



EPHRAIM MOGALE
LOCAL
MUNICIPALITY

**ANNUAL
REPORT
2015-16**

CONTENTS

CHAPTER 1: MAYOR'S FORWARD AND EXECUTIVE SUMMARY	7
COMPONENT A: MAYOR'S FOREWORD.....	7
COMPONENT B: EXECUTIVE SUMMARY	10
1.1 MUNICIPAL MANAGER'S OVERVIEW	10
1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW.....	10
1.3 SERVICE DELIVERY OVERVIEW	13
1.4 FINANCIAL HEALTH OVERVIEW	15
1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW	17
1.6 AUDITOR GENERAL REPORT	19
1.7 STATUORY ANNUAL REPORT PROCESS.....	20
CHAPTER 2 - GOVERNANCE	22
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....	22
2.1. POLITICAL GOVERNANCE.....	23
2.2 ADMINISTRATIVE GOVERNANCE	26
COMPONENT B: INTERGOVERNMENTAL RELATIONS.....	30
2.3 INTERGOVERNMENTAL RELATIONS.....	30
COMPONENT C: PUBLIC ACCONTABILITY AND PARTICIPATION	30
2.4 PUBLIC MEETINGS	31
2.5 IDP PARTICIPATIOn AND ALIGNMENT.....	32
COMPONENT D: CORPORATE GOVERNANCE.....	33
2.6 RISK MANAGEMENT	35
2.7 ANTI-CORRUPTION AND FRAUD.....	37
2.8 SUPPLY CHAIN MANAGEMENT.....	38
2.9 BY-LAWS	39

2.10 WEBSITES.....	39
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES.....	40
CHAPTER 3: SERVICE DELIVERY.....	41
COMPONENT A: BASIC SERVICES.....	42
3.1 WATER PROVISION	42
3.2 WASTE WATER (SANITATION) PROVISION	42
3.3 ELECTRICITY	42
3.4 WASTE MANAGEMENT.....	45
3.5 HOUSING	47
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: SECUTITY AND SAFETY.....	62
3.20 POLICE.....	62
3.21 FIRE	62
3.22 DISASTER MANAGEMENT.....	62
COMPONENT H: SPORT AND RECREATTION	62
3.23 SPORT AND RECREATION.....	63
COMPONENT I: CORPORATE POLICY SERVICES	64
3.24 EXECUTIVE AND COUNCIL	64
3.25 FINANCIAL SERVICES.....	64
3.26 HUMAN RESOURCES SERVICES.....	64
3.27 INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES	65
3.28 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES	67
COMPONENT J: MISCELLANEOUS	70
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD	70
KPA 1: SPATIAL RATIONALE.....	72
KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	75
KPA 3: LOCAL ECONOMIC DEVELOPMENT	88
KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	90
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT.....	98
KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION	100
PERFORMANCE OF SERVICE PROVIDERS FOR 2015/16 FINANCIAL YEAR.....	104
CHAPTER 4 – HUMAN RESOURCE MANAGEMENT	111

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL.....	111
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES.....	111
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	113
4.2 POLICIES.....	114
4.3 INJURIES, SICKNESS AND SUSPENSIONS	115
4.4 PERFORMANCE REWARDS.....	116
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	116
4.5 SKILLS DEVELOPMENT AND TRAINING	116
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE	117
4.6 EMPLOYEE EXPENDITURE	117
CHAPTER 5: FINANCIAL PERFORMANCE.....	119
COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE.....	119
5.1 STATEMENT OF FINANCIAL PERFORMANCE.....	120
5.2 GRANTS.....	125
5.3 ASSET MANAGEMENT	126
5.4 FINANCIAL RATIO'S.....	127
COMPONENT B: SPENDING AGAINST CAPITAL bUDGET	129
5.5 CAPITAL EXPENDITURE	129
5.6 SOURCE OF FINANCE	130
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS.....	131
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS	133
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS.....	135
5.9 CASH FLOW.....	135
5.10 BORROWING AND INVESTMENTS	137
5.11 PUBLIC PRIVATE PARTNERSHIPS.....	140

COMPONENT D: OTHER FINANCIAL MATTERS	140
5.12 SUPPLY CHAIN MANAGEMENT	140
5.13 GRAP COMPLIANCE	140
CHAPTER 6: AUDITOR GENERAL REPORT	141
COMPONENT A: AUDITOR GENERAL’S OPINION OF FINANCIAL STATEMENTS.....	141
6.1 AUDITOR GENERAL’S REPORT 2015/16	141
GLOSSARY	142

CHAPTER 1: MAYOR'S FORWARD AND EXECUTIVE SUMMARY

The EPMLM's annual report for the period 1 July 2015 to 30 June 2016 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 services and enhance economic growth.

b. Key Policy Developments

This report follows four 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 2016/2017 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 2015/2016 financial year.

c. Key Service Delivery Improvements

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

- Construction of Elandskraal Internal Streets.
- Construction of Puleng Internal Streets.

- Construction of Matilu Internal Streets.
- Construction of Moganyaka Internal Streets.
- Construction of Mohlalaotwane Internal Streets.
- Construction of Dichoeung Internal Streets.
- Concrete fencing of Marble Hall graveyard
- Fencing of seven cemeteries in the villages of Ga Masha , Malebitsa , Mmaneng, Ngwalemong A, Selebaneng , Tsimanyane, Mokganyaka.

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.

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 Classy Funeral Brokers allocated the municipality with 12 trophies for achieving top learners 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

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 2012- 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 **“Viable and sustainable municipality that provides quality services”**.

Table 1: Comparison of the two financial years; 2014/2015 and 2015/2016

Ref No	KPA	2014/15			2015/16		
		Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved
1	Spatial Rationale	5	3	60%	9	4	44,4%
2	Basic Service Delivery and Infrastructure Development	4	3	75%	54	26	48,1%
3	Local Economic Development	35	30	86%	6	5	83,3%
4	Municipal Transformation and Institutional Development	47	31	66%	39	21	53,8%
5	Municipal Financial Viability and Management	9	7	78%	8	7	87,5%
6	Good Governance and Public Participation	16	13	81%	20	11	55,0%
	Total	116	87	75%	136	74	54.4%

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. Without the determination and commitment shown, EPMLM's vision would have never been realised.

(Signed by :) _____

Mayor: Kupa 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.

MATHEBELA MM
MUNICIPAL MANAGER

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.

Municipal Powers and Functions		
Air Pollution	Building regulations	Local tourism
Child care facilities	Electricity reticulation	Public places
Municipal airport	Storm water	Refuse removal refuse dumps and solid waste disposal
Municipal planning	Trading regulations	Street trading
Municipal Public Transport	Beaches and amusement facilities	Street lighting
Pontoons & Ferries	Registration authority	Traffic and parking
Municipal parks and recreation	Local amenities	Facilities for the accommodation, care and burial of animals
Municipal roads	Local sports facilities	Fencing and fences
Noise pollution	Markets	Licensing of dogs
Pounds	Municipal Abattoirs	Licensing and control of undertakings that sell food to the public
Control of undertakings that sell liquor to the public	Control of public nuisance	Cleansing
Cemeteries, funeral parlours and crematoria	Billboards and the display of advertisements in public places	

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

Municipal Population					
Population	2011	2001	Households	2011	2001
Total	123082	121327	Total	32284	24189

Table4: the table above depicts Municipal Population according to census 2011 Household

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>	

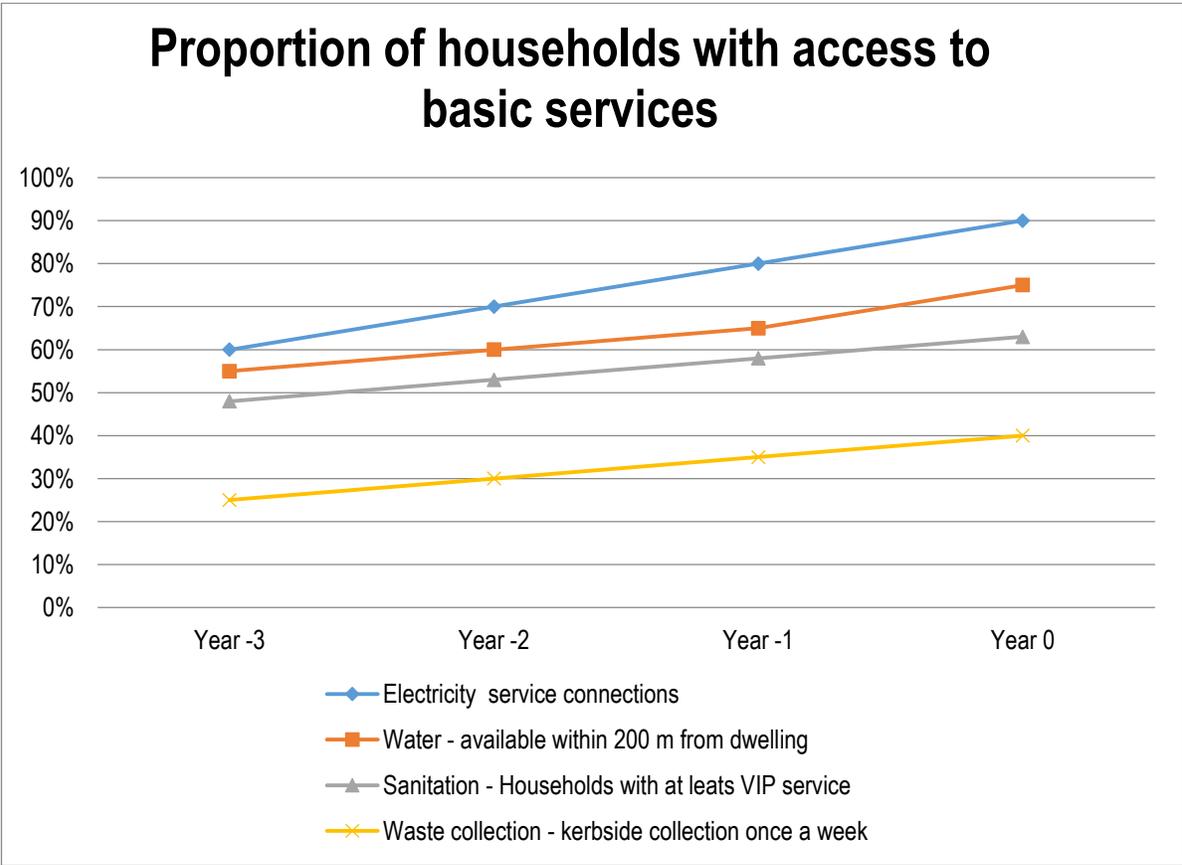
Ephraim Mogale Local Municipality Is Established to Perform the Following Functions:

- 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.

Proportion of Households with minimum level of Basic services				
	Year -3	Year -2	Year -1	Year 0
Electricity service connections	60%	70%	80%	90%
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	909

Public lighting backlog

EPMLM	Villages	Backlog
	56	39

1.4 FINANCIAL HEALTH OVERVIEW

Financial Overview – 2015/2016			
Details R'000	Original Budget	Adjustment Budget	Actual
Income	102 461	98 405	96 034
Grants	154 713	177 725	168 270
Taxes, levies and tariffs	0	0	0
Other	0	0	0
Sub-Total	257 174	276 130	264 304
Less Expenditure	283 016	298 835	196 668
Net Total	(25 841)	(22 705)	67 636

Operating Ratios	
Detail	%
Employee Costs	95%
Repairs & maintenance	62%
Finance charges and Depreciation	102%

KPA and Indicator	Municipal Achievement		
	2013/14	2014/15	2015/16
Debt coverage (Total operating revenue –operating grants received)/ debt service payments due within a year	5.3	3.9	2.4
Service debtors to revenue –(Total outstanding service debtors/ revenue received for services)	0.2	0.4	0.9
Cost coverage (Available cash +investments)/ Monthly fixed operating expenditure	0.6	0.9	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	51%	55%	73%

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	year 2015/2016
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

NO	Names	Ward	Village	School	Project	Year	Institution	Outcome	Cost
1	Matlala Thabang	12	Mmakgatle	St Paul	BSC in Biology & Agricultural Science	2016	University of Pretoria	Final year	R55 000.00
2	Maluleka Johana P	08	Moganyaka	Ngwanakwena	BSC in Agriculture & Plant Production	2016	University of Limpopo	Third year	R39 400.00
3	Magaela Glotinah Puseletso	08	Moganyaka	Ngwanakwena	BSC in Agriculture & Plant Production	2016	University of Limpopo	Third year	R52 679.00
4	Mphetu Danies	15	Elandskraal	Lepelle	BSC Mathematical Science	2016	University of Pretoria	Third	R55 000.00
5	Mogadima Baron Moekaneng	11	Rakgoadi	Mokoneamabula	Civil Engineering	2016	University of Johannesburg	Second year	R32 424.88
6	Malope Zanele	08	Leeuwfontein	Mahlontebe	Becom Economics & Management	2016	University of Limpopo	Second year	R38 328.97
7	Makeke Charity M	12	Mabitsi A	Puputle	Diploma in Accounting	2016	Tshwane University of Technology	Third year	R15 929.22
8	Nkoana Seleleka KP	01	Malebitsa	Kgagatlou	MBCHB Degree	2016	Sefako Makgato Health Science University	Second year	R91 703.00
9	Maserumule Modibo Wendy	11	Rakgoadi	Ngwanama shile	BSC in Financial Mathematics	2015	University of North West	First year	R39 578.72
10	Moeng Cornelius G	11	Rakgoadi	Mokoneamabula	Bachelor in Mining Engineering	2015	University of Pretoria	First year	R44 058.33
11	Kgwale Lesly	08	Moganyaka	Ngwanakwena	Bachelor of Science Biology Chemistry	2015	University of Venda	First year	R34 860.00

NO	Names	Ward	Village	School	Project	Year	Institution	Outcome	Cost
12	Napo Fortunate Rorisang	02	Keerom	St Paul	B,Com Financial Services	2015	University of Pretoria	First year	R55 000.00
13	Chidi Thabiso Polone	15	Elandskraal	Lepelle	MBCHB Degree	2015	University of Stellenbosch	First year	R42 844.50
14	Hopyani Kagiso G	16	Letebejane	Kotole	LLB Degree	2015	University of Johannesburg	First year	R47 532.05
15	Matlala Pinyana Khutso	11	Makhutso	Moreri Choenyana	BSC in Life Science	2015	Sefako Makgato Health Science University	First year	R55 000.00
16	Mmakola Mathome Otto	11	Rakgoadi	Mokoneam abula	Bachelor of Science	2015	University of Witwatersrand	First year	R59 606.00
17	Tlaka Mpho Letlakane	10	Mmakgatle	Hututu	Bachelor of Science	2016	University of Witwatersrand	First year	R86 501.00

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 2015/2016 financial year.

See Chapter 6: Auditor-General Report 2015/16

1.7 STATUARY ANNUAL REPORT PROCESS

Table 16: statutory annual report process

No	Activity	Date	Responsibility
1	Finalise 4 th quarter report for previous financial year	July 2016	Management /Municipal Manager
2	Submit draft annual report to internal audit and Auditor General	August 2016	Municipal Manager
3	Audit/Performance Committee considers draft annual report of Municipality	August 2016	Municipal Manager
4	Mayor tables the unaudited annual report	August 2016	Mayor
5	Municipality submits draft annual report, including the consolidated annual financial statements and the performance report, to the Auditor General	August 2015	Municipal Manager
6	Auditor General assesses draft annual report, including the consolidated annual financial statements and performance data	August – 28 November 2016	Auditor General
7	Municipalities receive and start to address the Auditor General's Comments	November 2016	Municipal Manager
8	MPAC Committee assesses the annual report	March 2017	MPAC Chairperson
9	Mayor tables annual report and audited financial statements to council, complete with the Auditor General's Report	January 2017	Mayor
10	Audited annual report is made public and representation is invited	January 2017	Municipal Manager
11	Council adopts oversight report	March 2017	Council
12	Oversight report is made public	April 2017	Municipal Manager
13	Oversight report is submitted to relevant provincial councils	April 2017	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 Mmakola MY, Speaker Cllr Modisha LB and 06 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 Monyamane E M	ANC	Resigned	Cllr N. Phahlane
Cllr Sebothoma O E	ANC	Deceased	Cllr J. Kekana
Cllr Matabane	MP	Deceased	Cllr Mothwa N M
Cllr Esson B A	DA	Deceased	Cllr R. Lentsoane

Executive Committee

The Mayor of the Municipality, Councillor Mmakola MY, 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">• Cllr. M Y Mmakola• Cllr. F. Matlala,• Cllr. M.G. Phefadi,• Cllr. T.S. Makitla,• Cllr. S.T. Mahlobogoane,• Cllr E.M. Monyamane / Cllr K. Seoka

The table below categorises the Councilors within their specific political parties and wards for the 2015/2016 financial year:

Surname & initials	Position	Party	Contacts
Cllr Mmakola M Y	Mayor	ANC	082 575 5363
Cllr Modisha L B	Speaker	ANC	082 575 5207
Cllr Ratau M F	Chiefwhip	ANC	082 578 0256
Cllr Monyamane E M /Cllr N. Phahlane	EXCO	ANC	072 260 3717
Cllr Matlala F	EXCO/Ward Councillor	ANC	082 575 6617
Cllr Mahlobogoane S T	EXCO	ANC	082 764 1429
Cllr Phefadi M G	EXCO/PR	DA	076 092 4415
Cllr Makitla T S	EXCO/PR	MP	073 636 3967
Cllr Bokaba H S	Ward Councillor (1)	ANC	083 359 8111
Cllr Kekaka M M	Ward Councillor (2)	ANC	073 628 2333
Cllr Ranoto P	Ward Councillor (3)	ANC	072 491 2982
Cllr Sebothoma O E / Cllr J. Kekana	Ward Councillor (4)	ANC	082 587 5283
Cllr Matlala F	Ward Councillor (5)	ANC	082 575 6617
Cllr Tshiguvho E M	Ward Councillor (6)	ANC	076 383 7656
Cllr Mphahlele L J	Ward Councillor (7)	ANC	073 134 5467
Cllr Makanyane G N	Ward Councillor (8)	ANC	079 966 5551
Cllr Ndobeni N R	Ward Councillor (9)	ANC	079 176 7256
Cllr Morwaswi E M	Ward Councillor (10)	INDEPE NDENT	076 236 8921
Cllr Seoka K M	Ward Councillor (11)	ANC	082 719 1740
Cllr Phala M G	Ward Councillor (12)	ANC	076 091 8774

Surname & initials	Position	Party	Contacts
Cllr Mashego B G	Ward Councillor (13)	ANC	072 146 4994
Cllr Chauke M S	Ward Councillor (14)	INDEPE NDENT	079 856 2769
Cllr Bogopa J H	Ward Councillor (15)	ANC	073 422 0326
Cllr Sehlola E T	Ward Councillor (16)	ANC	082 723 3290
Cllr Molotshwa F K	PR Councillor	PAC	073 215 6106
Cllr Nchabeleng M J	PR Councillor	COPE	073 504 3771
Cllr Mampane /Cllr Mothwa N M	PR Councillor	MP	076 212 3429
Cllr Mamogobo S C	PR Councillor	ANC	073 432 0566
Cllr Mokonyane M J	PR Councillor	MP	071 457 1010
Cllr Seono M R	PR Councillor	ANC	082 575 5274
Cllr Esson B A /Cllr R. Lentsoane	PR Councillor	DA	073 377 8640
Cllr Mabaso W M	PR Councillor	ANC	079 264 0800
Cllr Kekana K N	PR Councillor	ANC	079 681 9533

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	Competency
Municipal Manager	Monica Mathebela	F	BED Hons; CPMD; Certificate in Human Resources; Higher Diploma in Education
Director Corporate Services	Makoko Lekola	M	BA, Certificate in Business Management, MFMP, Certificate in Government Communication & Marketing, Certificate in Supply Chain Management
Chief Financial Officer	Khabo Ramosibi	F	CPMD; National Diploma in Cost Management & Accounting; Certificate in Business Skills; Certificate in Supply Chain Management
Director Economic Development and Planning	Vacant		
Director Infrastructure Services	Mahubila Radingwana	F	B-Tech Transport Management (Civil); B-Tech Environmental Engineering; Diploma in Transport Management; Certificate in Supply Chain Management;
Director Community Services	Vacant		

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 2015 – 30 June 2016:

Corporate Services Portfolio Committee			
No.	Name of councillors	Designation	Cell numbers
1	Cllr N R Ndobeni	Chairperson	0791767256
2	Cllr M E Morwaswi	Member	0762368921
3	Cllr L J Mphahlele	Member	0731345467
4	Cllr F K Molotshwa	Member	0732156106
5	Cllr B G Mashego	Member	0721464994
6	Cllr S C Mamogobo	Member	0734320566
7	Kgoshigadi M.P. Rahlagane	Royalty	0768621976
8	Cllr F Matlala	EXCO member	0825756617
Budget and Treasury Portfolio Committee			
1	Cllr W M Mabaso	Chairperson	0792640800
2	Cllr B A Esson	Member	0733778640
3	Cllr K N Kekana	Member	0796819533
4	Cllr M M Kekana	Member	0736282333
5	Cllr M J Mokonyane	Member	0714571010
6	Cllr S T Mahlobogoane	EXCO Member	0827641429
7	Kgoshi P.K. Kekana	Royalty	N/A
Planning and Economic Development Portfolio Committee			
1	Cllr E T Sehlola	Chairperson	0827233290
2	Cllr G N Makanyane	Member	0799665551
3	Cllr M J Nchabeleng	Member	0735043771
4	Cllr J H Bogopa	Member	0734220326

5	Cllr O E Sebothoma	Member		0825875283
6	Cllr Tshighuvho E.M.	Member		076 383 7656
7	Cllr T Makitla	EXCO Member		0736363967
Community Services Portfolio Committee				
1	Cllr M R Seono	Chairperson		0825755274
2	Cllr E M Tshiguvho	Member		076 383 7656
3	Cllr N Z Mampane / Cllr N.M. Mothwa	Member		0762123429
4	Cllr M S Chauke	Member		0798562769
5	Cllr M G Phefadi	EXCO Member		0760924415
6	Cllr B G Mashego	Member		0721464994
7	Kgoshi M.M. Matlala	Royalty		0721719416
Infrastructure Portfolio Committee				
1	Cllr K M Seoka	Chairperson		0827191740
2	Cllr N Z Mampane / Cllr N.M. Mothwa	Member		0762123429
3	Cllr K N Kekana	Member		0796819533
R	Cllr P Molotshwa	Member		0732156106
5	Cllr H S M Bokaba	Member		0833598111
6	M.E. Monyamane	EXCO Member		072 260 3717
7	Kgoshi M Mashung	Royalty		N/A
Chairperson of Chairpersons				
1	Cllr P Ranoto	Chairperson	Chairperson	0724912982
2	Cllr K M Seoka	Member	Infrastructure Services	0827191740

3	Cllr E T Sehlola	Member	Planning and ED	0827233290
4	Cllr W M Mabaso	Member	Budget & Treasury Office	0792640800
5	Cllr M R Seono	Member	Community Services	0825755274
6	Cllr N R Ndobeni	Member	Corporate Services	0791767256
7	Cllr M G Phala	Chairperson	MPAC	0760918774

Rules and Ethics Committee

1	Cllr L B Modisha	Chairperson		0825755207
2	Cllr O E Sebothoma	Member		0825875283
3	Cllr MG Phala	Member		0760918774
4	Cllr E T Sehlola	Member		0827191740
5	Cllr M M Kekana	Member		0736282333
6	Cllr F K Molotshwa	Member		0732156106
7	Kgoshi Lehwelere-Matlala M.A	Royalty		0845530220

Municipal Public Accounts Committee

1	Cllr M G Phala	Chairperson		0760918774
2	Cllr B G Mashego	Member		0721464994
3	Cllr M J Nchabeleng	Member		0735043771
4	Cllr J H Bogopa	Member		0734220326
5	Cllr M M Kekana	Member		0736282333
6	Cllr O E Sebothoma	Member		0825875283
7	Cllr K N Kekana	Member		0796819533
8	Cllr S C Mamogobo	Member		0734320566

9	Cllr M J Mokonyane	Member	0714571010
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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"> • District Monitoring and Evaluation forum • Mayor's forum • Municipal manager's forum • Debt forum • CFO's forum • IDP forum 	<ul style="list-style-type: none"> • Provincial Monitoring and Evaluation forum • Premier mayor's forum • Municipal Manager's forum • Debt forum • CFO's forum • IDP forum, etc

COMPONENT C: PUBLIC ACCOUNTABILITY 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 2015/16	
Draft IDP/Budget Consultations	
Draft Annual Report Consultations	
Back to Basics	
Mayoral Outreach	
Batho-Pele Build-up Programmes	
	<i>T 2.4.3</i>

Communication, 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 2015/2016 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

COMPOTENT 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 = 232
- Vacant = 37

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. 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 3rd 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 1st, 2nd, 3rd and 4th 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.

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 2015/16 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, favouritism 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 2015/16 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.

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	Electricity supply by-laws for Ephraim Mogale Local Municipality (Limpopo Province Provincial Gazette 1879 Notice No 221 – 15 December 2010)	1/3/1/5 {100467}	E/F19 Gazetted 15/12/2010
2	Waste management by-laws for Ephraim Mogale Local Municipality (Limpopo Province Provincial Gazette 1879 Notice No 222 – 15 December 2010)	1/3/1/6 {100466}	W/F19 Gazetted 15/12/2010
3	Street trading by-laws for Ephraim Mogale Local Municipality (Limpopo Province Provincial Gazette 2016 Notice No 344 – 25 November 2011)	-1/3/1/2 {100465}	S/F19 Gazetted 25/11/2011
4	Credit Control and Debt Collection by-law (Limpopo Province Extraordinary Gazette 2373 Notice No 83 – 13 June 2014)	1/3/1/3 {100464}	C/F19 Gazetted 13/06/2014
5	Property Rates By-law (Limpopo Province Extraordinary Gazette 2373 Notice No 84 – 13 June 2014)	1/3/1/4 {100463}	P/F19 Gazetted 13/06/2014
6	Resolution levying Property Rates (Limpopo Province Extraordinary Gazette 2574 Notice No 292 – 30 July 2015)	1/3/1/4 {100462}	P/F19 Gazetted 24/06/2016

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	2015-11-19
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
<p><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></p>		

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 results 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

3.1 WATER PROVISION

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

3.2 WASTE WATER (SANITATION) PROVISION

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

3.3 ELECTRICITY

Introduction

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. All villages have been connected to the ESKOM grid except Manthole (±33households) which was added to the Municipality at a later stage. The design for the electrification of Manthole was done. The backlog was 913 households of the total number of 32 284households (census 2011) which is 2.8%. These are small new extensions and in-fills. The Municipality submitted a list of the backlog to ESKOM who then submitted a project proposal to the Municipality for approval. ESKOM then implemented the projects from the INEP allocation for the Municipality. The signed project plan for the year was 598 connections divided into 8 villages. The actual number of connection completed by ESKOM was 650 households. The latest statistics released (2016) states that there is now 33936 households with a backlog of 909 households. ESKOM also do post connections which is a separate program.

Challenges:

- New extensions of residential sites in villages not according to town planning principles.
- Budgetary (INEP) constraints.

Distribution:

The Municipality holds a license issued by NERSA for the distribution of electricity in the town of Marble Hall only. The NMD of the ESKOM supply for the license area is 7.5MVA and the highest actual NMD achieved was 6.66MVA. It is an 11kV/400Volt system. All customers have been connected.

Challenges:

- Budgetary constraints.
- Densification
- Maintenance backlog
- Old equipment
- Capacity constraints on main supply to Industrial area and 11kV network not completely linked

Public Lighting

The Municipality is responsible for public lighting in the whole municipal area. Only 15 residential areas have previously been provided with some public lighting. The Municipality energised public lighting in 2 more rural residential areas and is busy expanding this network to another 4 areas with the installation of 25m scissor masts.

Challenges:

- Budgetary constraints.
- High cost of ESKOM connections
- Poor performance by ESKOM on quotations and installations
- Old equipment
- Vandalism
- Reliability and quality of ESKOM supplies in rural areas
- Stock levels in stores

Electricity Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households
				Year 0

	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity (at least min.service level)	31 202	31 394	31 365	33 027
99% - prepaid (data availability challenges)				
<i>Minimum Service Level and Above sub-total</i>	31 202	31 394	31 365	32 027
<i>Minimum Service Level and Above Percentage</i>	96.65%	97.24%	97.15%	97.32%
Energy: (below minimum level)				
Electricity (< min.service level)	1082	890	919	909
Only backlog below min level				
Other energy sources – no official project				
<i>Below Minimum Service Level sub-total</i>	1 091	890	919	909
<i>Below Minimum Service Level Percentage</i>	3.38%	2.76%	2.85%	2.68%
Total number of households	32 284	32 284	32 284	33 936
				T 3.3.3

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements	4	4	4			4
Total households	32 284	32 284	32 284			33 027
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%			0%
Informal Settlements	52	52	52			52
Total households	0	0	0	ESKOM	ESKOM	0
Households ts below minimum service level	1091	890	919	9 278 614	13 765 393	909
Proportion of households ts below minimum service level	0%	0%	0%			100%
						T 3.3.4

Electricity Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service	Year -1		Year 0		Year 1
		Target	Actual	Target	Actual	Year 3 Target

Service Indicators (i)	Targets (ii)	*Previous Year (iii)		*Previous Year (v)	*Current Year (vi)		*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	568 additional HHs (890 HHs below minimum)	207 additional HHs (919 HHs below minimum)	568 additional HHs (919 HHs below minimum)	598 additional HHs (909 HHs below minimum)	555 additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)
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	3	0	0%
4 - 6	3	4	3	1	25%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	11	12	11	1	91.67%
T 3.3.6					

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 Elandskraalresulted in a delay to extend services to other areas. Curently the necessaary 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 hoildays. 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 enviroment, however the impact was not as expexcted 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

Solid Waste Service Delivery Levels

Description	Households			
		2013'14	2014'15	2015'16
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Solid Waste Removal: (Minimum level)</u>				
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%
<u>Solid Waste Removal: (Below minimum level)</u>				
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%
Total number of households		32,284	32,284	33,936
T 3.4.2				

Employees: Solid Waste Management Services					
Job Level	2014'15	2015'16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
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 %
T3.4.5					

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 and currently reviewing the 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 total length of the road network under ownership of Ephraim Mogale Local Municipality is 1111, 9km, of which 974 km are gravel and 137.9 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
					T 3.7.3

Gravel Road Infrastructure				
				Kilometers
	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
				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 733.00	R1 909 979.17	R26 733.00	0.00	0.00
2014/15	0.0	R31 070.00	R1,624,557.91	R31 070.00	0.00	0.00
2015/16	0.0	R32 689.00	R1 730 175.47	R32 689.00	0.00	0.00
						T 3.7.4

Road Service Policy Objectives Taken From IDP					
Service	Outline	Year -1(2014/15)	Year 0(2015/16)	Year	Year 3(2017/18)

Objectives Service Indicators (i)	Service Targets (ii)						1(2016/17)			
		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)	
Service Objective xxx										
Elimination of gravel roads in townships	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)	
Development of municipal roads as required	122 kms of municipal roads developed	5.5 kms	5.5 kms	5.5kms	8.8 kms	11.4kms	974 kms	122kms	. 122kms(974kms)	

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	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:		4,458,277.60	0.00	4,362,088.13	97.8%
Employees		2728102.13	0.00	2728102.13	0.0%
Repairs and Maintenance		1,730,175.47	1,633,986.00	1,633,986.00	94.4%
Other	0.00	213 645.8	0	213 645.8	0%
Total Operational Expenditure					
Net Operational Expenditure					
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	2015/201				
	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%	
Elandskraal Internal Streets	14,000,000.00	11,360,000.00	11596912.13	-21%	11596912.13
Puleng Internal Streets	5,000,000.00	7,380,000.00	7703383.33	35%	7703383.33
Matilu Internal Streets	5,000,000.00	5,710,000.00	4477147.85	-12%	4477147.85
Mohlalaotwane Internal Streets	6,805,000.00	6,805,000.00	11592690.6	41%	11592690.6
Dichoeung Internal Streets	7,000,000.00	12,500,000.00	12499900.1	44%	12499900.1
Moganyaka Internal Streets	8,500,000.00	8,500,000.00	7837150.53	-9%	7837150.53
Planning and Design of Letebejane/Ditholong Internal Streets	1,500,000.00	1,490,000.00	R0.00	0%	R0.00
Marble Hall Ext.6 Stormwater	7,000,000.00	2,400,000.00	R 630,000.00	-100%	R 630,000.00
N11 Intersections	5,000,000.00	1,700,000.00	R 317 778.19	-100%	R 317 778.19

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 2015/16 was 87%, the unspent 13% was as a result of additional funding of R20 Million which we managed to spend R 11, 5 Million

Municipal Infrastructure Grant Funded Projects	
R52 405 000.00 (Additional Funding R20 000 000.00)	
MIG projects	2015/16
	Budget
Elandskraal Internal Streets	R 11 360 000.00
Puleng Internal Streets	R 7 380 000.00
Matilu Internal Streets	R 5 710 000.00
Moganyaka Internal Streets Phase 3	R8 500 000.00
Mohlalaotwane Internal Streets	R 20 000 000.00 (Additional Funding)

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 mode 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 where 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.

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

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 (SPULUMA), 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 such the 5 Tribal houses within the jurisdiction hold regular workshops at the tribal moshates with assistance from Coghsta Limpopo and SALGA Limpopo. 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 draft town planning by-laws and is need of funds in order to review the Spatial Development Framework and Town Planning Schemes including the procurement of the Geographic Information Systems (GIS) in order to be full SPLUMA compliant. The town planning department is also in need of more staff as currently there is only 1 Registered Town 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 shopping complex at matlerekeng/ zamenkomst	✓		
proposed rezoning of portion 3 of erf 2828, marble hall town extension 5 from "residential 1" with a density of "one dwelling per 500m ² " to "residential 2" subject to standard conditions	✓		
formalisation of elandskraal portion 3 and transfer of erven 387-399 from ephraim mogale local municipality to national department of public works			✓
proposed subdivision of a portion of the remaining extent of the farm zamenkomst no. 730 ks (matlerekeng township), ephraim mogale local municipality			✓
proposed simultaneous application for consolidation and rezoning of erven 2012 and 2013 from residential 1 to residential 2 marble hall, extension 6			✓
Proposed application for special consent on erf 669 marble hall, ranonkel street for old age home/centre.			✓

Description	Approved	Disapproved	Noted
proposed rezoning application on erf 215 marble hall, naude avenue from "residential 1" to "special"			✓
proposed application for special consent for special land use rights on erf 878 marble hall extension 4 in order to construct a cellular telephone mast and base station	✓		
ephraim mogale local municipality spatial planning and land use management draft by-law		✓	
proposed shopping complex at matlerekeng/ zamenkomst	✓		
proposed application for consolidation of erven 1851 and 1852 marble hall, extension 6	✓		
proposed application for special consent on erf 148 marble hall, railway street for special land use rights of bookmaker/totalisator and limited payout machines at shop no.3 cotton fields center	✓		
proposed application for simultaneous rezoning of portion 1232 of the farm loskop noord 12 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 purchase of the farm loskop noord 577 js	✓		
proposed rezoning of portion 3 of erf 2828, marble hall town extension 5 from "residential 1" with a density of "one dwelling per 500m ² " to "residential 2" subject to standard conditions	✓		
proposed development of shopping area, filling station, medical center and school in matlerekeng			✓
proposed development on sites 127 and 128 at letebetjane village 'wonder park			✓

Description	Approved	Disapproved	Noted
business centre'			
proposed building extension of metro cash and carry re/ 913 extension 1, marble hall		✓	

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

The structures for youth and women in co-operatives assist in encouraging sectors involved to utilise the co-operative model for the improvement of quality of life. The youth and women are the most vulnerable to poverty, unemployment and inequality. The SMMEs and co-operatives were supported through various trainings facilitated by the key stakeholders of local economic development. 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,

LED initiatives include the 12 youth co-operatives that were registered with the potential of 104 employment opportunities to be created, the National Youth Development Agency has been at the centre of training and mentorship of these cooperatives. The three youth cooperatives which are mainly catering related services were funded and operational, the other cooperatives are

The cotton cluster initiative consisting of five co-operatives that were assisted with development of a business plan and the submission of the funding proposal to DTI cluster unit in order to increase quantity of cotton tons and advantage small scale farmers in cotton industry.

The retail container consisting of Spaza Shop, Internet café, Photocopy Machine and Fax facilities was funded by the NYDA and benefited five young people in Elandskraal. There are still challenges with regard to electrification of the facility.

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 2015/16 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)				
Job creation through EPWP* projects				
Year	No Jobs created through EPWP projects			
2012/13				
2013/14	382			
2014/15	198			

Jobs Created during 2015/16 by LED Initiatives (Excluding EPWP projects)	
2015/16	270

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-DIVERSTY – 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	2014'15	2015'16

	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
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 meeting 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

Function of Sekhukhune District Municipality

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.

Employees: Sport and Recreation					
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 - 6					
7 - 9					
10 - 12	2		2	0	
13 - 15					
16 - 18					
19 - 20					
Total	2	2	2	0	0
T 3.23.3					

COMPONENT I: CORPORATE POLICY SERVICES

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.

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.

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.

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 intergral to the fuctionality and efficiency of the Municipality. The target for the reporting period was to achieve improved ICT sytems, processes and compliant infrastructure. Service delivery priorities for ICT are to ensure that the municipality has effecient and effective backup systems, officials are trained on ICT, all muniapial 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.

Employees: ICT Services (how many employees on the listed task grades and vacancies)				
Job Level	2015/16			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%

Employees: ICT Services (how many employees on the listed task grades and vacancies)				
Job Level	2015/16			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3				
4 - 6				
7 - 9				
10 - 12	3	3	0	0%
13 - 15				
16 - 18				
19 - 20				
Total	3	3	0	0%

Capital Expenditure 2015/16: ICT Services					
R' 000					
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
IT Master System Plan	R	0		0	
(IT Network Support & Maintenance)					

3.28 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

The following is the litigation report for the financial year 2015/2016:

CASE NO:	AMOUNT CLAIMED	PLAINTIFF	TYPE OF MATTER	FACTS	STATUS OF THE MATTER	ATTORNEY
CASE NO: 57932/09	R 585 709-00	Kwanha's Business Enterprise	Contractual Dispute: Breach	<p>The municipality awarded a tender to the Plaintiff in 2006 for the upgrading of the drainage system. On the 17 April 2007, the Plaintiff was instructed to suspend all the works in regard to the project as an agreement between the municipality and the Plaintiff was reached that the drainage system should deviate from the original route.</p> <p>The Plaintiff equipment's remained on site until June 2008.</p> <p>The Plaintiff is using for standing time when the equipment's were still on site until June 2008.</p>	The matter has settled out of court with the Municipality making a payment to the tune of R212 313.00-down for trial at the High Court in favour of the applicant's legal costs. A further R252 000.00 has been paid to the Municipality's legal rep in the matter.	Kgatla Inc.
CASE NO: 654/2014	R 280 000-00	Walterama Kgatla Inc.	Contractual Dispute.	The municipality awarded the Plaintiff a tender for the provision of debt collection services. The Plaintiff submitted an invoice of the amount of R208 000-00 which the municipality refused to settle based on clause 6.2 of the service level agreement.	An out of court settlement has been reached and finalized with the Municipality being on the payment site.	Mamadimo Magagane Attorneys.
CASE NO: 72139/2015	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	<p>The parties are currently in the process of Discovery.</p> <p>An affidavit has already</p>	Popela Maake Attorneys

CASE NO:	AMOUNT CLAIMED	PLAINTIFF	TYPE OF MATTER	FACTS	STATUS OF THE MATTER	ATTORNEY
				already been paid for the work done.	been commissioned by the Municipal Manager in this respect. We await set down of the matter.	
CASE NO: 33157/13	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
CASE NO: J1324/145	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
CASE NO: J368/15	R 2 105 500-	Phillip Mphahlele	Damages and	The Applicant was employed by the	The Respondent is preparing an	Popela Maake

CASE NO:	AMOUNT CLAIMED	PLAINTIFF	TYPE OF MATTER	FACTS	STATUS OF THE MATTER	ATTORNEY
	35		defamation of character	<p>municipality and he resigned in 2009 pending criminal investigation by the Hawks.</p> <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>application for the dismissal of the matter.</p> <p>An affidavit has already been commissioned by the Municipal Manager in this respect. The applicant has no case against council as the placement of an employee on a precautionary suspension does not constitute any case for a constructive dismissal.</p>	Attorneys.
CASE NO: 846/13	R 205 000-00	Gerhardus Muller	The municipality erroneously paid an amount of R 205 000-00 into the Defendant's bank account. He utilised the money after the municipality has notified him not to do so. The Defendant refused to repay the money and	<p>Judgment was granted against the Defendant.</p> <p>A warrant of execution against his property was issued and served, but the sheriff advised that the Defendant does not have any attachable properties to satisfy the judgment.</p>	The matter has been finalised and a default judgement has been granted in favour of the municipality unfortunately the Sheriff is unable to attach properties belonging to the Defendant as he does not have any attachable properties to satisfy the judgement.	Kgatla Incorporated.

CASE NO:	AMOUNT CLAIMED	PLAINTIFF	TYPE OF MATTER	FACTS	STATUS OF THE MATTER	ATTORNEY
			the municipality instituted action to recover the money.			
CASE NO: 846/13	NIL	Phillistus Sonto Matau	Application in terms of Section 145 of the Labour Relations Act.	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. The municipality decided to review the arbitration.	Notice in terms of section 145 of the Labour Relations Act was filed with the Labour Court. Council is urged not to succumb to the numerous pleas of the applicant to settle the matter as any such settlement will expose the municipality to further similar litigations from other group of employees in similar conditions.	Mokwana Inc.

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

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Vote no	Evidence
Planning & Eco DEV	Compliance with Town Planning Scheme regulations	To process land uses applications received.	No. of applications approved within 60 working days	20 approved within timeframe	All received applications to be approved within 60 working days	15	Achieved	KPI measurement best suited as a percentage	Percentage measurement reflected in 2016/17	R0.00 Vote No: 760/260310	Proof of approval within 60 days. Submissions register. Council Resolution.
	Development of Spatial Planning and Land-use By-Laws	To ensure alignment to the Spatial Planning Land Use Management Act	No. of Spatial Planning and Land-use By-Laws developed and gazetted	New KPI	1	0	Not Achieved,	Draft By-Law in place, public participation has been conducted. Compilation of the content of the By-Law	Received assistance from SLAGA Limpopo. Gazette end of Q1 2016/17	Vote No: 760/260315 R100000.00 Spent R35614.25	Council Resolution, agenda and proof Gazette.
Planning & Eco DEV	Compliance with National Building Regulations	To ensure approval of building plans	No. of building plans meeting the requirements approved within 5 working days	50 approved building plans within approved timeframe	All received building plans (meeting requirements) to be approved within 5 working days	20	Achieved	KPI measurement best suited as a percentage	Percentage measurement reflected in 2016/17	R0.00	Building plans register. Approved building plans
	Housing	To maintain municipal	Maintenance plan	Maintenance plan in	Maintenance plan	1	Achieved	KPI description vague	2016/17 KPI's will comply to	R0.00	Maintenance Plan

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Vote no	Evidence
Planning & Eco DEV		buildings in a good condition	developed	place					NT FMPPI guidelines		
		To maintain municipal buildings in a good condition	No. of municipal building maintained	35	20	24	Not Achieved.	There is only 1 handy man, however an internal advert has been placed. 24 Municipal buildings have been maintained. All municipal Buildings have been inspected so as to check how much money is required for maintenance and also prioritize projects which are very critical.	Ensure that the maintenance plan is finished and implemented thoroughly for all municipal buildings.	R 467 6 19.09 Vote No: 625/2 3503 0 R 169 3 35.00 Vote No: 625/2 3502 1	Inspection report
	SPLUMA awareness Campaign	To ensure awareness of the rural development planning	No. of SPLUMA workshops to be held with Magoshi	2 workshop s with Magoši	4	1	Not Achieved	Hosting of workshops impeded as Tribal houses are not in support of the Act	In the next financial create awareness workshops on the SPLUMA Act	R0.0 0	Attendance registers and reports

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Vote no	Evidence
	Review and implementation of Spatial Development Framework in terms of SPLUMA Act	To review Spatial Development Framework and Implementation in terms of the SPLUMA Act	No. of Revised EPMLM Spatial Development Framework	0	1	0	Not Achieved	Advert placed for tender, evaluation and adjudication conducted. The budgeted amount was under the received responses from tenders	Re-advertise and appointment in 2016/17	R100 000.00 Vote No: 760/260320	Council Resolution and agenda
	Review and implementation of Town Planning Scheme in terms of SPLUMA Act	To review Town Planning Scheme and Implementation in terms of the SPLUMA Act	No. of Revised EPMLM Town Planning Scheme	0	1	0	Not Achieved	Project was under budgeted, therefore will be completed in 2016/17.	Re-advertise and appoint service provider in 2016/17	R100 000.00 Vote NO: 760/260325	Council Resolution and agenda
	Procurement of Geographic Information System	To ensure alignment of property details and Geographic Information are unified within the municipality	No. of GIS purchased	New KPI	1 GIS system	0	Not Achieved	Competitive bidding process only commenced in the latter part of the year	Awaiting adjudication outcome. Appointment in 2016/17	R500 000.00 Vote No: 760/260112	Council Resolution and agenda

KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
Infrastructure	Grading of Roads	To provide safe and appropriate road networks in the municipal areas	No. of Km of roads to be graded	1200km of road network	1200km of gravel roads graded once per annum	1783.9kms	Achieved	None	None	650/235170 R1 730 175.47 EXPENDITURE1579 280.47	Inspection report
	Repairing of base and surface patches	To provide safe and appropriate road networks in the municipal areas	No. of m ² of base and surface patches repaired	990m2	1000 m ² of base and surface patches 1 repaired once per annum	2170.91m2	Achieved	Revised SDBIP incorrectly reflected accumulate quarterly targets as 1100kms	None		Inspection report
	Cleaning of storm-water structures(Channels and drains)	To provide safe and appropriate storm water networks in the municipal areas	No. of Km of storm-water drainage structures cleaned	40km cleaned in 2014/15 financial year	45km of storm water pipes cleaned once per annum	57.343kms	Achieved	Measurement difficult to substantiate and considered operational in nature	Will not be reflected in 2016/17 SDBIP		Inspection report
Infrastructure	Road Marking	To provide safe and appropriate road in the municipal areas	No. of Km of tarred roads marked	118km /137 Marked in 2014/15 financial year	122 km of roads to be marked once per annum	78.211kms	Not achieved	Lack of road marking material in the 1st quarter impacted on the overall	Ensure that procurement process caters for annual requirement of materials,		Inspection report

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
								schedule, refer above KPI comment	refer above KPI comment		
Infrastructure	Plant and Equipment	To provide safe and appropriate road in the municipal areas	No. of Dumper trucks purchased	0	2 Dumper trucks purchased	0	Not Achieved	The project was advertised 3 times and twice bidders were non-responsive. The last advert closed on the 6/6/2016 and it was not evaluated.	Need to ensure that advertisements are placed in newspapers with appropriate circulation to attract correct supplier response.	650/305000 R650000.00	Invoice and 2 Dumper truck
		To provide safe and appropriate road in the municipal areas	No. of Saw Cutter Machines purchased	0	2 Saw Cutter Machines purchased	0	Not Achieved			650/305000 R120000.00	Invoice and 2 Saw Cutter Machines
		To provide safe and appropriate road in the municipal areas	No. of Bomag roller purchased	0	2 Bomag roller purchased	0	Not Achieved			650/305000 R500000.00	Invoice and 2 Bomag roller
	Plant and Equipment	To comply with Health and Safety legislation.	No. of mobile toilets purchased	0	2 mobile toilets purchased	0	Not Achieved	Re-considered as a Capital project	Will be reflected under Capital projects in future	650/305000 R240000.900	Invoice and 2 Mobile toilets
	Review of Roads Master plan	To provide safe and appropriate road in the municipal areas	No. of Roads Master plan	1 2012/13 Road Master plan in place	1 reviewed Roads Master plan document	0	Not Achieved, but the first Draft Master Plan document developed	Late appointment of Service provider	To appoint service providers for Capital project 3 month before the start of the new financial year	650/305077 R702588.96	Reviewed Roads Master plan
	EPWP	To create jobs and poverty alleviation	No. of full time equivalent EPWP jobs created	71 No. of full time equivalent EPWP jobs	75 No. of full time equivalent EPWP jobs created	80.034	Achieved	Description should be reflected as a defined GKPI	Will be revised in 2016/17	648/70112 R1157000.00 R1157	Employment contracts and Monthly reports.

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
				created						000.00	
Infrastructure	Reconstruction of N11 Junctions	To provide safe and appropriate road in the municipal areas	No. of Junctions Reconstructed	2 N11 Junction in bad conditions (KFC and Siyabuswa/Groblesdal)	Planning and Design for Reconstruction of 2 Junctions (KFC and Siyabuswa/Groblesdal, and appointment of Contractor and site establishment	0	Not Achieved	Consultants appointed very late for construction to be completed. Re-considered as a Capital project	Project to be constructed in 2016/17 financial year. Will be reflected under Capital projects in future	650/305 R1 700 000 EXP=R334 503.36	Designs and Contractor's Appointment letter.
	Matilu-Upgrading of Roads and Storm water	To provide safe and appropriate road in the municipal areas	No. of Km of roads constructed	New KPI (Gravel to Tar)	1.11km of roads constructed	1.11kms	Achieved	None	None	650/305141 R5 710 000 EXP=R4477 147.85	Completion certificate
	Puleng Upgrading of roads and Storm water	To provide safe and appropriate road in the municipal areas	No. of Km of roads constructed	New KPI (Gravel to Tar)	1.08km of roads constructed	1.08kms	Achieved	None	None	650/305141 R7 380 000 EXP=R7703 383.33	Completion certificate
	Elandskraal Upgrading of roads and Storm water	To provide safe and appropriate road in the municipal areas	No. of Km of roads to be Upgraded	New KPI (Gravel to Tar)	2.7km of roads constructed	2.7kms	Achieved	None	None	650/305137 R11 360 000 EXP=R 11 596	Completion certificate

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
Infrastructure										912.13	
	Planning and Design of Letebejan e & Ditholong internal road	To provide safe and appropriate road in the municipal areas	Relocation of Eskom power line.	New KPI	Relocation of 1.5 km Eskom Power Line	0	Not Achieved	Proposed procurement approach was not approved.	Powerline to be relocated during construction of the road project	650/305131 R1 490 000 EXP=R 0.00	Relocated power line.
	Mohlalaotwane Upgrading of roads and Storm water	To provide safe and appropriate road in the municipal areas	No. of Km of roads to be Upgraded	New KPI (Gravel to Tar)	1km of road Constructed	1km	Achieved	None	None	650/305 R6 805 000 EXP=R6 584 047.17	Completion Certificate
	Moganyaka Upgrading of road and Storm water	To provide safe and appropriate road in the municipal areas	No. of Km of roads to be upgraded	3.5km	1km of Moganyaka road constructed	1km	Achieved	None	None	650/305129 R8 500 000 EXP=R 7 837 150.86	Completion certificate
Infrastructure	Dichoeung Upgrading of roads and Storm water	To provide safe and appropriate road in the municipal areas	No. of Km of roads to be Upgraded	New KPI (Gravel to Tar)	1.5 km of roads constructed	1.5kms	Achieved	None	None	650/305 R12 500 000 EXP=R 12 498 264.97	Completion Certificate
	Marble Hall Ext 6 Storm water	To upgrade Marble Hall Ext.6 Storm water	Km of Storm water to be upgraded.	0	2.8km of Storm water Structures Constructed	0	Not Achieved	Consultants appointed very late for construction to be completed.	Project to be constructed in 2016/17 financial year.	650/305 R2 400 000 EXP=R63 0 000	Completion Certificate

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
Infrastructure	Substation upgrade (1 730 000)	To provide reliable electricity supply in the licensed area	No. of substation panels of circuit breakers upgraded	8 /16 circuit breakers upgraded.	8 substation panels of circuit breakers upgraded	8	Achieved	Considered operational in nature None	Will not be reflected in 2016/17 SDBIP	Vote 260/2351 10 R3 130 000 R1 952 22 2.68	Completion certificate.
	Transformer maintenance & oil testing (400 000)	To provide reliable electricity supply in the licensed area	No. of transformers maintained	48 transformers need maintenance	48 transformers tested	0	Not achieved, but 48 transformers received 1st oil test	Was only evaluated. Difficult to find acceptable bidders. Considered operational in nature	To evaluate & adjudicate projects soon after closure Will not be reflected in 2016/17 SDBIP		Inspection report. Oil test. Appointment letter. Final oil test results
	Ring main unit maintenance (r200 000)	To provide reliable electricity supply in the licensed area	No. of Ring Main Units Serviced	New KPI	10 RMU's serviced	5	Not achieved, but 5 RMU's were serviced using internal resources, POE Maintenance report	Was not advertised though specification was forwarded to SCM Considered operational in nature	Will not be reflected in 2016/17 SDBIP	Appointment letter. Completion certificate.	
	Replace transformer (r300 000)	To provide reliable electricity supply in the licensed area	No. of Transformers replaced	New KPI	1 transformer replaced	0	Not achieved	Was only evaluated. Difficult to find acceptable bidders.	To evaluate & adjudicate projects soon after closure Will not be	Delivery note. Completion certificate. New unit on site.	

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
	Ring main unit upgrade (r300 000)	To provide reliable electricity supply in the licensed area	No. of RMU's upgraded to SF6	New KPI	1 RMU upgraded	0	Not achieved	Considered operational in nature	reflected in 2016/17 SDBIP		Delivery note. Completion certificate. New Ring Main Unit on site.
	Link 11kv in ext 5 and ext 6 (r260 000)	To provide reliable electricity supply in the licensed area	Meters of Cable and RMU installed & connected.	New KPI	1 RMU and Cable installed and connected	0	Not achieved				Delivery note. New RMU and Cable on site
	Public lighting Inspection and maintenance of Streetlights	To maintain public lighting for public safety	% of street lights to be maintained	100 % of Faulty repaired in 2014/15 financial year	100 % of streetlights inspected and faulty units repaired	98.05%	Not Achieved,	No material, although 100% inspection completed. All repairs were not effected	Maintain stock levels in stores. Process requests for material speedily. Fill vacancies.	Vote No. 260/2351 50 R460 000.00 R364 910. 33	Inspection/repair reports. Monthly reports.
	Public lighting maintenance- Mast lights	To maintain public lighting for public safety	% of high mast light to be maintained.	100 % of faulty repaired in 2014/15 financial year	100 % of mast light fittings inspected and faulty units repaired.	99.77%	Not Achieved,	No material although 100% inspection completed. All repairs were not effected	Maintain stock levels in stores. Process requests for material speedily. Fill vacancies		Inspection/repair reports. Monthly reports.
	Purchase mobile toilet trailer	To comply with Health and Safety legislations.	No. of toilet trailers to be purchased	New KPI	1 toilet trailers purchased	1	Achieved	Re-considered as a Capital project	Will be reflected under Capital projects in future	Vote No. 260/3050 00 R88	Appointment letter. Delivery note. Vehicle

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
										344.30 R88 344.30	registration. New vehicle on site.
	Purchase of a light delivery vehicle with canopy	To provide reliable electricity supply in the licensed area.	No. of LDV's with canopy to be purchased	New KPI	1 light delivery vehicle with canopy purchased	1	Achieved			Vote No. 260/305068 R305 706.00 R305 706.00	Appointment letter. Delivery note. Vehicle registration. New vehicle on site.
	Connection of Mohlalotwane high mast lights	To provide public lighting for public safety	No. of high mast lights connected to ESKOM supply.	New KPI	Connect 6 scissor mast lights to ESKOM supply.	0	Not achieved,	ESKOM Delays but ESKOM quotations paid permitting project to progress	ESKOM will install supply points during 2016/17	Vote No. 260/305096 R 794 932.44 R670 849.10	Certificate of compliance .
	Connection of Mbuzini/morarele high mast lights	To provide public lighting for public safety	No. of high mast lights connected to ESKOM supply.	New KPI	Connect 6 scissor mast lights to ESKOM supply.	0	Not achieved	ESKOM Delays, but ESKOM quotations paid permitting project to progress	ESKOM will install supply points during 2016/17	Vote No. 260/305097 R865 228.05 R833 028.10	Certificate of compliance .
	Connection of Mohlotsi high mast	To provide public lighting for public safety	No. of high mast lights connected to ESKOM supply.	New KPI	Connect 4 scissor mast lights to ESKOM supply.	0	Not achieved	ESKOM Delays	ESKOM will install supply points during 2016/17	Vote No. 260/305070 R560 428.00 R491 857.	Certificate of compliance .

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
										60	
	Connection of Dichoeung High mast	To provide public lighting for public safety	No. of high mast lights connected to Eskom supply.	New KPI	Connect 5 scissor mast lights to Eskom supply.	5	Achieved	None	None	Vote No. 260/3050 20 R24 717.06 R24 717.06	Certificate of compliance
	Connection of Tshikanosi high mast	To provide public lighting for public safety	No. of high mast lights connected to Eskom supply.	New KPI	Connect 6 scissor mast lights to Eskom supply.	6	Achieved	None	None	Vote No. 260/305 113 R26 887.00 R26 887.00	Certificate of compliance
Com Services	Parks and open space management	To maintain parks and open spaces by cleaning and cutting of grass	No. of parks to be cleaned and maintained	12/12 Parks maintained in 2014'15	13 x parks to be maintained in Winter and during drought Q1 , Q 3, Q4 = 1 time /month Summer Q2,Q3 = 2 time /month	59,2%	Not Achieved Only 113 of 191 cleaning schedules adhered too	Lack of execution of maintenance plan Considered operational in nature	Maintenance plan to be reviewed and aligned to available resources on a monthly basis Will not be reflected in 2016/17 SDBIP	R39 492,61 425/2600 30 Expenditure R 17426.48	Program and signed monthly reports
			No. of open spaces to be cleaned and maintained	4/4 open spaces maintained in	4 x Open spaces /entrances to be	76,7%	Not achieved Only 46 of	Lack of execution of maintenance plan	Maintenance plan to be reviewed and aligned to	R 54272.39. 425/2608 10	Program and signed monthly reports

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
Com Services				2014'15	maintained Winter and during drought Q1 , Q 3, Q4 = 1 time /month- Summer Q2 ,= 2 time /month		60 schedules adhered too		available resources on a monthly basis Will not be reflected in 2016/17 SDBIP	Expenditure R 7703.54	
	Parks Equipment Management	To beautify and green the municipal area	No. of Tractor to be purchased	Purchase of LDV, 10 Bushcutters, 4 pole pruners, 2 chain saws, 3 mowers, 2 blowers	1X Tractor	1	Achieved	Re-considered as a Capital project	Will be reflected under Capital projects in future	R 586 339.20 425/3050 70	Proof of minutes of SCM meetings Advertisement and invoices
			No. of Bush cutters machinery to be purchased		10 x bush cutters	10	Achieved			Expenditure R 566 232.46	
Greening of Municipal area	No. of indigenous trees to be purchased		800 indigenous trees purchased and distributed	600 Indigenous trees	600	Achieved	None	None	R 200 000 425/3050 71 Expenditure R 195 000	Delivery invoices. Signed distribution lists	
Com Services	To develop the landscaping master plan	No. of landscaping master plans to be developed and approved	No master plan	1 Landscaping master plan	0	Not Achieved	Although Draft Master Plan developed	Late appointment of service provider in June 2016,	Draft Master Plan to be approved in 2016/17	Vote 425/3050 71 R400 000 Expenditure R 251 766.72	Approved Plan

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
Com Services	Cemetery Service	To provide safe, appropriate and accessible burial space/cemetery	No. of cemeteries to be fenced	7 cemeteries fenced Mamphogo Moeding Tsimanyane Disanyane Tsikanossi Rathoke Mokgwane	Seven (7) cemeteries to be fenced. Moganyaka South Mamaneng Tsimanyane Ngwalemong "A" Selebaneng Ga Masha Malebitsa	7	Achieved	None	None	R 641 440.00 425/260799 Expenditure R638 702.70	Appointment letter Invoice. EPWP Appointments. Handing over doc to community
	Fencing of new cemetery Marble Hall		No. of cemetery fenced in Marble Hall	0	1 (one) Concrete fencing project done 875m2	1	Achieved	None	None	R750 000 425/305111 Expenditure R 750 000	Appointment letter Invoice Hand over document
	Waste management	To provide an efficient and sustainable waste removal service	No. of villages where waste collection is done monthly.	Collection is done in the villages. Kerbside Marble Hall 2 x week (104 trips) Leeuwfontein x1 week (52 trips) Elandskraal 1 x week (52 trips)	5 villages: Marble hall Leeuwfontein Leeuwfontein RDP Elandskraal Schoeman Farms	5	Achieved	None	None	R 1 006 545 360/260810 Expenditure R69339.58	Program Signed Monthly report

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
Com Services				Leeufontein RDP 1 x week (52 trips) Communal bin Schoeman farm 1 x week (Communal bin) (trip)							
	Landfill site maintenance	To provide a safe, effective, and economical disposal system	No. of plan to be developed and implemented for the loosening of gravel and opening of new cell at the landfill site	1	1 X Annual plan developed and implemented in 2015'16 for the loosening of gravel and opening of new cell at the landfill site	1	Achieved	None	None	R 244 115 360/2352 21 Expenditure R 189 382.50	Annual Plan Appointment letter Signed invoice
	Annual Landfill compliance external audit	To conduct annual external audit for compliance of the landfill site	No. of external compliance audit conducted	1	1	1	Achieved	None	None	R 75 000 360/2352 20 Expenditure R 31954.20	Approved external Audit report
	HIV & AIDS Coordination	To minimize HIV/AIDS risk and lower prevalence.	No. of Awareness campaigns to be held	2	4	3	Not Achieved	Lack of cohesive annual programme created a	An annual schedule to be drawn and issued to all stakeholders	405/2601 53 R 25 978 Expenditure	Signed reports and attendance registers.

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
								challenge	with reminders before meetings	R 19173.86	
		To schedule LAC meetings	No. of Local Aids Council meetings held	0	4	3	Not Achieved	Lack of cohesive annual programme and lack of stakeholder attendance	An annual schedule to be drawn and issued to all stakeholders with reminders before meetings	405/260151 R 50 944 Expenditure R 15250.52	Schedule of meetings for the LAC Attendance registers
	Culture event	To promote Arts and Culture to community	No. of cultural events to be held	0	1	1	Achieved	None	None	335/260801 R 150 000 Expenditure R143 728.39	Approved schedule of meetings and report
	Sports, Recreation , Arts and Culture	To promote Sports among young people	No. of annual events to be held	1	1	0	Not Achieved	SAC officers suspended	To be re-scheduled in 2016/17	335/260802 R 53 000	Approved tournament schedule
	Sports, Recreation , Arts and Culture	To promote Sports among employees	No. of annual events to be held	1	1	1	Achieved with one Inter Municipal sports event	None	None	335/260690 R 39 326 Expenditure R 38004.21	IMSSA report
	Extension of offices - Registration Authority	To provide proper and efficient vehicle testing center	No. of offices to be built	5	4	0	Not Achieved, Funding was re-allocated	A frontline survey was conducted by Province which identified the	Service provider was appointed for erection of disabled toilet	220/305021 R600 000 Expenditure R	Completion report

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
								urgent need for a disabled toilet		115490.00	
	Purchasing of equipment	To provide new equipment for Vehicle Testing System (VTS)	No. of Equipment purchased	0	1	1	Achieved	Re-considered as a Capital project	Will be reflected under Capital projects in future	220/305025 R 283 500 Expenditure R 283500	Purchased Equipment
	Establishment of SAC Council	To establish SAC council for coordination of sports , arts and cultural activities	No. of SAC council to be established	0	1	0	Not Achieved	Inability to facilitate all relevant stakeholders to be participants in Council	To re-negotiate the establishment of the Council in the first half of 2016/17	335/260476 R 99 852	Attendance registers
	Arrive Alive Programmes	To promote road safety	No. of arrive alive programmes to be held	9	10	0	Not Achieved	Non-attendance by Municipal Officials during eastern weekend programmes	Proper coordination with all stakeholders during planning phases	225/260815 R 5 000 Expenditure R2871.59	Reports submitted to Council

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no Ward	Evidence
Planning & Eco DEV	Economic Empowerment for SMME's and Cooperatives	To provide economic support in all sectors of the economy in order to curb unemployment and related negative issues	No. of cooperatives supported with access to finance and training	10	12	12	Achieved	None	None	R0.00 760/260380	Reports Attendance Registers.
	LED forum	To foster intergovernmental relations with regard to LED issues	No. of LED forums convened	1	4	4	Achieved	None	None	R34300.00 Expenditure R32241.36	Report and attendance register
Planning & Eco DEV	LED Summit	To enhance the economic growth	No. of LED Summits held	1	1	1	Achieved	None	None	R80,000,00 Expenditure R71.000.00	attendance register and LED Summit report
	Review of LED	To ensure economic growth	No. of LED strategies	1	1	0	Not achieved	Advertisement of the project	To fast-track the	R300,000,00	Reviewed Strategy

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no Ward	Evidence
	Strategy	in all sectors of the economy	reviewed					made on the national newspaper, BID committee are still to seat on the project.	appointment of the service provider and the supply chain department processes.	EXPENDITURE R0.00	submitted to council for approval
	EPWP	To create job opportunities and poverty alleviation	No. of EPWP work opportunities created	382	382	382	Achieved	Description should be reflected as a defined GKPI	Will be revised in 2016/17 SDBIP	R1157 000 R1 157 000	Employment contract and time sheets
	Develop database for Cooperative	To ensure sufficient information for all cooperatives	No. of cooperatives database developed	0	1	1	Achieved	None	None	R0.00	Register of cooperatives

KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no.	Evidence
Corp Services	Development of Job Descriptions.	To enable employees to execute assigned duties effectively.	No. of Job Descriptions to be developed,	40 developed jobs descriptions	220	150 Job Descriptions and 70 Drafts	Not Achieved	Refusal by some employees to sign Job Descriptions	Management commitment to engage subordinates	R500 000.00 Vote no. 510/260371	Signed job descriptions
Corp Services	Employment Equity	To ensure compliance to the EE plan in the municipality	No. of Reports on the implementation of Employment Equity Plan	4 EE reports in place	4	0	Not Achieved	EE Committee meeting not forming a quorum Description should be reflected as a defined GKPI	Revival of the committee and chairperson will be progressed in 2016/17 Will be revised in 2016/17	R50 000.00 Vote: 510/26812 Revised R20 000.00	Quarterly report
	Employee Wellness Programs (EAP)	To promote employee wellness.	No. of Employee Wellness Programme to be held	2 EAP reports in place	4	4	Achieved	None	None	R250 000.00 510/260661	EAP Quarterly reports

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no.	Evidence
Corp Services	Occupation Health and Safety (OHS)	To ensure compliance with OHS legislations	No. of OHS programs to be implemented	4 OHS Committee Meeting	4 OHS Committee Meeting	4	Achieved	None	None	R300 000.00 Vote no. 510/260 721	OHS Report, committee agenda and attendance register
				New KPI	4 Evacuation Exercise	0	Not Achieved	Delay in procuring maps and Charts	Procure requisite materials in 2016/17		
				New KPI	4 Drill exercises	0	Not Achieved	KPI considered operational in nature	Will not be reflected in 2016/17 SDBIP	R300 000.00 Vote no. 510/260 721	Report on drill Exercises
				1	1 medical surveillance	1	Achieved	KPI considered operational in nature	Will not be reflected in 2016/17 SDBIP		Report on Medical Surveillance
				1	1 Risk Assessment	0	Not Achieved	Delay in SCM processes	To fast-track appointment of the service provider		Risk Assessment Report
	Training and Development	To develop skills of staff, Councilors and community members	No. of meeting attended by Training Committee members	4	12	0	Not Achieved	Training Committee meetings not forming quorum	Revival of the committee	R0.00	Training Committee agenda. Minutes. Attendance Registers. Delivery register
				No. of staff trained	46	56	56	Achieved	None		

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no.	Evidence
Corp Services										000.00	
			No. of staff bursary facilitated for allocation	13	15	0	Not Achieved	Lack of interest by staff members	Employees awareness campaigns	510/306 021 R300 00 0. 00	allocation memo
			No. of community bursary facilitated for allocation	18	20	0	Not Achieved	Insufficient budget	Provision of sufficient budget	510/306 020 R700 00 0.00	Allocation memo
			No. of community members trained,	6	8	8	Achieved	None	None	00.00	Proof of payment, signed contracts and reports
			No. of career exhibition organized	0	1	0	Not Achieved	Poor coordination	Involvement of all stakeholders	00.00	Career Exhibition Report
			No. of Councilors to be trained	12	16	0	Not Achieved	Budget constraints	Sufficient budgetary provision	R200 000.00 Vote: 505/260 720 Revised R 100 000.00	Proof of payment, signed contracts and reports
Corporate Services	Local Labour Forum (LLF)	To ensure sound labour relations	No. of Local Labour Forum meetings to be held	12	12	0	Not Achieved	Forum meetings not forming quorum	Revival of the Forum and Intervention by SALGA	00.00	Signed minutes Attendance registers
	Merit Awards	To encourage best performance and	No. of merit awards events to be held	0	1	1	Achieved	None	None	R100 00 0.00 Vote 510/260	Report of the event

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no.	Evidence
Corporate Services		productivity of officials								813	
	Record management	To safeguard records and related data for future reference i.r.o. NARSA Act.	No. of reports on mail received and processed.	12 reports in place	12 Reports	12	Achieved	KPI considered operational in nature	Will not be reflected in 2016/17 SDBIP	R350 000.00 Vote 500/305 053	Monthly report. Delivery and Installation report
	Install steel shelving in the file storage centre	To ensure appropriate shelving that can minimize the risk of fire in the file storage center.	No. of steel shelves to be installed.	1 set of wooden shelves mounted in the files storage center	1 set of steel Shelving	0	Not achieved	None responsive tenders KPI considered operational in nature	Timeous procurement plans Will not be reflected in 2016/17 SDBIP	Available R34065 0.00	
	Install fire detectors	To safeguard records against fire in identified offices.	No. of Installed fire detectors in identified offices.	4 fire detectors in place	1 fire detector	0	Not achieved			R407 712.00 Vote 500/305 000	Installation certificate.
	Electronic subscription	To enable prompt legislative reference and updates.	No. of Paid annual subscription.	1	1	1	Achieved	KPI considered vague and operational in nature	Will not be reflected in 2016/17 SDBIP	R83 000.00 Vote 500/260 002 Available R3855.8 6	Payment voucher (licence renewals)
	Customer care	To establish a functional Customer Care Service (CCS) that is aligned	No. meeting on customer related matters	- Policy -Service delivery Charter	4	3	Not achieved, 4th meeting not convened	Lack of common understanding with respect to format of	To be progressed in the 2016/17	R500.00 Vote 500/260 00 Revised	Quarterly reports.

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no.	Evidence
Corporate Services		to Batho Pele Principles.						CCS unit		R0.00	
	Purchase of Office Furniture	To ensure adequate office furniture for municipal officials.	No. of offices to be furnished	130 offices Furnished	27 Offices	0	Not achieved,	None responsive tenders, but funding was used to purchase employee lockers	Timeous procurement plans	R200 000.00 Vote 500/305 000 Available R17673 2.83	Delivery note
	End-user support.	To ensure that all ICT queries are handled and resolved.	No. of queries handled and resolved	12	12	12	Achieved	KPI considered operational in nature	Will not be reflected in 2016/17 SDBIP	Budget R 1 860 679.00	Monthly Reports.
	ICT infrastructure maintenance	To ensure stable network.	No. of maintenance completed on the network uptime	12	12	12	Achieved			Vote 500/260 430	
	Disaster recovery and Business Continuity.	To ensure business continuity in the event of disaster.	No. of backups completed.	12	12	12	Achieved			Available R17126 4.83	
	Acquisition of ICT equipment.	To acquire reliable hardware for ICT	No. of acquired ICT equipment and accessories reports compiled	65 Desktop, 39 Laptops 16 Switches	4 ICT equipment and accessories reports compiled	0	Not achieved	Unsuitable appointed Service Provider	Proper assessment of Service provider	R120 000.00 Vote 500/235 131 Available R10503 7.20	Quarterly reports

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no.	Evidence
	Renewal of ICT Licenses	To ensure compliance with ICT legislations and protection of ICT systems from intrusion.	No. of Renewed ICT licenses	3 ICT Licenses in place	3 Renewed ICT Licenses	3	Achieved	KPI considered operational in nature	Will not be reflected in 2016/17 SDBIP	R714 852.76 Vote 500/260 000 Available R14729 7.70	Licenses certificates
	Website update	To ensure that the website is updated monthly	No. of documents uploaded on the website.	12	12	12	Achieved, refers to monthly reports submitted	KPI description vague and incorrect	2016/17 KPI's will comply to NT FMPPI guidelines	R200 000.00 Vote 500/260 000 Available R74570.00	Monthly reports.
	Maintenance of fire detectors.	To ensure maintenance of fire detectors in records and server room.	No. of fire detectors to be maintain	4	4	4	Achieved, refers to monthly reports submitted	KPI considered operational in nature	Will not be reflected in 2016/17 SDBIP	R56 162.00 Vote R500/30 5051 Available R35984.00	Quarterly reports.
	Policy Confirmation	To ensure that policies comply with legislations.	No. of policies developed in line with legislation.	14	12	12	Achieved	Description should refer to new and revised	Will be amended in the 2016/17 SDBIP	R3 270 735.47 Vote 505/260 145	Council agenda
	By-laws confirmation and publishing	To ensure that By-laws are compliant to legislations and are published	No. of By-laws received for confirmation and published	1 By-law in place	1	1	Achieved	None	None		Council agenda Consultative meetings report. Gazetted

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no.	Evidence
											By-laws
	Legal matters	To advice and facilitate representation on legal matters	No. of legal advice given and the status of cases received and attended to.	12 reports	12 reports	12	Achieved	KPI description vague	2016/17 KPI's will comply to NT FMPPI guidelines		Quarterly Reports
		To assist with the development and maintenance of Service Level Agreement	No. of Service Level Agreement developed and duly signed.	12 reports	12 reports	0	Not Achieved	Draft SLA awaiting for signatures from departments	To do follow ups with departments	R0.00	Monthly reports Fully signed Service Level Agreement.
Planning and Eco Development	IDP Review	To guide the municipality towards achieving its vision and service delivery obligations.	Credible IDP approved by Council by 31 May	1	1	1	Achieved	None	None	R265 000 Vote 760/260 025 Revised R 165 000.00	IDP and Council resolution
	Strategic Planning		No. of strategic planning session held	1	1	1	Achieved	None	None	R159 000.00 Revised R259 00 0.00	IDP document and council resolution
	Review performance management Framework	To improve the capacity of the municipality	No. of performance management system framework reviewed and	1	1	1	Achieved	None	None	R0.00	Review PMS framework and council resolution

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no.	Evidence
			submitted to council								
	Performance Assessments	To improve the capacity of the municipality	Number of Quarterly Lekgotla conducted	4	4	4	Achieved	None	None	R60 000.00	Quarterly Lekgotla reports and Section 56 Performance Assessments
			No. of performance review for section 54/56 conducted	4	4	0	Not Achieved	MM's assessment could not be completed within the set time frames;	I meeting for the assessment scheduled for July 2016		

KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenges	Remedial	Budget Vote no.	Evidence
BTO	Provision of Free Basic Services (FBE)	To Provide free basic Services	No. of beneficiaries provided with free basic electricity	5800	6000	6000	Achieved	None	None	R 1 467 175.68	Budget control and payment schedule
BTO	revenue enhancement	To implement revenue collection in areas outside marble hall	% Improvement on internally generated revenue and collection in areas outside Marble Hall.	10%	20%	20%	Achieved	None	None	R 17 782. 84	Sec 71 Report Billing v/s Collection Report
	Improvement of the audit report	To ensure that the 2013_14 audit opinion has improved	Improved audit report/outcome to Qualified audit opinion.	Disclaimer audit opinion- 2014/15	A qualified audit opinion	Disclaimer audit opinion	Not achieved	Non adherence to resolve issues raised in the AG Audit Action Plan	Priority given to resolve issues raised in the AG Audit Action Plan in 2016/17	0	Audit Report
	Compilation of	To ensure	No. of GRAP	1	1	1	Achieved	None	None	775/260	Asset

	GRAP compliant asset register	compilation of a GRAP Compliant fixed asset register	compliant asset register compiled							780 R 3 000 000.00	register
	Management of the Financial management grant	To ensure expenditure of Financial management grant	% on Expenditure on Financial Management Grant	100%	75%	75%	Achieved	None	None	775/260 441 R 1 675 000 R 1 100 809	FMG Report. National Treasury Income and expenditure report.
	Implementation of SCM processes	To ensure efficient and effective functional procurement/SCM processes.	No. of SCM compliance reports submitted to Council	4	4	4	Achieved	None	None	R0.00	SCM quarterly reports.
	Compilation of annual budget for 2016_17.	To ensure compilation of Annual budget in terms of MFMA and Regulations.	No. of Annual Budget developed and submitted for approval by Council	1	1	1	Achieved	None	None	R0.00	Adopted Annual Budget.
	Implementation and Monitoring of 2015_16 annual budget	To manage and control budgeting and financial planning so that the strategic direction of Council is reflected in the budget and that the budget is adhered to.	No. of Section 71 reports submitted to Executive Committee	12	12	12	Achieved	None	None	R0.00	Provincial Mid-Year Assessment Report (Section 71/ 72 as per MFMA) Budget Document.

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
Corporate Services	Publishing of Newsletter	To inform the community about municipal activities	No. of newsletters published	1	4	3	Not achieved	SCM processes	Finalise SCM processes	R250 000.00 Vote 450/260 021 Revised R150 000.00	Published Newsletters,
	Mayoral outreach program	To enhance municipal interaction with the communities through mayoral outreach	No. of Mayoral outreach programs conducted	16 Mayoral outreach programs conducted	16 Mayoral outreach programs		Not achieved	Deviation from programme	Adherence from programme	R394 000.00 Vote no. 505/260 725	Attendance register and reports
	Ward committees support	To have a well-coordinated communication and good relations with the public.	No. of Ward Committee meetings conducted	192 ward committee meetings conducted	192 ward committee meetings	192	Achieved	None	None	R1 920 000.00	Signed Minutes and attendance register
Corporate			No. of Ward Committee Programs & Support	1	2	2	Achieved	None	None	R980 000.00	Report of the programmes

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
Services	Indigent Register Review	To review Indigent Register	No. of indigent register reviewed	1 indigent register in place	1 reviewed indigent register	0	Not achieved	Forms still with Councillors	WLO to make follow-ups	R00.00	Indigent register Council Resolution
	Council meeting	To ensure optimum functionality of Council and council committees	No. of council meetings facilitated	4 council meetings facilitated	4 council meeting	4	Achieved	None	None	R150 000.00 Vote: 505/260 710	Council agenda, Minutes and attendance registers
	EXCO		No. of EXCO meetings to be held	12	12	10	Not achieved	No meetings in March and June due to other programmes	Adherence to Council approved programme		Minutes Attendance Registers.
	Sec 79 Committees		No. of sec 79 committees to be held	32	72		Not Achieved	No received items, some committees not making a quorum	Adherence to Council approved programme		
	Special Programs	To give support to special programs in the municipality.	No. of special programs conducted	4	4	4	Achieved	KPI description vague	2016/17 KPI's will comply to NT FMPPI guidelines	R250 000.00 Vote:505 /260631 Revised R 150 000.00	Signed Minutes/reports
	Youth Development matter	To promote youth developmental programs in the municipality.	No. of youth developmental programs conducted.	1	1	1	Achieved	None	None	R100 000.00 Vote:505 /260631	Signed Minutes/reports

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
MM's Office	AGSA Finding	To improve on the AGSA Audit findings	% of AGSA findings resolved by 30 Jun 2016	134 findings raised by AGSA during the 2014/15 audit	100% of findings raised by AGSA should be resolved by 30 June 2016	75,4%	Not achieved, only 101/134 findings raised by AGSA addressed	Prior year finding (unknown receipts) Other findings can only be addressed with year-end process	Outstanding findings are currently in progress and will be resolved in 2016/17	0	Quarterly Progress report on Action Plan
MM's Office	Internal audit annual plan	To provide an independent objective Internal Audit assurance	Internal Audit annual plan developed and approved by Audit Committee	1 Internal Audit plan developed and approved in 2014/15	1	1	Achieved	None	None	R0.00	Internal Audit Annual Plan
	Internal audit engagement		No of risk based internal audits report produced and processed by the Audit & Performance Committee during the 2015/16	2 audits conducted in 2014/15	6	1	Not achieved	Capacity constrains in the unit (the Chief IA resigned and the position was only filled in February)	The annual internal audit plan was since reviewed and the progress is in line with the reviewed plan		Internal audit reports & Minutes of the Audit & Performance committee meetings
	Performance assessments		No of performance internal audits report produced and processed by the Audit & Performance Committee during the	4 quarterly audit required in terms of MSA 45	4	4	Achieved	None	None		Performance audit reports & Minutes of the Audit & Performance committee

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
MM's Office			2015/16								meetings
	Audit Committee	To maximize and enhance oversight function over the internal audit activity	No. of Audit Committee reports submitted to council by 30 Jun 16	2 reports submitted in 2014/15	4 quarterly reports	4	Achieved	None	None	0	Reports submitted to council and council resolution
			% of quarterly Audit Committee recommendations implemented by 30 Jun 16	16% (3 /18) Audit committee resolutions implemented in 2014/15	100% implementation of the audit committee resolutions	100%	Achieved	None	None		Progress Reports
	Risk assessment	To render effective and value-add enterprise risk management services	No. of risk assessments conducted and processed by risk management committee and considered by the Audit & Performance committee	0	3 risk assessments 1= Strategic 1=Operational 1= mSCOA	3	Achieved	None	None	0	Approved risk registers
			No of risk mitigating factors implemented	0	10 Mitigation factors for top 10 risks should be implemented by 30 June 2016	0	Not achieved	Ineffective Risk management committee	Capacitate the Risk management committee		Risks management quarterly reports

Directorate	Project	Objective	KPI	Baseline	Annual Target	Actual	Progress	Challenge	Remedial	Budget Vote no	Evidence
	Risk Policy Adoption	To ensure a corruption zero-tolerant environment	No. of risk management policies to be adopted by 30 Jun 16	0	3 1. Risk management policy 2. Whistle blowing policy 3. Anti-corruption policy	3	Achieved	None	None	0	Adopted policies
	Capacity Building	To capacitate staff on risk management	No. of awareness campaigns to be held by 30 Jun 16	1	4	3	Not Achieved, but the (3) were inclusive of (1) Fraud and Corruption awareness campaign	Coghsta could not commit to the proposed date	Workshop re-scheduled for July 2016	0	Attendance Registers

PERFORMANCE OF SERVICE PROVIDERS FOR 2015/16 FINANCIAL YEAR

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

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

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

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

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

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

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

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
Supply and Delivery of Tractor	Simunye Fleet Services	23/6/2016	30 /6/2016	None	R500 000 Excluding Vat	R 500 000 Excluding Vat	5

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
Supply and Delivery of Bush Cutters	Masmock Trading	28/10/2015	2/12/2016	None	R 65 000	R65 000	3
Supply and delivery of Fencing Material	Dudu & Sbusiso Trading and Projects	11/11/2015	25/1/2016	None	R635478.75	R635478.75	3
Supply and delivery of trees	Tubake Catering and Services	15/10/2015	30/11/2015	None	R 195 000	R 195 000	3
Develop a Landscaping Masterplan	Siegwalt Kusel t/a Habitat Landscaping	13/6/2016	26/8/2016	None	R251766,72	Not paid yet	4
Concrete fencing of new cemetery	Asitico Civil and Construction	29/6/2016	26/8/2016	None	R 750 000 Excluding Vat	Not paid yet	3
Opening of new cell and loosening of gravel – Landfill site	Aqua Transport	29/6/2016	15/7/2016	None	R189382.50	R189382.50	3
External audit – Landfill site	Prime Resources	28/6/2016	15/7/2016	None	R 31 954.20	R 31 954.20	4
Disabled toilet - Registration Authority	Thutho Thutho Setshabeng	13/6/2016	15/7/2016	None	R115490.00	R115490.00	2
Valuation roll	Uniquenco Valuers	Oct 2012	June 2017		R 1140 000	R 611 780.00	4
Banking Services	ABSA	July 2012	June 2017		R10 000 000	R 324 847.15	2
Printing, sorting and posting of municipal statements	CAB Holdings	April 2013	June 2016	Until appointment of new service provider	Charge per processing, printing and posting.	R 273 426.07	4
Payroll services	VIP	APRIL 2011	Ongoing	Annually revised		R 110 776	4
Financial system	Munsoft	May 2013	Ongoing		R	R 1 198 594.83	4
Meter reading	Grobbe Miedenste	June 2014	June 2016	Until appointment of new service provider	70 000	R 54489.60	3
Prepaid services	Conlog	March 2012	Three Month notice(Nov 2015)	MONTHLY		R 222 000.00	3
Banking services	FNB		Ongoing			R 6953.07	4

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
VAT Recovery	Maxprof (Pty) LTD	April 2014				R 0	2
1.Puleng Internal Streets-Consulting services 2. Matilu Internal Streets-Consulting services	Dikgabo Consulting Engineers	27/11/2014	Multi-year	Multi-year	1.R9,500,000.00 2.R9,500,000.0	1. R 865,066.75 2. R 864,952.75	2
Puleng Internal Streets-Construction	Mathomo Mayo Investments/Moleke Projects JV	15/05/2015	28/09/2015	16/11/2015	R 7,502,058.14	R 8,218,466.96	5
Matilu Internal Streets- Construction	Maesela Construction	15/05/2015	28/09/2015	19/02/2016	R 6,833,729.43	R 6,833,729.43	4
Elandskraal Internal Streets-Consulting	Dolmen Engineers	20/11/2014	Multi-year	Multi-year	R 18,000,000.00	R 2,520,000.01	4
Elandskraal Internal Streets-Construction	Patrick Makgoga Construction	15/05/2015	30/11/2015	09/12/2015	R 12,758,704.49	R 13,043,556.29	5
Dichoeung Internal Streets-Consulting	EMC Consulting	04/12/2014	Multi-year	Multi-year	R 1,200,000.00	R 2,671,556.10	3
Dichoeung Internal Streets-Construction	Big Rock Construction	14/10/15(Phase 1) 30/03/2016(Phase 2)	01/03/2016(P1) 29/06/2016(P2)	01/03/2016(P1) 29/06/2016(P2)	R6,305,706.82(P1) R4,826,193.28(P2)	R 6,305,706.82(P1) R 4,826,193.28(P2)	5
Mohlalotwane Internal Streets-Consulting	Tshego Consulting Engineers	04/12/2014	Multi-year	Multi-year	R 1,200,000.00	R 3,153,800.00	2
Mohlalotwane Internal Streets-Construction	Sihle JV	14/10/2015(Phase 1) 11/05/2016(Phase 2)	21/03/2016(P1) 30/01/2017(P2)	21/03/2016(P1) In Progress(P2)	R 6,000,000.00(P1) R 19,698,294.11 (P2)	R 5,999,046.77(P1) R	5

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
						10,224,690.60(P2)	
Letebejane/Ditholong Internal Streets- Consulting	Ubona Engineers	20/11/2014	Multi-year	Multi-year	R 10,120,000.00	R 0.00	3
Marble Hall Ext.6 Stormwater-Consulting	Mulalo Consulting Engineers	22/12/2015	Multi-year	Multi-year	R7,000,000.00	R 630,000.00	2
Upgrading of N11 Intersections-Consulting	Tshatshu Consulting and Project Managers	22/12/2015	Multi-year	Multi-year	R5,000,000.00	R 317 778.19	4
Moganyaka Internal Streets-Consulting	MTP Infrastructure resources	10/03/2009	Multi-year	Multi-year	R8,500,000.00	R 1,245,459.01	3
Moganyaka Internal Streets-Construction	Kgwadi Ya Madiba/ Big Rock JV	14/10/2015	21/03/2016	06/07/2016	R 6,587,500.00	R 6,587,500.00	3
Substation Upgrade-Retrofit 8 Circuit Breakers	RPS Switchgear SA	20/11/2015	27/02/2016	15/03/2016	R1 199 694.07	R1 161 739.84	4
Transformer Oil Testing	Giftron Distribution	07/08/2015	14/09/2015	NA	R67 690.35	R67 690.35	4
Public Lighting Maintenance material	Mokakatledi a Thapo Lesibana Trading	24/04/2015	26/06/2015	31/08/2015	R197 967.05	R139 360.60	1
Supply and delivery of public lighting maintenance material	Mashmock Construction and General trading	01/04/2016	30/06/2016	NA	R131 980.00	R131 980.00	3
Supply delivery and registration of Mobile Toilet Trailer	Giftron Distribution	11/12/2015	16/03/2016	NA	R88 344.30	R88 344.30	3
Supply delivery and registration of LDV	Williams Hunt Delta	20/11/2015	09/12/2015	NA	R305 706.00	R305 706.00	5
Supply for mast lights Mohlalaotwane	ESKOM	01/07/2015	30/06/2016	31/10/2016	R670 849.10	R670 849.10	1
Supply for mast lights Mbuzini/Morarela	ESKOM	01/07/2015	30/06/2016	31/10/2016	R833 028.10	R833 028.10	1
Supply for mast lights Mohlotsi	ESKOM	01/07/2015	30/06/2016	31/10/2016	R491 857.60	R491 857.60	1

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
Supply for mast light Dichoeung	ESKOM	01/07/2014	30/06/2015	24/06/2016	R526 193.90	R526 193.90	1
Supply for mast light Tshikanosi	ESKOM	01/07/2014	30/06/2015	27/11/2015	R479 038.71	R479 038.71	1
Substation material	Ntshadikwe Construction & Projects	10/03/2015	26/06/2015	31/08/2015	R64 900.00	R64 900.00	1
Supply and Delivery of 403 padlocks for Electrical Network	Takatso Ya Batho Trading	22/12/2015	31/03/2016	NA	R128 970.00	R0.00 Supplier failed	1
Maintenance of Municipal Website	SITA	1-Jul-13	30-Jun-16	N/A	R 72 515.22	R159189.66 Included upgrade	5
VPN Digital lines	Telkom SA	30-Aug-12	30-Aug-15	N/A	R 193 084.64	R1212657.27	5
Telephone system (VSAT at Zamenkomst)	Telkom SA	30-Aug-14	8-Aug-17	N/A	R 50 549.28		
Dignet lines - internet system	Telkom SA	19-Sep-13	19-Sep-18	N/A	R 48 586.68		
Opticon IPECS 300 PABX - telephone system	Telkom SA	3-Oct-14	30-Sep-17	N/A	R 88 148.40		
Maintenance of copier machines - extended	Ditiro IT Resource	13-Jun-13	14-Jun-17	N/A	R 2 520 000.00	R 217405.21	4
Electronic document management system	Business Engineering	1-May-12	28-Feb-2017	N/A	R 371 616.00	R 361 806.36	5
Offsite Archiving	Docufile (Pty) Ltd	15-May-14	Per given notice	N/A	R 20 789.00	R11716.71	5
ICT support and maintenance	IT Iqhazululo	7-Jan-13	Per given notice	N/A	R 328 320.00	R328 320.00	5
Online gazette and labour update	Sabinet	1-Apr-12	30-Mar-17	N/A	R 70 794.00	R70752.80	5
Wireless inter office connection	HCIT	10-Jan-12	Month to month	N/A	R 478 000.00	R478 800.00	5
Provision of data lines and airtime	Vodacom	14-Jun-12	30-Mar-16	N/A	R 192 677.84	R169 865.81	5

Service /Project	Service Provider	Date appointed	End of the Contract	Revised completion date	Bid Amount	Expenditure	Performance Rating 1-5
Municipal newsletter	Tlotlego Media	30-Mar-16	30-Mar-18	N/A	Schedule of rates	R122 148.00	4
Maintenance of server room	Multi-Net Systems	5-Apr-16	5-Apr-18	N/A	Schedule of rates	R23002.92	5
Microsoft Licences	Forest Technologies (Pty) Ltd	01-Apr-16	30-Mar-19	N/A	Annual licences	R268361.70	5
Electronic off site backup	Munsoft	26-Jun-12	Per notice given	N/A	Monthly licence	R750 461.52	5
Refurbishment of Council Chamber	Twain2	02-Dec-15	22-Dec-15	N/A	R616252.08	R616252.08	5

CHAPTER 4 – HUMAN RESOURCE MANAGEMENT

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

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

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

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

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

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

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

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

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

Vacancy Rate 2015/16			
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0%
CFO	1	0	0%
S57 Managers	6	3	50%

Vacancy Rate 2015/16			
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category)
Senior management: Levels 13-15)	14	2	86%
Total	22	5	78%

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

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

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

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

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

4.2 POLICIES

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

Approved and reviewed policies

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

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

4.3 INJURIES, SICKNESS AND SUSPENSIONS

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

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Average injury leave taken per employee	Average Injury Leave per employee	Total Estimated Cost
	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

4.4 PERFORMANCE REWARDS

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

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

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

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

Workplace Skills Plan (WSP)

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

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

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

Training for officials

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

Training for councillors

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

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

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (levels 1-2)	Female	0
	Male	0
Skilled (levels 3-5)	Female	
	Male	0
Highly skilled production (levels 6-8)	Female	
	Male	0
Highly skilled supervision (levels9-12)	Female	
	Male	0
Senior management (levels13-16)	Female	
	Male	2
MM and S 57	Female	1
	Male	0
Total		3

Disclosure of financial interest

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

CHAPTER 5: FINANCIAL PERFORMANCE

Introduction

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

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

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

Introduction

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

5.1 STATEMENT OF FINANCIAL PERFORMANCE

Description	2014/15	Budget Year 2015/16					
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
Revenue By Source							
Property rates	25 738	26 766	26 766	29 798	26 766	3 031	11%
Property rates - penalties & collection charges						-	
Service charges - electricity revenue	36 983	50 357	50 357	45 785	50 357	(4 572)	-9%
Service charges - water revenue						-	
Service charges - sanitation revenue						-	
Service charges - refuse revenue	3 652	4 158	4 158	3 216	4 158	(942)	-23%
Service charges - other						-	
Rental of facilities and equipment	113	197	197	138	197	(59)	-30%
Interest earned - external investments	2 515	2 451	1 170	4 677	1 170	3 506	300%
Interest earned - outstanding debtors	1 204	2 241	2 241	3 502	2 241	1 261	56%
Dividends received						-	
Fines	1 542	684	683	1 554	683	871	127%
Licences and permits	11 193	12 272	10 825	2 457	10 825	(8 367)	-77%
Agency services				3 994		3 994	#DIV/0!
Transfers recognised - operational	95 161	122 308	122 308	121 961	122 308	(347)	0%
Other revenue	8 718	3 334	2 007	913	8 019	(7 106)	-89%
Gains on disposal of PPE						-	
Total Revenue (excluding capital transfers and contributions)	186 818	224 769	220 713	217 995	226 725	(8 730)	-4%

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

Description	2014/15	Budget Year 2015/16				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YTD variance	YTD variance %
R thousands						
Revenue - Standard						
Governance and administration	131 109	154 115	154 637	153 235	(1 402)	-1%
Executive and council	-	8 168	7 832	7 526	(306)	-4%
Budget and treasury office	131 109	145 947	146 805	145 709	(1 096)	-1%
Corporate services	-	-	-	-	-	
Community and public safety	136	278	278	173	(105)	-38%
Community and social services	-	28	28	34	6	22%
Sport and recreation	-	-	-	-	-	
Public safety	-	-	-	-	-	
Housing	136	250	250	138	(111)	-45%
Health	-	-	-	-	-	
Economic and environmental services	46 522	46 182	64 591	59 128	(5 207)	-8%
Planning and development	183	930	930	674	-	
Road transport	46 339	45 252	63 661	58 454	(5 207)	-8%
Environmental protection	-	-	-	-	-	
Trading services	40 635	56 599	56 624	51 768	(4 856)	-9%
Electricity	36 983	52 441	52 466	47 076	(5 390)	-10%
Water	-	-	-	-	-	
Waste water management	-	-	-	-	-	
Waste management	3 652	4 158	4 158	4 692	534	13%
Other	-	-	-	-	-	
Total Revenue - Standard	218 402	257 174	276 130	264 304	(11 570)	-4%
Expenditure - Standard						
Governance and administration	100 172	114 608	135 545	102 594	(32 951)	-24%
Executive and council	22 461	31 436	29 700	25 027	(4 673)	-16%
Budget and treasury office	56 788	56 788	82 559	57 561	(24 997)	-30%
Corporate services	20 923	26 384	23 286	20 005	(3 281)	-14%
Community and public safety	15 923	19 920	18 566	13 272	(5 294)	-29%
Community and social services	9 499	9 542	8 489	4 810	(3 679)	-43%
Sport and recreation	319	1 573	1 508	1 121	(387)	-26%
Public safety	-	-	-	2 851	2 851	#DIV/0!
Housing	5 222	5 272	5 426	4 490	(936)	-17%
Health	883	3 533	3 142	-	(3 142)	-100%
Economic and environmental services	21 482	102 087	98 535	29 769	(68 766)	-70%
Planning and development	5 825	4 507	4 299	1 656	(2 643)	-61%
Road transport	15 657	97 580	94 236	28 113	(66 123)	-70%
Environmental protection	-	-	-	-	-	
Trading services	41 297	46 400	46 190	51 033	4 844	10%
Electricity	36 296	39 624	39 466	43 731	4 265	11%
Water	-	-	-	-	-	
Waste water management	-	-	-	-	-	
Waste management	5 001	6 776	6 724	7 302	579	9%
Other	-	-	-	-	-	
Total Expenditure - Standard	178 874	283 016	298 835	196 668	(102 167)	-34%
Surplus/ (Deficit) for the year	39 528	(25 844)	(22 705)	67 636	99 507	395%

Comments on Financial Performance: Revenue

Property rates

The original budgeted for property rates for 2015/16 financial year was R26 million which remained the same in the adjustment budget. The actual revenue generated was R29 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 R54 Million which remain the same in the adjustment budget. The actual revenue generated was R49 Million which reflect unfavorable variance which arises as a results of private businesses saving on electricity usage.

Investment revenue

The original budget for interest on investment was R2,4 million which was adjusted downward to R1.1 million. The actual on investment revenue was R4.6 Million and this resulted in to unfavorable variance of R3.5 Million. This is as a results of interest on generated on primary bank account which was not included in the budget.

Transfer recognized - operational

This is revenue realized from both conditional and unconditional operating grants and subsidies including equitable share. The original budget thereof was R122 Million and it was never adjusted during the 2015/16 financial year adjustments budget. All the operating grants were fully spent expect for MSIG which had an unspent balance of R347 000 at the end of financial year.

Other Income

Original budget for other income was R3.3 million and it was adjusted upwards to R8 million and R 913 000 was realised and this resulted in to unfavorable variance mainly as a results of over budgeting fees departmental on income

Comments on Financial Performance: Expenditure

Employee related cost

The original budget was R65.7 million and it was slightly adjusted downwards to R62.2 million. The actual expenditure incurred is R59 million and this resulted in a saving of R2.8 Million.

Depreciation and asset impairment

Provision was made in the budget for capital asset depreciation and impairment and the budget thereof was R42 which remain the same in the adjustment budget and the actual depreciation and impairment of assets is R41 million resulting in immaterial unfavorable variance of 2%.

Bulk purchases

The major portion of this line item was mainly for purchase of electricity. The original budget thereof was R27 million which remain the same during adjustment budget. The actual expenditure incurred was R27 million and this resulted in an immaterial variance of 2%.

Other expenditure

The original budget was R135 million and it was adjusted slightly upward to R 135.5 million and the actual expenditure incurred was R37 million and this resulted in under-spending variance as a results of incorrectly budgeting for separate line items inside other/general expenditure.

5.2 GRANTS

Description	2014/15	Budget Year 2015/16				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YTD variance	YTD variance
R thousands						%
RECEIPTS:						
Operating Transfers and Grants						
National Government:	95 248	122 308	122 308	110 085	(12 223)	-10,0%
Local Government Equitable Share	91 435	118 546	118 546	106 323	(12 223)	-10,3%
Finance Management	1 600	1 675	1 675	1 675		
EPWP Incentive	1 279	1 157	1 157	1 157		
Municipal Systems Improvement	934	930	930	930		
Total Operating Transfers and Grants	95 248	122 308	122 308	110 085	(12 223)	-10,0%

Comment on Operating Transfers and Grants

All grants gazetted for 2015/16 financial year were received except R12 Million variance on equitable share which was withheld by treasury as a results of rollover disapproved on unspent grants by the municipality. Cognisance should be taken that the above table does include capital grants. The total amount received on operational grants amounted to R 110 Million during the 2015/16 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	2014/15	Budget Year 2015/16				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YTD variance	YTD variance
R thousands						%
ASSET REGISTER SUMMARY - PPE (WDV)	793 218	763 915	796 282	803 339	(7 057)	-0,9%
Depreciation & asset impairment	40 722	42 400	42 400	41 399	1 001	2,4%
Capital budget	46 508	70 815	88 455	64 980	23 475	26,5%
Repairs and maintenance	7 874	13 546	12 730	7 879	4 851	38%

Comment on Asset Management:

The asset register value for 2014/15 was R793 million and the original budget thereof was R763 million that was adjusted upward to R796 million during the adjustments budget and the actual book value as at end of 2015/16 financial year is R833 million.

The movement that affect the asset register was with regards to Depreciation and asset impairment that had an actual amount R41 million. Cognizance 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 R64 million and repairs and maintenance amounting to R7,8 million was incurred during the 2015/16 financial year.

Description	2014/15	Budget Year 2015/16				
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YTD variance	YTD variance
R thousands						%
Repairs and maintenance	7 874	13 546	12 730	7 879	4 851	38%

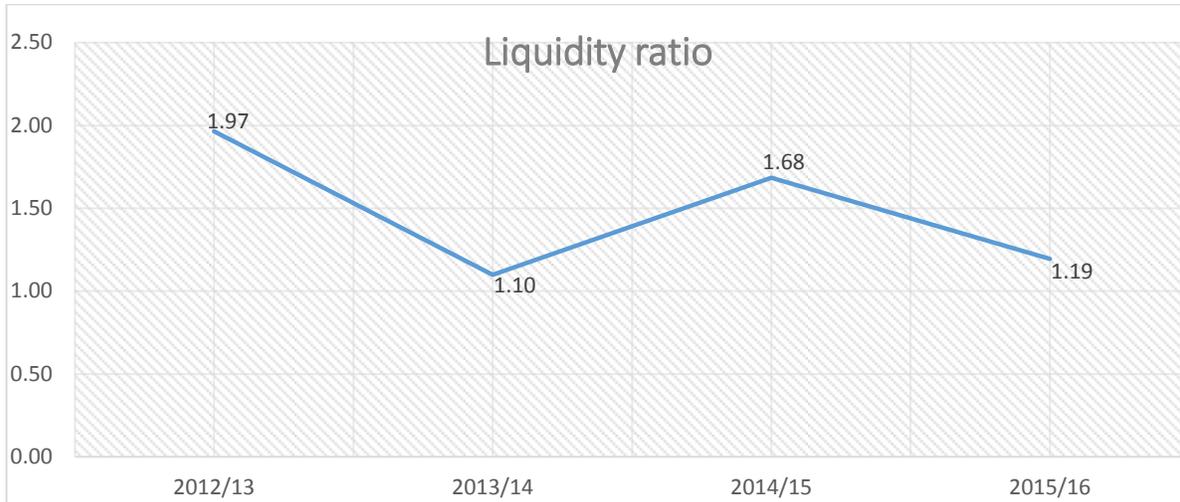
Comment on Repair and Maintenance Expenditure

The repairs and maintenance budget represent 3, 9% of the total operating budget. A total of R7.8 million was spent, reflecting an under-spending of 38% based on the adjusted budget.

5.4 FINANCIAL RATIO'S

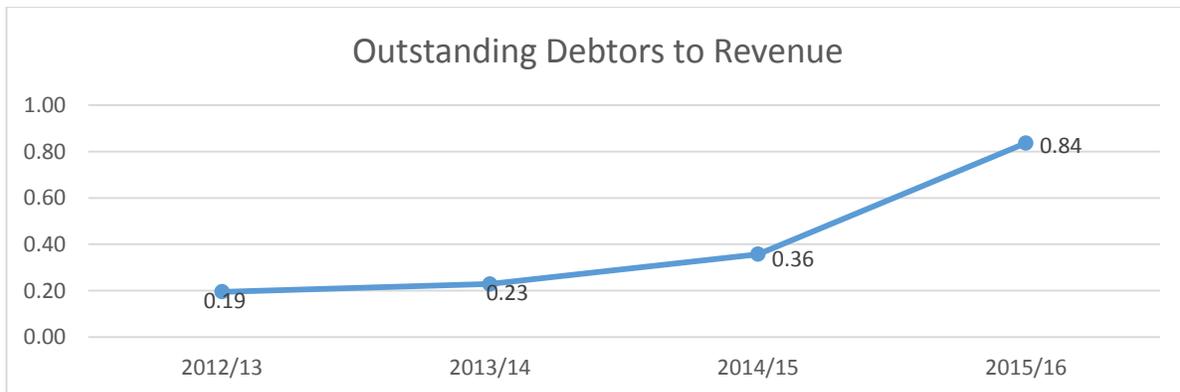
Graph 1: Liquidity ratio

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.



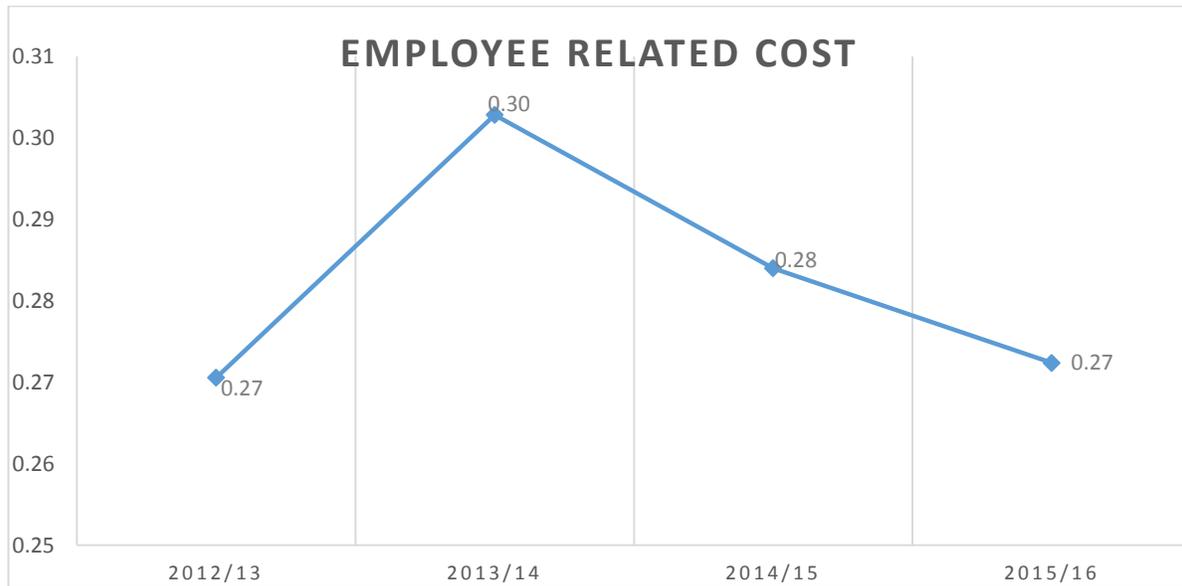
Graph 2: Outstanding Debtors to revenue

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.



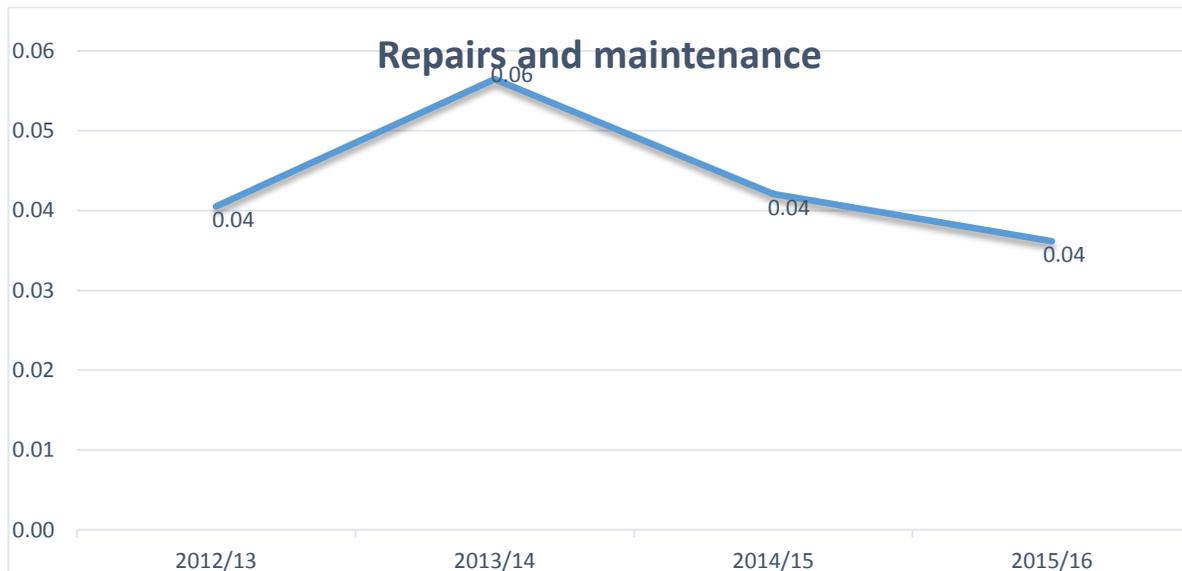
Graph 3: Employee cost

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

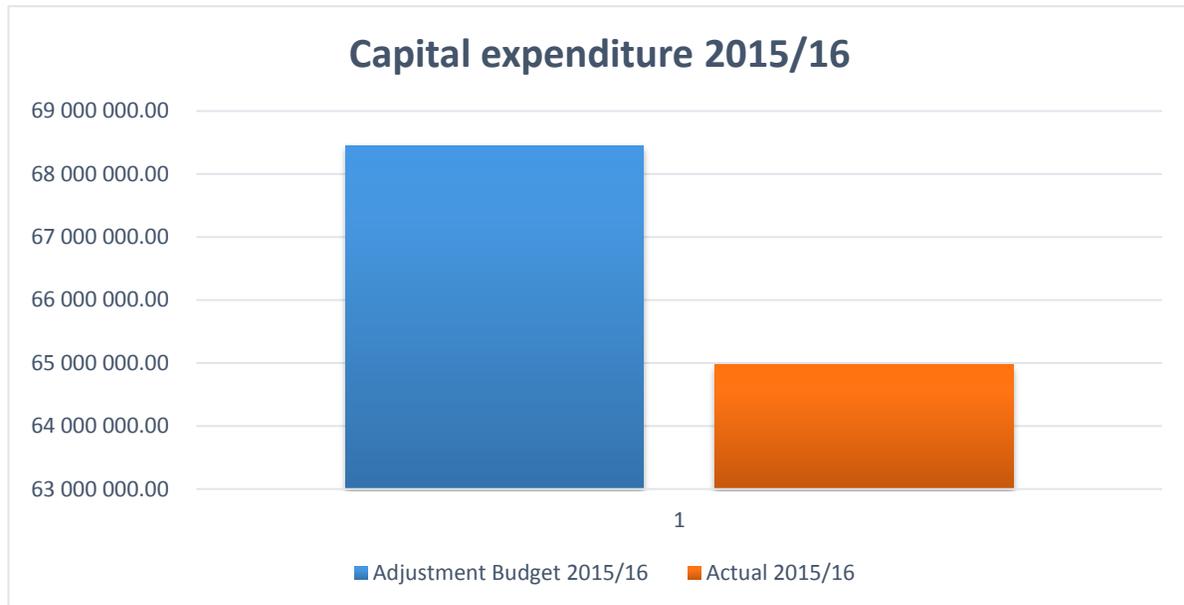
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

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 2015/16



5.6 SOURCE OF FINANCE

Vote Description	2014/15	Current Year 2015/16					
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
Funded by:							
National Government	31 584	32 405	52 855	46 309	52 855	(6 546)	-12%
Provincial Government	14 924					-	
District Municipality						-	
Other transfers and grants	439					-	
Transfers recognised - capital	46 947	32 405	52 855	46 309	52 855	(6 546)	-12%
Public contributions & donations						-	
Borrowing						-	
Internally generated funds		38 410	35 600	18 671	35 600	(16 929)	-48%
Total Capital Funding	46 947	70 815	88 455	64 980	88 455	(23 475)	-27%
Capital Expenditure - Standard Classification							
Executive and council				82		82	#DIV/0!
Corporate services	177	1 514	1 014	58	1 014	(956)	-94%
Community and social services	3 507	2 336	2 820	1 732	2 820	(1 088)	-39%
Public safety	284		2 272	399	2 272	(1 873)	-82%
Road transport	39 807	65 115	80 355	60 558	80 355	(19 797)	-25%
Electricity		1 850	394	2 151	394	1 757	446%
Waste management	681		-			-	
Other	2 052		1 600		1 600	(1 600)	-100%
Total Capital Expenditure - Standard Classification	46 508	70 815	88 455	64 980	88 455	(23 475)	-27%

Comment on Sources of Funding:

The original capital budget for 2015/16 financial was R70 million that was adjusted upward to R88 million. The actual expenditure was R64 million and reflects under-spending variance of R27% on the adjusted budget which was mainly as a results of additional funding from MIG of R20 Million. This additional funding was received towards the year end, which was practically impossible for the municipality to spend all the money.

The Budget was Funded as Follows:

Original budget – R32 million was funded by grants and R38 million was funded internally

Adjusted budget – R52 million was funded by grants and R35 million was funded internally

Actual expenditure – R46 million was funded by grants and R18 million was funded internally

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital expenditure on five largest projects					
Vote Description	Current Year 2015/16				
	Original Budget	Adjusted Budget	YearTD actual	Original variance	Adjustment variance
R thousands					%
ELANDSKRAAL INTERNAL STREETS	14 000	11 360	11 033	79%	97%
DICHOEUNG INTERNAL ROAD	7 000	12 500	11 093	158%	89%
MOGANYAKA ACCESS ROAD	8 500	8 500	7 218	85%	85%
MOHLALAOTWANE INTERNAL STREET	6 805	26 805	16 145	237%	60%
UGRADING OF ROAD PULENG	5 000	7 380	7 437	149%	101%

Name of Project - A	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
Name of Project - B	Dichoeung Internal Road
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
Name of Project - C	Moganyaka Access Road
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
Name of Project - D	MOHLALAOTWANE 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
Name of Project –E	Ugrading of Road Puleng
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 2015/2016 Financial Year, the Municipality received the Total Allocation of R52 of MIG grant of which the municipality has spent 88%.

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 2015/16 on Service backlogs						
R' 000						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Infrastructure - Road transport						
<i>Roads, Pavements & Bridges</i>	R 32 405	R 52 855	R 46 309	(R13 904)	R6 546	
<i>Storm water</i>	R0	R0	R0	R0	R0	
Infrastructure - Electricity						
<i>Generation</i>	R0	R0	R0	R0	R0	
<i>Street Lighting</i>	R0	R0	R0	R0	R0	
Infrastructure - Other						
<i>Transportation</i>	R0	R0	R0	R0	R0	
<i>Gas</i>	R0	R0	R0	R0	R0	
Other Specify:						
<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	
Total	R 32 405	R 52 855	R 46 309	(R13 904)	R6 546	

Service Backlogs as at 30 June 2016				
Households (HHs)				
	*Service level above minimum standard		**Service level below minimum standard	
	No HHs	% HHs	No HHs	% HHs
Electricity	57 814	96%	2 350	3.9%
Waste management	9934	84.7%		
Housing	n/a	n/a	n/a	n/a

Comment on Backlogs:

The electricity backlog is 3.5% and 97.5% 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 84.7% on waste management as the service is only provided in five (5) wards and which is two towns and 3 townships. All 25 wards are rural areas and they don't receive the service. There are communal skips located at strategic areas in rural areas to assist them with waste management service.

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.

5.9 CASH FLOW

Comment on Cash-Flow Outcomes:

Cash and cash equivalent at the beginning of the financial year was R81.8 million. The actual cash and cash equivalent as at end of the financial year is R113 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	2014/15	Current Year 2015/16		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
R thousands				
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates, penalties & collection charges	25 772	26 766	26 766	18 956
Service charges	40 765	54 515	54 515	40 335
Other revenue	12 151	16 475	19 724	3 503
Government - operating	95 161	122 308	122 308	115 602
Government - capital	31 584	32 405	32 417	52 405
Interest	4 957	4 692	3 412	4 677
Dividends				
Payments				
Suppliers and employees	(129 884)	(178 931)	(178 319)	(134 334)
Finance charges	(1 785)	(3 562)	(753)	(376)
Transfers and Grants				(1 937)
NET CASH FROM/(USED) OPERATING ACTIVITIES	78 720	74 668	80 070	98 831
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	1 462			
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(46 508)	(70 815)	(68 455)	(64 980)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(45 046)	(70 815)	(68 455)	(64 980)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(1 551)	(2 809)	(2 009)	(1 407)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 551)	(2 809)	(2 009)	(1 407)
NET INCREASE/ (DECREASE) IN CASH HELD	32 122	1 044	9 606	32 444
Cash/cash equivalents at beginning:	49 745	81 867	81 867	80 805
Cash/cash equivalents at month/year end:	81 867	82 911	91 473	113 249

5.10 BORROWING AND INVESTMENTS

Actual Borrowings 2013/14-2015/16 - R'000			
Instrument	2013/14	2014/15	2015/16
<u>Municipality</u>			
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	6 332	5 015	2 946
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
Municipal Total	n/a	n/a	n/a
	n/a	n/a	n/a
<u>Municipal Entities</u>	n/a	n/a	n/a
Long-term Loans (annuity/reducing balance)	n/a	n/a	n/a
Long-term Loans (non-annuity)	n/a	n/a	n/a

Actual Borrowings 2013/14-2015/16 - R'000			
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
Entities Total	n/a	n/a	n/a

Municipal and Entity Investments 2013/14 - 2015/16 - R'000			
Investment type	2013/14	2014/15	2015/16
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - national government	–	–	–
Listed corporate bonds	–	–	–
Deposits –bank	21 196	22 400	23 838
Deposits -public investment commissioners	–	–	–
Deposits -corporation for public deposits	–	–	–
Bankers'acceptance certificates	–	–	–
Negotiable certificates of deposit - Banks	–	–	–
Guaranteed endowment policies (sinking)	–	–	–

Municipal and Entity Investments 2013/14 - 2015/16 - R'000			
Investment type	2013/14	2014/15	2015/16
	Actual	Actual	Actual
Repurchase agreements - Banks	-	-	-
Municipal bonds	-	-	-
Other	-	-	-
<u>Municipal Entities</u>			
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	-	-	-
Entities Sub-Total	-	-	-
Consolidated Total:	14, 051	14,079	23, 764

Comment on Borrowing And Investments:

The Municipality's closing balance on Investments for 2015/16 financial year was R23, 764 million.
The Municipality's closing balance on Finance at 2015/16 financial year was R2 946 Million.

5.11 PUBLIC PRIVATE PARTNERSHIPS

Not applicable

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

The financial statements for the 2015/16 present an irregular expenditure of R93.5 million as an opening balance and R19.8 million was incurred during the 2015/16 financial year. This leaves the municipality with overall irregular expenditure of R113 million that emanated mainly from procurement of goods and services without fully following the supply chain management processes.

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 2015/16, a significant improvement from the Disclaimer received in 2014/15

COMPONENT A: AUDITOR GENERAL'S OPINION OF FINANCIAL STATEMENTS

6.1 AUDITOR GENERAL'S REPORT 2015/16

Refer attached report from the office of the Auditor General for the 2015/16 financial year ended 30 June 2016

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	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.
Activities	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> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	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.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	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.
Basic municipal service	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.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	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.

General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	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.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	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".
Outputs	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.
Performance Indicator	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)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and

	<p>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.</p>
Performance Targets:	<p>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.</p>
Service Delivery Budget Implementation Plan	<p>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.</p>
Vote:	<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>