayor. The 5 members of the executive committee are heads of each of the portfolio committees namely, Budget & Treasury Office, Infrastructure Services, Corporate Services, Community Services and Planning & Economic Development. The Chairpersons of each of this committees form the Chairperson of Chairpersons committee

All items emanating from the 5 departments are submitted to Executive committee and recommendations from executive committee are submitted via the portfolio committees to council for consideration.

The municipality have an Audit committee that provides opinions and recommendations on financial processes and performance and provides comments on the annual report to MPAC a committee established to provide council with an oversight report on the annual report. The oversight report get published once it has been considered by Council for comments by members of the public.

## 2.1. POLITICAL GOVERNANCE

The municipality is composed by the Mayor Cllr Kupa CR, Speaker Cllr Mothogoane MD, the Chiefwhip Cllr LB Modisha and 05 other Executive committee members and other councillors. There are also Section 80 & 79 committees that process all the issues before they go to council.

The Municipality consists of 32 councillors, of both elected (ward representatives) and proportional (councillors). Each of the ward councillors chairs a ward committee as part of the Ward Precatory System that brings participation down to community level. Ward councillors play a central role in the communication process between the communities they represent and the council, reporting back regularly through ward meetings and assisting the community in identifying needs and priority areas of development which feed into the municipalities planning process. The new demarcation increases the wards from 14 to 16 and from 27 councillors to 32 respectively. A full list of Councillors is attached as Appendix A, while appendix B sets out committees and their purposes.

It must be noted though that some Councillors were replaced by others during the financial year under review, for different reasons. The following Councillors were affected:

Surname & initials	Party	Reason	Replacement
Cllr N. Phatlane	ANC	Deceased	Cllr Tshiguvhu L
Cllr Phefadi	DA	Deceased	Cllr Letshela

### Executive Committee

The Mayor of the Municipality, Councillor Kupa CR, assisted by the Executive Committee, heads the executive arm of the Municipality. Although accountable for the strategic direction and performance of the Municipality, the Mayor operates in consultation with the Executive Committee.

MAYORAL COMMITTEE
EXECUTIVE COMMITTEE
<ul style="list-style-type: none"><li>• Cllr. Kupa CR – Mayor</li><li>• Cllr Lentsoane R</li><li>• Cllr Motsepe M</li><li>• Cllr Makanyane G</li><li>• Cllr Makola L</li><li>• Cllr Jacobs P</li></ul>

The table below categorises the Councilors within their specific political parties and wards for the 2016/2017 financial year:

Surname & initials	Position	Gender	Party	Contacts
Cllr Kupa CR	Mayor	Female	ANC	076 616 5552
Cllr Lentsoane R	MMC Corporate Services	Female	ANC	072 360 7487
Cllr Motsepe M	MMC Budget & Treasury	Female	ANC	079 235 1235
Cllr Makanyane G	MMC Infrastructure Services	Male	ANC	079 966 5551
Cllr Makola L	MMC Planning & Economic Development Services	Male	EFF	072 621 6057
Cllr Jacobs P	MMC Community Services	Male	DA	082 293 0403
Cllr Mothogwane M D	Speaker	Male	ANC	071 594 7616
Cllr Modisha B	Chief-Whip	Female	ANC	082 575 5207
Cllr Moimana G	PR Councillor	Male	ANC	082 657 6306
Cllr Tshiguvu L	PR Councillor	Female	ANC	
Cllr Mohlala L	PR Councillor	Male	EFF	071 526 9160
Cllr Sindana R	PR Councillor	Female	EFF	072 580 4316
Cllr Phokwane R	PR Councillor	Female	EFF	072 992 2820
Cllr Matjie T	PR Councillor	Female	EFF	076 624 0810
Cllr Manasoe T	PR Councillor	Female	EFF	076 409 1016
Cllr Madileng O	PR Councillor	Female	EFF	071 454 2902
Cllr Lentsoane C	PR Councillor	Female	DA	083 952 9184
Cllr Letshela	PR Councillor	Female	DA	
Cllr De Beer F	PR Councillor	Male	VF Plus	082 223 0634
Cllr Aphane M	Ward 1	Female	ANC	078 152 3034

Surname & initials	Position	Gender	Party	Contacts
Cllr Tema A	Ward 2	Male	Independent	076 029 2799
Cllr Ranoto P	Ward 3	Male	ANC	073 193 9291
Cllr Kekana J	Ward 4	Male	ANC	072 669 4846
Cllr Matlala F	Ward 5	Male	ANC	082 572 6617
Cllr Motsepa M	Ward 6	Female	ANC	079 235 1235
Cllr Jacobs P	Ward 7	Male	DA	082 293 0403
Cllr Makanyane G	Ward 8	Male	ANC	079 966 5551
Cllr Maloka M	Ward 9	Female	ANC	078 139 2208
Cllr Sedibane S	Ward 10	Male	ANC	079 011 1990 078 111 2123
Cllr Mashoeshoe H	Ward 11	Male	ANC	089 474 0858
Cllr Monama M	Ward 12	Male	ANC	071 960 2255
Cllr Boshielo C	Ward 13	Female	ANC	071 158 9969
Cllr Mabaso T	Ward 14	Male	ANC	073 600 6991
Cllr Molatudi L	Ward 15	Female	ANC	073 601 8842 081 829 9996
Cllr Mashego P	Ward 16	Male	ANC	078 844 0181

## 2.2 ADMINISTRATIVE GOVERNANCE

### Introduction

The administration is headed by the Municipal Manager who is the accounting officer and have 5 departments, namely; Budget & Treasury, Infrastructure Services, Corporate Services, Community Services and Planning & Economic Development headed by section 56 Managers who report directly to the Municipal Manager. Internal Audit division has been established and the Chief Internal Auditor reports directly to the Municipal Manager. Senior Management as well as Management meetings are held to co-ordinate service delivery and evaluate and monitor performance of the administration. Evaluation and Adjudication bid committees are in place to ensure that tenders are dealt with in terms of supply chain management processes to ensure that projects are implemented in accordance with Budget/IDP/SDBIP.

### Ephraim Mogale Local Municipality Top Management

Designation	Name	Gender
<b>Municipal Manager</b>	Mathebela M.M	F
<b>Director Corporate Services</b>	Vacant	
<b>Chief Financial Officer</b>	Khabo Ramosibi	F
<b>Director Economic Development and Planning</b>	Vacant	
<b>Director Community Services</b>	Phaahla H.M	M
<b>Director Infrastructure Services</b>	Radingwana M.E	F

### Portfolio Committee's

Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues depending on whether delegations have been granted to them. They are appointed to advise the mayor on policy matters and any other matter to be considered by the mayor. Section 79 committees are permanent committees appointed to advise the Municipal Council.

The name and portfolio of each Member of the Executive Committee is listed in the table below for the period 01 July 2016 – 30 June 2017:

<b>Corporate Services Portfolio Committee</b>			
No.	Name of councillors	Designation	Cell numbers
1	Cllr Letty Molatudi	Chairperson	
2	Cllr Given Moimana	Whippier	
3	Cllr Thabitha Manaswe	Member	
4	Cllr Conny Lentsoane	Member	
5	<b>Cllr Rebecca Lentsoane</b>	<b>EXCO</b>	

6	Kgoshigadi M.P Rahlagane	Royalty	
<b>Budget and Treasury Portfolio Committee</b>			
1	Cllr Frederick Sedibane	Chaiperson	
2	Cllr Simon Tema	Member	
3	Cllr Hudson Mashoeshoe	Whippery	
4	Cllr Frederick Jacobus De Beer	Member	
5	Cllr Thandi Matjie	Member	
6	<b>Cllr Mmakoma Motsepe</b>	<b>EXCO</b>	
7	Kgoshi P.K Kekana	Royalty	
<b>Planning and Economic Development Portfolio Committee</b>			
1	Cllr Carol Boshielo	Chairperson	
2	Cllr Tshiguvho M .E	Whippery	
3	Cllr Maria Aphane	Member	
4	Cllr Rouda Ramatsobane Sindana	Member	
5	Cllr Olgah Madileng	Member	
6	Cllr Mphoke Lawrence Makola	EXCO	
<b>Community Services Portfolio Committee</b>			
1	Cllr Fanny Matlala	Chairperson	
2	Cllr Olgah Madileng	Member	
3	Cllr Montsho Monama	Whippery	
4	Cllr Simon Tema	Member	
5	<b>Cllr Phillippus Rudolph Jacobs</b>	<b>EXCO</b>	
6	Kgoshi M.M Matlala	Royalty	

<b>Infrastructure Portfolio Committee</b>			
<b>1</b>	Cllr Hudson Mashoeshoe	Chairperson	
<b>2</b>	Cllr Thabiso Mabaso	Whippery	
<b>3</b>	Cllr Montsho Monama	Member	
<b>R</b>	Cllr Thandi Matji	Member	
<b>5</b>	<b>Cllr George Makanyane</b>	<b>EXCO</b>	
<b>6</b>	Kgoshi M Mashung	Royalty	
<b>CHAIRPERSON OF CHAIRPERSONS</b>			
<b>1.</b>	Cllr Thabiso Mabaso	Chairperson	Chairperson
<b>2.</b>	Cllr Frederick Sedibana	Member	Infrastructure Services
<b>3.</b>	Cllr Hudson Mashoeshoe	Member	Planning and ED
<b>4.</b>	Cllr Philemon Ranoto	Member	Budget & Treasury Office
<b>5.</b>	Cllr Letty Molatudi	Member	Community Services
<b>6.</b>	Cllr Simon Tema	Member	Corporate Services
<b>ETHICS COMMITTEE</b>			
<b>1</b>	Cllr Simon Tema	Chairperson	
<b>2</b>	Cllr Fridah Maloka	Member	
<b>3</b>	Cllr Maria Aphane	Member	
<b>4</b>	Cllr Thandi Matji	Member	
<b>5</b>	Cllr Rouda Ramatsobane Sindana	Member	
<b>Municipal Public Accounts Committee</b>			
<b>1</b>	Cllr Philemon Ranoto	Chairperson	
<b>2</b>	Cllr Given Moimana	Member	
<b>3</b>	Cllr Refilwe Phokwane	Member	

4	Cllr Fridah Maloka	Member	
5	Cllr Jonas Kekana	Member	
6	Cllr Lawrence Mohlala	Member	
7	Cllr Patrick Mashego	Member	
8	Cllr Philemon Ranoto	Chairperson	
<b>RULES &amp; PETITIONS COMMITTEE</b>			
1.	Cllr Molaudi Mothogwane		
2.	Cllr Thabiso Mabaso		
3.	Cllr Patrick Mashego		
4.	Cllr Fridah Maloka		
5.	Cllr Lawrence Mohlala		
6.	Cllr Conny Lentsoane		
7.	Kgoshi M. Mashung	Royal	
<b>GEOGRAPHIC NAME CHANGE</b>			
1.	Cllr Molaudi Mothogwane	Chairperson	
2.	Cllr. Makanyane George		
3	Cllr. Lentsoane Rebecca		
4	Kgoshi Matlala		
5	Phasha Jan		
6	Segopotje Selaelo		
<b>WOMEN CAUCUS</b>			
1	Cllr. Modisha LB	Chairperson	
2	Cllr. Motsepe MJ	Secretary	
3	All Women Councilors		

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.3 INTERGOVERNMENTAL RELATIONS

#### Introduction

There are platforms established to maintain relationship between all three spheres of government. The purpose of the platforms is consultation with various interest groups and all other key stakeholders to insure that sectorial issues and projects are well captured within the IDP of the municipality for implementation.

#### 2.3.1. District and Provincial Intergovernmental Structures

District and Provincial Intergovernmental Structures	Provincial Intergovernmental Structures
<ul style="list-style-type: none"><li>• District Monitoring and Evaluation forum</li><li>• Mayor's forum</li><li>• Municipal manager's forum</li><li>• Debt forum</li><li>• CFO's forum</li><li>• IDP forum</li></ul>	<ul style="list-style-type: none"><li>• Provincial Monitoring and Evaluation forum</li><li>• Premier mayor's forum</li><li>• Municipal Manager's forum</li><li>• Debt forum</li><li>• CFO's forum</li><li>• IDP forum, etc</li></ul>

## COMPONENT C: PUBLIC ACCONTABILITY AND PARTICIPATION

The Council performs the legislative functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Mayor and the Executive Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social development programmes in the Municipal Area.

## 2.4 PUBLIC MEETINGS

Public Meetings
Nature and purpose of meeting held in 2016/17
Annual Report 2015/16 Public Participation
Back to School Opening Campaign
MPAC Annual Report 2015/16 Public Hearing
SOMA
Annual Ward Committee Conference 2016/17
IDP Review Public Participation 2017/18
Ward Committee Induction
<i>T 2.4.3</i>

### Communication, Public Participation and Forums

Local Government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments, all impose an obligation on Local Government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the above-mentioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of **Batho Pele** and this, means that those we elect to represent us (Councillors at the municipal level) and those who are employed to serve us (municipal officials at municipal level) must always put people first in what they do.

South Africa has adopted a system of developmental local government, which addresses the inequalities, and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life. To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, and value for money and efficiencies. They should ideally look to close the communication-consultation loop.

Good customer care is of fundamental importance to any organisation, and analysis here shows that local residents view the municipality's people relations in a negative light. A successful Communication Strategy therefore links the people to the municipality's programme for the year.

Below is a communication checklist of the compliance to the communication requirements:

Communication Activity	Yes/No
Communication Unit	Yes
Communication Strategy	Yes
Communication Policy	Yes
Customer Satisfaction Surveys	Yes
Functional Complaint Management Systems	Yes
Newsletters distributed at least quarterly	4 Quarters

Section 16 of the Municipal Systems Act (MSA) refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the municipality. Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- Preparation of the municipal budget.

During the 2016/2017 financial year, the Office of the Speaker facilitated the capacitating of ward committees in all of the 16 wards in Ephraim Mogale. To ensure functionality, training to the ward committee members was provided by SALGA/LGSETA facilitators, guidelines on operational matters were issued by the Speaker and oversight at ward committee meetings provided by personal attendances by the Speaker and/or his authorised personnel. By constant supervision from the Office of the Speaker it was ensured that ward committee meetings and report back at public meetings were held in each ward in addition to the IDP related meetings and budgetary consultative meetings held in clustered wards.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

## COMPONENT D: CORPORATE GOVERNANCE

Ephraim Mogale local municipality is having an organizational structure that was approved by Council during the adoption of the IDP and budget. The structure has approved posts as follows:

- Created/ approved post = 269
- Filled posts = 254
- Vacant = 15

Council has delegated its administration duties to the Municipal Manager who has five departmental heads in charge of the following departments:

- Corporate Services.
- Economic Development and Planning
- Community Services
- Infrastructure development , and
- Budget and Treasury

There are supportive functions that are attached to the office of the Municipal Manager, whose main aim is to ensure compliance and efficiency of systems and processes. They are as follows:

- Risk Management and Internal Audit.
- Audit Committee

### **Audit Committee**

The internal audit institutional framework has been solidified by having a fully-fledged Audit Committee with a diverse set of skills and competencies, namely an Advocate with expertise in labor and general legal matters, an attorney with mercantile law expertise and vast experience in SCM legalities and public sector legal matters. The 2 Chartered Accountants with vast experience in both corporate and public sectors, and an Risk Management Specialist with vast experience in the Public Sector and Private Sector environments; well learned in corporate compliance and policy formation. The five are:

- Advocate T Malatji (Chairperson and labor law expert)
- Mr M Letselela (SCM legal expert)
- Ms M Ramataboe (Risk Management expert)
- Mr Z Fihlani (CA financial reporting expert)
- Mr T Matabane (CA financial and Budget reporting expert)

The committee has been serving the municipality for almost three years now and their contract will be ending in February 2017 which was extended till end April 2017. Municipality is already working on the appointment of the new committee to ensure smooth transition.

During the year reported hereon; the committee held 4 ordinary meetings and 3 special meetings. In the meetings, the committee did a sterling job in carrying out its advisory duties in matters relating to internal control, risk management and effective governance and the oversight and advisory on performance management matters as per section 45 of the Municipal Systems Act. The following are some of the key resolutions and/or recommendations made by the committee in the aforesaid meetings

- That the municipality make budget provisions to capacitate internal audit unit by appointing Manager and Internal Auditor
- That the municipality establish a risk management unit and appoint the chief risk officer and risk officer
- That the municipality consider establishing a standalone asset management unit separated from the SCM.
- Recommended internal audit policy documents to council for approval.
- Recommended risk management policy documents to council for approval.
- Recommended the Audit improvement Action Plan to council for approval.
- Approved the municipality's strategic risk register
- Approved the internal audit's three year strategic and annual internal audit plan.

## Internal Audit Unit

Internal Audit is an independent, objective, assurance and consulting activity designed to add value and improve the municipality's operations. The unit assists the municipality in accomplishing its objectives through a systematic, disciplined approach to evaluate and improving the effectiveness of risk management, system of the internal control and governance processes. By its nature, Internal Audit Unit is a governance structure which facilitates improvement on service delivery vehicle by reviewing the design and effectiveness of the system of internal controls around the core mandate and support functions of the municipality. Its role is critical in promoting and enhancing control environment through auditing and recommending solutions to management.

For many years since its establishment; the unit has always been a one-official unit made only of the Chief Internal Auditor. That has in the 3<sup>rd</sup> Quarter of the year reported herein changed; the unit now is composed of the Chief Internal Auditor and the Internal Auditor. However, our capacity is still limited and as a result the unit was not able to fully implement its annual audit plan – hence the Auditor General's conclusion that the unit was not able to complete all the planned audits and fulfil all of its responsibilities due to understaffing for the greater part of the year and thus impeding negatively on the effectiveness of the audit committee. The following internal audit reports were issued during the year:

- Audit of Performance Information 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> Quarter
- Recruitment, Selection and Placement processes
- Appointment of Acting Municipal Manager
- Report on the implementation of the Audit Improvement Action Plan
- Compliance reviews on MFMA, MSA, MSTA, DoRA and MPRA
- Supply chain Management

The municipality has allocated resource to appoint a service provider on a co-sourcing arrangement in order to supplement the internal capacity. It is anticipated that with such arrangement the internal audit function of the municipality will be able to broaden its scope and work coverage and thus be able to discharge all its legislative duties.

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## 2.6 RISK MANAGEMENT

Ephraim Mogale Municipality in the financial year reported hereon, has managed to establish the risk management function as per MFMA Section 62 (i) (c) which requires a municipality to have and maintain an effective, efficient and transparent system of risk management. The risk management unit has been successfully established, necessary enablers such as policy documents and oversight committee have been developed and/or set.

Building on; the municipality now seeks to approach risk management as more than just a compliance matter, but rather a value add function which should be fully embedded in the municipality's operations across. The philosophy is that risk management is as much about identifying opportunities as avoiding or mitigating losses. In our recently reviewed strategy; Risk Management is articulated as a logical and systematic process of establishing the context, identifying, analyzing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process, in a way that enables an organization to minimize losses and maximize opportunities.

The drive for local government transformation with limited resources has tended to force municipalities into taking a less conservative approach to service delivery with a proportional increase in their risk exposure. Ongoing local government reforms have provided a broad administrative framework for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability. Risk management trends and components already overlap with those of internal auditing, performance management, programme and project management, financial management, change management, customer care, communication, etc. and require incremental inclusion in current and future plans of the entire organization. The management of risk by implication is a managerial function, even so individual sections, departments and directorates differ in their exposure and reaction to risks and thus departments, sections and individuals form a vital part of the overall risk management process within the Municipality.

The Municipality strives, so far, successfully to be amongst the best in local government. In our continuously changing governance environment (latest of such changes now been mSCOA); it is imperative that Council remains updated on key changes and challenges and how these effect the operation of business in today's environment. This will not be achieved without an effective, efficient, soundly funded and managed risk strategy that seeks to maximize its impact on the organization with minimum resources at its disposal. National Treasury Public Sector Risk Management Framework affirms that —no organization has a luxury of functioning in a risk-free environment and public institutions are especially vulnerable to risk associated with fulfilling their mandates.

Risk Management Practices requires the Accounting Officer to manage the strategic and operational risks of the municipality. The municipality's risk management system provides for mitigating strategies and control activities against the risks within the municipality from unacceptable likelihood and impact. The system also identifies strategic and operational risks and assigns responsibility to appropriate officials within the municipality.

The municipality has a Risk Management Committee in place that meets on quarterly basis and is made of the Directors and divisional managers and is chaired by an Audit Committee member who is not in the employ of the municipality. The Risk Management Committee has its terms of reference.

Risk register is updated on regular basis and as the municipality embarks on new initiatives and programmes any emerging risks that could have a negative impact on the municipality's ability to achieve its strategic objectives.

The Council is ultimately responsible for risk management supremacy with Exco and Audit Committee playing a very crucial oversight role as a function that is delegated to them and legislated. The status of strategic and operational risks are reported and monitored on regular basis by Risk Management Unit and Risk Management Committee who give feed back to the Accounting Officer and Audit Committee

The table below indicates the top 10 risks within the Municipality. The municipality is fully aware of the root causes of the 10 and other risks identified in the risk registers; and has been able to put in place mitigating strategies within the SDBIP for 2016/17 which goes to outer year of the MTERF.

No	Risk Description
1	Non-compliance to applicable legislation and prescripts resulting in irregular expenditure
2	Community unrest (Protests)
3	Possible Fraud & Corruption
4	Reputational risks as a result of ineffective communication
5	Low revenue collection
6	Inability to attract skilled personnel due to low grading level
7	Inadequate Skills & Competency within the staff force
8	Theft and Vandalism of municipal projects
9	Aging infrastructure
10.	Failure to successfully bring about mSCOA reform due to poor change management

## 2.7 ANTI-CORRUPTION AND FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

The municipality has adopted and refers to the following policy documents as strategic guidelines in combating corruption and fraud:

- Anti-corruption and fraud prevention policy and strategy
- Whistle blowing policy

The municipality appreciate the observation made by the Auditor General in the 2016/17 Audit that municipality's weak consequence management may counter the strides made in the implementation of the abovementioned documents. As such, a supplementary process manual on consequence management is been developed to ensure that cases of corruption and fraud in the institutions are dealt with in the harshest form possible within the ambit of the law so as to affirm the municipality's policy position of Zero – tolerance on corruption and fraud.

In addition; the municipality identified a weakness that there has been no awareness to external stakeholders on municipality's strategies and measures to fight against corruption and fraud. As a result; more awareness campaigns are planned targeting mainly the external stakeholder which comprises of our communities, business sector and other organized groupings affected by the

operations of the municipality. It is anticipated that with more awareness will come more reporting of corrupt and fraudulent activities, which will result in perpetrators been dealt with accordingly.

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## 2.8 SUPPLY CHAIN MANAGEMENT

The Municipality has adopted a Supply Chain Management Policy which is in line with the Regulation. The Municipality acquires goods and services through the processes as stated in the policy. No councillor is a member of any bid committees, and the Municipality is adhering to MFMA circular No.40

### **SCM Processes and Procedures**

These processes will be summarised in stages. I.e. from requisition stage up to the final stage of appointment of a service provider

#### **Need or a Demand**

The user department identifies a need for a particular goods and/ service. The need will be aligned to the SDBIP and the adopted Budget.

#### **Requisitions**

The user department will raise a requisition on the financial System (ACCPAC). The requisition gets approved by the Head of Department (HOD). The requisition gets approved by the Head of Department (HOD), the budget section verifies the correctness of the vote and the availability of the budget and subsequently the Supply Chain Manager approves the manual requisition both on the manual form and the financial system

#### **Bid Specification Committee**

The committee is established in terms of s 27 of the Supply Chain Management regulation and the policy of the Municipality. The committee performs their tasks as required in terms of s 27 of the Supply Chain Management regulation and the policy of the Municipality. An advert is then placed with the specification from the said committee on the Municipal website and notice board.

#### **Bid Evaluation Committee**

The committee is established in terms of s 28 of the Supply Chain Management regulation and the policy of the Municipality. The committee performs their tasks as required in terms of s 28 of the Supply Chain Management regulation and the policy of the Municipality. The committee prepares a report with recommendation(s) to the Bid Adjudication committee.

#### **Bid Adjudication Committee**

The committee is established in terms of s 29 of the Supply Chain Management regulation and the policy of the Municipality. The committee performs their tasks as required in terms of s 29 of the Supply Chain Management regulation and the policy of the Municipality. The committee analyse the report from the Bid evaluation committee and make recommendation(s) to the Accounting Officer.

## Appointment Stage

The Accounting officer may, after due consideration of the reports from the said committees, accept or reject recommendations from the Bid adjudication committee as in terms of s 29 (5) (b) of the Supply Chain Management regulation and the policy of the Municipality.

### 2.9 BY-LAWS

The municipality has gazetted the below By-laws in the year under review

Number	By-law	File	S/room
1	Ephraim Mogale Local Municipality Spatial Planning and Land Use Management By-Law, 2017	15/2/5	No. 2826 Vol.24 Gazetted 23/06/2017
2	Ephraim Mogale Local Municipality Outdoor Advertising and Signage By-Law, 2017	15/2/5	No. 2826 Vol.24 Gazetted 23/06/2017

### 2.10 WEBSITES

The municipal website should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies. The Municipality has a service level agreement with SITA for website maintenance. The Municipal Website is updated on a regular basis when required.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	2016-06-10
All current budget-related policies	Yes	2016-06-10
The previous annual report (Year -1)	Yes	2016-07-28
The annual report (Year 0) published/to be published	N/A	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	2016-11-19
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	N/A	N/A
All supply chain management contracts above a prescribed value (give value) for Year 0	N/A	N/A
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes	

Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	2016-07-28
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		T 2.10.1

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Community satisfaction survey conducted has highlighted important challenges facing the municipality. Among the challenges facing the municipality is to confront the issues in certain villages which made it impossible for survey to take place. A large number of the residents' have indicated their displeasure about service delivery. These residents complain about traffic control and motor vehicle licensing, streets and storm water, housing and libraries. These issues could result with negative image and untenable consequences to the municipality. They however credit the municipality and they are happy with the overall performance of the municipality as a reflection of the current government.

The results of the survey should be read in conjunction with Sekhukhune District Municipality Customer Survey. The intention should be to link the two and identify similar issues that have to be pursued by the municipality via the District Intergovernmental Structures. Moreover, the survey results link with planning instruments like IDP, Ward Based Plans and Service Standards. In certain cases the results may imply revision of certain important planning documents. Addressing the issues raised will improve the rating of the municipality a place as one of the top performers in local government.

## CHAPTER 3: SERVICE DELIVERY

### COMPONENT A: BASIC SERVICES

#### Introduction to Basic Services

The municipality performs the following functions in relation to the provision of Basic Services:

- Electricity
- Free Basic Service and Indigent Support
- Roads and storm water
- Repair and maintenance of existing infrastructure
- Provision of Free Basic electricity

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#### 3.1 WATER PROVISION

Not a function of Ephraim Mogale municipality therefore the Sekhukhune District Municipality coordinates all water and sanitation issues.

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#### 3.2 WASTE WATER (SANITATION) PROVISION

Not a function of Ephraim Mogale municipality therefore the Sekhukhune District Municipality coordinates all water and sanitation issues.

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#### 3.3 ELECTRICITY

##### Introduction

##### ELECTRICITY

The Ephraim Mogale Local Municipality is the service authority for the provision of electricity but only have a license for the distribution of electricity in the town of Marble Hall. ESKOM provides electricity to the areas outside the Municipal license area. All villages have been connected to the ESKOM grid. The electrification backlog in the license area is 0 HH and 1027 households in the Municipal area of the total number of 33 936 households (census survey 2016) which is 3.3%. These are small new extensions and in-fills. The current approved plan is 257 connections for the next financial year.

**Top 3 priorities:**

## 1. Public lighting maintenance and expansion

The Municipality is successfully maintaining all the installed public lighting. The Municipality installed 30 LED floodlights in one village as an energy efficiency pilot project and to test if this will provide a more reliable service to communities. Mast lights was connected to the Eskom supply in 5 villages.

## 2. Distribution network maintenance

The Municipality strengthened its distribution network in three areas to ensure that the supply meets the requirements and to allow for growth. Ten Ring Main Units was serviced. The transformers insulation oil was tested.

## 3. Accurate metering

Electricity losses have been maintained well below the NERSA requirement. This is achieved by doing monthly deviation inspections. More than 50% of residential customers have been changed to prepaid.

**Measures to improve performance**

## 1. Public lighting

The Municipality will develop a Public Lighting Master Plan in the next financial year to ensure efficient and realistic planning for the expansion of this service. The results of the pilot LED project will also guide the possible conversion of more installations.

## 2. Distribution network maintenance

The tested transformers will be serviced in the next financial year. Twenty Ring Main Units will be serviced. There will be two network strengthening projects. There will be two phases of a three phase program to increase capacity to the industrial area. An Operation and Maintenance Plan will also be developed to assist in proper planning of maintenance that will be used in conjunction with the Electricity Master plan to identify critical projects.

## 3. Accurate metering

More customers will be converted to prepaid to reduce reading and billing errors. Deviation reports will still be done every month to ensure losses are managed.

**Success and challenges****Success**

The repair of faulty public lighting fittings was achieved at 100% per quarter for the whole year. Public lighting was expanded to 5 villages. First successful conversion of Mast Lights to LED fittings was done and resulted in an immediate 50% reduction in electricity consumption.

The insulation oil of all the unsealed transformers was tested and 10 Ring Main Units was serviced.

The Municipality compiled an Electrical Master Plan that must now be approved by Council.

### Challenges:

- Eskom deferred 5 electrification projects which reduced the planned connection from 400 to 176
- Eskom did not complete the planned connections as agreed which reduced the actual connections from 176 to 81 for the year.
- Non responsive bidders makes it difficult to complete projects.
- Informal densification is putting the network under pressure
- Municipality is reaching the limit of its 7.5MVA capacity at the Eskom main supply.
- No electrical material in the stores

### Addressing service backlogs

The Councilors submit the backlog data to the Municipality who submit to Eskom who then submitted a project proposal to the Municipality for approval. Eskom then implemented the projects with funding from the INEP allocation for the Municipality. The signed project plan for the year was 400 connections divided into 11 villages. Unfortunately Eskom deferred 5 projects and only completed 81 households. The agreement for the next year is 257 connections divided between 8 villages.

The Municipality will develop a public lighting master plan will be develop to identify the most effective way to expand the service to other areas.

Electricity Service Delivery Levels				
Description	Households			
	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Energy: (above minimum level)</b>				
Electricity (at least min.service level)	313	31 365	33 027	33 027
Electricity - prepaid (min.serv level. data availability challenges est. 99%)	30907	31051	32696	32696
<i>Minimum Service Level and Above sub-total</i>	31 220	31 365	33 027	33 027
<i>Minimum Service Level and Above Percentage</i>	96.70%	97.15%	97.32%	96.98%
<b>Energy: (below minimum level)</b>				
Electricity (< min.service level- Only backlog)	1066	921	909	1027
Electricity - prepaid (< min.service level - Only backlog)	0	0	0	0
Other energy sources – no official project	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	1 066	921	909	1027
<i>Below Minimum Service Level Percentage</i>	3.30%	2.85%	2.68%	3.02%
<b>Total number of households</b>	32 286	32 286	33 936	34 054
				T 3.3.3

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual 13/14 No.	Actual 14/15 No.	Actual 15/16 No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>						
Total households	2 988	3 014	3 017	3 017	3 017	3 026
Households below minimum service level	60	0	110	0	0	0
Proportion of households below minimum service level	2.00%	0%	3.65%	0%	0%	0%
<b>Informal Settlements</b>						
Total households	29 296	29 270	30 919	30 919	30 919	31 028
Households below minimum service level	1006	921	799	1 090	1264	1 027
Proportion of households below minimum service level	3.43%	3.15%	2.58%	3.53%	4.09%	3.31%
	32 284	32 284	33 936	33 936	33 936	34 054
	T 3.3.4					

Electricity Service Policy Objectives Taken From IDP									
Service Objectives  <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	Year -1 15-16		Year 0 16-17			Year 1 17-18	Year 3 18-19	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>Service Objective xxx</b>									
<b>Provision of minimum supply of electricity - ESKOM</b>	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	598 additional HHs 921 HHs below minimum)	598 additional HHs 799 HHs below minimum)	799 additional HHs 799 HHs below minimum)	400 additional HHs 1264 HHs below minimum)	81 additional HHs 1027 HHs below minimum)	257 additional HHs 1113 HHs below minimum)	360 additional HHs 1056 HHs below minimum)	360 additional HHs 896 HHs below minimum)
Maintain Public Lighting	Do quarterly maintenance on all streetlights - 1059	100%	98%	100%	100%	100%	100%	100%	100%
Mast Light connections	Connect 16 mast lights to supply	16	0	16	16	16	0	0	0
Ensure reliable supply	Transformer maintenance	48	0	48	48	0	48	48	48

Ensure reliable supply	Ring Main Unit Maintenance	10	5	10	10	10	20	20	20
Ensure reliable supply									

T 3.3.5

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	4	0	0%
4 - 6	3	4	4	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	0	0%
13 - 15	1	1	1	0	0%
Total	11	12	12	0	

T 3.3.6

Capital Expenditure Year 0: Electricity Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	5125	4900	3297	36%	
Mast light connections	200	60	45	78%	45
Densification Ext 1 & 3	930	1000	962	3%	962
Industrial substation 2 <sup>nd</sup> supply Ph1	1200	1200	0	100%	5000
Upgrade Ext 2 Ph2	1400	1185	1134	19%	
Mast repair/retrofit/energy efficiency –Matlala-a-Ramoshebo	430	435	435	1%	435
Christmas Decorations	250	250	0	100%	250
Plotter A1	0	50	41	100%	41
Electrical material Diturupa	200	200	189	6%	200
Generator for office Finance 100kVA	515	520	491	5%	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.3.8

## COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

### **Four largest capital projects**

The 3 largest projects is all related to the growing load or demand from customers. The approach from a town planning point of view is that densification of existing developed areas is more economical than the development of completely new areas.

**Densification of Ext 1 & 3** - The project was a priority because some densification had been allowed and it was putting pressure on the quality of supply. The quality of supply is a regulated license requirement and the Municipality had to address it. The 3% deviation is mainly caused by fluctuations in the copper price as well as the high cost of specialised services.

**Industrial Substation 2<sup>nd</sup> supply Phase 1** – The project is a long term priority that was delayed because of slow growth. Every substation should have an alternative supply but due to slow growth and high cost the alternative supply was never installed and the network was used as an alternative. The load have started to increased again and it is now back on a level that had already been reached 10 years earlier. This is only phase 1 of at least 3 phases. Unfortunately the appointment of the contractor was done very late which explains why there was no spending in the current financial year.

**Upgrade Ext2 Phase 2** – The project was prioritised as it is part of a much bigger program. The medium voltage network needs to be upgraded to strengthen the whole network that is now also supply the new extension 6. 60% of the specific network had already been upgraded and the upgrade must continue until completion. In the portion of EXT 2 the first section had been replaced and this was the second and last piece. The load in Ext 2 have also increased and the low stage network in 50% of the area had been upgrade before therefore it was now the second and last phase. There was a saving in cost due to the fact that the same site was used for storing construction material. The same trench could be used in some areas for the high and low voltage cables which is a saving.

**Generator for offices Finance** – The priority of the project was identified by management due to the need to ensure continuation of financial serves at all times to meet obligation and avoid additional costs. The project below budget as the contingencies provided for was not used.

**Five Year Projects** - The projects as identified might not be achieved within the available budget due to the following factors:

- Fluctuation of copper prices
- Exchange rate on specialised imported equipment
- High cost of upgrading the Main supply from ESKOM
- Changes in priority due to development

There is no additional sources of funding to address any shortfalls. ESKOM have been approached to consider a phase approach on the upgrade and a long-term finance package for the upgrade. If this cannot be arranged it might be necessary to extend the implementation period for the listed projects.

Electrical network supply reliability have been maintained but not all maintenance could be done due to SCM problems. Metering/billing accuracy have been improved with reduced losses which is good news for the Municipality and its customers.

### **ESKOM**

All villages have grid connected electrical supply but reduced connections from ESKOM will make it impossible to eradicate the backlog. ESKOM is implementing the national electrification program on behalf of the Municipality but they are behind schedule and we don't get good feedback on challenges and delays. They continue to roll-over projects.

ESKOM is implementing FBE on behalf of the Municipality and currently we don't experience a problem with their implementation.

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### 3.4 WASTE MANAGEMENT

The Municipality managed to consistently deliver the on the collection of refuse in the following 5 areas: Marble Hall, Leeufontein, Leeufontein RDP, Elandskraal and Schoeman Farms.

Two communal bins next to the road at Mokganyka are assisting communities to deposit their waste into the landfill site in Marble Hall is being maintained and an external compliance audit is annually performed to establish the compliance to Legislation

According to the census 2011, the Municipality has a total number of households of 32284, and is currently providing refuse collection service twice a week in Marble Hall town, and a weekly service in Leeufontein, Leeufontein RDP, and Elandskraal, Schoeman Farms with the total household of 5619 that are benefitting from waste collection service. Two communal bins next to the road at Mokganyka are assisting communities to deposit their waste. Due to the extensive ruralness of the areas of the Municipality and due to fact that the only registered landfill is situated in Marble Hall, there is a huge challenges of extending services to all the households in the Municipal area. Waste disposal is done at the only registered site which is situated in Marble Hall.. The landfill site in Marble Hall is being maintained and an external compliance audit is annually performed to establish the compliance to Legislation

The non payment of refuse collection services in Leeufontein and Elandskraal resulted in a delay to extend services to other areas. Currently the necessary updating of the database for consumers is being upgraded so that proper accounts can be distributed. The implementation can assist with additional revenue that can help with a sustainable and affordable service to other villages

The only street cleaning or litter picking service is also only done in Marble Hall town on a daily basis including weekends and some public holidays. Recycling is done at the landfill site by reclaimers and they sell their material to other more organised organisations. Sorting at source as part of the recycling process is also done by private The recycling Service is prioritised, and we also encourage individual community members to do recycling of bottles and plastic as this will result in a clean surroundings. The service need to be extended to other areas in order to encourage clean and healthy environment, however the impact was not as expected as the progress was slow. . .

There are no other entities doing refuse collection in the municipality. The Waste Management section can contribute more with proper revenue collection from Leeufontein and Elandskraal.

**Refuse disposal for Households within EPMLM**

<b>Solid Waste Service Delivery Levels</b>				
Description	Households			
	Actual No.	2013'14 Actual No.	2014'15 Actual No.	2015'16 Actual No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>				
Removed at least once a week		4,894	5,619	5,619
<i>Minimum Service Level and Above sub-total</i>		4,894	5,619	5,619
<i>Minimum Service Level and Above percentage</i>		15.1%	17.4%	16.5%
<b><u>Solid Waste Removal: (Below minimum level)</u></b>				
Removed less frequently than once a week		0	0	0
Using communal refuse dump		unknown	unknown	unknown
Using own refuse dump		unknown	unknown	unknown
Other rubbish disposal			-	-
No rubbish disposal		27,390	26,665	28,317
<i>Below Minimum Service Level sub-total</i>		27,390	26,665	28,317
<i>Below Minimum Service Level percentage</i>		84.9%	82.6%	84.5%
<b>Total number of households</b>		<b>32,284</b>	<b>32,284</b>	<b>33,936</b>

T 3.4.2

<b>Employees: Solid Waste Management Services</b>					
Job Level	2014'15	2015'16			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	15		15	1	
4 - 6	8		7	1	
7 - 9					
10 - 12	1		1		
13 - 15					
16 - 18					
19 - 20					
Total	24	25	23	2	Less than 1 %

### 3.5 HOUSING

Not a function of Ephraim Mogale municipality therefore the CoGHSTA coordinates all housing issues.

### 3.6 FREEBASIC SERVICES AND INDIGENT SUPPORT

#### Introduction

The Ephraim Mogale Municipality only provided Free Basic Electricity to the indigent. There is, however a need to review the indigent policy. The municipality has set a target of 2000 beneficiaries to receive Free Basic Electricity in the 2015/16 financial year and manage to provide for 1900 beneficiaries who are on the indigent register.

## COMPONENT B: ROAD TRANSPORT

#### Introduction to Roads, Bridges and Storm Water

The Municipality has developed a road master plan that specifies the conditions of the roads throughout the municipal area and further proposes a priority list for intervention.

The municipality has the following related strategic objectives for the reporting period:

- To improve access to viable roads and facilitate tarring.
- To facilitate provision of storm water drainage for all Municipal roads

These objectives are funded from the MIG and the Equitable Share; however the municipality needs more resources, both financial and human to be able to address the backlog as planned.

### 3.7 ROADS

The internal roads in the villages are the responsibility of the Municipality. Internal streets within the settlements are generally low quality gravel roads that were never properly planned and constructed, with no provision for storm water drainage. The Municipality is also maintaining all the roads within the Municipal area and there are teams dedicated for that. The teams are as follows

- Gravel/Dirt roads Maintenance team
- Surfaced roads maintenance team including drainages
- Road marking team

The total length of the road network under ownership of Ephraim Mogale Local Municipality is 1162.9km from the Road Master plan exercise, of which 1022.6 km are gravel and 140.3 km are surfaced. This excludes roads owned by SANRAL, Province, District Municipality, and Private Roads.

This translates to only 12.4% of the network being surfaced and the rest of network, i.e. 87.6%, being gravel.

Asphalted Road Infrastructure					Kilometers
	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2013/14	114	2.5	0	0	114
2014/15	116.5	5.5	0	0	122
2015/16	122	11.4	0	0	133.4
2016/17	133.4	4.7	2.1	0	140.3
					T3.7.3

Gravel Road Infrastructure					Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
2013/14	388.00	0.0	2.5	598.72	
2014/15	1111.00	0.0	5.5	988.00	
2015/16	1111.00	0.0	11.4	1146.00	
2016/17	1022.6	0	4.7	1017.9	
					T 3.7.2

Cost of Construction/Maintenance							R' 000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
2013/14	0.0	R26 733 000.00	R1 909 979.17	R26 733 000.00	0.00	0.00	
2014/15	0.0	R31 070 000.00	R1,624,557.91	R31 070 000.00	0.00	0.00	
2015/16	0.0	R32 689 000.00	R1 730 175.47	R32 689 000.00	0.00	0.00	
2016/17	0.0	R 44 810 000.00	R1 633 986.00	R 44 810 000.00	R5 800 000.00	R1 633 986.00	
							T 3.7.4

Road Service Policy Objectives Taken From IDP										
Service Objectives  Service Indicators (i)	Outline Service Targets  (ii)	Year -1(2014/15)		Year 0(2015/16)			Year 1(2016/17)	Year 3(2017/18)		
		Target	Actual	Target		Actual	Target			
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)	
<b>Service Objective xxx</b>										
<b>Elimination of gravel roads in townships</b>	Kilometers of gravel roads tarred (Kilometers of gravel road remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	Baseline (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	
<b>Development of municipal roads as required</b>	140.3 kms of municipal roads developed	6.8 kms	5.5 kms	5.5kms	8.8 kms	11.4kms	1022 kms	140.3kms	. 140.3kms(1022kms	

T 3.7.6

Employees: Road Services					
Job Level	2015/16		2016/17		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	0	0	0	0	0%
7 – 9	1	2	1	1	3.13%
10 – 12	12	16	12	4	0.25%
13 – 15	18	24	18	6	18.75%
16 – 18	0	0	0	0	0.0%
19 – 20	0	0	0	0	0.00%
Total	32	42	32	11	41%

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

T3.7.7

Financial Performance Year 0: Road Services			R'000
Details	2014/15	2016/17	

	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					
Expenditure:		7 259 307.69	0.00	7 259 307.69	97.8%
Employees		5 271 565.39	0.00	5 271 565.39	0.0%
Repairs and Maintenance		R1 633 986.00	1,633,986.00	1,633,986.00	94.4%
Other	0.00	0.00	0.00	0.00	0%
<b>Total Operational Expenditure</b>					
<b>Net Operational Expenditure</b>					

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.7.8

**Capital Expenditure Year 2015/16: Road Services**

R' 000

Capital Projects	2016/2017				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	59,805,000.00	57,845,000.00	55,707,184.54	-122%	
The Rehabilitation of Marble hall Internal streets	3 300 000.00	3 300 000.00	3 077 783.27	-6.75%	3 077 783.27
Elandskraal Internal Streets Phase 2	7 500 000.00	10 00 000.00	7703383.33	35%	7703383.33
Rathoke Internal Streets Phase 3	7 000 000.00	7 500 000.00	4477147.85	-12%	4477147.85
Mogalatsane-Phetwane Access Road	7 000 000.00	8 500 000.00	11592690.6	41%	11592690.6
Ngwalemong Internal Streets	7 000 000.00	3 396 000.00	12499900.1	44%	12499900.1
Planning and Design of Mashemong/Mooihoek Access road	1 200 000.00	1 200 000.00	1 200 000.00	-9%	7837150.53
Planning and Design of Mamphokgo Sports Complex	1 200 000.00	1 200 000.00	1 198	0%	R0.00
Marble Hall Ext.6 Stormwater	6 000 000.00	6 000 000.00	5 85	-100%	R 630,000.00
Marble Hall Industria road	2 500 000.00	1,700,000.00	R 317 778.19	-100%	R 317 778.19
Rehabilitation of Leeuwfontein Internal streets	2 000 000.00	2 000 000.00			

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.7.9

## Municipal Infrastructure Grant Expenditure

The percentage of MIG Expenditure for 2016/17 was 100%. R2.9M was reallocated to other municipality due to our spending performance. The remaining allocation was R29 313 000.00.

<b>Municipal Infrastructure Grant Funded Projects</b>	
<b>R29 313 000.00</b>	
<b>MIG projects</b>	<b>2016/17</b>
	<b>Budget</b>
Elandskraal Internal Streets Phase 2	R 10 000 000.00
Ngwalemong Internal Streets	R 3 396 000.00
Rathoke Internal Streets Phase 3	R 7 000 000.00
Mogalatsane-Phetwane Access Road	R8 500 000.00
Planning and Design of Mashemong/Mooihoek Access Road	R1 200 000.00
Planning and Design of Mamphokgo Sports Complex	R1 200 000.00

### 3.8 TRANSPORT

Transport is an important component for economic improvement and development, both for commuters, SMME'S and big businesses, investors and for transport services.

There are different makes of transport in EPMLM; taxi, bus, private cars etc. The most well established transport made is the Taxi operations with its associations established and regulating the industry. Great North Transport (GNT) is the only bus service operating in EPMLM and not in all the committees. There is a major demand of GNT Services in some villages to make their journey safer and economical to Marble Hall as a town.

The Annual Arrive alive campaigns in collaboration with District and Provincial departments were successfully held in December 2015, January 2016 and Easter weekend were road users were made aware of the road traffic act conditions, and Vehicle license and driver licenses were inspected.

Re allocation of hawkers to the hawker stall away from the N11 is still a huge challenge, the process is stuck due to resistance from the hawkers to move to the hawker stall and the deliberately stay away from the meetings. A new strategy needs to be formulated for implementation and Participation

The Traffic and Licensing Centre (DLTC) is operating and the Licensing of both drivers and motor vehicles in partnership with DORT is performed.

Traffic Services which include normal law enforcement is done in Marble Hall and there is still a challenge in extending the service to other villages.

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### 3.9 STORMWATER

The Municipality is managing approximately 118km of storm water control structures including pipes, channel and catch pits. The Municipality is also constructing new storm water structure with each new road. The Municipality is maintaining and cleaning the storm water structures every month and there is a team dedicated for the maintenance of storm water.

Challenges for Roads and storm water provision and maintenance

- Unavailability of planning data
- Aging infrastructure
- Huge backlog
- Uncontrolled Storm water in villages
- Not enough equipment for maintenance
- Limited budget for developing new infrastructure
- poor performance of Service providers
- 

## COMPONENT C: PLANNING AND DEVELOPMENT

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### 3.10 PLANNING

Ephraim Mogale local municipality through the Planning and Economic Department is responsible for the overall planning of the municipality. Through the Land-Use and Town Planning Unit, the Municipality facilitates the implementation of the Spatial Planning and Land Use Management Act 2013, (Act 16 of 2013), Spatial Development Framework (SDF), Land Use Management Scheme and other planning laws and prescripts.

The municipality in an attempt to have a cohesive working relationship with community and different stakeholders, through assistance from Coghsta and SALGA Limpopo, holds regular workshops with the five (5) tribal houses within the jurisdiction at their respective mešate. These workshops are to ensure that land developments and land activities continue on the path of town planning policies and laws. The SPLUMA implementation has been a bit difficult in tribal areas as site/allocations demarcations still continue without the inclusion of the municipality to assist and guide tribal authorities.

The Municipality has adopted its Spatial Planning and Land Use Management By-Law and Outdoor Advertising and Signage By-Law in June 2017, to ensure full compliance with the Spatial Planning and Land Use Management Act 2013, (Act 16 of 2013), becoming effective in the next financial year 2017/18. Complementary to the above, the municipality is currently in the process of reviewing its Spatial Development Framework 2006 and Town Planning Scheme 2001. Additionally, Geographic Information System (GIS) is yet to be procured pertaining to the requirements of the Act thereto. Moreover, the town planning department is also in need of more staff as currently there is only 1 Professional Town Planner, 1 Land Use Officer (Candidate Planner) and 1 Building Inspector.

The municipality is a major producer of citrus and table grapes. Cotton and vegetable production is also substantial. Cattle ownership among subsistence farmers is significant. Production areas are scenically attractive and, together with the Flag Boshielo Dam; provide supply side opportunities for tourism development. The Schuinsdraai Nature Reserve, which is adjacent to Flag Boshielo Dam, adds to this opportunity.

Mining activity includes dolomite and dimension stone. Marble Hall town has a very large, but underutilized industrial park. The only manufacturer of note is McCains and Tiger Brand Foods vegetable processing. Other tenants in the industrial park are mostly distributors and businesses that repair motor vehicles and other equipment.

The local construction industry is very small, but is growing rapidly. Wholesale and retail trade development has always been overshadowed by facilities that are available in the adjacent Groblersdal. A large network of informal traders operates throughout the municipal area.

The Town Planning and Building division is responsible for the provision of strategic direction regarding the spatial planning of towns, and R 293 and 188 areas in EPMLM. Below are all applications received and council resolutions for the financial year 2015/2016:

Description	Approved	Disapproved	Noted
Proposed Rezoning of Erf 1030 Marble Hall from "Residential 1" to "Residential 4" for the purposes of formalization of the Residential buildings on the property	✓		
Proposed Rezoning and Removal of Restrictive Title Conditions on Erf 431 Marble from "Residential 1" to "Residential 4" for the purposes of multiple residential development with a density of 45 dwelling units per hectare on the property	✓		
Proposed Rezoning of Erf 453 Marble Hall "Residential 1" to "Residential 3" for the purposes of de-dwelling units on the property	✓		
Proposed Special Consent for Special Use on Portion 2 of Erf 858 Marble Hall Extension 4 in order to establish and operate a Vehicle Testing Centre	✓		
Proposed Special Consent of Farm Goedehoop 832-KS in order to construct and operate a 25m high Vodacom Telecommunication lattice mast and a Bass Station on a portion measuring approximately 100m <sup>2</sup>	✓		

Description	Approved	Disapproved	Noted
Proposed Special Consent for Special Land Use rights on Erf 878 Marble Hall Extension 4 in order to construct a cellular telephone mast	✓		
Proposed Removal of Restrictive title Condition "B" of Tittle Deed Number: T54883/1990 on portion 1039 of the farm Loskop Noord 12-JS	✓		
Proposed Simultaneous Rezoning of Portion 1232 of the Farm Loskop Noord JS from "Special" for co-operation purposes and "Industrial" 1 rights to "Industrial 1 with Special land Use rights and the removal of restrictive title conditions"	✓		
Proposed Special Consent on Erf 1007 Marble Hall Extension 4 for the establishment of a parking garage and shops	✓		
Proposed Special Consent on Erf 669 Marble Hall	✓		
Proposed Simultaneous Consolidation and Rezoning on Erven 2012 & 2013 Marble Hall	✓		
Proposed Rezoning of Erven 77 & 76 Marble Hall from "Residential 1" to "Residential 4" from "Residential 1" to "Residential 2"			✓
Proposed Simultaneous Consolidation and Rezoning from "Residential 1" to "Institutional" on Erf 2023, 2024 and 2025 Marble Hall Extension 6			✓
Proposed Rezoning of Erf 215 Marble Hall, Naude Avenue from "Residential 1" to "Special" to allow for funeral parlor offices	✓		
Proposed Subdivision of Erf 448 Marble Hall Extension 5 into two(2) portions			✓
Proposed Rezoning of Erven 57,60,61,63- 67 &Re/Erf 68 Marble Hall from "Residential 1" to "Residential 4" in order to formalize the residential buildings on the properties			✓

Description	Approved	Disapproved	Noted
Ephraim Mogale Local Municipality Outdoor Advertising and Signage By-Law	✓		
Ephraim mogale local municipality spatial planning and land use management by-law	✓		

The configuration of the municipal area and the existing spatial pattern (topography, population distribution and sprawl) together with causal factors (land ownership, established land uses) are impediments to the successful implementation of a Development Strategy to achieve the four developmental outcomes proposed in the White Paper on Local Government.

Restricted access to land by the Municipality due to inhibitive land cost (privately owned land) and statutory deterrents (state – owned land under tribal custodianship) would exacerbate attempts by the Council to orchestrate and encourage the development of a beneficial spatial pattern within the municipal area.

### 3.11 LOCAL ECONOMIC DEVELOPMENT

The functional LED forum which hold regular meetings to reflect on the economic development programmes and strategize on the improvement of the economic situation in the municipality. The forum remains a necessary enabler for economic growth agenda in the municipality.

The municipality championed the establishment of the Ephraim Mogale Business Chamber which remains the legitimate voice for local SMMEs and ensure that local businesses benefit from local opportunities. The cooperatives sector experience difficulties due to mushrooming organisations that claim to represent cooperatives in the country and the sector in the municipality appointed the interim committee to ensure proper coordination all cooperatives irrespective of the affiliation to various bodies.

The SMMEs and co-operatives were supported through various trainings facilitated by the key stakeholders of local economic development such as NYDA, LEDA and SEDA. The successful LED summit was held as the broader platform for the various stakeholders to engage and share good practices amongst the role players in various sectors of the economy.

Thrust	Strategies
Economic base development	Promote the horticulture cluster value chain. Tourism, the red meat cluster SMME development and construction & property development
Institutional Transformation and development	Municipal capacity building, Capacity to deal with disasters.

Infrastructure development	Integrated infrastructure development.
Human Resource Development	Adult Basic Education and Training, Human Resource development strategy,
Spatial and Land Development	Growth points development

The SMMEs and Cooperatives largely dependent on the funds from both public and private sector in order to be functional and effective. The municipality remains predominantly rural and depend on agriculture as the main economic activity for future investment. The following initiatives were funded by various government departments:

The National Development Plan (NDP) recognises the role of the informal traders in the overall economic growth of the country with potential to create job opportunities. The municipality in collaboration with the Department of Small Business Development conducted business skills training for the 20 informal traders drawn from the jurisdiction of the municipality and assisted with application for funding under Informal Micro Enterprise Development Programme (IMEDP).

The municipality supported the Baroka Fashion Design and Mission 50 NPO that specialise with training in agriculture with transport for exhibition as well as trainings to various destinations. These entities are amongst the best in the district and reflect the potential the youth of the municipality command thus far.

Challenge	Proposed Solution
Limited capacity in terms of operational staff	Revised organ gram submitted for consideration
Limited funding for projects	Initiate partnerships with external donors and funding agencies to provide additional funding for projects.
Inconsistency of membership particularly in cooperatives	Possible pre-registration workshop for potential co-operators to understand principles of cooperatives.

Jobs Created during 2016/17 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
Initiative A (12/13)	198	0	198	register of employees
Initiative B (12/13)				
Initiative C (12/13)				
<b>Job creation through EPWP* projects</b>				

<b>Jobs Created during 2016/17 by LED Initiatives (Excluding EPWP projects)</b>	
<b>Year</b>	<b>No Jobs created through EPWP projects</b>
2013/14	382
2014/15	198
2015/16	270
2016/17	183

The Community Works Programme remains the biggest government initiative that provides employment safety net and which created more than 1000 job opportunities across the municipality. The municipality convened the regular meeting to monitor the implementation of the programme in conjunction with COGHSTA in the province in order to ensure that PPE and other working tools for participants.

#### COMPONENT D: COMMUNITY AND SOCIAL SERVICES

The municipality has performed well with a limited budget for Greening the Municipality – biodiversity conservation, maintenance and cleaning of all open spaces. The municipality has won R25 000 as an award for the fourth time in a row for best Green municipality in the District. Marble Hall town and surrounding villages are generally clean

#### 3.12 LIBRARIES AND COMMUNITY FACILITIES

The Department of Sports Arts and Culture (SAC) has established one municipal library in the Municipality, which is situated in Marble Hall town; which is administered by the Department and the municipality through a service level agreement although there is challenges with the maintenance of the current library. The library was issued with blind reading system donated for the community by the Department of Public works. The provision of materials is the duty of the Department and the rotation of books and the provision of new books in all languages is a huge challenge, also not much new books are introduced.

The library is utilised by community members who lives in Marble Hall town, students and members from other villages who can travel to town. The challenge is extending the service to other areas as it cannot be easily accessible to by community members due to the vastness of the municipal area. The municipality engaged with the Department of Sports Arts and culture during the District wide strategic planning sessions to register community needs of libraries across the municipal area, however the Department of SAC is responsible for funding but the construction of libraries is the responsibility of the Department of Public works.

The municipality has only three librarians, of which one librarian has been seconded by the Provincial Department.

**Employees: Libraries; Only**

Job Level	2014'15	2015'16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1		1		
7 - 9					
10 - 12	1		1		
13 - 15					
16 - 18					
19 - 20					
Total	2	2	2	0	0
T 3.12.4					

### 3.13 CEMETRIES

Construction of cemetery fencing through the EPWP manner at the following seven villages, Ga Masha, Ngwalenong A, Mmaneng, Mokganyaka, Malebitsa, Selebaneng and, Tsimanyane was. A total of 56 Employees were part of the projects for 8 weeks. There are 55 cemeteries in sixteen (16) wards in the Municipal area. The municipality is currently servicing only Marble Hall, Regae, Leeufontein and Elandskraal. There is no crematorium in the municipal area

Employees: Cemeteries					
Job Level	14'15	15'16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3		3	0	
4 - 6					
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	3	3	3	0	0
T 3.13.4					

### 3.14 SOCIAL PROGRAMMES - CHILD CARE, AGED CARE

Not the function of the local authority

## COMPONENT E: ENVIRONMENTAL PROTECTION

### 3.15 POLLUTION CONTROL

Function of Sekhukhune District Municipality

### 3.16 BIO-DIVERSITY – LANDSCAPE

A Landscaping Master plan was drawn by Habitat Landscaping Architects for the Marble hall town. The Plan is now under discussion and there after comments and inputs, implementation can begin via phase development although proper budget allocation will be needed.

The municipality does not have enough staff to render this service, hence the municipality appointed 15 EPWP personnel as part of Public Works Programme to assist in keeping the town clean and beautiful and also as part of job creation. This EPWP programme has yielded good results for the municipality and the community in relation to the unemployed youth and women.

The Municipality in its endeavor of increasing its aesthetic sense of Marble Hall town, have 12 parks in and around town of Marble Hall where trees were planted. As part of greening 600 trees were also bought and distribute for planting in villages. All town parks are also maintained by cutting grass, de bushing and removing of debris. New equipment were bought to deal with the replacement of old equipment. The equipment which was bought were; 15 bush cutters and Tractor.

The greening of the municipality was done by the planting of trees in Marble Hall Town and the Municipality won the Greenest Municipal Competition award in Sekhukhune district for the fourth time.

Employees: Bio-Diversity; Landscape and Parks					
Job Level	2015'16	2016,17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	22		22	5	
4 - 6	6		6	1	
7 - 9					
10 - 12	1		1		
13 - 15					
16 - 18					
19 - 20					
Total	29	35	29	6	0
T 3.16.4					

## COMPONENT F: HEALTH

### 3.17 CLINICS

#### **HIV/Aids Coordination**

The Municipality does have a HIV/Aids coordinator which is responsible for all activities in trying to reduce HIV/Aids prevalence in the municipal area. Average prevalence of around 10 % is still occurring. Three Local Aids council meetings and three awareness campaigns were held. The success rate of the Lac meetings is not up to standard and challenges are stakeholder attendance at meetings and the constant changing of meeting dates. A proper fixed program for LAC meeting in conjunction with the Mayoral office needs to be established for the coming year. The establishment of eleven ward aids councils were done but due to the new council the proper final establishment still must be done.

### 3.18 AMBULANCE SERVICES

Not a function of Ephraim Mogale municipality

### 3.19 HEALTH INSPECTION: FOOD INSPECTION ETC

#### **Environmental Health**

The Environmental Health function is now the responsibility of the Sekhukhune District Municipality and they have concluded on the deployment of Health Practitioners to the local municipalities. The Municipality is working together with the two assigned practitioners to try and promote clean and safe communities.

## COMPONENT G: SECURITY AND SAFETY

### 3.20 POLICE

Police function is a National function coordinated at the Provincial Department; the municipality is responsible for Community Safety Forum (CSF). The municipality established the CSF which assisted the community in ensuring safety and security related matters, e.g. bail application, crime prevention initiatives. The municipality had budget limitation and there were no dedicated staff to focus on this matter, however the municipality sustained the functionality of CSF and are supporting the structure wherever they can assist in transport and venue accommodation.

### 3.21 FIRE

Function of Sekhukhune District Municipality

### 3.22 DISASTER MANAGEMENT

## COMPONENT H: SPORT AND RECREATION

### 3.23 SPORT AND RECREATION

There are two sport, arts and culture officers which coordinate sport activities in the Municipality and align programs to District – and provincial activities. Internal challenge with personnel occurred during the last 6 months which hampered the facilitation and activities of sport in the municipality.

Internal sport for officials at the Municipality – Every week soccer, golf, pool, and netball is played against teams in a league established for the district. The Municipality competed in the IMMSA games In Giyani Municipality

Local Football Association is active in arranging league games for soccer in villages in the Municipality where after the winners compete against other winners in the District – and in the Province.

A Soft ball league is also been established and there is active participation from community members. The Leeufontein soft ball team did also participate in district the events.

The Moutse marathon is a private organized event were the Municipality is giving administrative support and the event is held annually with participant from all over the country.

<b>Employees: Sport and Recreation</b>					
<b>Job Level</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 – 3					
4 – 6					
7 – 9					
10 - 12	2		2	0	
13 - 15					
16 - 18					
19 - 20					
Total	2	2	2	0	0
<i>T 3.23.3</i>					

## COMPONENT I: CORPORATE POLICY SERVICES

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### 3.24 EXECUTIVE AND COUNCIL

Executive committee is the principal committee of the council which receives reports from the other committees of the council and which must forward these reports together with its recommendations to the council when it cannot dispose of the matter in terms of its delegated powers. The executive committee must identify the needs of the municipality, review and evaluate those needs in order of priority. The committee recommends to municipal council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans.

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### 3.25 FINANCIAL SERVICES

The Financial Services is ensuring efficiency and compliance with the Municipal Finance Management Act (MFMA) as well as other applicable laws and regulations ultimately leading to better service delivery. The management of the municipal finances involves both a strategic and operational component.

Strategically, the finances must be managed to accommodate fluctuations in the economy and the resulting changes in costs and revenues. Operationally, the Municipality must put in place clear financial goals, Policies and tools to implement its Strategic Plan. The overall Strategic Plan is to ensure that there is transparency, accountability and sound Financial Management.

- Forming part of this plan are key performance areas such as: ensuring that all statutory reporting is compiled and submitted to the different spheres of government timeously.
- Annual Financial Statements are prepared in accordance with GRAP and submitted on time,
- effective and efficient utilization of financial resources,
- Compliance to the Supply Chain Management Policy and the maintenance of assets effectively with respect to additions; disposals; impairments on the assets register.

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### 3.26 HUMAN RESOURCES SERVICES

Human resource comprises of occupational health services, labour relations and Employee Assistance Programmes. It is responsible for the recruitment processes, leave administration, disciplinary procedures, skills development, and labour relation issues.

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### 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

#### Introduction

Ephraim Mogale Local Municipality has ICT unit in place with the total number of 03 officials.

ICT unit is responsible for running daily, weekly, monthly data and backups. It ensures that municipal website is always functional and to provide user support.

ICT unit ensures that network is always available to all municipal applications such as Munsoft, emails, internet, payroll system and leave system for efficient and effective service delivery. The unit also managed the VPN connections for Managers and Directors as their duties are flexible so that they can be able to access municipal server at all times when they are out of the office.

Information Communication Technology (ICT) services is best positioned to promote effective administration in order to achieve service delivery targets and ultimately have an impact on socio economic development. It is therefore integral to the functionality and efficiency of the Municipality. The target for the reporting period was to achieve improved ICT systems, processes and compliant infrastructure. Service delivery priorities for ICT are to ensure that the municipality has efficient and effective backup systems, officials are trained on ICT, all municipal sites are connected through internet. Photocopier are leased. The municipality has, during the reporting, identified the need to strengthen the ICT unit by creating a strategic position.

The municipality has also managed to install and maintain backup system, VPN established, LAN restructured and Server room upgraded. EPMLM has ICT unit in place with the total number of 03 officials. ICT unit is responsible for running daily, weekly, monthly data and backups. It ensures that municipal website is always functional and to provide user support. ICT unit ensures that network is always available to all municipal applications such as Munsoft, emails, Collaborator, internet, payroll system and leave system for efficient and effective service delivery. The unit also managed the VPN connections for Managers and Directors as their duties are flexible so that they can be able to access municipal server at all times when they are out of the office.

<b>Employees: ICT Services (how many employees on the listed task grades and vacancies)</b>				
<b>Job Level</b>	<b>2016/17</b>			
	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3				
4 - 6				
7 - 9				
10 - 12	3	3	3	100%
13 - 15	1	1	1	
16 - 18				
19 - 20				

Employees: ICT Services (how many employees on the listed task grades and vacancies)				
Job Level	2016/17			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
Total	4	4	4	100%

Capital Expenditure 2015/16: ICT Services					
R540 000.00					
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
IT Master System Plan	R 540000.00	R0.00		0	R 540000.00
(IT Network Support & Maintenance)	R 1998816.00	R0.00	R 1075850.61		R 1998816.00

### 3.28 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

The following is the litigation report for the financial year 2016/2017:

CASE NO:	AMOUNT CLAIMED	PLAINTIFF	TYPE OF MATTER	FACTS	STATUS OF THE MATTER	ATTORNEY
<b>CASE NO: 72139/2015</b>	R 1 605 515-35	Mohlalerwa & Boledi Construction	Contractual Dispute	The municipality awarded the Plaintiff a tender for the rehabilitation of admin block. Plaintiff submitted an invoice which the municipality refused to settle on the basis that the contractor has already been paid for the work done.	The matter is now ready for trial at the North Gauteng High Court. The Municipality is advised to appoint a Consulting Engineer to provide expert testimony during trial.	Popela Maake Attorneys

CASE NO:	AMOUNT CLAIMED	PLAINTIFF	TYPE OF MATTER	FACTS	STATUS OF THE MATTER	ATTORNEY
<b>CASE NO: 33157/13</b>	NIL	Ephraim Chiloane	Interdict	<p>The municipality made an offer to transfer Erf 41 Leeuwfontein to the Plaintiff.</p> <p>Council resolved not to effect the transfer because the said property belongs to someone else (Rathlagane Tribe) and not the municipality and that the municipal manager does not have power to dispose of immovable property belonging to the council. The Plaintiff approached the court for an order compelling the municipality to effect the transfer.</p>	The matter was heard and finalized on 1 February 2016 and still await ruling to date.	Renqe Kunene Incorporated
<b>CASE NO: J1324/145</b>	NIL	Lesiba Makopo	Legitimate Expectation and Unfair Discrimination.	The Applicant was appointed by the municipality as the Director: Community on a fixed term contract which came to an end on the 31 March 2014. The post was advertised and he applied, went through the interview process but was not appointed. He then approached the Labour Court for an order setting aside the recommendations of the interview panel and to re-start the whole process of interview.	The Respondent is preparing Notice of Compliance in terms of Rule 7 A (2) (b) of the Labour Court rules. It continues to be our strongest advice that the matter not be settled out of court as the applicant has no case against the Municipality more so that the Municipality has actually even proceeded with the filling of the vacancy.	Popela Maake Attorneys
<b>CASE NO: J368/15</b>	R 2 105 500-35	Phillip Mphahlele	Damages and defamation of character	The Applicant was employed by the municipality and he resigned in 2009 pending criminal investigation by the Hawks.	The application was dismissed from the Braamfontein Labour Court for lack of jurisdiction with costs de bonis against the	Popela Maake Attorneys.

CASE NO:	AMOUNT CLAIMED	PLAINTIFF	TYPE OF MATTER	FACTS	STATUS OF THE MATTER	ATTORNEY
				<p>The Hawks did not proceed with criminal case.</p> <p>The Applicant alleges that the municipality coerced him to resign and that his character has been defamed, as a result of the allegations which were been investigated by the Hawks.</p>	<p>applicant's attorney and counsel.</p> <p>It has however emerged that the applicant has filed an appeal.</p>	
<b>CASE NO: 846/13</b>	NIL	Phillistus Sonto Matau	Application in terms of Section 145 of the Labour Relations Act.	<p>On the 17 July 2015 the Commissioner of SALGBC issued an arbitration award in favour of the employee and ordered the municipality to pay the amount of R 21 060-00 to the employee for her travel allowance.</p> <p>The municipality decided to review the arbitration.</p>	<p>Notice in terms of section 145 of the Labour Relations Act was filed withdrawn by the legal representative of the Municipality hence the respondent applied for enforcement of the arbitration award thus leading to the Municipality to pay an all-inclusive amount to the tune of R168 000.00.</p>	Mokwana Inc.
<b>CASE NO:704/2017</b>	R10 785 216.11	DWA	Claim for unpaid water charges	<p>The Municipality was summoned by the Department of Water Affairs for alleged unpaid water charges emanating from the water license it held at the time. The Municipality 'stance is that the amount be reduced as the said water license was transferred to the</p>	<p>Municipality has successfully filed a plea to the Plaintiff's Particulars of Claim and the Plaintiff has been ordered to so amend its particulars to have the Sekhukhune District Municipality joined in the matter and the</p>	KAM Attorneys

CASE NO:	AMOUNT CLAIMED	PLAINTIFF	TYPE OF MATTER	FACTS	STATUS OF THE MATTER	ATTORNEY
				Sekhukhune District Municipality.	amount claimed being materially reduced.	
<b>CASE NO: 408/2017</b>	R56 725.68	Colene Venter	Claim for unpaid monies emanating from MVA	The Plaintiff was involved in a MVA involving a municipal vehicle in which the municipal driver was the sole cause of the accident. The Plaintiff claims to have suffered damages in the amount of R56 725.68 which the municipality is indebted to.	Insurance company has been pushed to settle the afore said amount following its initial stance that it could not pay as the plaintiff was not insured.	KAM Attorneys
	R1000 000.00	Moses Mogotleng Kgopane/EP MLM	Claim for personal injuries and loss of earnings	The plaintiff claims to have lost his ability to walk after he fell in an unprotected pit which he claims it was dug by the Municipality. As a result the plaintiff claims to have lost his employment and any employment capabilities and claims to have spent hundreds of thousands of rands medical expense.	The Municipality has entered appearance to defend and has filed to have both Sekhukhune District Municipality and the DWA joined as possible defendants. This is owing to the fact that the Municipality has not had any hole digging project at the area where the plaintiff claims to have sustained injuries.	Noko Maimela Artorneys.
<b>Case</b>	R10 000.00	Abel Sonto Ngaka	Claim for outstanding short salaries	Employee absconded from employment for over a month without reason. The municipality immediately moved to implement the no-work no pay principle and now the plaintiff is suing for outstanding short salaries	Municipality has entered appearance to defend	Modise Mabule Attorneys

## COMPONENT J: MISCELLANEOUS

Not applicable

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

### **Performance on National Performance Indicators**

The following table indicate the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators were linked to the National Key Performance Areas.

This component includes the Annual Performance Scorecard Report for the current year as reflected below. The section contains a comprehensive breakdown of the individual Departmental performance. The scores highlight the progress with respect to performance not only at a departmental level, but also represents the progress made within each Key Performance Area (KPA).



KPA I: SPATIAL RATIONALE

**Strategic Objective: House the Nation and Build Integrated Human Settlement**

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
House the nation and build Integrated Human Settlement	Land Use Management	% of land use applications received and processed within 60 days as per the Town Planning and Township Ordinance Act 15 of 1986	SR 01	Oper	Oper	15	100%	100%	Achieved	None	None	Land Use application register
		# of EPMLM Town Planning By-Laws developed and gazetted by Dec 2016	SR 02	Oper	Oper	New	1	1	Achieved	None	None	Council Resolution, agenda and proof of Gazette
		# of EPMLM Billboard and Advertising by-law developed and gazetted by Jun 2017	SR 03	Oper	Oper	New	1	1	Achieved	None	None	Council Resolution, agenda and proof of Gazette
		% of New Building Plans of less than 500 square meters assessed within 10 days of receipt of plans.	SR 04	Oper	Oper	200	100%	100%	Achieved	None	None	Individual site inspection reports and the Building plan file register
House the nation and build Integrated	Land Use Management	% of New Building Plans of more than 500 square meters assessed within 28 days of receipt of plans.	SR 04	Oper	Oper	New	100%	100%	Achieved	None	None	Building Plan submission register

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
Human Settlement		# of municipal buildings maintained as per the approved municipal maintenance plan by 30 June 2017	SR 06	572,3	397.9	24	20	20	Achieved	None	None	Section 72 financial report
		# of Land Use Awareness workshops to held with Magoshi by 30 June 2017	SR 08	Oper	Oper	1	4	4	Achieved	None	None	Attendance registers and reports
		% of buildings; constructed with approved plans, inspected that comply with the National Building Regulations and Building Standards Amendments Act No 49 of 1995	SR 04	Oper	Oper	New	100%	100%	Achieved	None	None	Individual site inspection reports and the Building plan file register
	Housing	Develop a municipal building maintenance plan and submit to Council for approval by 30 Sept 2016	SR 05	Oper	Oper	New	1	1	Achieved	None	None	Building Plan submission register
		# of municipal houses to be maintained as per the approved municipal maintenance plan by the 30 Jun 2017	SR 07	Oper	Oper	40	40	40	Achieved	None	None	Approved Maintenance Plan
		# of reports in terms of new RDP Housing units provided by the	SR 13 /14	Oper	Oper	New	4	1	Not Achieved	Poor forward planning by	Engage designated housing official	Annual RDP Housing report

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
		CoGHSTA submitted to Council by 30 Jun 2017								Building Inspector		
	SDF	Review EPMLM Spatial Development Framework and adopted by Council by 31 March 2017	SR 10	506	R0.00	1	1	0	Not Achieved	Service providers appointed in Q4	Project to end March 2018	Council Resolution and agenda
		Review EPMLM Town Planning Scheme by 31 March 2017	SR 11	706	R0.00	1	1	0	Not Achieved	Service providers appointed in Q4	Project to end March 2018	Council Resolution and agenda
Improved community wellbeing through accelerated service delivery	SCM	% attendance at scheduled Bid Committee meetings by 30 Jun 2017 (P&ED)	FV 07	Oper	Oper	New	100%	100%	Achieved	None	None	Attendance register
Build effective and efficient organization	Institutional Development	# of new / reviewed policies adopted by Council by 31 March 2017 (P&ED)	MTOD 09	Oper	Oper	0	1	1	Achieved	None	None	Council Resolution and agenda
	Good Governance	% of Internal Audit Findings resolved per quarter as per the Audit Plan by 30 Jun 2017 (P&ED)	GG 14/15	Oper	Oper	New	100%	100%	Achieved	None	None	Quarterly IA status reports
		% of AG Management Letter findings resolved by 30 Jun 2017 (P&ED)	GG 11/12 13	Oper	Oper	New	100%	N/A	No AG Management Letter findings	None	None	Quarterly AG Action Plan report

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
		% execution of identified risk management plan within prescribed timeframes per quarter (P&ED)	GG 16	Oper	Oper	New	100%	50%	Not Achieved	Various challenges as stated on risks monitoring plan.	Roll over non implemented actions to the new financial year.	Quarterly Risk management committee reports

## KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

### Strategic Objective: Improved Community Wellbeing through Accelerated Service Delivery : Effective and Efficient Community Involvement

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
Improved community wellbeing through accelerated service delivery	Roads and storm water	# of Kms of roads to be graded by 30 Jun 2017	BS 89	1 644	1,524	1783.9 Km	1,300.00	1487.075km	Achieved	None	None	Inspection report
		Number of m2 of base and surface patches repaired by 30 Jun 2017	BS 90	Oper	Oper	2170,91 m2	1200	4355.342m2	Achieved	None	None	Inspection report
		Review Roads Master plan and adopted by Council by 31 March 2017	BS 59	Oper	Oper	1	1	1	Achieved	None	None	Council Resolution and agenda
		# of Kms of gravel roads to be constructed in tar by 30 Jun 2017	BS 48/84/53/70	MIG 29 517	2 446 871.61	4,7kms	3.9km	3.4km	Not Achieved	Withheld MIG amount	To follow procurement plan	Completion Certificate
Improved community	Roads and	# of kms of Storm Water to be	BS 45	6,000	1 395 044.33	400m	1.294km	1.294km	Achieved	None	None	Completion Certificate

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
y wellbeing through accelerated service delivery	storm water	constructed in Ext 6 by 30 Jun 2017										
		# of Kms of roads to be rehabilitated by 30 Jun 2017	BS 71/50	5 800	0.00	New	1.1km	0.6km	Not achieved	Late appointments	Prompt appointments	Completion Certificate
		% spending on MIG funding by the 30 June 2017	New	Oper	Oper	100%	100%	100%	Achieved	None	None	Section 71 financial report
		Number of Km of roads to be constructed by 30 Jun 2017 (Industrial Road)	BS 57	2 000	0.00	400m	250M	0m	Not Achieved	Late appointments	Prompt appointments	Completion Certificate
	Electricity	Number of high mast lights connected Morarela, Mbuzini, Mohlotsi, Matseding and Mohlalaotwane by 30 Jun 2017	BS 17	60	45	11	16	16	Achieved	None	None	Certificate of compliance
		# of Quarterly reports in terms of households with access to basic levels of electricity submitted to the MM (GKPI)	New	Oper	Oper	New	4	4	Achieved	None	None	Copy of Quarterly reports and Eskom monthly report
Improved community wellbeing through accelerated service delivery	Electricity	# of Energy Master plans & OM plans developed and submitted to Council for adoption by 30 June 2017	BS 22	500	0	New	2	0	Not achieved	late appointment of Service provider	Shorter turnaround times on procurement	Council Resolution and agenda

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
Improved community wellbeing through accelerated service delivery	Electricity	# high mast lights upgraded to led fittings at Matlala Ramoshebo by 30 Jun 2017	BS25	435	435	New	30	30	Achieved	None	None	Completion Certificate
		% of faulty streetlights fittings maintained within 90 days	BS 07/08	Oper	Oper	98,05%	100%	100%	Achieved	None	None	Inspection/repair reports. Monthly reports.
		% of faulty Mast light fittings repaired within 90 days	BS 09/10	Oper	Oper	99,77%	100%	100%	Achieved	None	None	Inspection/repair reports. Monthly reports.
		% of households with access to basic levels of electricity by the 30 June 2017 (GKPI)	New	Oper	Oper	97.0%	>97%	97%	Not achieved. (81 Connections energised and 44 completed)	ESKOM deferred 5 projects and very slow to complete projects	Engage ESKOM to fastrack their work	ESKOM monthly reports
Improved community wellbeing through accelerated service delivery	Project Management	% of new Capital projects started on time In terms of the appointment of consultants / contractors for EPMLM funded projects as per the Capital implementation plan	New	Oper	Oper	New	100%	60%	Not Achieved	Late appointments and poor performance of service providers.	Improve on monitoring of contractor to assist them, and prompt appointments.	Individual project appointment letters in terms of consultants / contractors
		% of new Capital projects completed in terms of agreed schedule for EPMLM	New	Oper	Oper	New	100%	60%	Not Achieved	Late appointments and poor performance	Improve on monitoring of contractor to assist them,	Individual project certificates of

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE	
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action		
		funded projects by Jun 30 2017									of service providers.	and prompt appointments.	completion (COC)
		% of Capital budget spend in terms of new IDP identified projects as per the Capital implementation plan by the 30 June 2017 (GKPI)	New	Oper	Oper	New	100%	60%	Not Achieved	Late appointments and poor performance of service providers.	Improve on monitoring of contractor to assist them, and prompt appointments.	Section financial report	72
Improved community wellbeing through accelerated service delivery	Waste Removal	% of households with access to a minimum level of basic waste removal by 30 June 2017 (once per week) (GKPI)	BS 94	Oper	Oper	17.4%	17,4%	17,4%	Achieved	None	None	Weekly waste collection schedules	
	Waste Removal	# of existing households in formal settlements provided with solid waste removal services by 30 Jun 2017	BS 94	Oper	Oper	5619 per week	5619/week	5619 per week	Achieved	None	None	Weekly waste collection schedules	
	SCM	% attendance at scheduled Bid Committee meetings by 30 Jun 2017 (Social & IS)	FV 07	Oper	Oper	1	100%	100%	Achieved	None	None	Attendance register	
		# of quarterly reports submitted to Council in terms of compliance to the CoGHSTA Back to	New	Oper	Oper	4	4	4	Achieved	None	None	Copy of Quarterly report submitted to CoGHSTA	

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
		Basics reporting system										
Effective and Efficient Community Involvement	Environmental Management	External audit of the Landfill to comply with National Environmental Waste Act by 30 Jun 2017	BS 98	90	90	1	1	1	Achieved	None	None	External Audit report
		# of landscaping and greening project implemented by 30 Jun 2017	BS 102	320	0	1	1	0	Not Achieved	The original budget was cut and the landscaping plan not implemented	The landscaping master plan recommendation was budgeted for and will be implemented in 17'18 financial year	Completion certificate
	Community Facilities	# of Cultural and Heritage festivals held by 30 Jun 2017	BS 116/17	210	206	2	2	1	Not Achieved	Officers suspended in 1 <sup>st</sup> quarter	Increase better coordination of events	Approved project plan signed reports
		# of cemeteries fenced by 30 Jun 2017	BS 109	690.5	0	7	6	3	Not Achieved	Late delivery of fencing materials	3 cemeteries to be fenced by 21 July 2017.	Completion certificates
		# of Mayor's cup events held by 30 Jun 2017	BS 114	95	95	1	1	1	Achieved	None	None	Final report
		# of Mayors marathon events held by 31 Mar 2017	BS 115	40	0	New	1	0	Not Achieved	Technical challenges with	No marathon event in new financial year	Final report

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
										registration with Limpopo Athletics		
Effective and Efficient Community Involvement	Community Facilities	# of Club Federations supported to promote sporting development by 30 Jun 2017	BS 120	71.2	40	New	4	0	Not Achieved	No clubs were identified for support	Early identification of club for support during next financial year	Completion Handover report
	HIV & AIDS	# of quarterly Local Aids Council forum meetings held	BS 112	24,5	23,36	4	4	3	Not Achieved	Co-ordination between stakeholders	Better coordination and facilitation of programs	Attendance register and annual programme
		# of quarterly HIV/AIDS awareness campaigns	BS 113	40,8	40,24	4	4	3	Not Achieved	Co-ordination between stakeholders	Better coordination and facilitation of programs	Attendance register and annual programme
Build effective and efficient organization	Institutional Development	# of new / reviewed policies adopted by Council by 31 March 2017 (Social)	MTOD 09	Oper	Oper	3	3	1	Not Achieved	Only Sport policy approved	The other two policy be tabled to LLF and council for approval	Council Resolution and agenda
		# of new / reviewed policies adopted by Council by 31 March 2017 (IS)	MTOD 09	Oper	Oper	3	2	2	Achieved	None	None	
	Good Governance	% of Internal Audit Findings resolved per quarter as per the	GG 14/15	Oper	Oper	New	100%	100%	Achieved	None	None	Quarterly IA status reports

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
		Audit Plan by 30 Jun 2017 (Social & IS)										
		% of AG Management Letter findings resolved by 30 Jun 2017 (Social & IS)	GG 11/12 13	Oper	Oper	New	100%	100%	Achieved	None	None	Quarterly AG Action Plan report
		% execution of identified risk management plan within prescribed timeframes per quarter (Social & IS)	GG 16	Oper	Oper	New	100%	50%	Not Achieved	Various challenges as stated on risks monitoring plan.	Roll over non implemented actions to the new financial year.	Quarterly Risk management committee reports

KPA 3: LOCAL ECONOMIC DEVELOPMENT

**Strategic Objective A: Grow the Economy and Provide Livelihood Support**

**Strategic Objective B: Develop Partnerships**

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
Grow the economy and provide livelihood support	LED	# of quarterly SMME's and Cooperatives capacity building skill workshops scheduled and held	LED 01	0	0	4	4	4	Achieved	None	None	Attendance registers
		# of Coop's supported with respect to financial support by 30 Jun 2017	LED 02	0	0	12	12	16	Achieved	None	None	Copies of completed funding application forms
		# of quarterly LED forum meetings held	LED 03	21,2	15.7	4	4	4	Achieved	None	None	Reports and Attendance Registers
		Review and update the cooperative database by 30 June 2017	LED 06	0	0	1	1	1	Achieved	None	None	Updated Cooperatives database
		# of EPWP job opportunities provided through EPWP grant by 30 June 2017 (GKPI)	LED 03/08	1,133	601.2	382	305	183	Not Achieved	Late appointment of Service providers for the purchasing of PPE's ;Contractor and EPWP participants	Shorter turnaround times on procurement	Quarterly reports submitted to the Department of Public Work

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
Develop partnerships	LED	Hosting of a LED Summit by 30 Jun 2017	LED 04	94,8	77.4	1	1	1	Achieved	None	None	Reports and Attendance Register
		Tourism Association established by Dec 2016	LED 05	0	0	0	1	0	Not Achieved	The Terms of Reference still to be adopted to before the establishment of the Association	The LEDET currently reviewing the TOR for both province and the District. The municipality would then align to the adopted TOR	Reports and Attendance Register
Develop partnerships	LED	Participation in a Businesses Tourism Indaba by 30 Jun 2017	LED 09	0	0	2	1	1	Achieved	None	None	Reports and Attendance Register
		# of quarterly reports submitted to Council with respect to the implementation of Social Labour Plan (SLP) programmes of Mining Companies	New	Oper	Oper	New	4	0	Not Achieved	Lack of cooperation by the mining companies	The LED officials in the district held engagement with the DMR to rollout programme to monitor all SLPs in the District.	Quarterly report and Council resolution
		# of quarterly reports submitted to Council with respect to the Corporate Social	New	Oper	Oper	New	4	0	Not Achieved	Lack of cooperation from the	Engagement with the DMR to rollout programme to	Quarterly report and Council resolution

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE	
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action		
		Investment (CSI) programmes of both Business and Mining organisations									private sector.	monitor all SLPs in the District	

KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

**Strategic Objective A: Develop and Retain Skilled Capacitated Workforce**  
**Strategic Objective B: Build Effective and Efficient Organization**

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
Improve community wellbeing through accelerated service delivery -	Institutional Development	# of quarterly Customer Complaint reports submitted to Council (inclusive of Presidential Hotline)	MTOD 19	0.5	0.5	4	4	4	Achieved	None	None	Quarterly Customer Complaint reports
	SCM	% attendance at scheduled Bid Committee meetings by 30 Jun 2017 (Corp)	FV 07	Oper	Oper	New	100%	100%	Achieved	None	None	Attendance register
Develop and retain skilled capacitated workforce	Institutional Development	# of new / reviewed policies adopted by Council by 30 Jun 2017 (Corp)	MTOD 09	3 300	3 300	0	12	12	Achieved	None	None	Council Resolution and agenda
		% of Lease Agreements processed within the time frame of 30 days	MTOD 12	Oper	Oper	New	100%	100%	Achieved	None	None	Lease Agreements
		% of Service Level Agreements (SLA's) and Employment Contracts processed within the time frame of 30 days	MTOD 34	Oper	Oper	New	100%	100%	Achieved	None	None	SLA's and employment contracts
		% of approved positions processed	MTOD 02	Oper	Oper	New	100%	100%	Achieved	None	None	Appointment letters

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
		within three months of post being vacant (task 13 and above)										
		% approved vacant positions (previously filled) processed within (3) months of post being vacant	MTOD 02	Oper	Oper	New	100%	100%	Achieved	None	None	Appointment letters
		# of Job Descriptions developed by 30 Jun 2017	MTOD 13	350	16.5	150	220	150	Not Achieved	Delay by incumbents to sign them	Follow up with incumbents again	Signed job descriptions
		% of employees from previously disadvantaged groups appointed in the three highest levels of management as per the approved EE plan by the 30 June 2017 (GKPI)	MTOD 01	50	50	New	100%	100%	Achieved	None	None	Quarterly Equity Employment Plan reports
Develop and retain skilled capacitated workforce	Institutional Development	% of budget spent implementing the Workplace Skills Plan by the 30 Jun 2017 (GKPI)	MTOD 03	Oper	Oper	New	100%	100%	Achieved	None	None	Section 72 financial report
		% of beneficiaries trained as per target of Workplace Skill Plan (WSP) by 30 Jun 2017	MTOD 03	318	318	New	100%	100%	Achieved	None	None	Approved WSP Report & Annual training report

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
		# of Councillors trained by 30 Jun 2017	GG 08	200	200	32	21	33	Achieved	None	None	Training Reports
		# of beneficiaries of the Community Bursary scheme by the 30 Jun 2017	MTOD 07/14	850	850	16	16	18	Achieved	None	None	Proof of payment, signed contracts and reports
		Review organisational structure and align to the IDP and Budget by 30 June 2017	MTOD 10/11	Oper	Oper	New	1	1	Achieved	None	None	Approved annual organogram
Build effective and efficient organization		# of quarterly ICT steering committee meetings held in terms of the implementation of the ICT governance strategy and policy	MTOD 23/24 25/26 27/28	1 885,6	1 885,6	4	4	3	Not Achieved	Poor forward planning	To adhere to meeting schedule	ICT steering committee meeting minutes
		# of quarterly Local Labour Forum (LLF) meetings held as scheduled	MTOD 08	Oper	Oper	4	4	4	Achieved	None	None	Signed minutes and attendance register
		# of quarterly Workplace Health and Safety Forum meetings held as scheduled	MTOD 04	350	350	4	4	4	Achieved	None	None	Signed minutes and attendance register
		# of quarterly Employee Wellness Programs held	MTOD 05	400	400	4	4	4	Achieved	None	None	Attendance registers
		# of Quarterly institutional Performance Reports	MTDO 39	28.1	28.1	4	4	4	Achieved	None	None	Quarterly institutional Performance

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
		submitted to Council per quarter										Reports and council resolution
		2018/19 IDP review Process Plan approved by 30th June 2017	MTOD 35	Oper	Oper	1	1	1	Achieved	None	None	Approved IDP Framework and Plan
Build effective and efficient organization	Institutional Development	Hosting of an annual Strategic Lekgotla to review the IDP by 30 Dec 2016	MTOD 36	300	300	1	1	1	Achieved	None	None	Council Resolution and agenda
		Draft 2017/18 IDP/Budget tabled before Council for adoption by March 2017	MTOD 35	Oper	Oper	1	1	1	Achieved	None	None	Draft IDP and Council resolution
		Final IDP/Budget tabled and approved by Council by the 31st May 2017	MTOD 35	200	200	1	1	1	Achieved	None	None	Final IDP and Council resolution
	Good Governance	% of Internal Audit Findings resolved per quarter as per the Audit Plan by 30 Jun 2017 (Corp)	GG 14/15	Oper	Oper	New	100%	80%	Not Achieved (3/6 not resolved)	Process of resolving 3 outstanding finding already commenced but not yet completed	The findings should be resolved in the 1 <sup>st</sup> quarter of 2017/18fy	Quarterly IA status reports
		% of AG Management Letter findings resolved by 30 Jun 2017 (Corp)	GG 11/12 13	Oper	Oper	New	100%	80%	Not Achieved	Process of resolving 3 outstanding	The findings should be resolved in the	Quarterly AG Action Plan report

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE	
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action		
											g finding already commenced but not yet completed	1 <sup>st</sup> quarter of 2017/18fy	
		% execution of identified risk management plan within prescribed timeframes per quarter (Corp)	GG 16	Oper	Oper	New	100%	50%	Not Achieved	Various challenges as stated on risks monitoring plan.	Roll over non implemented actions to the new financial year.	Quarterly Risk management committee reports	

KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

**Strategic Objective: Become Financially Viable**

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
Improved community wellbeing through accelerated service delivery	SCM	% attendance at scheduled Bid Committee meetings by 30 Jun 2017 (BT)	FV 07	Oper	Oper	New	100%	100%	Achieved	None	None	Attendance register
		Average # of days elapsed on successful bids awarded as per the competitive bidding process for tenders over R200,000	FV 07	Oper	Oper	New	60	60	Achieved	None	None	BAC reports
Build effective and efficient organization	Institutional Development	# of new / reviewed policies adopted by Council by 30 Jun 2017 (BT)	MTOD 09	Oper	Oper	0	1	1	Achieved	None	None	Council Resolution and agenda
Become Financially Viable	Financial Management	% of consumer quarterly payment level received as compared to that billed	FV 02	Oper	Oper	100%	>80,9 %	75%	Not Achieved	Billing for June 2017 was delayed due to year-end adjustments and other key reconciliation before close of the book for the	None	Section financial report 72

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
										year 2017 and such affected the timing of payments.		
		% of approved (compliant) invoices paid within 30 days	FV 03	Oper	Oper	4	100%	100%	Achieved	None	None	Section 72 financial report
		# of monthly section 66 MFMA reports submitted to Council with respect to staff remuneration	FV 06	Oper	Oper	12	12	12	Achieved	None	None	Section 66 Reports
		Submission of MTRE Budget to Council for approval by the 31 May	FV 05	Oper	Oper	1	1	1	Achieved	None	None	Approved Budget and Council resolution
		# of monthly section 71 MFMA reports submitted to EXCO within legislative timeframes	FV 06	Oper	Oper	12	12	12	Achieved	None	None	Section 71 financial report
		# of SCM quarterly reports submitted to Exco	FV 07	Oper	Oper	4	4	4	Achieved	None	None	SCM Quarterly reports
		Annual submission of the asset verification report to the MM by 30 Sept 2016	FV 08	Oper	Oper	1	1	1	Achieved	None	None	GRAP compliant Asset Register

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
Become Financially Viable	Financial Management	Draft Annual Financial Statements (AFS) submitted on or before the 28 August 2016	FV 10	3 210	3 210	1	1	1	Achieved	None	None	Proof of submission from AG
		% spend of the FMG funds by 30 Jun 2017	FV 11	1 810	1 810	75%	100%	100%	Achieved	None	None	FMG report
		# of quarterly section 52(d) MFMA reports submitted to Executive Mayor within legislative timeframes	FV 06	Oper	Oper	New	4	4	Achieved	None	None	Section 52 financial report
		Section 72 (midyear) MFMA reports submitted to Executive Mayor within legislative timeframes	FV 06	Oper	Oper	New	1	1	Achieved	None	None	Section 72 financial report
		# of monthly SCM deviation reports submitted to the MM	FV 07	Oper	Oper	New	12	12	Achieved	None	None	SCM Quarterly reports
		# of municipal fleet vehicle reports submitted each quarter	FV 09	Oper	Oper	New	4	4	Achieved	None	None	Monthly fleet management report
		# of MFMA checklists submitted per quarter as legislated	FV 06	Oper	Oper	New	12	12	Achieved	None	None	Monthly MFMA Reports
		% of (indigents) households with access to free basic electricity services by 30 Jun 2017 (GKPI)	New	Oper	Oper	New	100%	100%	Achieved	None	None	Indigent register

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
		Cost coverage ratio by the 30 June 2017 (GKPI)	New	Oper	Oper	18,6	4,7	N/A	Not Achieved	To be resolved via completion 2016/17 AFS	None	Section financial report 52
		% outstanding service debtors to revenue by the 30 June 2017 (GKPI)	New	Oper	Oper	35,7%	31,4%	N/A	Not Achieved	To be resolved via completion 2016/17 AFS	None	Section financial report 52
		% Debt coverage ratio by the 30 June 2017 (GKPI)	New	Oper	Oper	12,3	18,8	N/A	Not Achieved	To be resolved via completion 2016/17 AFS	None	Section financial report 52
Build effective and efficient organization	Good Governance	% of Internal Audit Findings resolved per quarter as per the Audit Plan by 30 Jun 2017 (BT)	GG 14/15	Oper	Oper	New	100%	80%	Not achieved	Asset management findings not yet fully resolved	To be resolved via completion 2016/17 AFS	Quarterly IA status reports
		% of AG Management Letter findings resolved by 30 Jun 2017 (BT)	GG 11/12 13	Oper	Oper	New	100%	80%	Not achieved	Asset management findings not yet fully resolved	To be resolved via completion 2016/17 AFS	Quarterly AG Action Plan report
		% execution of identified risk management plan within prescribed timeframes per quarter (BT)	GG 16	Oper	Oper	New	100%	50%	Not Achieved	Various challenges as stated on risks monitoring plan.	Roll over non implemented actions to the new financial year.	Quarterly Risk management committee reports
Build effective and	Good Governance	Action Plan on issues raised by the Auditor General compiled and	GG 11	Oper	Oper	New	1	1	Achieved	None	None	AG Action Plan

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
efficient organization		tabled to Council by January 2017										

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

**Strategic Objective A: Effective and Efficient Community Involvement**

**Strategic Objective B: Build effective and efficient organization**

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
Improved community wellbeing through accelerated service delivery	SCM	% attendance at scheduled Bid Committee meetings by 30 Jun 2017 (OMM)	FV 07	Oper	Oper	New	100%	100%	Achieved	None	None	Attendance register
Build effective and efficient organization	Institutional Development	# of formal performance reviews conducted with Section 56 employees (bi-annual)	MTDO 37	10	10	4	2	2	Achieved	None	None	Section 56 Performance Assessments
	Good Governance	% of KPIs attaining organisational targets	MTDO 38	Oper	Oper	78%	100%	70.2%	Not Achieved	Poor performance	Departments to improve	Annual Performance

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
		by 30 Jun 2017 (Total organisation)								by departments	on performance	Report and Internal Audit quarterly report
		# of Risk Management reports submitted to the Risk Management Committee per quarter	GG 10	420	420	4	4	4	Achieved	None	None	Quarterly Risk Report
		# of Risk Management Committee meetings convened per quarter	GG 20	0	0	4	4	4	Achieved	None	None	Quarterly Risk management committee reports
		% execution of identified risk management plan within prescribed timeframes per quarter (OMM)	GG 16	Oper	Oper	New	100%	80%	Not Achieved	Various challenges as stated on risks monitoring plan.	Roll over non implemented actions to the new financial year.	Quarterly Risk management committee reports
		% execution of identified risk management plan within prescribed timeframes per quarter (Total Organisation)	GG 16	Oper	Oper	New	100%	50%	Not Achieved	Various challenges as stated on risks monitoring plan.	Roll over non implemented actions to the new financial year.	Quarterly Risk management committee reports
Build effective and efficient organization	Institutional Development	Fraud / Corruption Risk Plan approved by Council by 30 Sept 2016	GG 17	0	0	0	1	1	Achieved	None	None	Approved fraud risk register
		# of quarterly anti-fraud and corruption	GG 17/19	0	0	4	4	4	Achieved	None	None	Anti-fraud and corruption

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
	Good Governance	awareness campaigns held										awareness report
		Strategic and Operational Risk Plan approved by Council by 30 Sept 2016	GG 16	0	0	0	2	2	Achieved	None	None	Approved Risk Operational and Strategic registers
		% of Auditor General matters resolved as per the approved audit action plan by 30 June 2017 (Total organisation)	GG 11/12 13	0	0	75.4%	100%	84%	Not Achieved	Other AG matters not yet fully resolved	To be resolved via completion 2016/17 AFS	Final AOPO IA Report
		# of Internal Audit reports submitted to the Audit Committee per quarter	GG 14/15	0	0	4	4	4	Achieved	None	None	Quarterly IA status reports
		% of Internal Audit Findings resolved per quarter as per the Audit Plan (total organisation)	GG 14/15	0	0	100%	100%	80%	Not Achieved	Other internal audit findings not yet fully resolved	To be resolved via completion 2016/17 AFS	Quarterly IA status reports
		# of quarterly Performance Audit Committee meetings held	GG 15	780	780	4	4	4	Achieved	None	None	Audit Performance committee meeting report
		Submission of Draft consolidated Annual Report to Council on or before 28 August 2016	FV 10	Oper	Oper	1	1	1	Achieved	None	None	Draft Annual Report

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
		Submission of Final audited consolidated Annual Report to Council on or before 28 January 2017	FV 10	Oper	Oper	1	1	1	Achieved	None	None	Council Resolution and agenda
		Submission of AR Oversight Report to Council by the 30th March 2017	FV 10	Oper	Oper	1	1	1	Achieved	None	None	Annual Performance Oversight Report
Build effective and efficient organization	Institutional Development Good Governance	% of Council meetings resolutions resolved within the prescribed timeframe (3 months)	GG 07	Oper	Oper	New	100%	100%	Achieved	None	None	Copies of all resolutions raised and management response / intervention to resolve
		Number of Council meeting held by June 2016 as per the Legislation	GG 07	Oper	Oper	4	4	4	Achieved	None	None	Council meeting minutes
		Number of EXCO meetings held each month	GG 07	Oper	Oper	10	12	12	Achieved	None	None	EXCO meeting minutes
		# of Section 79 Committee meetings held each quarter	GG 07	Oper	Oper	4	4	4	Achieved	None	None	Sec 79 meeting minutes
		# of quarterly reports submitted to Council in terms of the number of MPAC resolutions	GG 07	Oper	Oper	4	4	4	Achieved	None	None	Quarterly MPAC reports

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
		raised and resolved per quarter										
		# of quarterly Community Workers local forum meetings held	LED 07	Oper	Oper	2	4	4	Achieved	None	None	Reports and Attendance Registers
Effective and Efficient Community Involvement	Institutional Development	# of Public Participation meetings facilitated	GG 02	600	600	2	2	2	Achieved	None	None	Attendance register
		# of quarterly reports submitted to Council in terms of scheduled ward committee meetings held	GG 03	Oper	Oper	4	4	4	Achieved	None	None	Quarterly ward committee's reports
		# of Ward operational plan reports submitted to Council by the 30 Jun 2017	GG 03	Oper	Oper	2	1	1	Achieved	None	None	Annual Ward operational plans
		# of quarterly community newsletters published and distributed	GG 05	275	160.6	3	4	3	Not achieved	Delayed with the printers	Get assistance with articles	Published Newsletters
	Welfare Services	# of Transversal programmes implemented in terms of mainstreaming with respect to Gender, Disabled, Woman and Children Rights by the 30 Jun 2017	GG 01	250	250	4	4	4	Achieved	None	None	Special programmes reports
Effective and	Youth	# of Youth programmes / initiatives	GG 04	129	129	4	4	4	Achieved	None	None	Quarterly Youth reports

Strategic Objective	Priority Programme	KPI	IDP Ref No	R 000's		Baseline 2015/16	2016/17 Annual Performance					POE
				Budget	Spend		Target	Actual	Achievements	Challenges	Corrective Action	
Efficient Community Involvement		implemented each quarter										
	Institutional Development	% hosting and management of the website by SITA	MTOD 29	75	75	100%	100%	100%	Achieved	None	None	Quarterly reports
Build effective and efficient organization	Good Governance	Obtain a Qualified Auditor General opinion for the 2015/16 financial year	GG 12	Oper	Oper	Qualified	Qualified	Qualified	Achieved	None	None	Final AG Management Report
		Adjusted Budget and SDBIP approved by the Mayor by the 28th February 2017	FV 05	Oper	Oper	1	1	1	Achieved	None	None	Adjusted Budget & SDBIP
		Final SDBIP approved by the Mayor within 28 days after approval of Budget	New	Oper	Oper	1	1	1	Achieved	None	None	Signed SDBIP

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
Reviewing Roads and stormwater Master Plan	Marumo Consulting Engineers	05/05/2016	26/11/2017	25/05/2017	R 1 202 588.96	R 1 202 588.96	4
Supply and delivery of roads maintenance Equipment for 24 months as and when required	NJ Nkosana Business Enterprise	04/12/2015	30/11/2017	N/A	RATES	R768 000.00	4
Supply and delivery Asphalt for 24 months as and when required	Maesh (Pty)Ltd	04/12/2015	30/11/2017	N/A	RATES	R441 000.00	4
The Maintenance of Marblehall Aerodrome	Adicon Investments	13/04/2017	29/06/2017	N/A	R 499 580.72	R 499 580.72	4
The Rehabilitation of Marblehall Streets	Disema/Kgantsha	31/05/2017	29/07/2017	29/08/2017	R3 099 325.07	R0.00	-
Construction of Rathoke Internal roads phase 3	Mothakge Phadima Construction	28/02/2017	28/06/2017	28/06/2017	R 6 091 179.22	R 5 672 713.93	4
Construction of Mogalatsane-Phetwane Access road	Baphalaborwa Construction 72	12/01/2017	20/05/2017	28/06/2017	R 6 260 544. 84	R 4 786 149.13	3
Construction of Ngwalemong Internal Streets(Multi year)	Mokatemone/Splish Splash JV	12/04/2017	02/07/2018	02/07/2018	R 19 120 628.18	R 1 359 256.11	4
Construction of Elandskraal Internal Streets	Sihle Civils and Project Developments	12/01/2017	20/05/2017	30/06/2017	R 8 140 596.71	R 6 138 166.45	4
Planning and design for Mmamphokgo Sports Complex	Disema Consulting Engineers	03/02/2017	20/05/2017	20/05/2017	R 1 200 000.00	R 1 198 426. 57	4
Planning and design for Mmamphokgo Sports Complex	MVE Consulting Engineers	13/12/2016	20/05/2017	20/05/2017	R 1 200 000.00	R 1 200 000.00	4

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
Construction of Marble Hall Industria road	Leruo Baueng Trading Enterprise	30/06/2017	07/08/2017	07/08/2017	R 1 797 713.36	R 0.00	-
Construction of marble Hall Extension 6 Stormwater	Kgwadi Ya Madiba General Trading	09/12/2016	19/06/2017	28/06/2017	R 5 828 500.00	R 4 614 065.87	3
Upgrading of Medium and Low Voltage Electrical Cables in Marble Hall Ext 2 - Phase 2	NSK Electrical and Construction	20/10/2016	31/03/2017	30/05/2017	R 1 185 710.00	R 1 133 741.40	2
Supply and delivery of 30 LED flood light fittings	Rorisang Business Enterprise	02/12/2016	28/02/2017	NA	R 435 000.00	R 435 880.20	3
Supply, delivery and installation of electrical materials for Diturupa festival - 500m ABC Line	REMS Electrical Construction	20/12/2016	28/02/2017	14/06/2017	R 198 702.00	R 189 240.00	2
Densification EXT 1 & 3	Dudu & Sbusiso JV NSK Electrical Construction	30/01/2017	30/04/2017	NA	R 982 052.00	R 962 296.80	2
Generator for Office - Finance Department 100KVA	NSK Electrical Construction/Dudu & Sbusiso Trading JV	24/01/2017	30/04/2017	NA	R 515 907.00	R 491 340.00	3
Ring Main Unit Maintenance	REMS Electrical Construction	30/01/2017	30/04/2017	NA	R 199 180.50 Excl	R 189 696.00	2
Supply and delivery of Electrical and related Maintenance material	Giftron Distribution	15/02/2017	30/04/2017	NA	R 470 814.30	R 470 814.30	3
Transformer oil testing	Giftron Distribution	20/03/2017	30/04/2017	NA	R 71 353.28	R 71 353.28	3
Supply and delivery of Public Lighting Maintenance Material	Giftron Distribution	11/04/2017	11/06/2017	NA	R 281 535.31	R 281 535.31	3

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
Supply and Install Two 11kV Circuit Breakers	Mayivuthe Contractors	19/06/2017	19/08/2017	NA	R 1 146 270.00	R 0.00	-
Appointment of a service provider for the development of the Electrical Maintenance and Operation Plan	AES Consulting	19/06/2017	19/09/2017	NA	R 470 000.00	R 0.00	-
Supply and delivery of Materials for High Mast Light Connection	0459 Trading (Pty) Ltd	19/06/2017	30/06/2017	NA	R 45 145.00	R 45 145.00	4
Supply and deliver AI Plotter	Giftron Distribution	19/06/2017	03/07/2017	NA	R 40 698.00	R40 698.00	4
Telephone system	Telkom	01/05/2007	-	-	-	R1 000 000.00	4
Electronic Document Management	Business Engineering	01/02/2013	28/02/2016	28/02/2017	-	R1 152 000.00	4
Supply, Delivery and Maintenance of Copier Machines	Ditiro I.T. Resources & Services	01/05/2013	14 June 2016	14 June 2017	R2 520 000.00	R3 360 000.00	2
Maintenance of fire suppressors in Records	Multinet systems Pty (Ltd)	19/08/2014	18/08/2017	N/A	R522218.15	R24397.84	4
Electronic Gazette	Sabinet Online	01/01/2017	31/12/2017	N/A	R69443.37	R69443.37	4
Supply, Delivery and Assembly of Office Furniture	Esizwe Group cc	28/12/2016	28/12/2017	N/A	R325760.70	R325760.70	4

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
Co-sourcing of Internal Audit Services	Ngubane and CO.	06/02/2017	31/08/2017	N/A	R402 500.00	R350 000.00	4
Resurfacing of tennis courts	Tebogo and sons	19/06/2017	21/07/2017	N/A	R233 560.00	R0.00	-
Supply and delivery of refuse containers	MMT	18/04/2017	30/06/2017	N/A	R146.000.00	R146.000.00	3
Supply and delivery of one Ride on mower	Turf master	21/04/2017	24/05/2017	N/A	R185.520.00	R185.520.00	4
External compliance audit of the Landfill	ESS Solutions	20/03/2017	8/06/2017	N/A	R39 637.80	R39 637.80	4
Loosening of gravel at the landfill site and dumping gravel at the workface	T Kleynhans	20/03/2017	21/04/2017	N/A	R162 450 .00	R162 450 .00	4
Co-sourcing of Performance Management System	Institute of Performance Management	01/07/2016	30/06/2017	N/A	R480 000.00	R480 000.00	3
Supply & Delivery of Calendars, & Dairies	Mogoja Communications	20/12/2016	14/02/2017	N/A	R88522.00	R88522.00	4
Printing & Publishing of Newsletters	Tlotlego Media	30/03/2016.	30/05/2018	N/A	N/A	R204000.00	3
HCIT	Wireless Maintenance	11/05/2011	11/05/2013	Month to Month	N/A	R444000.00	4

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
IT Qhazululo	ICT Network & Infrastructure Support	03/8/2007	03/8/2009	Month to Month	N/A	R342000.00	4
SITA	Website Hosting	01/03/2014	01/03/2016	To be renewed	N/A	R64944.00	4
Installation of cashier cubicles - Protection Services	Al-cube Glass and Aluminium	15 June 2017	21 July 2017	N/A	R495 764.34	R0.00	-
Construction of Two electronic boom gate	Ledudulus Construction	23 June 2017	21 July 2017	N/A	R159 000.00	R0.00	-
Construction of concrete palisade fencing	Spinks Trading	2 June 2017	18 July 2017	N/A	R303 217.20	R0.00	-
Supply and delivery of two firearms	Gasebotwe Trading and Projects	31 May 2017	30 June 2017	N/A	R40 000.00	R40 000.00	3
Learners license system	Neo Solutions	1 April 2017	31 March 2018	N/A	R13 484 10(monthly)	R13 484 10(monthly)	3
Payroll	SAGE (VIP)	06/01/2011	ANNUAL CONTRACT	N/A	Schedule of rates	R-	4
Printing of statements	CAB	01/12/2016	30/11/2017	N/A	Rates per statement	R-	4
Banking Services	Absa	01/07/2012	30/06/2016	N/A	Schedule of rates	R-	2
Meter Reading	Grobbie Mietenste	01/07/2015	30/06/2017	N/A	R4.72 per meter	R-	3
Prepaid vending services	CONLOG	16/11/2016	29/07/2017	30/11/2018	Schedule of rates	R-	3
Debt Management Services	Zandile Debt Management	11/11/2016	11/11/2017	N/A	12% commission	R-	2

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
General Valuation roll and maintenance of the GV for 2012-2017	Uniqueco Properties	01/10/2012	30/06/2017	N/A	R1,140,000.00	R-	4
Vat Review	Maxprof	30/04/2014	30/04/2017	N/A	20% commission	R-	4
General Valuation roll for 2017-2022	Manna Holding	18/08/2016	30/06/2022	N/A	R883,262.50	R-	4
Maintenance and Installation of Air Conditioners	Mantahbo2 Air-Conditioning Electrical and General Construction	09/01/2015	30/12/2017	N/A	R-	R398 376.30	3
mSCOA Implementation	MUNSOFT	01/11/2016	31/08/2017	N/A	R969 000.00	R373 113.14	4
Leave management system	VIP	Continuation	Continuation	N/A	R-	R73161.50	3
Review of organizational structure, development of job descriptions and staff re-engineering	Lekoko Consulting	11/12/2015	31/07/2016	N/A	R1, 180 601.10	R963 901.00	3

## 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 2016/2017 municipality had employed 254 with the total of 15 vacancies. Municipality filled **254** vacant posts prioritised during the year under review. This include the appointment of the Municipal Manager.

The municipality has succeeded in retaining 94% of the workforce.

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#### 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 posts for Director Planning & Economic Development and Director Corporate Services remained vacant, due to difficulties in attracting suitable and qualified personnel. The position of the Director Infrastructure also resigned June 2017 end of financial year.

<b>Employees</b>					
<b>Description</b>	<b>2015/16</b>	<b>2016/17</b>			
	<b>Employees</b>	<b>Approved Posts</b>	<b>Employees</b>	<b>vacancies</b>	<b>Variance</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
Electricity	11	12	11	1	1%
Roads	42	56	48	8	6.2%
Transport	7	11	10	1	1%
Planning	8	7	7	0	100%
Local Economic Development	1	2	2	0	100%
Planning (Strategic & Regulatory)	1	4	3	1	1%
Community & Social Services	85	182	144	39	74%
Environmental Protection	29	0	0	0	0%
Corporate Policy Offices	29	27	25	2	2%
Support	18	8	5	3	3%
<b>Totals</b>	<b>231</b>	<b>309</b>	<b>255</b>	<b>54</b>	<b>5.9%</b>

<b>Vacancy Rate 2016/17</b>			
<b>Designations</b>	<b>*Total Approved Posts</b>	<b>*Variances (Total time that vacancies exist using fulltime equivalents)</b>	<b>*Variances (as a proportion of total posts in each category)</b>
	<b>No.</b>	<b>No.</b>	<b>%</b>
Municipal Manager	1	0	0%
CFO	1	0	0%
S57 Managers	6	5	1%

<b>Vacancy Rate 2016/17</b>			
<b>Designations</b>	<b>*Total Approved Posts</b>	<b>*Variances (Total time that vacancies exist using fulltime equivalents)</b>	<b>*Variances (as a proportion of total posts in each category)</b>
Senior management: Levels 13-15)	22	2	86%
<b>Total</b>	<b>22</b>	<b>2</b>	<b>78%</b>

<b>Turn-over Rate</b>			
<b>Details</b>	<b>Total Appointments as of beginning of Financial Year</b>	<b>Terminations during the Financial Year</b>	<b>Turn-over Rate*</b>
	<b>No.</b>	<b>No.</b>	
2016/17	28	4	24

## 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 five years which is adopted by the 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	27/05/2016	090108
2	Credit Control & Debt Collection policy	Yes	27/05/2016	090105
4	Overtime & Standby policy	Yes	27/05/2016	090109
5	Property Rates policy	Yes	27/05/2016	090103
6	SCM Policy	Yes	27/05/2016	090113
7	Travel & Subsistence policy	Yes	27/05/2016	090112
8	Acting Allowance policy	Yes	27/05/2016	090110

Ref	Policy Name	Approved	Reviewed	File/Resolution Number
9	Budget policy	Yes	27/05/2016	090100
10	Virement policy	Yes	27/05/2016	090099
13	Tariffs and Rates policy	Yes	27/05/2016	090102
14	Investment policy	Yes	27/05/2016	090107
15	Transport Allowance policy	Yes	27/05/2016	090111

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

- Four officials were suspended from duty for misconduct during the year under review.
- Two injuries were reported on duty and the incidents were reported to the Department of Labour.

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
	Days	No.	%	Days	R'000
Required basic medical attention only	0	0	0%	0	0
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
Total	0	0	0%	0	0

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#### 4.4 PERFORMANCE REWARDS

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

The municipality has conducted the 2016/2017 annual performance assessments for three 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

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#### 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 the financial year. Municipality spent **R182 720.00** on employees training.

##### ***Training for officials***

<b>PROGRAMME</b>	<b>NO. OF OFFICIALS</b>	<b>STATUS</b>
MFMP	3	Completed
Electronic Recordkeeping	10	Completed
Computer training	2	Continuing
Secretariat Course	7	Completed
<b>Total</b>	<b>22</b>	

### Training for councillors

PROGRAMME	NO. OF COUNCILLORS	STATUS
Municipal Governance	5	Continuing
Councillors Induction Programme	28	Completed
<b>Total</b>	<b>33</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	Not appointed	Reason for appointment when no established post exists
None	0	0	0	0
None	0	0	0	0
None	0	0	0	0

### Disclosure of financial interest

Disclosure forms were given to employees and councillors at the beginning of the financial year for completion. No conflict of interest were identified.

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

<b>Beneficiaries</b>	<b>Gender</b>	<b>Total</b>
Lower skilled (levels 1-2)	Female	0
	Male	5
Skilled (levels 3-5)	Female	4
	Male	0
Highly skilled production (levels 6-8)	Female	
	Male	0
Highly skilled supervision (levels9-12)	Female	
	Male	
Senior management (levels13-16)	Female	0
	Male	2
MM and S 57	Female	0
	Male	0
<b>Total</b>		<b>11</b>

## 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 2017 for the financial year 2016/17. The aforesaid components of the financial statements discussed in detail below:

## 5.1 STATEMENT OF FINANCIAL PERFORMANCE

Description	Ref	2015/16	Budget Year 2016/17					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>								
<b>Revenue By Source</b>								
Property rates		29,798	28,372	30,058	31,425	30,058	(1,367)	-5%
Property rates - penalties & collection charges					-		-	0%
Service charges - electricity revenue		45,785	54,204	47,637	49,623	47,637	(1,985)	-4%
Service charges - water revenue			-	-	-	-	-	0%
Service charges - sanitation revenue			-	-	-	-	-	0%
Service charges - refuse revenue		3,216	4,408	4,360	3,228	4,360	1,131	26%
Service charges - other					-		-	0%
Rental of facilities and equipment		138	209	143	113	143	31	21%
Interest earned - external investments		4,677	1,241	6,535	7,435	6,535	(901)	-14%
Interest earned - outstanding debtors		3,502	2,376	4,747	4,977	4,747	(230)	-5%
Dividends received				-	-	-	-	0%
Fines		1,554	731	248	1,257	248	(1,009)	-407%
Licences and permits		2,457	3,396	3,121	4,016	3,121	(895)	-29%
Agency services		3,994	8,078	7,035	-	7,035	7,035	100%
Transfers recognised - operational		121,961	120,624	120,624	120,499	120,624	125	0%
Other revenue		913	5,350	2,941	3,383	2,941	(442)	-15%
Gains on disposal of PPE			600	600	-	600	600	100%
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>217,995</b>	<b>229,589</b>	<b>228,049</b>	<b>225,956</b>	<b>228,049</b>	<b>2,092</b>	<b>1%</b>
<b>Expenditure By Type</b>								
Employee related costs		59,377	70,710	73,122	70,976	73,122	2,146	3%
Remuneration of councillors		10,633	11,663	11,663	11,329	11,663	334	3%
Debt impairment		3,497	7,314	7,314	9,403	7,314	(2,089)	-29%
Depreciation & asset impairment		41,399	44,944	44,944	43,263	44,944	1,681	4%
Finance charges		2,429	798	398	3,494	398	(3,096)	-778%
Bulk purchases		27,803	29,355	29,355	29,357	29,355	(2)	0%
Other materials		7,879	13,093	10,489	6,839	10,489	3,650	35%
Contracted services		4,680	8,821	13,196	13,009	13,196	186	1%
Transfers and grants		1,937	2,750	2,470	3,228	2,470	(758)	-31%
Other expenditure		37,034	58,808	57,755	27,534	57,755	30,221	52%
Loss on disposal of PPE				-	-	-	-	0%
<b>Total Expenditure</b>		<b>196,668</b>	<b>248,256</b>	<b>250,705</b>	<b>218,430</b>	<b>250,705</b>	<b>32,275</b>	<b>13%</b>
<b>Surplus/(Deficit)</b>		<b>21,327</b>	<b>(18,667)</b>	<b>(22,656)</b>	<b>7,526</b>	<b>(22,656)</b>	<b>(30,182)</b>	<b>133%</b>
Transfers recognised - capital		46,309	31,917	40,324	37,720	40,324	2,604	6%
Contributions recognised - capital			-				-	
Contributed assets							-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>67,636</b>	<b>13,250</b>	<b>17,668</b>	<b>45,247</b>	<b>17,668</b>		
Taxation			-	-		-	-	
<b>Surplus/(Deficit) after taxation</b>		<b>67,636</b>	<b>13,250</b>	<b>17,668</b>	<b>45,247</b>	<b>17,668</b>		
Attributable to minorities								
<b>Surplus/(Deficit) attributable to municipality</b>		<b>67,636</b>	<b>13,250</b>	<b>17,668</b>	<b>45,247</b>	<b>17,668</b>		
Share of surplus/ (deficit) of associate								
<b>Surplus/ (Deficit) for the year</b>		<b>67,636</b>	<b>13,250</b>	<b>17,668</b>	<b>45,247</b>	<b>17,668</b>		

Description	Ref	2015/16	Budget Year 2016/17					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1							
<b>Revenue - Standard</b>								
<b>Governance and administration</b>		<b>153,235</b>	<b>156,477</b>	<b>163,887</b>	<b>159,374</b>	<b>163,887</b>	4,513	3%
Executive and council		7,526	8,286	2,123	1,709	2,123	414	20%
Budget and treasury office		145,709	148,190	161,763	157,665	161,763	4,097	3%
Corporate services		-	-	2	-	2	2	100%
<b>Community and public safety</b>		<b>173</b>	<b>2,570</b>	<b>10,459</b>	<b>12,178</b>	<b>10,459</b>	(1,719)	-16%
Community and social services		34	30	34	28	34	6	18%
Sport and recreation		-	-	-	-	-	-	0%
Public safety		-	2,275	10,281	11,928	10,281	(1,647)	-16%
Housing		138	265	143	222	143	(78)	-55%
Health		-	-	-	-	-	-	0%
<b>Economic and environmental services</b>		<b>59,128</b>	<b>43,848</b>	<b>40,330</b>	<b>37,733</b>	<b>40,330</b>	2,596	6%
Planning and development		674	-	5	13	5	(8)	-138%
Road transport		58,454	43,848	40,324	37,720	40,324	2,604	6%
Environmental protection		-	-	-	-	-	-	0%
<b>Trading services</b>		<b>51,768</b>	<b>58,611</b>	<b>53,697</b>	<b>54,391</b>	<b>53,697</b>	(694)	-1%
Electricity		47,076	54,204	49,013	50,861	49,013	(1,847)	-4%
Water		-	-	-	-	-	-	0%
Waste water management		-	-	-	-	-	-	0%
Waste management		4,692	4,408	4,684	3,531	4,684	1,153	25%
<b>Other</b>	4	-	-	-	-	-	-	0%
<b>Total Revenue</b>	2	<b>264,304</b>	<b>261,506</b>	<b>268,373</b>	<b>263,677</b>	<b>268,373</b>	4,696	2%
<b>Expenditure - Standard</b>								
<b>Governance and administration</b>		<b>107,397</b>	<b>145,935</b>	<b>146,971</b>	<b>120,577</b>	<b>146,971</b>	26,395	18%
Executive and council		25,027	32,561	31,872	29,587	31,872	2,285	7%
Budget and treasury office		62,364	88,570	89,709	69,844	89,709	19,866	22%
Corporate services		20,005	24,804	25,390	21,146	25,390	4,244	17%
<b>Community and public safety</b>		<b>13,272</b>	<b>17,549</b>	<b>38,937</b>	<b>34,061</b>	<b>38,937</b>	4,876	13%
Community and social services		4,810	7,185	6,986	5,915	6,986	1,071	15%
Sport and recreation		1,121	1,845	1,917	1,574	1,917	344	18%
Public safety		2,851	3,331	21,309	19,524	21,309	1,785	8%
Housing		4,490	5,189	5,402	4,036	5,402	1,366	25%
Health		-	-	3,323	3,013	3,323	310	9%
<b>Economic and environmental services</b>		<b>29,769</b>	<b>38,380</b>	<b>19,232</b>	<b>14,414</b>	<b>19,232</b>	4,818	25%
Planning and development		1,656	4,105	4,954	2,690	4,954	2,264	46%
Road transport		28,113	34,275	14,278	11,724	14,278	2,553	18%
Environmental protection		-	-	-	-	-	-	-
<b>Trading services</b>		<b>51,033</b>	<b>46,391</b>	<b>45,565</b>	<b>43,925</b>	<b>45,565</b>	1,639	4%
Electricity		43,731	39,186	39,041	39,581	39,041	(540)	-1%
Water		-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-
Waste management		7,302	7,205	6,524	4,345	6,524	2,179	33%
<b>Other</b>		-	-	-	-	-	-	-
<b>Total Expenditure</b>	3	<b>201,471</b>	<b>248,256</b>	<b>250,705</b>	<b>212,978</b>	<b>250,705</b>	37,727	15%
<b>Surplus/ (Deficit) for the year</b>		<b>62,833</b>	<b>13,250</b>	<b>17,668</b>	<b>50,699</b>	<b>17,668</b>	(33,031)	-187%

## **Comments on Financial Performance: Revenue**

### **Property rates**

The original budgeted for property rates for 2016/17 financial year was R28 million which was adjusted to R31 Million remained the same in the adjustment budget. The actual revenue generated was R31 million. This was due to monthly property rates reconciliation which lead to a favorable adjustment during the year.

### **Service charges**

This is made up of service charges for electricity and refuse removal and the budget thereof was R58.6 Million which was adjusted to R51.9 Million. The actual revenue generated was R52.8 Million which reflect a favorable variance of R854 Thousand which arises as a results of private businesses saving on electricity usage.

### **Investment revenue**

The original budget for interest on investment was R1.2 million which was adjusted to R6.5 million. The actual on investment revenue was R7.4 Million and this resulted in to a favorable variance of R900 Thousand. This is as a results of interest on generated on primary bank account as a results of late spending on capital projects.

### **Transfer recognized - operational**

This is revenue realized from both conditional and unconditional operating grants and subsidies including equitable share. The original budget thereof was R120 624 Million and it was never adjusted during the 2016/17 financial year adjustments budget. All the operating grants were fully spent expect for EPWP grant which had an unspent balance of R125 Thousand at the end of financial year.

### **Other Income**

Original budget for other income was R5 million and it was adjusted upwards to R2.9 million and R 3 Million was realized.

## **Comments on Financial Performance: Expenditure**

### **Employee related cost**

The original budget was R70 million and it was slightly adjusted downwards to R73 million. The actual expenditure incurred is R70.9 million and this resulted in a saving of R2.1 Million.

### **Depreciation and asset impairment**

Provision was made in the budget for capital asset depreciation and impairment and the budget thereof was R44.9 which remain the same in the adjustment budget and the actual depreciation and impairment of assets is R43.2 million resulting in immaterial unfavorable variance of 4%.

## Bulk purchases

The major portion of this line item was mainly for purchase of electricity. The original budget thereof was R29.3 million which remain the same during adjustment budget. The actual expenditure incurred was R29.3 million and this resulted in an immaterial variance of -2%.

## Other expenditure

The original budget was R58 million and it was adjusted slightly upward to R 57.7 million and the actual expenditure incurred was R27.5 million and this resulted in under-spending variance as a results of budgeting for separate line items inside other/general expenditure.

### 5.2 GRANTS

Description	2015/16	Budget Year 2016/17					
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>R thousands</b>							%
<b>RECEIPTS:</b>							
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>110,374</b>	<b>120,624</b>	<b>120,624</b>	<b>120,535</b>	<b>120,624</b>	<b>-</b>	
Local Government Equitable Share	106,323	117,556	117,556	117,467	117,556	89	0.1%
Energy Efficiency and Demand Management		-					
Finance Management	1,675	1,810	1,810	1,810	1,810		
EPWP Incentive	1,157	1,258	1,258	1,258	1,258		
Municipal Systems Improvement	1,219						
<b>Total Operating Transfers and Grants</b>	<b>110,374</b>	<b>120,624</b>	<b>120,624</b>	<b>120,535</b>	<b>120,624</b>	<b>89</b>	<b>0.1%</b>

Description	2015/16	Budget Year 2016/17					
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>R thousands</b>							%
<b>RECEIPTS:</b>							
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>110,374</b>	<b>120,624</b>	<b>120,624</b>	<b>120,535</b>	<b>120,624</b>	<b>-</b>	
Local Government Equitable Share	106,323	117,556	117,556	117,467	117,556	89	0.1%
Energy Efficiency and Demand Management		-					
Finance Management	1,675	1,810	1,810	1,810	1,810		

EPWP Incentive	1,157	1,258	1,258	1,258	1,258		
Municipal Systems Improvement	1,219						
<b>Total Operating Transfers and Grants</b>	<b>110,374</b>	<b>120,624</b>	<b>120,624</b>	<b>120,535</b>	<b>120,624</b>	-	

### Comment on Operating Transfers and Grants

All grants gazetted for 2016/17 financial year were received except R89 Thousand variance on equitable share which was erroneously withheld by treasury. Cognisance should be taken that the above table does not include capital grants. The total amount received on operational grants amounted to R120. Million during the 2016/17 financial year. Nonetheless, gazetted capital grants were also received in full during the financial year.

### Comment on Conditional Grants and Grants Received From Other Sources

No grants were received from other sources.

## 5.3 ASSET MANAGEMENT

Description	2015/16	Budget Year 2016/17					
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>R thousands</b>							%
-							
-							
TOTAL ASSET REGISTER SUMMARY - PPE	803,262	829,058	829,058	826,068	829,058	2,990	0.4%
Other materials	7,879	13,093	10,489	6,839	10,489	3,650	34.8%
Total Capital Expenditure – Standard	64,980	65,508	69,926	53,765	69,926	16,161	23.1%

### Comment on Asset Management:

The asset register value for 2016/17 was budget for R829 million which was not adjusted. The actual book value as at end of 2016/17 financial year is R826 million.

The movement that affect the asset register was with regards to Depreciation and asset impairment that had an actual amount R43 million. Cognisance should be taken that this from budget point of view is a non cash item (i.e. the movement did not have cash flow implication) and as a result it is pure financial accounting transaction.

In addition, capital expenditure amounting to R6.8 million and repairs and maintenance amounting to R53.7 million was incurred during the 2016/17 financial year.

Description	2015/16	Budget Year 2016/17					
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>R thousands</b>							%
Other materials	7,879	13,093	10,489	6,839	10,489	3,650	34.8%

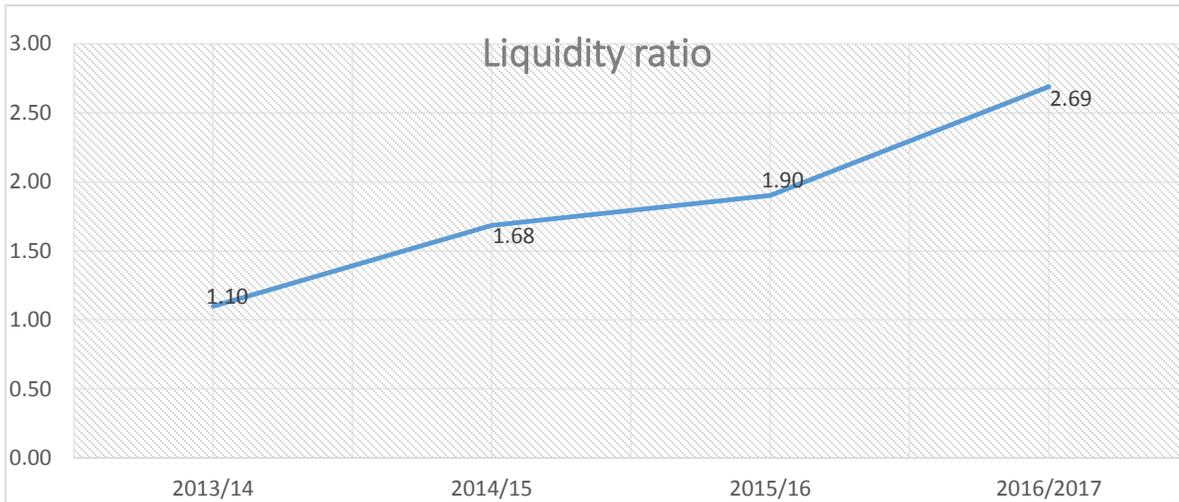
### Comment on Repair and Maintenance Expenditure

The repairs and maintenance budget represent 4% of the total operating budget. A total of R7. Million was spent, reflecting an under-spending of 23% based on the adjusted budget.

## 5.4 FINANCIAL RATIO'S

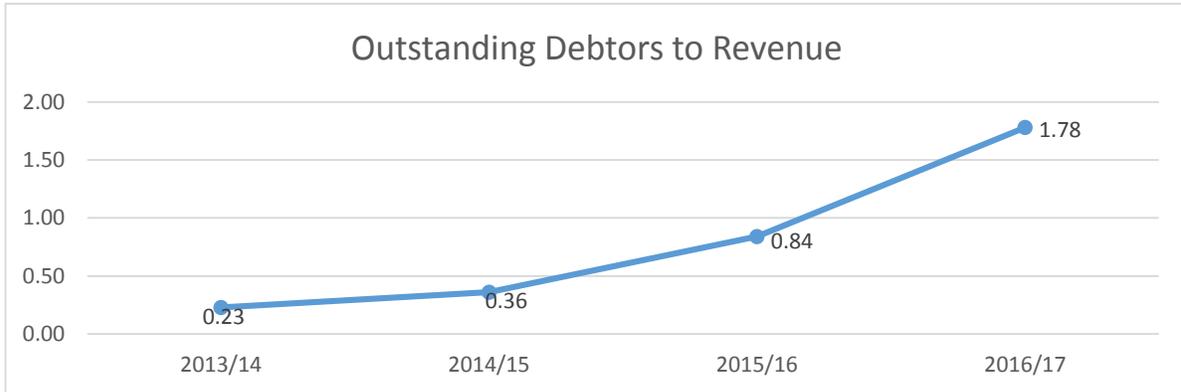
### Graph 1: Liquidity ratio

Liquidity Ratio – Measures the municipality's ability to pay its bills, and is calculated by dividing the monetary assets by the municipality's current liabilities. A higher ratio is better.



### Graph 2: Outstanding Debtors to revenue

Outstanding Service Debtors to Revenue - Measures how much money is still owed by the community for electricity, waste removal and other services, compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors, by the total annual revenue. A lower score is better.



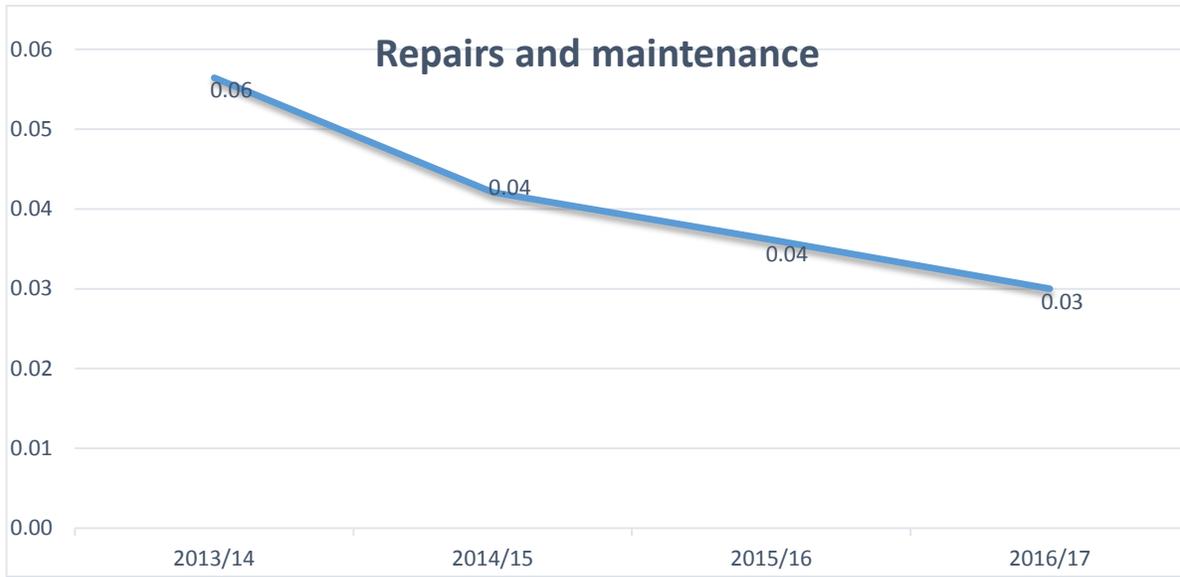
**Graph 3: Employee cost**

Employee related cost ratio measures what portion of revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue



**Graph 4: Repairs and maintenance**

Repairs and Maintenance - This represent the proportion of operating expenditure spent, and is calculated by dividing the total repairs and maintenance by total revenue excluding capital revenue.



**Comment on Financial Ratios:**

The municipality is in a process of improving its ability to spend the 8% threshold of operating expenditure for repairs and maintenance. Liquidity will also improve as the municipality has placed stringent internal controls over unnecessary expenditure, in order to improve the cash flow situation

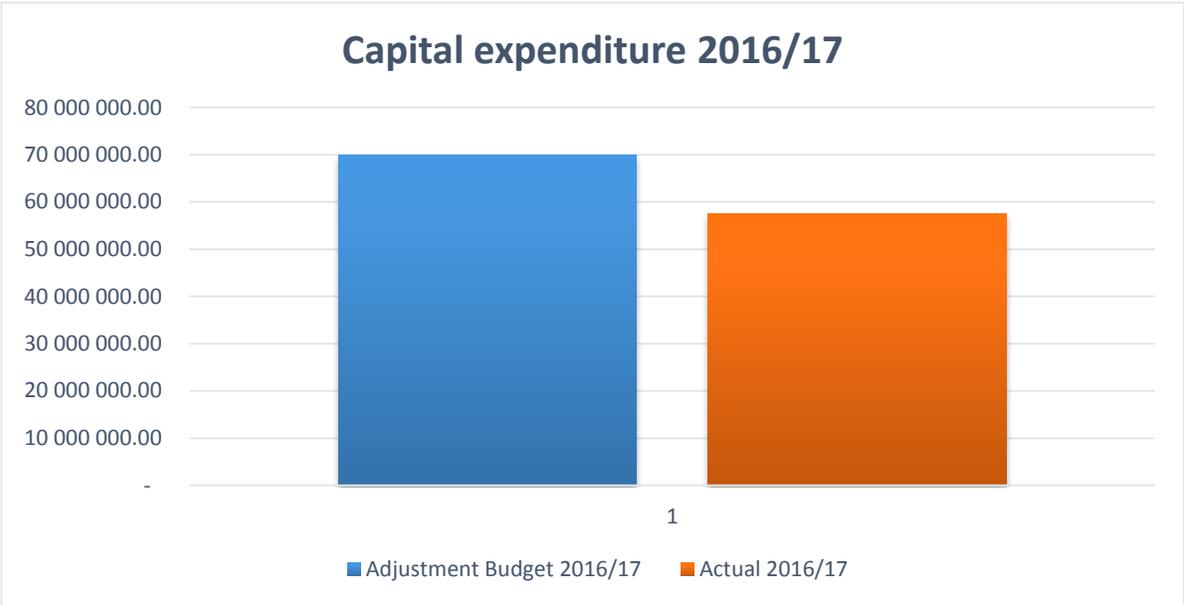
**COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**

**5.5 CAPITAL EXPENDITURE**

**Introduction**

Capital expenditure relates mainly to construction of projects that will have value lasting over many years. Capital expenditure is funded from grants and own revenue. Component B deals with capital spending, indicating where the funding comes from and whether the Municipality is able to spend the available funding as planned. In this component, it is important to indicate the different sources of funding as well as how these funds are spent.

**Graph 5: Capital Expenditure 2016/17**



## 5.6 SOURCE OF FINANCE

Vote Description	2015/16	Budget Year 2016/17					
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>							
<b>Funded by:</b>							
National Government	46,309	31,917	40,324	37,720	40,324	(2,604)	-6%
Provincial Government				-	-	-	
District Municipality						-	
Other transfers and grants				-	-	-	
<b>Transfers recognised - capital</b>	<b>46,309</b>	<b>31,917</b>	<b>40,324</b>	<b>37,720</b>	<b>40,324</b>	<b>(2,604)</b>	<b>-6%</b>
<b>Public contributions &amp; donations</b>						-	
<b>Borrowing</b>		-				-	
<b>Internally generated funds</b>	18,671	33,591	29,602	19,846	29,602	(9,756)	-33%
<b>Total Capital Funding</b>	<b>64,980</b>	<b>65,508</b>	<b>69,926</b>	<b>57,566</b>	<b>69,926</b>	<b>(12,360)</b>	<b>-18%</b>
<b>Capital Expenditure - Standard Classification</b>							
<b>Governance and administration</b>	<b>140</b>	<b>1,772</b>	<b>1,938</b>	<b>1,462</b>	<b>1,938</b>	(476)	-25%
Executive and council	82	800	900	791	900	(109)	-12%
Corporate services	58	972	1,038	671	1,038	(367)	-35%
<b>Community and public safety</b>	<b>2,131</b>	<b>5,574</b>	<b>3,760</b>	<b>2,878</b>	<b>3,760</b>	(882)	-23%
Community and social services	1,732	2,300	1,300	971	1,300	(329)	-25%
Sport and recreation		250	250	234	250	(16)	-7%
Public safety	399	2,224	2,090	1,420	2,090	(670)	-32%
Housing		800	120	254	120	134	111%
<b>Economic and environmental services</b>	<b>60,558</b>	<b>51,417</b>	<b>57,957</b>	<b>49,862</b>	<b>57,957</b>	(8,095)	-14%
Planning and development				-		-	
Road transport	60,558	51,417	57,957	49,862	57,957	(8,095)	-14%
<b>Trading services</b>	<b>2,151</b>	<b>6,745</b>	<b>6,271</b>	<b>3,364</b>	<b>6,271</b>	(2,907)	-46%
Electricity	2,151	5,425	4,901	2,876	4,901	(2,025)	-41%
Waste management		1,320	1,370	488	1,370	(882)	-64%
<b>Total Capital Expenditure - Standard Classification</b>	<b>64,980</b>	<b>65,508</b>	<b>69,926</b>	<b>57,566</b>	<b>69,926</b>	<b>(12,360)</b>	<b>-18%</b>

### Comment on Sources of Funding:

The original capital budget for 2016/17 financial was R65 million that was adjusted upward to R69.9 million. The actual expenditure was R57 million and reflects under-spending variance of R12 on the adjusted budget which was mainly as a result not spending on internal funded projects

### The Budget was funded as Follows:

Original budget – R31.9 million was funded by grants and R33.5 million was funded internally

Adjusted budget – R40 million was funded by grants and R29.6 million was funded internally

Actual expenditure – R37.7 million was funded by grants and R19.8 million was funded internally.

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Vote Description	Budget Year 2016/17				
	Original Budget	Adjusted Budget	YearTD actual	Original Variance	Adjusted Variance %
<b>R thousands</b>					
ELANDSKRAAL INTERNAL STREETS	7,000	10,000	9,325	-33%	7%
MOHLALAOTWANE INTERNAL STREET	-	10,007	8,891	-	11%
RATHOKE INTERNAL STREET	7,000	7,000	6,158	12%	12%
PHETWANE INT ROAD	7,000	8,000	6,564	6%	18%
NGWALEMONG INTERNAL STREETS	7,000	6,000	2,923	58%	51%

<b>Name of Project - A</b>	Elandskraal Internal Streets
Objective of project	To improve municipal roads' infrastructure for socio-economic growth
Delays	None
Future challenges	None
Anticipated citizen benefits	Job creation, skills transferred and improved road infrastructure
<b>Name of Project - B</b>	Mohlalaotwane Internal Street
Objective of project	To improve municipal roads' infrastructure for socio-economic growth
Delays	None
Future challenges	None
Anticipated citizen benefits	Job creation, skills transferred and improved road infrastructure
<b>Name of Project - C</b>	Rathoke Internal Street
Objective of project	To improve municipal roads' infrastructure for socio-economic growth
Delays	None

Future challenges	None
Anticipated citizen benefits	Job creation, skills transferred and improved town development
<b>Name of Project - D</b>	Phetwane Internal Street
Objective of project	To improve municipal roads' infrastructure for socio-economic growth
Delays	No
Future challenges	None
Anticipated citizen benefits	Job creation, skills transferred and improved road infrastructure
<b>Name of Project –E</b>	Ngwalemong Internal Street
Objective of project	To improve municipal roads' infrastructure for socio-economic growth
Delays	No
Future challenges	None
Anticipated citizen benefits	Job creation, skills transferred and improved road infrastructure

**Comment on Capital Projects:**

During 2016/2017 Financial Year, the Municipality received the Total Allocation of R29.3 million MIG grant of which the municipality has spent 100%. However cognizance should be drawn to the fact that R2.6 Million was withheld by treasury due to slow pace of spending on MIG during 2016/2017 financial year. The municipality also manage to spend 100% on the MIG rollover of R8 Million.

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

### Introduction

There is still huge backlog in terms of Basic Infrastructure that is Water and Sanitation which is implemented at District level. The backlog for Electricity is not that huge as most households have access to electricity. There is also a backlog on roads projects as most of the wards do not have tarred roads due to lack of funds.

Municipal Infrastructure Grant (MIG)* Expenditure 2016/17 on Service backlogs						
R' 000						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
<b>Infrastructure - Road transport</b>						
<i>Roads, Pavements &amp; Bridges</i>	R31,917	R 40,324	R 37,720	-R5,803	R2,604	
<i>Storm water</i>	R0	R0	R0	R0	R0	
<b>Infrastructure - Electricity</b>						
<i>Generation</i>	R0	R0	R0	R0	R0	
<i>Street Lighting</i>	R0	R0	R0	R0	R0	
<b>Infrastructure - Other</b>						
<i>Transportation</i>	R0	R0	R0	R0	R0	
<i>Gas</i>	R0	R0	R0	R0	R0	
<b>Other Specify:</b>						
<i>Cemetries</i>	R0	R0	R0	R0	R0	
<i>Street Parking</i>	R0	R0	R0	R0	R0	
<i>Waste Management</i>	R0	R0	R0	R0	R0	
<b>Total</b>	R31,917	R 40,324	R 37,720	-R5,803	R2,604	

<b>Service Backlogs as at 30 June 2017</b>				
<b>Households (HHs)</b>				
	<b>*Service level above minimum standard</b>		<b>**Service level below minimum standard</b>	
	<b>No HHs</b>	<b>% HHs</b>	<b>No HHs</b>	<b>% HHs</b>
Electricity	32696	97%	1027	3%
Waste management	5619	16.54 %	28344	83.45%
Housing	n/a	n/a	n/a	n/a

**Comment on Backlogs:**

The electricity backlog is 3% and 97% of households has access to electricity.

Roads and storm water as key function of the municipality is being implemented by MIG funds and own funding. The municipality has a serious backlog on roads and storm water and has challenges of resources and lack of funding to enable them to deal with the backlog.

There is a backlog of 83.45% on waste management as the access to collection service is only provided in three (3) wards and which is one formal town and 2 former R 293 towns.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### Introduction

The cash flow outcome presents the actual revenue and actual payments made during the year under review. Actual revenue realised should be differentiated from revenue billed because revenue billed does not portray the holistic financial position and performance of the municipality.

As a result, the cash flow outcome is presented on cash basis as opposed accrual basis of accounting.

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### 5.9 CASH FLOW

Comment on Cash-Flow Outcomes:

Cash and cash equivalent at the beginning of the financial year was R105.7 million. The actual cash and cash equivalent as at end of the financial year is R124.7 million.

Cognizance should be taken that the municipality is still dependent on grants since a major portion of revenue realized is made up of Transfer recognized (both operating and capital).

Description	2015/16	Budget Year 2016/17			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget
<b>R thousands</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates, penalties & collection charges	18,956	24,116	24,647	25,768	24,647
Service charges	40,335	49,351	42,638	46,130	42,638
Other revenue	3,503	17,767	13,488	2,359	13,488
Government - operating	115,602	120,624	120,624	119,667	120,624
Government - capital	52,405	31,917	40,324	29,313	40,324
Interest	4,677	3,617	9,383	12,412	9,383
Dividends		-	-		-
<b>Payments</b>					
Suppliers and employees	(134,334)	(190,848)	(195,579)	(161,063)	(195,579)
Finance charges	(376)	(798)	(398)	(261)	(398)
Transfers and Grants	(1,937)	(2,750)	(2,470)		(2,470)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>98,831</b>	<b>52,996</b>	<b>52,657</b>	<b>74,327</b>	<b>52,657</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	-		600	-	600
Decrease (Increase) in non-current debtors			-		
Decrease (increase) other non-current receivables			-		
Decrease (increase) in non-current investments		1,850	1,850		1,850
<b>Payments</b>					
Capital assets	(64,980)	(65,508)	(69,926)	(53,765)	(69,926)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(64,980)</b>	<b>(63,658)</b>	<b>(67,476)</b>	<b>(53,765)</b>	<b>(67,476)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Short term loans					
Borrowing long term/refinancing					
Increase (decrease) in consumer deposits					
<b>Payments</b>					
Repayment of borrowing	(1,407)	(1,865)	(967)	(1,538)	(967)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(1,407)</b>	<b>(1,865)</b>	<b>(967)</b>	<b>(1,538)</b>	<b>(967)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>32,444</b>	<b>(12,527)</b>	<b>(15,786)</b>	<b>19,024</b>	<b>(15,786)</b>
Cash/cash equivalents at beginning:	80,805	74,879		105,722	74,879
Cash/cash equivalents at month/year end:	113,249	62,352	(15,786)	124,746	59,093

## 5.10 BORROWING AND INVESTMENTS

<b>Actual Borrowings 2015/16 -2016/17 - R'000</b>			
<b>Instrument</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
<b><u>Municipality</u></b>			
Long-term loans (annuity/reducing balance)	n/a	n/a	n/a
Long-term loans (non-annuity)	n/a	n/a	n/a
Local registered stock	n/a	n/a	n/a
Instalment credit	n/a	n/a	n/a
Financial leases	5 015	2 946	1 538
PPP liabilities	n/a	n/a	n/a
Finance granted by cap equipment supplier	n/a	n/a	n/a
Marketable bonds	n/a	n/a	n/a
Non-marketable bonds	n/a	n/a	n/a
Bankers acceptances	n/a	n/a	n/a
Financial derivatives	n/a	n/a	n/a
Other securities	n/a	n/a	n/a
<b>Municipal Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
	n/a	n/a	n/a
<b><u>Municipal Entities</u></b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Long-term Loans (annuity/reducing balance)	n/a	n/a	n/a
Long-term Loans (non-annuity)	n/a	n/a	n/a

<b>Actual Borrowings 2015/16 -2016/17 - R'000</b>			
Local registered stock	n/a	n/a	n/a
Instalment credit	n/a	n/a	n/a
Financial leases	n/a	n/a	n/a
PPP liabilities	n/a	n/a	n/a
Finance granted by cap equipment supplier	n/a	n/a	n/a
Marketable bonds	n/a	n/a	n/a
Non-Marketable bonds	n/a	n/a	n/a
Bankers acceptances	n/a	n/a	n/a
Financial derivatives	n/a	n/a	n/a
Other Securities	n/a	n/a	n/a
<b>Entities Total</b>	n/a	n/a	n/a

<b>Municipal and Entity Investments 2015/16 - 2016/17 - R'000</b>			
<b>Investment type</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actuals</b>
<b><u>Municipality</u></b>			
Securities - national government	–	–	–
Listed corporate bonds	–	–	–
Deposits –bank	22 400	23 838	25 510
Deposits -public investment commissioners	–	–	–
Deposits -corporation for public deposits	–	–	–
Bankers'acceptance certificates	–	–	–
Negotiable certificates of deposit - Banks	–	–	–
Guaranteed endowment policies (sinking)	–	–	–

<b>Municipal and Entity Investments 2015/16 - 2016/17 - R'000</b>			
<b>Investment type</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actuals</b>
Repurchase agreements - Banks	-	-	-
Municipal bonds	-	-	-
Other	-	-	-
<b><u>Municipal Entities</u></b>			
Securities - National government	-	-	-
Listed corporate bonds	-	-	-
Deposits – Bank	-	-	-
Deposits - Public Investment Commissioners	-	-	-
Deposits - Corporation for Public Deposits	-	-	-
Bankers' acceptance certificates	-	-	-
Negotiable certificates of deposit- Banks	-	-	-
Guaranteed endowment policies (sinking)	-	-	-
Repurchase agreements – Banks	-	-	-
Municipal bonds	-	-	-
Other	-	-	-
<b>Entities Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated Total:</b>	<b>22 400</b>	<b>23 838</b>	<b>25 510</b>

Comment on Borrowing and Investments:

The Municipality's closing balance on Investments for 2016/17 financial year was R25.5million. The Municipality's closing balance on Finance at 2016/17 financial year was R1.5Million.

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### 5.11 PUBLIC PRIVATE PARTNERSHIPS

Not applicable

## COMPONENT D: OTHER FINANCIAL MATTERS

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### 5.12 SUPPLY CHAIN MANAGEMENT

The financial statements for the 2016/17 present an irregular expenditure of R44.9 million as an opening balance which was written off by council. This leaves the municipality with overall irregular expenditure of R3.6 million that emanated mainly from procurement of goods and services without fully following the supply chain management processes.

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### 5.13 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules and principles by which municipalities are required to abide by in preparing the financial statements. Successful GRAP compliance and implementation will ensure that municipal accounts are transparent, comparable and more informative to the users of the financial statements.

## CHAPTER 6: AUDITOR GENERAL REPORT

### Introduction

The municipality received a qualified opinion from the Office of the Auditor General with respect to 2016/17.

## COMPONENT A: AUDITOR GENERAL'S OPINION OF FINANCIAL STATEMENTS

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### 6.1 AUDITOR GENERAL'S REPORT 2016/17

Refer attached report from the office of the Auditor General for the 2016/17 financial year ended 30 June 2017

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.

<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.

<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>