



DRAFT ANNUAL REPORT

2014/2015

MOHOKARE LOCAL MUNICIPALITY FS 163

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Glossary of terms

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AIDS	Acquired Immune Deficiency Syndrome
CBO	Community Based Organization
DBSA	Development Bank of South Africa
DEAT	Department of Tourism, Environment and Economic Affairs
DLA	Department of Land Affairs
CGTA	Cooperative Governance and Traditional Affairs
DM	District Municipality
DE	Department of Energy
DoA	Department of Agriculture
DoE	Department of Education
DoH	Department of Health
DWA	Department of Water Affairs
ECA	Environmental Conservation Act
EMS	Emergency Medical Services
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBO	Faith Based Organizations
GRAP	Generally Recognized Accounting Principles
GIS	Geographical Information System
GVA	Gross Value Added
HoD	Head of department
HR	Human Resource
IDC	Independent Development Corporation
IDP	Integrated Development Plan
IT	Information Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
KPA	Key Performance Area
LED	Local Economic Development
MM	Municipal Manager
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MSIG	Municipal Systems & Institutional Grant
XDM	Xhariep District Municipality
PMS	Performance Management System
PPP	Public Private Partnership
RDP	Reconstruction and Development Programme
SADC	Southern African Development Community
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDBIP	Service Delivery Implementation Budget Plan
SGB	School Governing Body
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
VAT	Value Added Tax
VIP	Ventilated Improved Pit (dry sanitation facility)
WSDP	Water Services Development Plan



Mayor's Foreword

This document is the result of various Municipal interactions with its key stakeholders, both internally and externally. It reflects the Municipal successes and the challenges faced during the 2014/2015 financial year.

We will built on the successes of the past and face the challenges head-on to ensure better services to all in Mohokare. We all need to work together to achieve the objectives that will ultimately lead us to our vision of delivering a stable living environment and sustainable living conditions for all citizens.

Our objectives will also help us to drive National Government's agenda of job creation, enhancing its infrastructure and ensuring that all citizens in our area have access to the basic services they require.

With effective leadership, clearly defined strategies and our shared vision we can achieve the success for all our communities within the Mohokare Local Municipality.

This report is a reflection of municipal activities for the said financial year (2014/2015) compiled by this municipality.

Regards,

A handwritten signature in blue ink, consisting of stylized, overlapping loops and lines.

Cllr. M.A. Shasha
Mayor



Municipal Manager's Foreword

Once again it is time for us to report on the successes and challenges faced and account for the administrative performance of Mohokare Local Municipality during the 2013/2014 financial year.

Our goal for the past financial year was clear and unambiguous, to deliver municipal services to the best of our abilities.

One of the main challenges faced during the year was the balancing of the budget, with a slowdown in revenue collection due to increasing tariffs, as well as a shrinking revenue base due to a decline in population numbers. This challenge was professionally approached, and admirably managed, with strict financial management, increased oversight in terms of expenditure and a very cautious approach to further capital commitments.

We believe very strongly that we are on the right track as a Municipality. Our Revenue Enhancement Strategy was adopted by Council and should be able to assist us recover what is owed to the Municipality, so that we are able to continue to deliver services to our people. The following measures, amongst others, have been implemented:

- Deductions have been implemented from salaries of municipal employees in terms of payment of services;
- Contracts for rental of municipal flats at market related tariffs;
- Writing-off of debts (indigents);
- Handing over of debtors.

The progress achieved in terms of infrastructure and capital projects are captured in detail in the section of Technical Services on page 47.

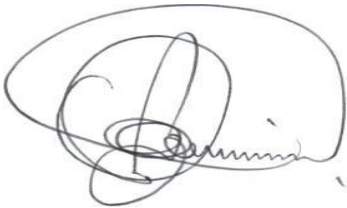
This Municipality is committed to tangible and visible deliverables to better the lives of its residents and believe that for democratic governance to be meaningful; all stakeholders must be fully engaged to participate in all processes.

Mohokare Local Municipality had a good year and once again maintained a positive service delivery record. We will continue in our efforts to provide infrastructure, basic service delivery and sustainable economic growth with people at the center of development.

I am optimistic that we stood up against the challenges which faced us and that we are without doubt on track with what we envisage for Local Government, not only a local level but also within a regional and national perspective.

I am also satisfied that this report is a true and just reflection of what really happened in Mohokare Local Municipality in 2014/2015.

Kind regards

A handwritten signature in black ink, consisting of several overlapping loops and a trailing flourish.

T. C. Panyani
Municipal Manager

COMPONENT B

EXECUTIVE SUMMARY

Municipal Vision, Mission & Values

Vision

To be a community-driven municipality that ensures sustainable quality service delivery applying principles of good governance

Mission

A performance-driven municipality that utilizes its resources efficiently to respond to community needs

With the following values:

Batho Pele Principles
Good governance
Community Based Planning
Integrity
Social Cohesion
Accountability
Customer / Client Centered Approach

Mohokare will;

- Strive to meet challenging but achievable company objectives and financial goals, with well-planned and clearly communicated strategies
- Encourage a winning spirit and a positive working environment through the development of supportive, appreciative, and rewarding working relationships
- Recognize diversity by treating individuals with respect and dignity
- Promote team building

1.1. Municipal Manager's Overview

In giving an overview of this annual report it is worth noting the following milestones achieved;

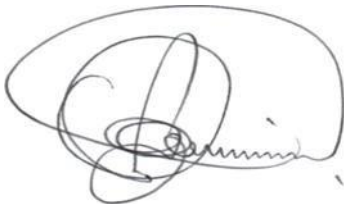
- Securing universal access to waterborne sanitation for all households through the Regional Bulk Water Scheme; where which this project will ensure that all the households in Mohokare outstanding of water borne access to sanitation are connected to the network system, promoting decency in the services that we provide.
- Universal access to water by all households in Mohokare.
- We are gradually making strides to achieving the Blue Drop and Green Drop status for Mohokare, even in the face of infrastructural developmental challenges that have financial implications and based on the revenue collection might prove difficult yet not impossible to implement.
- Acquisition of land for residential purposes; The current shortage of land in Mohokare does not equal the demand for sites and human settlements and the procurement of the Mooifontein farm in Zastron is seen as an achievement to ensure that we continue to allocate land specifically for residential purposes.
- We have managed to resuscitate relations between labour and the employer, hence the regular sitting of the employer/employee structure.
- Timeously submission of the Annual Financial Statements and the Draft Annual Performance Report; Improvement on these compliance matters is evident, seeing that these documents will be submitted on time.
- The filling of all critical section 56 positions except that of Director: Community Services.

In light of the milestones achieved it is very important that I also note challenges that the municipality must overcome in order to function properly, but not limited to the following;

- Poor revenue base for the Municipality

This annual performance report gives a clear picture of service delivery within Mohokare, and in closing, learning is the journey to success, therefore let us all be part of local government to ensure improvement of our people's lives.

Kind regards



T. C. Panyani
Municipal Manager

1.2. Municipal Functions, Population and Environmental Overview

In terms of the powers and functions for municipalities as promulgated by the Constitution of the Republic of South Africa, municipalities are dictated by this document to guide their functioning, below is the powers and functions that relate Mohokare Local Municipality;

<u>Function</u>	<u>Authorizations</u>
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity reticulation	Yes
Fire Fighting	Yes, including DM function
Local tourism	Yes
Municipal airport	Yes
Municipal Planning	Yes
Municipal Health Services	No
Municipal public transport	Yes
Pontoons and ferries	Yes
Storm water	Yes
Trading regulations	Yes
Water (Potable)	Yes
Sanitation	Yes
Amusement facilities /Beaches	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlors and crematoria	Yes, including DM function
Cleansing	Yes
Control of public nuisance	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes, including DM function
Municipal parks and recreation	Yes
Municipal roads	Yes, including DM function
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes, including DM function
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes
Municipal public works	Yes

Population and Environmental Overview

The current realities range from socio-economic aspects to engineering infrastructure and within each category of analysis the critical issues and challenges are identified.

To analyses current realities various sources of information and data were used, such as:

- Census 2001 with 2003, 2006 and 2007 and 2011 Community Survey projections by Stats SA and the Municipal Demarcation Board.
- Extrapolated data from the previous IDP documents
- The Xhariep District Potential Analysis report
- XDM latest data and information.
- Any other appropriate and relevant reports specific to the Mohokare Local Municipality within the public domain.

Demographic Realities and Socio Economic dynamics

The community survey conducted in 2007, estimated the population of Mohokare to be at $\pm 41\ 867$, however during the 2011 Census it Statistics SA indicated that Mohokare Local Municipality's population had decreased to $\pm 34\ 146$ with **10 793** households.

Key Statistics in Summary for Mohokare Local Municipality are as follows:

Total population	34 146
Number of households	10 793
	In percentages
Young (0-14)	32.2%
Working Age (15-64)	61.4%
Elderly (+65)	6.4%
Dependency ratio	62.9%
Growth rate	-0.62% (2001 – 2011)
Population density	4 persons per km²
Unemployment rate	31.4%

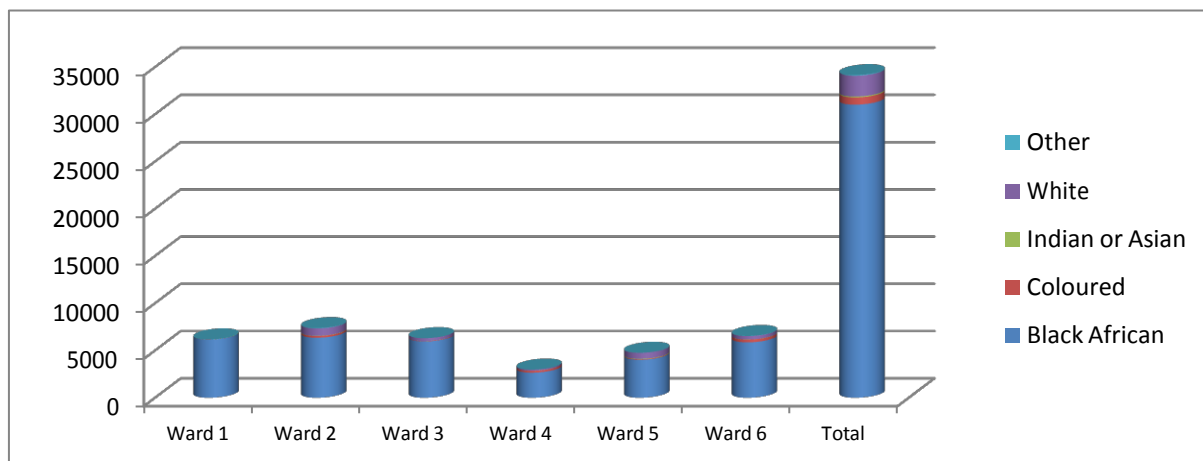
Youth unemployment rate	40%
No schooling aged 20+	11%
Higher education aged 20+	6.1%
Matric aged 20+	17.9%
Average household size	3.1
Female headed households	41.9%
Formal dwellings	86.6%
Housing owned / paying off	44.3%
Flush toilet connected to sewerage	70.5%
Weekly refuse removal	63%
Piped water inside dwelling	37.2%
Electricity for lighting	89.7%

Mohokare Local Municipality Demographics

Table 1

Geography by Population group

	Black African	Coloured	Indian or Asian	White	Other	Total
Ward 1	6163	7	6	1	5	6181
Ward 2	6353	182	21	783	31	7370
Ward 3	5963	37	9	294	4	6307
Ward 4	2655	194	5	126	2	2982
Ward 5	4020	59	41	639	3	4762
Ward 6	5865	290	11	361	16	6543
Total	31018	769	93	2205	61	34146



Source: Statistics SA, 2011

Table 2
Geography by Gender

	Male	Female	Total
Ward 1	2871	3310	6181
Ward 2	3619	3751	7370
Ward 3	2981	3327	6307
Ward 4	1460	1521	2982
Ward 5	2207	2555	4762
Ward 6	3177	3367	6543
Total	16314	17831	34146
	48%	52%	100%

Source: Statistics SA, 2011

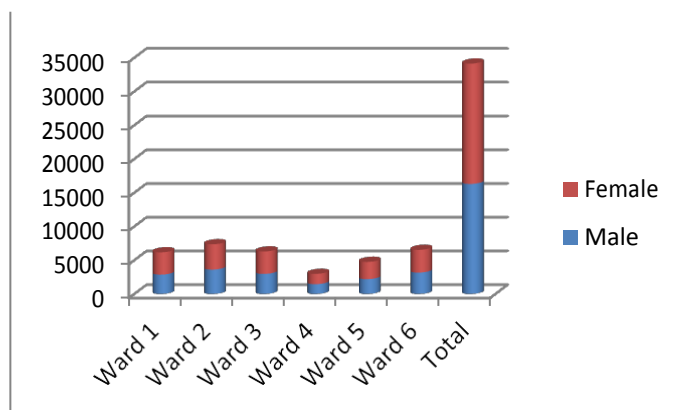
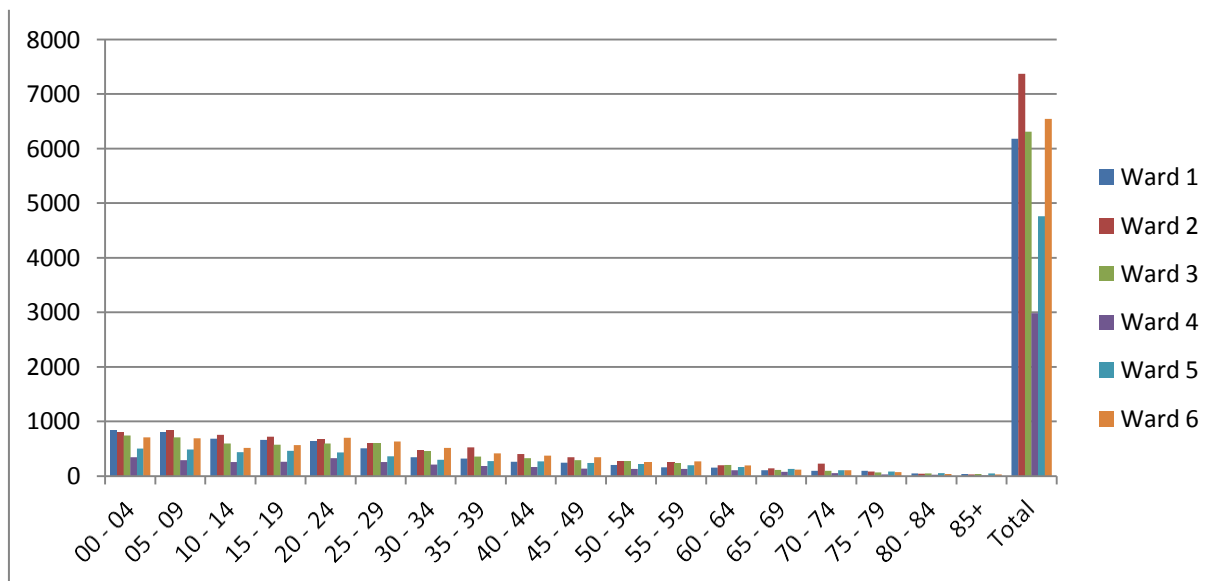


Table 3

Age groups in 5 years by Geography

Age groups	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
00 - 04	832	794	745	346	501	707	3926
05 - 09	807	830	708	293	483	690	3811
10 - 14	687	758	597	256	441	513	3253
15 - 19	659	718	575	264	464	568	3248
20 - 24	631	675	600	327	431	703	3367
25 - 29	507	605	596	259	364	635	2967
30 - 34	343	471	449	210	296	515	2284
35 - 39	320	526	357	182	273	417	2075
40 - 44	265	402	329	166	268	372	1803
45 - 49	246	346	294	135	242	343	1605
50 - 54	205	276	262	126	223	259	1351
55 - 59	155	252	241	127	200	271	1245
60 - 64	153	196	204	107	164	191	1016
65 - 69	103	140	108	74	126	119	670
70 - 74	94	227	94	50	107	107	679
75 - 79	95	83	66	30	83	67	424
80 - 84	45	43	46	25	50	36	245
85+	32	27	37	6	44	30	177
Total	6181	7370	6307	2982	4762	6543	34146

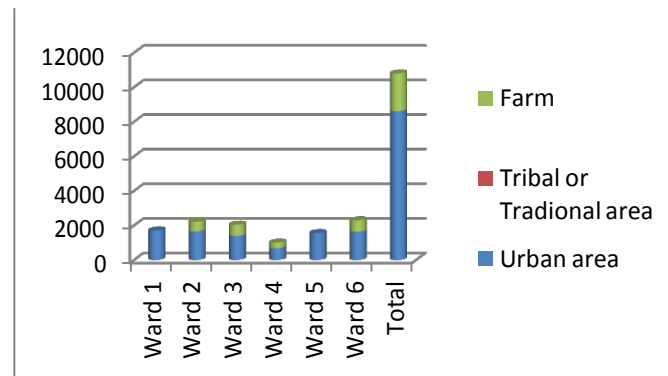


Source: Statistics SA, 2011

Table 4

Geography by Geo type / Household figures

	Urban area	Tribal or Traditional area	Farm	Total
Ward 1	1704	-	-	1704
Ward 2	1653	-	555	2208
Ward 3	1393	-	643	2036
Ward 4	677	-	324	1000
Ward 5	1552	-	-	1552
Ward 6	1634	-	658	2292
Total	8612	-	2180	10793

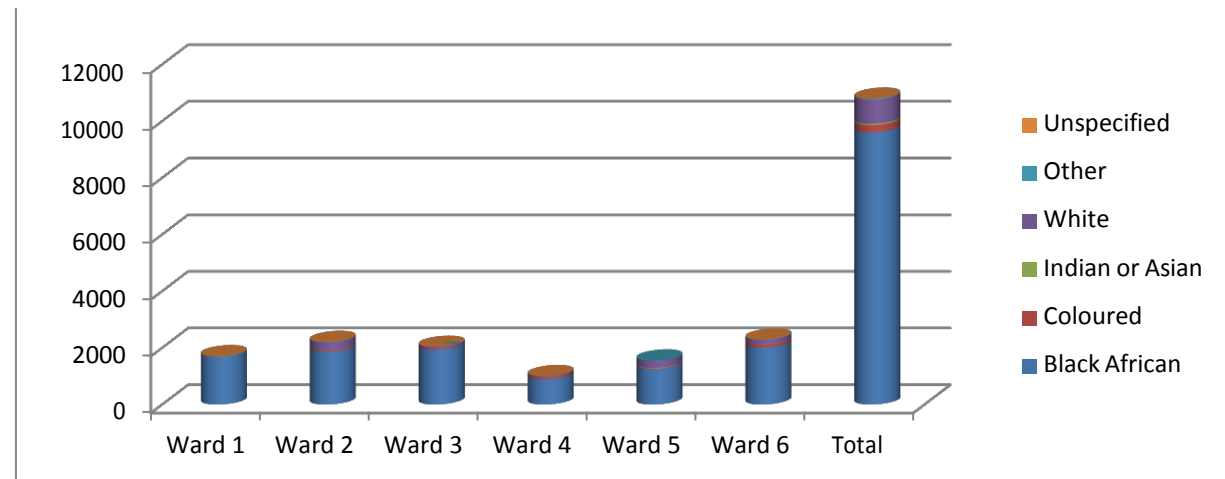


Source: Statistics SA, 2011

Table 5

Geography by Population group of head of household

	Black African	Coloured	Indian or Asian	White	Other	Unspecified	Total
Ward 1	1693	4	4	1	2	-	1704
Ward 2	1857	45	6	290	10	-	2208
Ward 3	1907	18	5	103	2	-	2036
Ward 4	888	60	3	49	1	-	1000
Ward 5	1246	22	18	264	3	-	1552
Ward 6	2016	105	6	153	12	-	2292
Total	9608	254	41	859	29	-	10793

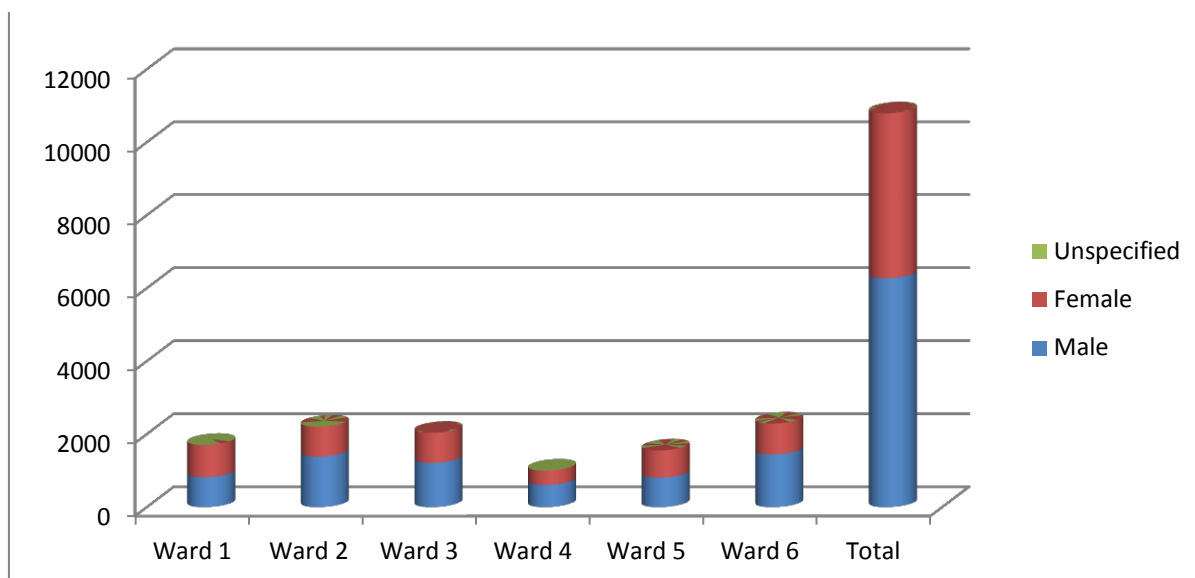


Source: Statistics SA, 2011

Table 6

Geography by Gender of head of household

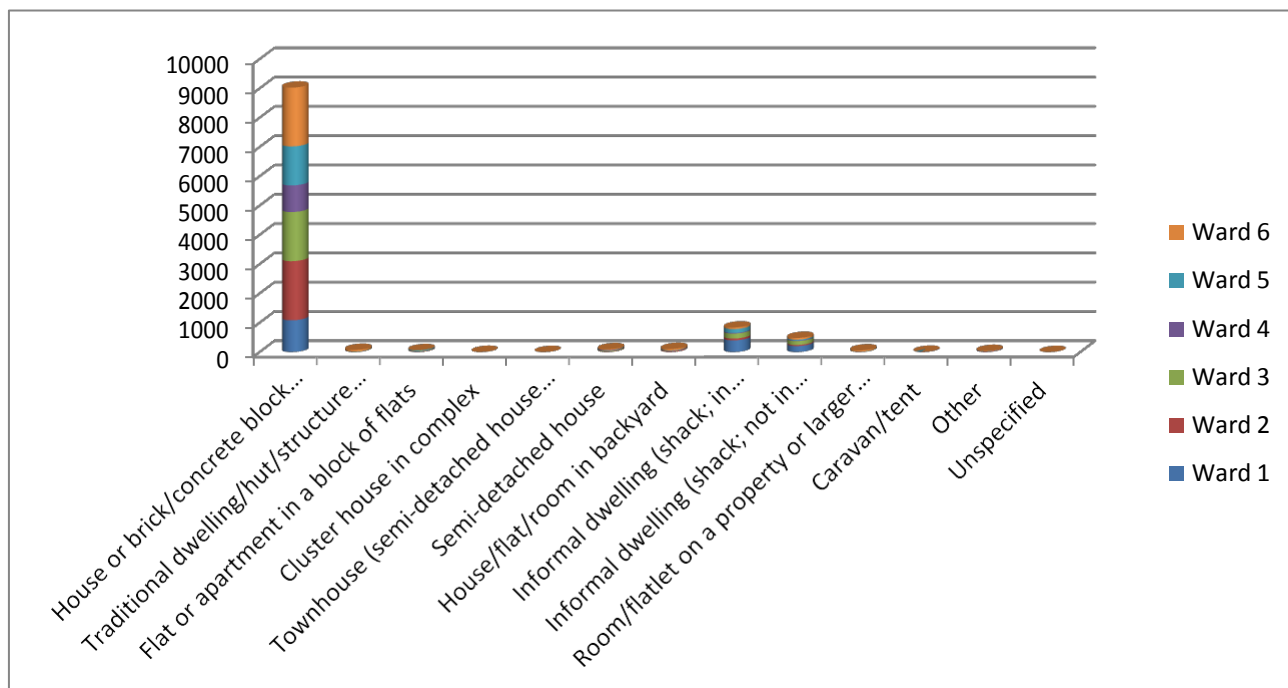
	Male	Female	Unspecified	Total
Ward 1	818	886	-	1704
Ward 2	1385	823	-	2208
Ward 3	1212	824	-	2036
Ward 4	607	394	-	1000
Ward 5	807	745	-	1552
Ward 6	1445	847	-	2292
Total	6274	4519	-	10793



Source: Statistics SA, 2011

Table 7
Type of main dwelling by Geography

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
House or brick/concrete block structure on a separate stand or yard or on a farm	1086	2018	1677	909	1333	2005	9027
Traditional dwelling/hut/structure made of traditional materials	5	5	11	1	1	50	74
Flat or apartment in a block of flats	4	18	12	1	27	1	62
Cluster house in complex	-	-	1	1	-	2	5
Townhouse (semi-detached house in a complex)	-	-	-	-	-	1	1
Semi-detached house	1	16	23	26	4	26	97
House/flat/room in backyard	-	30	8	10	11	45	103
Informal dwelling (shack; in backyard)	400	63	168	21	133	53	838
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	206	39	131	19	31	57	483
Room/flatlet on a property or larger dwelling/servants quarters/granny flat	-	4	3	2	7	40	55
Caravan/tent	-	4	-	3	2	-	9
Other	2	11	1	7	5	11	38
Unspecified	-	-	-	-	-	-	-
Total	1704	2208	2036	1000	1552	2292	10793



Source: Statistics SA, 2011

Table 8: Tenure status

Dwellings tenure status	Occupied rent free	Owned & fully paid off	Owned & not yet paid off	Rented	Caravan or tent	Cluster house in complex	Flat or apartment in a block of flats	House / flat / room in backyard	House-brick or concrete block structure	Shack in backyard	Shack <u>not</u> in backyard
Ward 1	583	822	102	185			4		1086	400	206
Ward 2	410	273	775	655	4		18	30	2018	63	39
Ward 3	632	666	64	578		1	12	8	1677	168	131
Ward 4	367	182	182	262	3	1	1	10	909	21	19
Ward 5	424	561	96	455	2		27	11	1333	133	31
Ward 6	617	994	69	538		2	1	45	2005	53	57

Tenure Status

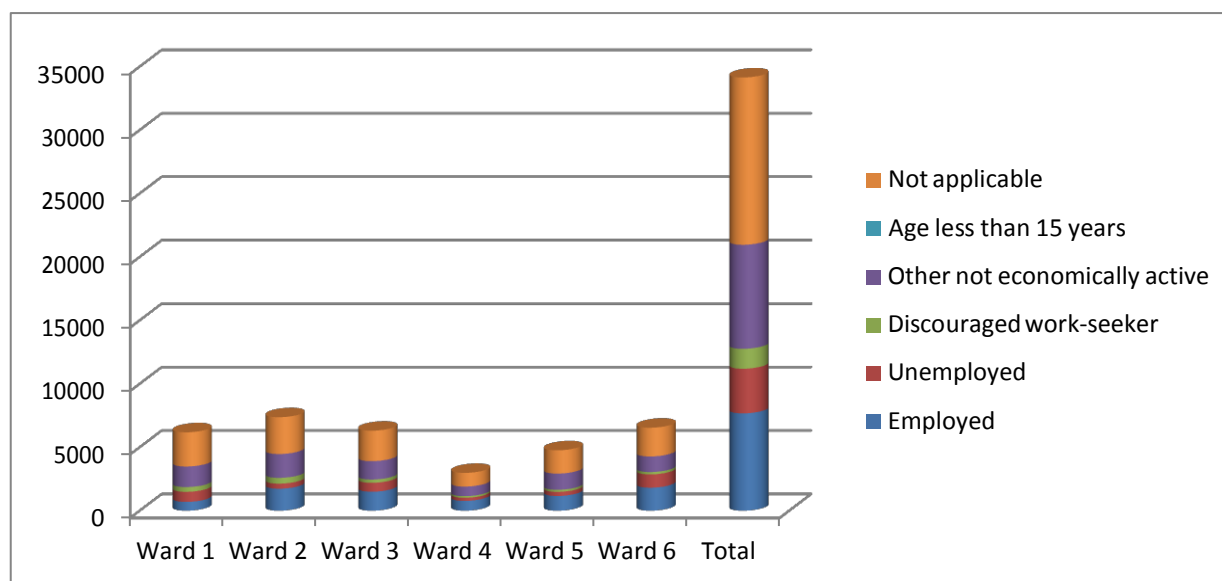
	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6		Total
■ Census/Dwellings- Tenure Status Occupied rent-free	583	410	632	367	424	617		3033
■ Census/Dwellings- Tenure Status Other	13	94	96	8	16	74		301
■ Census/Dwellings- Tenure Status Owned and fully paid off	822	273	666	182	561	994		3498
■ Census/Dwellings- Tenure Status Owned but not yet paid off	102	775	64	182	96	69		1288
■ Census/Dwellings- Tenure Status Rented	185	655	578	262	455	538		2673

Source: Statistics SA: Census 2011

Table 9

Geography by Official employment status

	Employed	Unemployed	Discouraged work-seeker	Other not economically active	Age less than 15 years	Not applicable	Total
Ward 1	696	792	377	1619	-	2696	6181
Ward 2	1732	401	456	1878	-	2903	7370
Ward 3	1496	704	260	1446	-	2402	6307
Ward 4	775	246	130	751	-	1079	2982
Ward 5	1161	324	164	1276	-	1836	4762
Ward 6	1812	1050	184	1229	-	2268	6543
Total	7672	3518	1571	8200	-	13185	34146

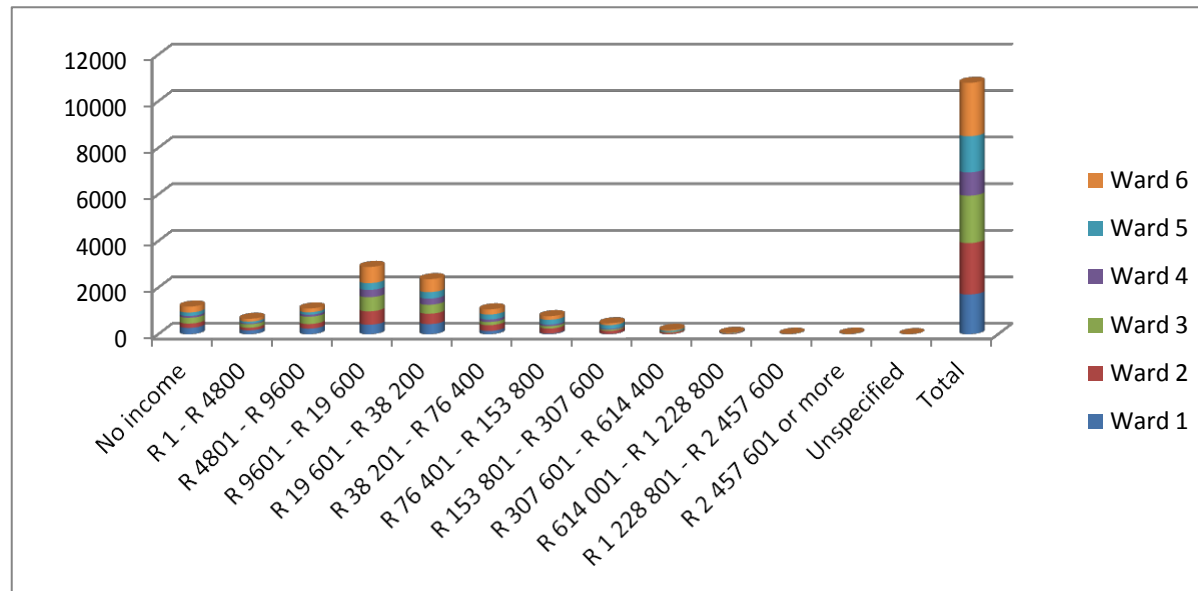


Source: Statistics SA, 2011

Table 10

Annual household income

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
No income	272	186	248	78	150	251	1186
R 1 - R 4800	167	112	150	39	74	120	662
R 4801 - R 9600	241	197	314	88	102	161	1101
R 9601 - R 19 600	408	575	608	311	292	693	2888
R 19 601 - R 38 200	434	447	385	262	280	554	2362
R 38 201 - R 76 400	140	250	136	106	213	221	1065
R 76 401 - R 153 800	30	214	103	67	207	154	776
R 153 801 - R 307 600	11	131	52	35	161	78	467
R 307 601 - R 614 400	2	60	26	9	48	43	189
R 614 001 - R 1 228 800	-	22	5	1	16	13	56
R 1 228 801 - R 2 457 600	-	5	5	1	6	2	19
R 2 457 601 or more	-	9	5	2	4	2	22
Unspecified	-	-	-	-	-	-	-
Total	1704	2208	2036	1000	1552	2292	10793



Source: Statistics SA, 2011

Table 11

Individual monthly income by Geography of population

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
No income	2380	2546	2445	969	1802	2367	12509
R 1 - R 400	2236	1648	1682	750	996	1406	8719
R 401 - R 800	268	319	460	229	267	331	1875
R 801 - R 1 600	868	1261	1056	675	678	1402	5940
R 1 601 - R 3 200	173	194	152	115	198	242	1074
R 3 201 - R 6 400	67	230	100	104	245	206	952
R 6 401 - R 12 800	24	265	130	70	262	158	909
R 12 801 - R 25 600	6	150	48	23	146	71	443
R 25 601 - R 51 200	1	34	16	9	24	34	118
R 51 201 - R 102 400	-	21	4	3	12	14	54
R 102 401 - R 204 800	-	11	5	-	2	1	19
R 204 801 or more	-	7	5	3	3	2	21
Unspecified	159	244	139	30	71	301	944
Not applicable	-	441	65	-	55	8	569
Total	6181	7370	6307	2982	4762	6543	34146

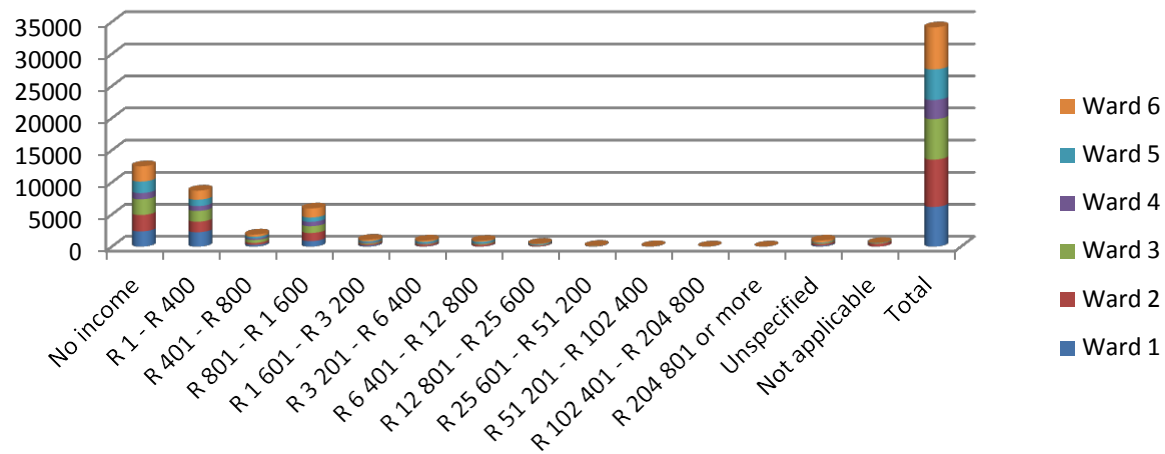
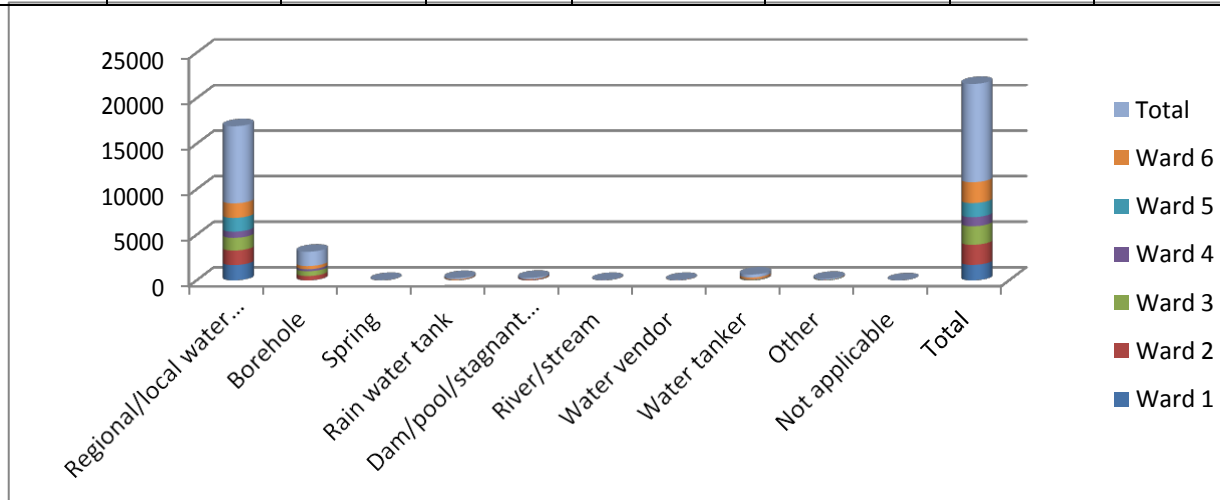


Table 12
Geography by Source of water

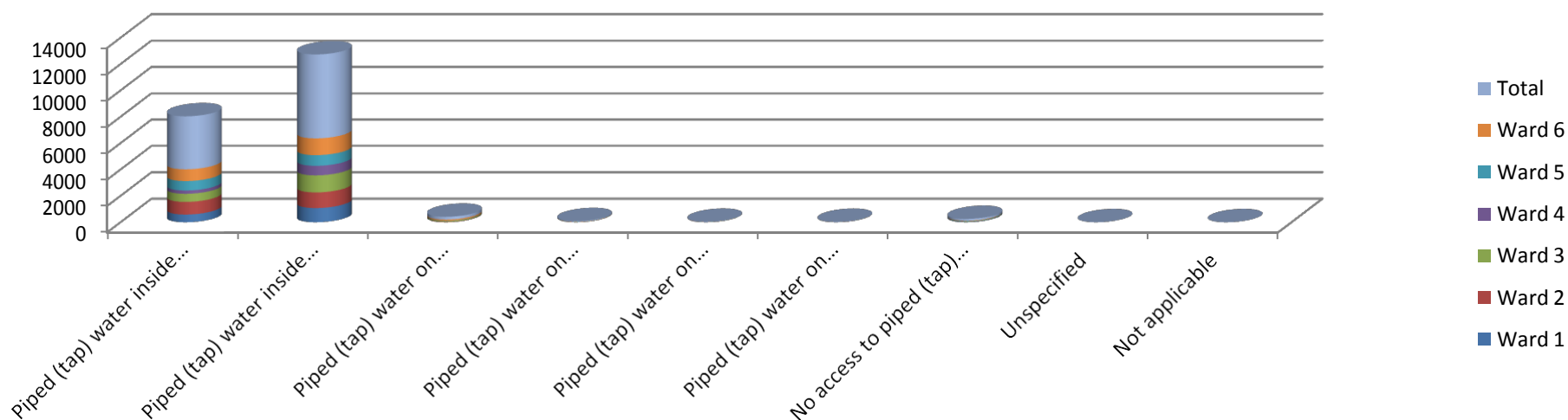
	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/stagnant water	River/stream	Water vendor	Water tanker	Other	Not applicable	Total
Ward 1	1687	1	-	2	-	-	2	3	9	-	1704
Ward 2	1596	483	9	1	79	6	4	20	9	-	2208
Ward 3	1391	524	8	11	17	5	1	58	21	-	2036
Ward 4	682	213	6	23	20	8	4	40	6	-	1000
Ward 5	1510	13	1	-	-	-	3	3	22	-	1552
Ward 6	1603	342	-	90	26	3	10	198	21	-	2292
Total	8468	1576	24	127	141	22	23	323	87	-	10793



Source: Statistics SA, 2011

Table 13
Geography by Piped water

	Piped (tap) water inside dwelling/institution	Piped (tap) water inside yard	Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling/institution	Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	No access to piped (tap) water	Unspecified	Not applicable	Total
Ward 1	587	1078	4	-	-	-	35	-	-	1704
Ward 2	959	1187	31	14	3	6	9	-	-	2208
Ward 3	615	1294	76	13	7	5	26	-	-	2036
Ward 4	251	725	15	1	-	-	8	-	-	1000
Ward 5	715	809	3	4	-	-	20	-	-	1552
Ward 6	893	1275	79	9	6	2	28	-	-	2292
Total	4020	6367	209	42	16	14	126	-	-	10793

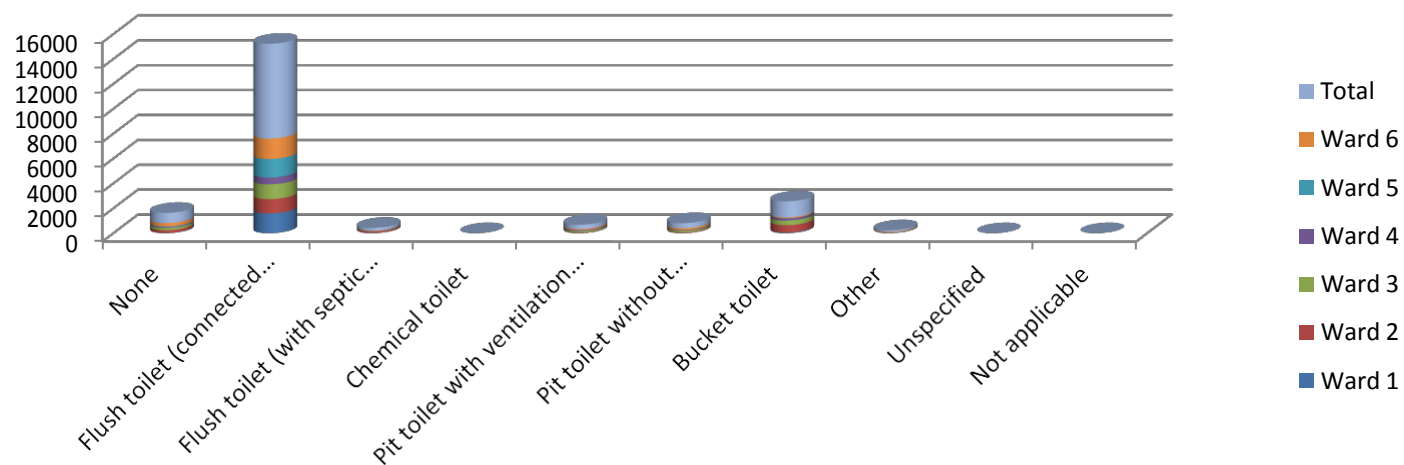


Source: Statistics SA, 2011

Table 14

Geography by Toilet facilities

	None	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Chemical toilet	Pit toilet with ventilation (VIP)	Pit toilet without ventilation	Bucket toilet	Other	Unspecified	Not applicable
Ward 1	13	1592	19	-	4	-	56	21	-	-
Ward 2	227	1149	108	-	51	72	593	9	-	-
Ward 3	191	1185	24	2	111	121	373	28	-	-
Ward 4	75	554	30	-	79	71	177	14	-	-
Ward 5	41	1489	6	-	5	2	8	1	-	-
Ward 6	269	1645	30	1	91	138	72	45	-	-
Total	816	7614	217	3	341	404	1279	118	-	-

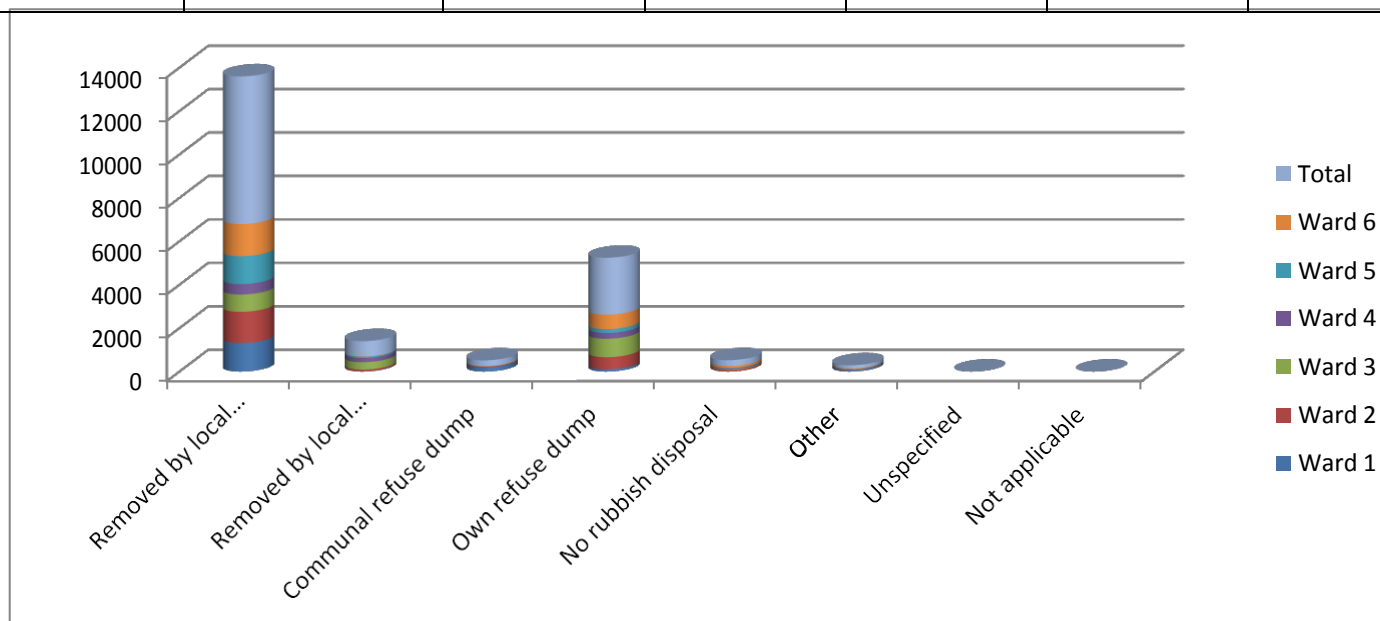


Source: Statistics SA, 2011

Table 15

Geography by Refuse disposal

	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other	Unspecified	Not applicable
Ward 1	1313	14	195	108	1	74	-	-
Ward 2	1442	83	32	556	76	19	-	-
Ward 3	796	337	6	853	27	17	-	-
Ward 4	481	193	7	264	44	12	-	-
Ward 5	1283	61	3	177	24	3	-	-
Ward 6	1485	14	16	665	92	20	-	-
Total	6799	702	260	2623	264	145	-	-

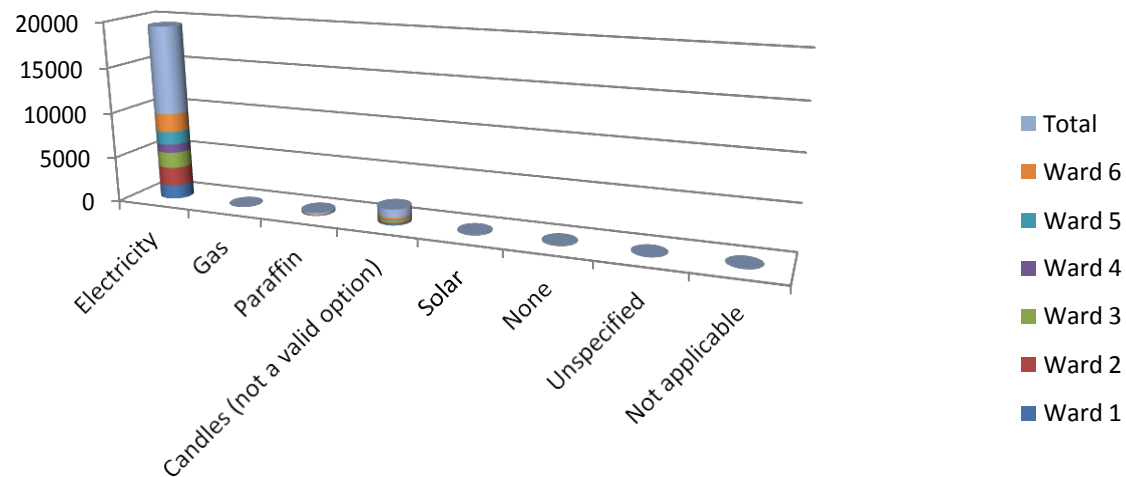


Source: Statistics SA, 2011

Table 16

Geography by Energy or fuel for lighting
for Households

	Electricity	Gas	Paraffin	Candles (not a valid option)	Solar	None	Unspecified	Not applicable	Total
Ward 1	1525	2	28	140	2	7	-	-	1704
Ward 2	2041	2	14	137	10	3	-	-	2208
Ward 3	1739	-	39	247	7	3	-	-	2036
Ward 4	938	-	7	48	7	1	-	-	1000
Ward 5	1432	1	28	89	1	1	-	-	1552
Ward 6	2012	4	48	208	11	10	-	-	2292
Total	9686	9	165	870	38	25	-	-	10793

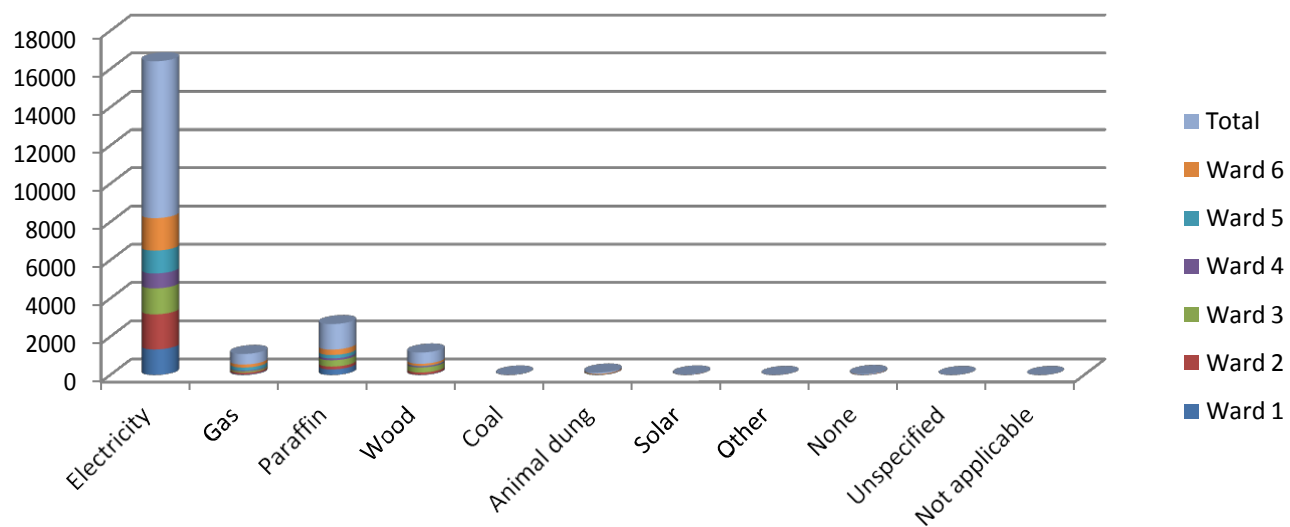


Source: Statistics SA, 2011

Table 17

Geography by Energy or fuel for cooking

	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Other	None	Unspecified	Not applicable	Total
Ward 1	1337	35	295	22	1	10	1	-	4	-	-	1704
Ward 2	1837	88	148	110	2	9	7	1	5	-	-	2208
Ward 3	1356	66	326	268	4	11	3	-	1	-	-	2036
Ward 4	783	42	104	60	2	5	-	-	4	-	-	1000
Ward 5	1197	159	176	17	-	1	1	-	1	-	-	1552
Ward 6	1697	160	283	111	1	28	1	-	12	-	-	2292
Total	8205	551	1332	588	11	64	13	1	27	-	-	10793

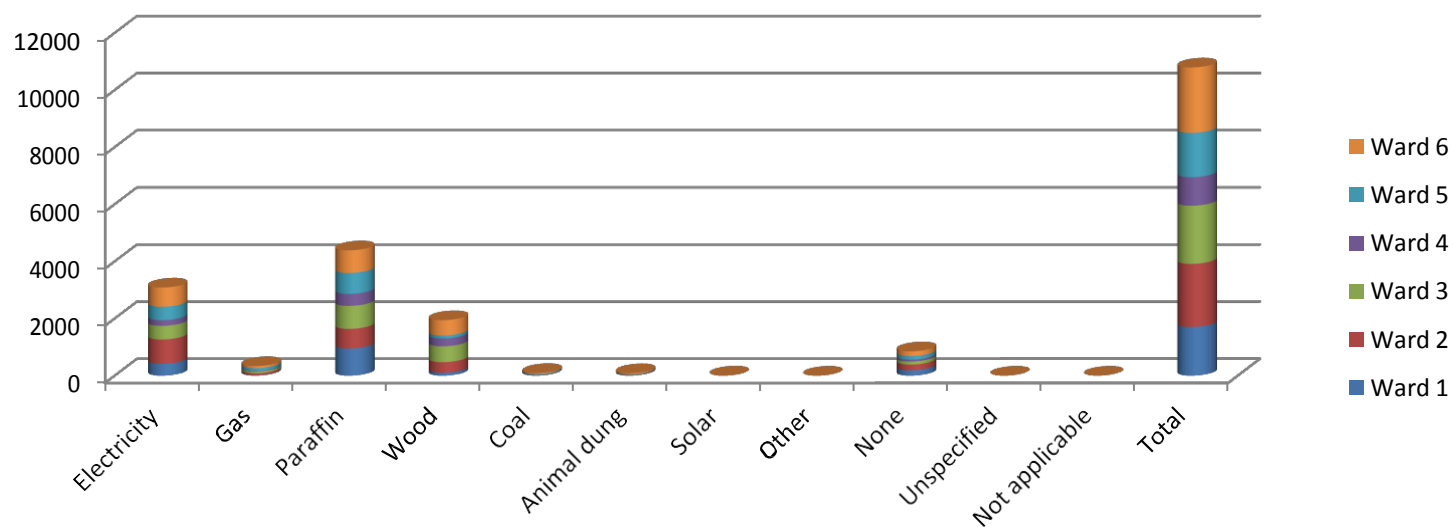


Source: Statistics SA, 2011

Table 18

Energy or fuel for heating by Geography

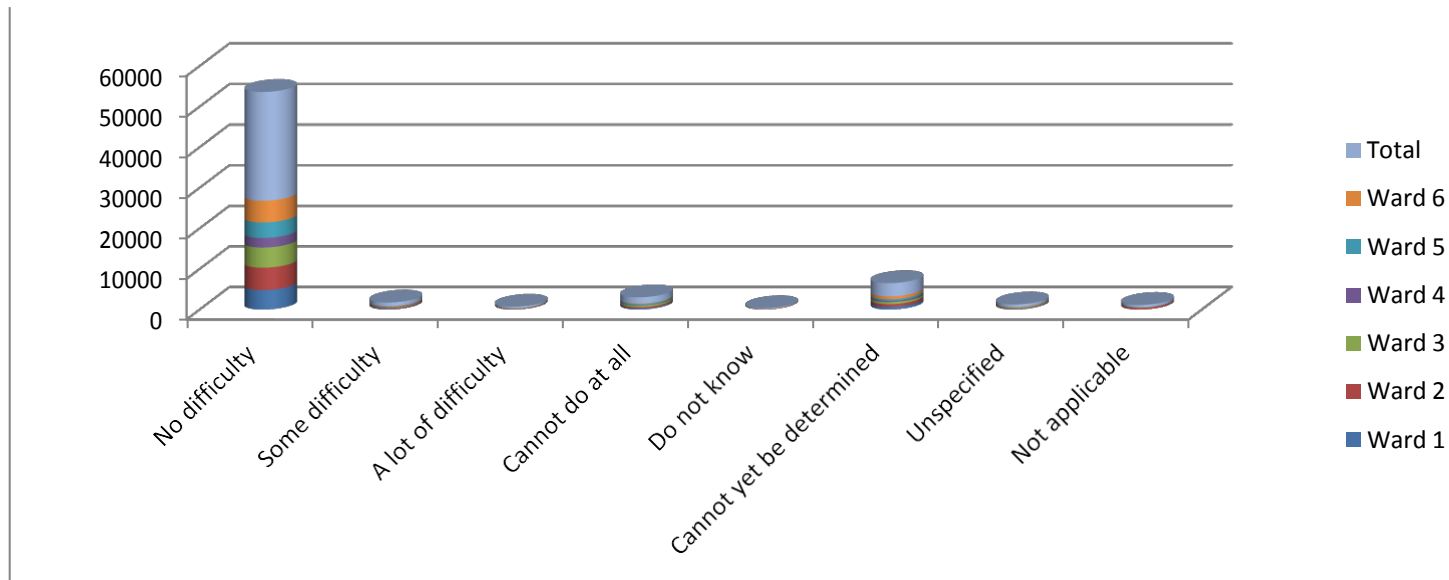
	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
Electricity	412	854	477	200	468	675	3085
Gas	17	68	62	22	95	71	334
Paraffin	949	689	805	419	732	794	4389
Wood	102	370	554	278	102	536	1943
Coal	17	11	13	7	22	23	93
Animal dung	17	16	15	9	7	23	88
Solar	-	1	3	-	-	3	8
Other	-	-	-	-	-	-	-
None	189	199	107	65	125	167	852
Unspecified	-	-	-	-	-	-	-
Not applicable	-	-	-	-	-	-	-
Total	1704	2208	2036	1000	1552	2292	10793



Source: Statistics SA, 2011

Table 20
Geography by Disability Self Care

	No difficulty	Some difficulty	A lot of difficulty	Cannot do at all	Do not know	Cannot yet be determined	Unspecified	Not applicable	Total
Ward 1	4800	188	74	271	35	679	134	-	6181
Ward 2	5512	202	94	324	43	645	109	441	7370
Ward 3	4967	144	55	409	11	534	122	65	6307
Ward 4	2358	117	38	116	8	302	42	-	2982
Ward 5	3829	99	19	266	4	404	86	55	4762
Ward 6	5341	117	71	121	58	692	134	8	6543
Total	26808	867	351	1507	160	3256	628	569	34146

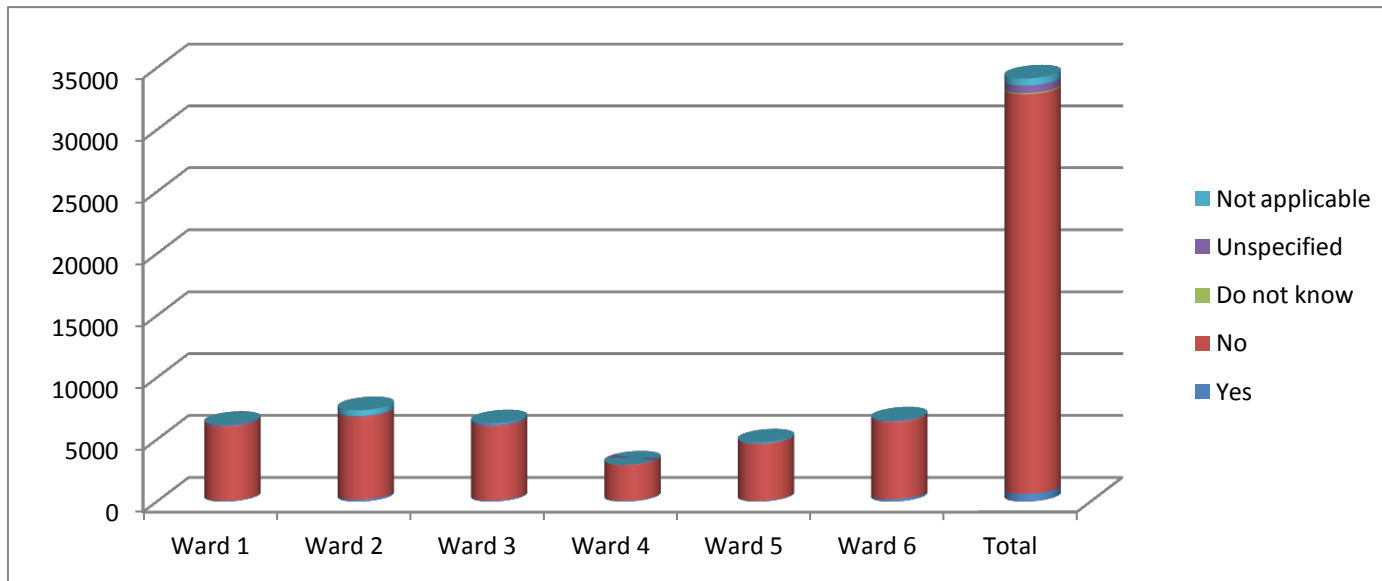


Source: Statistics SA, 2011

Table 20

Geography by Disability Assistive devices and medication - Hearing aid

	Yes	No	Do not know	Unspecified	Not applicable	Total
Ward 1	66	5970	12	134	-	6181
Ward 2	158	6665	11	95	441	7370
Ward 3	86	5974	12	171	65	6307
Ward 4	64	2873	12	34	-	2982
Ward 5	59	4570	10	69	55	4762
Ward 6	189	6210	26	110	8	6543
Total	621	32261	83	612	569	34146

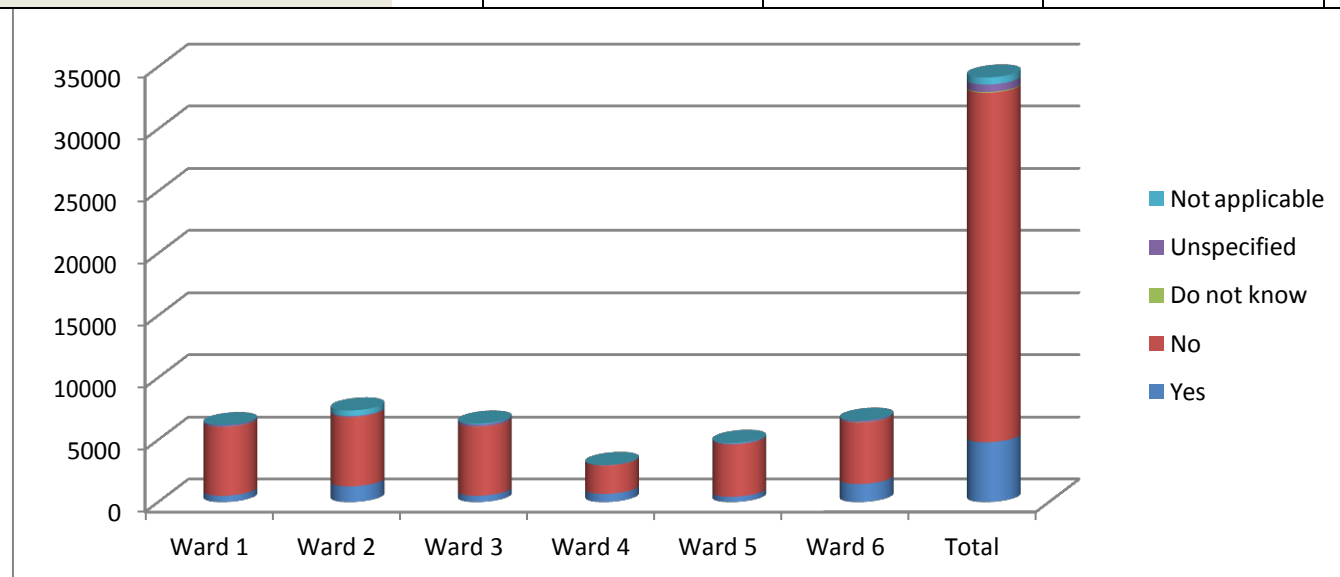


Source: Statistics SA, 2011

Table 21

Geography by Disability Assistive devices and medication - Chronic medication

	Yes	No	Do not know	Unspecified	Not applicable	Total
Ward 1	509	5538	11	123	-	6181
Ward 2	1262	5579	9	79	441	7370
Ward 3	507	5565	10	162	65	6307
Ward 4	656	2282	8	36	-	2982
Ward 5	424	4206	9	68	55	4762
Ward 6	1456	4933	20	126	8	6543
Total	4814	28103	67	593	569	34146

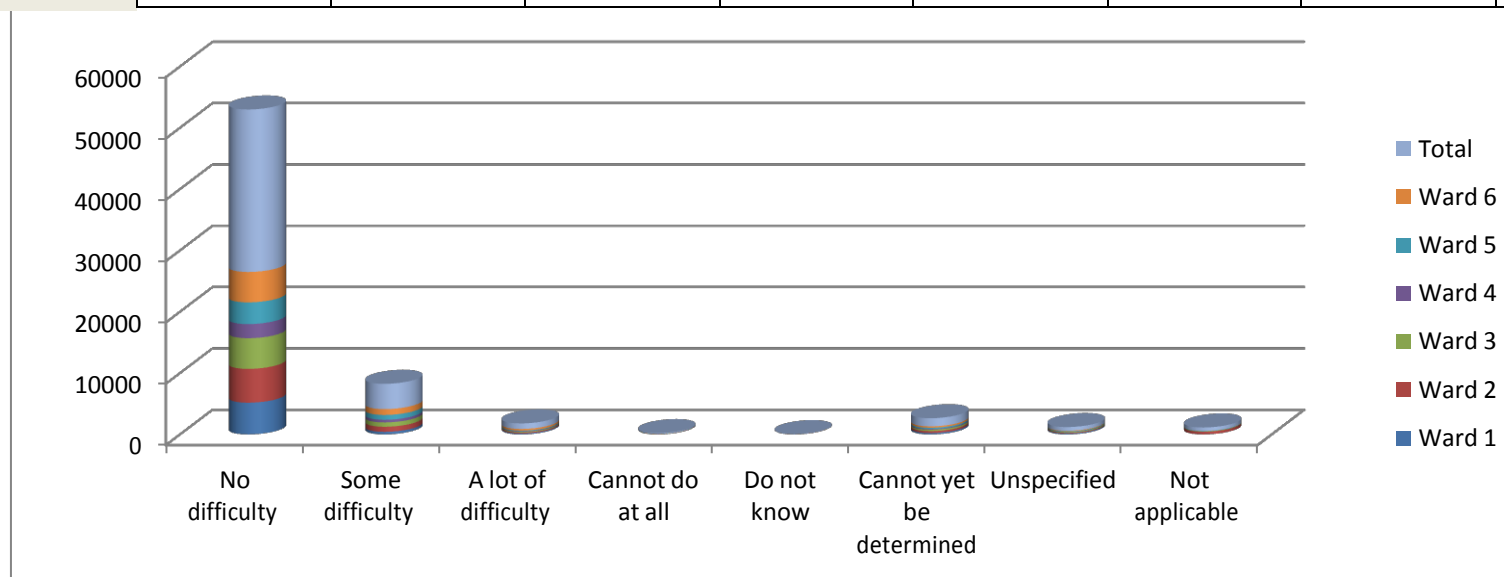


Source: Statistics SA, 2011

Table 22

Geography by Disability Seeing

	No difficulty	Some difficulty	A lot of difficulty	Cannot do at all	Do not know	Cannot yet be determined	Unspecified	Not applicable	Total
Ward 1	5175	429	161	20	4	234	158	-	6181
Ward 2	5517	820	149	22	7	306	108	441	7370
Ward 3	4999	714	135	36	4	236	117	65	6307
Ward 4	2303	427	88	7	-	120	37	-	2982
Ward 5	3543	786	89	8	-	190	92	55	4762
Ward 6	4959	953	275	14	9	235	90	8	6543
Total	26496	4129	898	106	25	1322	602	569	34146

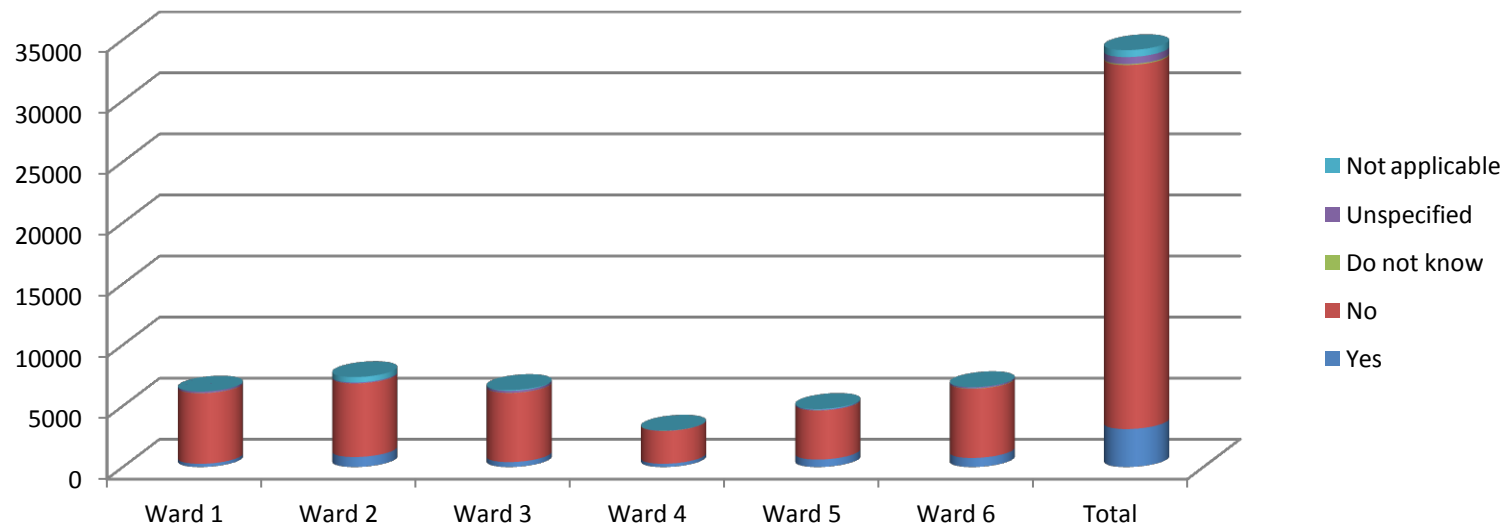


Source: Statistics SA, 2011

Table 23

Geography by Disability Assistive devices and medication - Eye glasses

	Yes	No	Do not know	Unspecified	Not applicable	Total
Ward 1	263	5776	10	132	-	6181
Ward 2	821	6021	10	76	441	7370
Ward 3	406	5661	12	164	65	6307
Ward 4	266	2687	7	21	-	2982
Ward 5	612	4012	10	73	55	4762
Ward 6	744	5664	24	104	8	6543
Total	3112	29821	73	571	569	34146

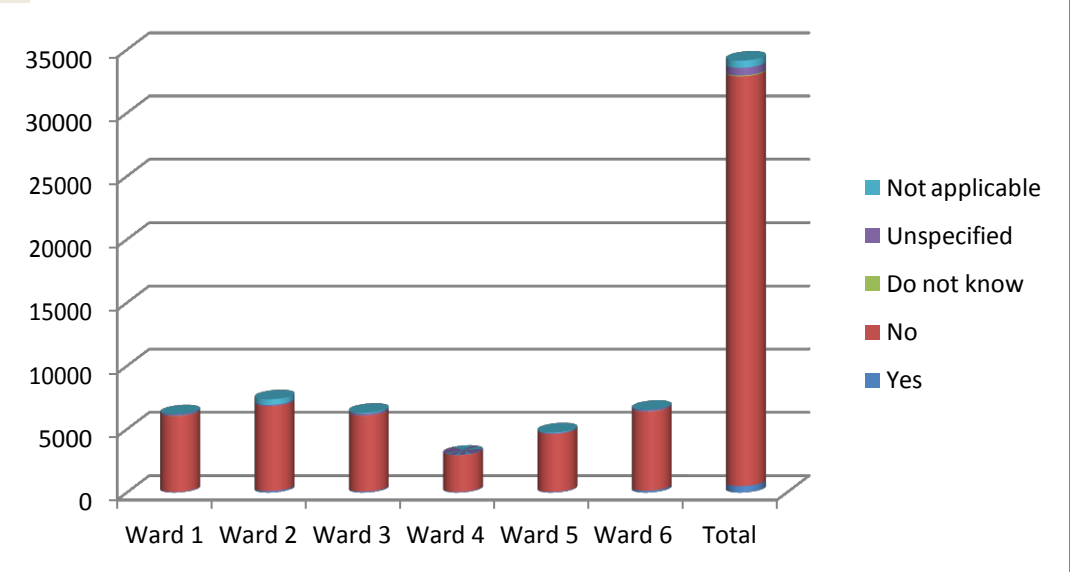


Source: Statistics SA, 2011

Table 24

Geography by Disability Assistive devices and medication - A wheelchair

	Yes	No	Do not know	Unspecified	Not applicable	Total
Ward 1	53	5987	17	125	-	6181
Ward 2	120	6709	7	94	441	7370
Ward 3	78	6000	11	153	65	6307
Ward 4	54	2887	7	34	-	2982
Ward 5	59	4564	9	76	55	4762
Ward 6	150	6241	16	128	8	6543
Total	514	32387	66	610	569	34146



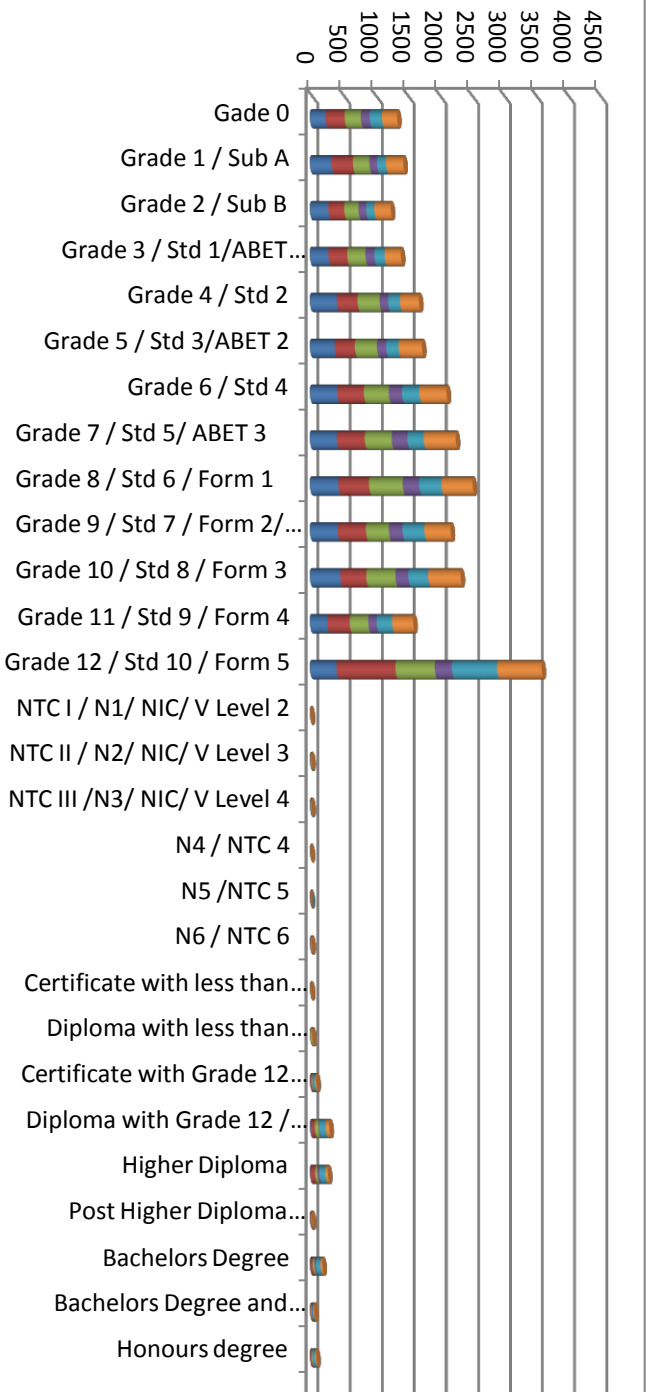
Source: Statistics SA, 2011

Table 25**Highest educational level by Geography**

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
Gade 0	246	296	252	138	192	236	1360
Grade 1 / Sub A	338	334	256	120	139	270	1457
Grade 2 / Sub B	288	249	221	118	130	254	1260
Grade 3 / Std 1/ABET 1Kha Ri Gude;SANLI	288	295	283	138	161	254	1418
Grade 4 / Std 2	421	322	344	134	184	296	1702
Grade 5 / Std 3/ABET 2	388	314	345	144	193	365	1749
Grade 6 / Std 4	427	415	389	205	271	425	2131
Grade 7 / Std 5/ ABET 3	420	436	420	246	253	500	2276
Grade 8 / Std 6 / Form 1	444	478	526	255	349	486	2538
Grade 9 / Std 7 / Form 2/ ABET 4	433	442	358	212	341	409	2195
Grade 10 / Std 8 / Form 3	473	407	454	201	311	504	2350
Grade 11 / Std 9 / Form 4	271	351	290	129	241	330	1612
Grade 12 / Std 10 / Form 5	414	920	614	266	705	694	3612
NTC I / N1/ NIC/ V Level 2	-	4	4	-	-	5	12
NTC II / N2/ NIC/ V Level 3	-	6	4	1	8	3	21
NTC III /N3/ NIC/ V Level 4	2	2	4	2	9	5	24
N4 / NTC 4	-	3	4	-	2	4	14
N5 /NTC 5	-	5	2	-	5	-	11
N6 / NTC 6	-	5	5	2	8	5	24
Certificate with less than Grade 12 / Std 10	-	5	8	2	-	2	17
Diploma with less than Grade 12 / Std 10	2	1	21	-	3	9	37
Certificate with Grade 12 / Std 10	3	23	15	11	31	18	101
Diploma with Grade 12 / Std 10	14	62	60	12	99	57	303
Higher Diploma	7	75	37	29	94	40	282
Post Higher Diploma Masters; Doctoral Diploma	-	14	2	3	6	5	30
Bachelors Degree	6	38	28	22	71	31	195
Bachelors Degree and Post graduate Diploma	-	14	12	13	19	12	69
Honours degree	1	23	15	7	36	17	99
Higher Degree Masters / PhD	-	18	8	6	10	5	47

Table 25**Highest educational level by Geography**

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
Other	-	13	-	5	9	3	31
No schooling	465	563	517	214	328	588	2674
Unspecified	-	-	-	-	-	-	-
Not applicable	832	1234	810	346	556	715	4494
Total	6181	7370	6307	2982	4762	6543	34146



Source: Statistics SA, 2011

Table 26
Geography by Computer access by household

	Yes	No	Total
Ward 1	58	1646	1704
Ward 2	364	1843	2208
Ward 3	172	1864	2036
Ward 4	87	914	1000
Ward 5	297	1255	1552
Ward 6	206	2087	2292
Total	1184	9609	10793

Source: Statistics SA, 2011

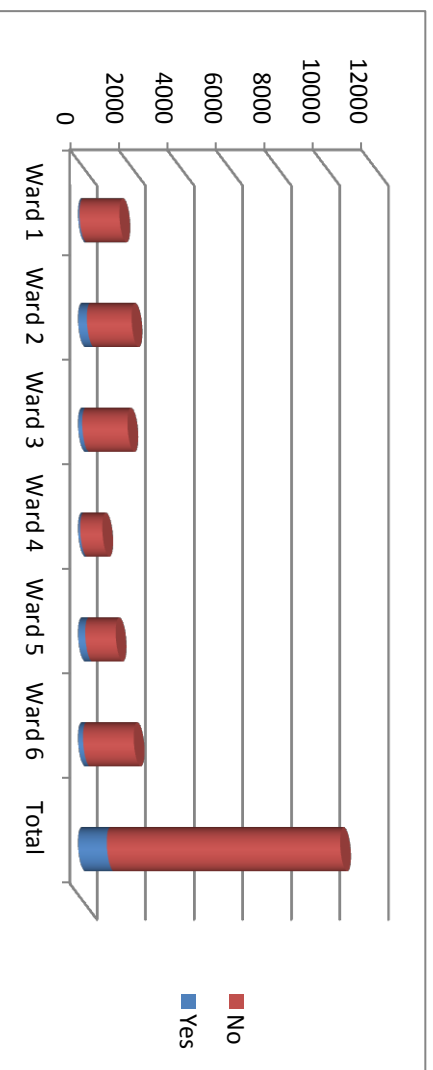


Table 26
Geography by Access to internet

	From home	From cell phone	From work	From elsewhere	No access to internet	Total
Ward 1	33	99	7	38	1528	1704
Ward 2	108	335	96	122	1546	2208
Ward 3	45	302	42	45	1602	2036
Ward 4	41	141	12	57	749	1000
Ward 5	112	218	91	48	1083	1552
Ward 6	66	266	35	109	1815	2292
Total	405	1362	283	419	8324	10793

Source: Statistics SA, 2011

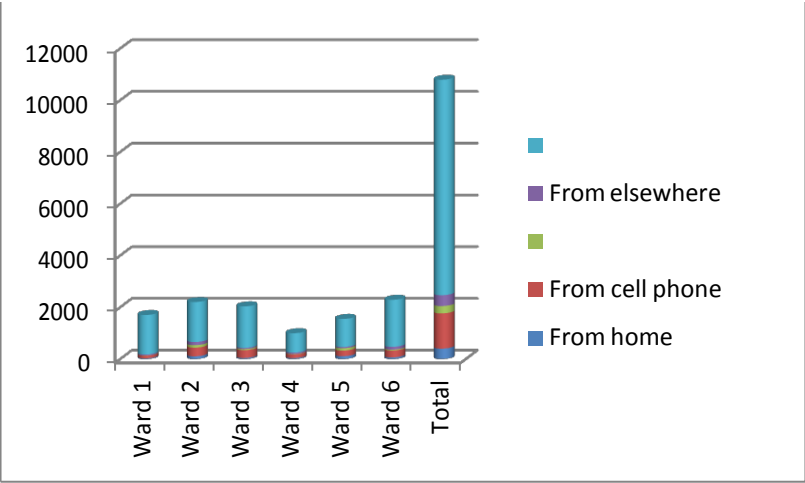


Table 27
Geography by Cell phone

	Yes	No	Total
Ward 1	1248	456	1704
Ward 2	1891	317	2208
Ward 3	1608	428	2036
Ward 4	834	167	1000
Ward 5	1410	142	1552
Ward 6	1947	345	2292
Total	8938	1855	10793

Source: Statistics SA, 2011

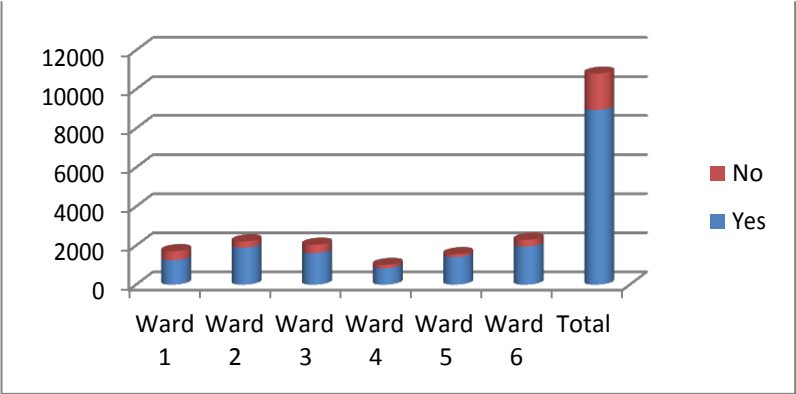


Table 28
Geography by Radio

	Yes	No	Total
Ward 1	1143	561	1704
Ward 2	1632	576	2208
Ward 3	1474	561	2036
Ward 4	732	269	1000
Ward 5	1227	325	1552
Ward 6	1657	636	2292
Total	7864	2928	10793

Source: Statistics SA, 2011

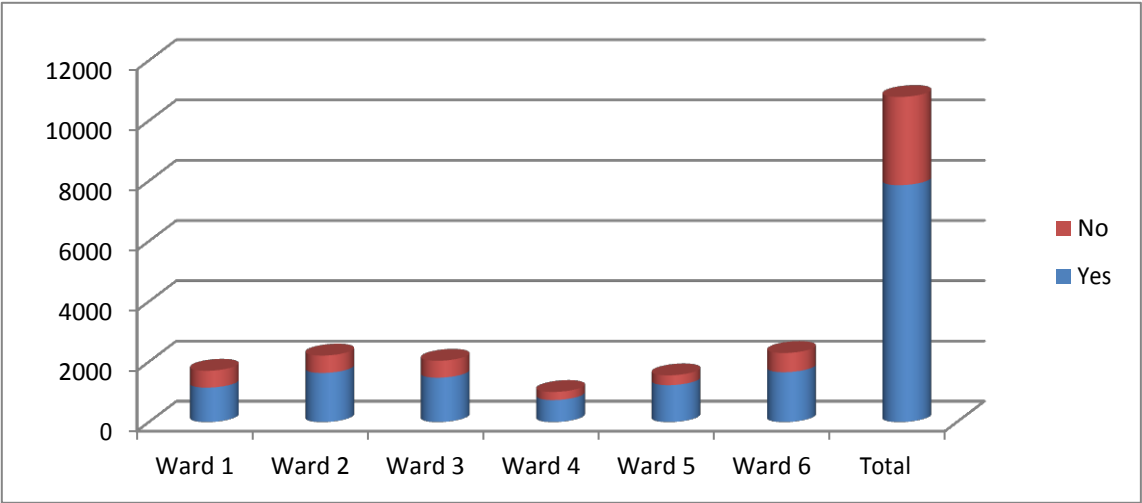


Table 28
Geography by Television

	Yes	No	Total
Ward 1	1242	462	1704
Ward 2	1655	553	2208
Ward 3	1332	704	2036
Ward 4	693	308	1000
Ward 5	1251	301	1552
Ward 6	1527	765	2292
Total	7700	3093	10793

Source: Statistics SA, 2011

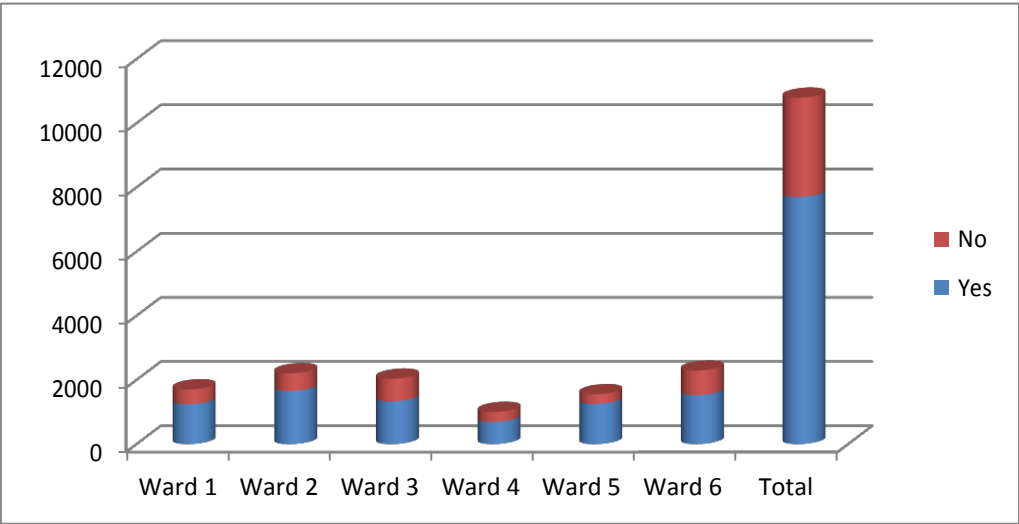
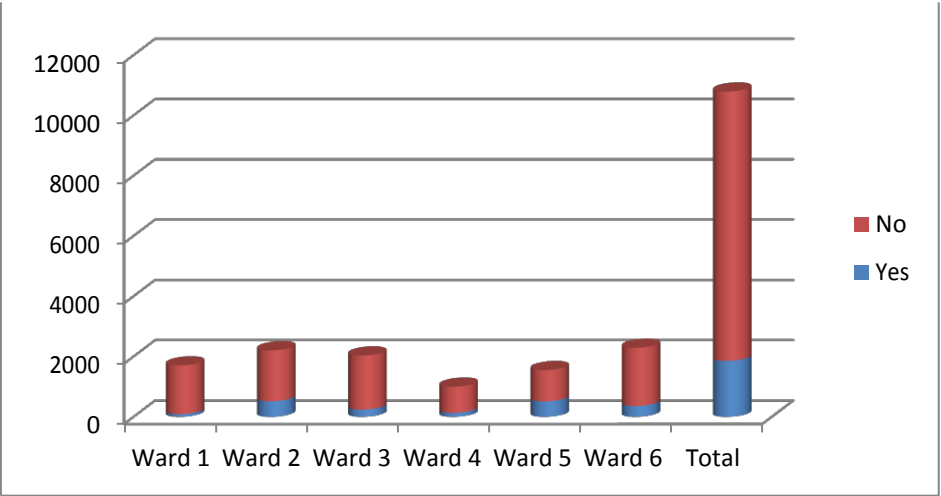


Table 29
Geography by Satellite television

	Yes	No	Total
Ward 1	91	1614	1704
Ward 2	518	1690	2208
Ward 3	242	1794	2036
Ward 4	133	868	1000
Ward 5	514	1038	1552
Ward 6	362	1931	2292
Total	1858	8934	10793



1.3. Service Delivery Overview

The Municipality is mandated to provide basic services through its technical services department which is subdivided into the following division: roads & storm water, sanitation, water, electricity and the Project Management Unit.

In order to deliver on this mandate the technical services has been provided with both Capital and Operational budget. The Capital budget is been managed by the Project Management unit whereas the Operational budget is managed through the three units namely Zastron, Rouxville and Smithfield.

The Capital budget is exclusively composed of grants from sector departments through provision as set out by Treasury.

Capital Budget – Financial performance

The table below gives a summary of the financial performance for all the service delivery grants allocated for the year.

NAME OF GRANT	ALLOCATION	TRANSFERRED AMOUNT	EXPENDITURE	EXPENDITURE IN %
Municipal Infrastructure Grant	R 17 462 000.00	R 17 462 000.00	R 17 462 000.00	100%
Regional Bulk Infrastructure Grant	R 35 000 000.00	R 29 561 185.62	R 29 561 185.62	84%
TOTAL	R 52 462 000.00	R 47 023 185.62	R 47 023 185.62	90%

From the above, it can be deduced that the municipality has managed to spend 100% on its Municipal Infrastructure Grant (MIG) and 84% on the Regional Infrastructure Grant, the combination of the two mentioned figures gives a total of 90% expenditure of the municipal overall annual allocation. An application for roll-over for Regional Bulk Infrastructure Grant (RBIG) is being handled by the Department of Water and Sanitation (DWS-FS).

Projects Implemented under MIG
Table 1: Expenditure per project

Project Description	MIG Approved Project Value	Overall Expenditure on the Project	Expenditure for 2014/15
Mohokare PMU	R 873 100.00	R 873 100.00	R 873 100.00
Mohokare: Upgrading of the Caledon water scheme to Smithfield	R 12 770 000.00	R 12 768 891.03	R 16 758.00
Smithfield/Somidopark: Construction of 3km access collectors, internal streets and related	R17 268 747.00	R 1 800 801.00	R 1 800 801.00
Releleathunya/Rouxville: Upgrading of the Sports Ground	R 2 832 600.00	R 2 832 571.55	R 52 395.00
Zastron/Matlakeng: Upgrading of internal streets in Matlakeng (2.9 km)	R 16 895 195.89	R 15 853 191.00	R 9 181 814.19
Zastron/Matlakeng: Upgrading of Matlakeng Sports ground	R 3 196 692.00	R 2 736 159.52	R 460 532.48
Smithfield/Somidopark: Installation of 14 high mast lights	R 4 904 673.00	R 4 659 439.35	R 4 659 439.35
Mofulatshepe: Upgrading of sports ground	R 3 302 322.00	R 1 000 000.00	R 1 000 000.00
Total			R 18 044 840.02

Project Implemented under RBIG – Financial performance

Upgrading of the Rouxville Water Treatment Plant	R 11 605 134.51
Upgrading of the 15km raw water pipeline in Zastron	R 17 956 051.11
TOTAL	R 29 561 185.62

PHYSICAL PROGRESS ON PROJECTS – MIG

Mohokare: Upgrading of the Caledon water scheme to Smithfield

The project is complete and the municipality is in position of a close-out report. The project was included in the list of 2014/2015 project list because there was an amount of R 16 758.80 which was utilized in the project.

Upgrading of Roleleathunya Sports Ground

The project is complete. The project was included in the list of 2014/2015 project list because there was an amount of R 52 395.00 which was utilized in the project.

Upgrading of internal streets in Matlakeng (2.9 km)

The project was executed from the 2013/2014 financial year and overlapped into to 2014/2015 financial year, the project has been completed and the municipality is in a position of a close-out report.

Smithfield/Mofulatshepe: Installation of 14 high mast lights

The project is complete and it is currently within the defects liability period until end of April 2015.

Upgrading of Matlakeng Sports ground

The project is complete and it is currently within the defects liability period until the end of August 2015.

Smithfield/Somidopark: Construction of 3km access collectors, internal streets and related

The project is currently at construction stage with a scheduled completion 28 May 2016. The project overlaps from the previous financial year, 2014/2015 into the 2015/2016 financial year.

Mofulatshepe: Upgrading of sports ground

The project is currently at construction stage with a scheduled completion 30 September 2015. The project overlaps from the previous financial year, 2014/2015 into the 2015/2016 financial year.

PHYSICAL PROGRESS ON PROJECTS – REGIONAL BULK INFRASTRUCTURE GRANT (RBIG)

Upgrading of the Rouxville Water Treatment Works

Physical progress on site is currently at 85%, the municipality acknowledges the delays on the completion of the project. There have been a number of challenges facing municipality with regard to this project to an extent that, the previous contractor was terminated due to poor workmanship and delays towards completion of the works. New contractor was appointed and the progress on site progressed well however, currently there municipality is undergoing an adjudication process with regard to disagreements within the contract.

Construction of a 15 KM Pipeline from Montigu dam to Kloof dam and to the Zastron Water Treatment Works

The project is at a construction stage with 90% physical progress. The project has exceeded the original scheduled completion date due to a number of factors which include issues EIA, delays on delivery of material by suppliers, strikes and inclement weather conditions. The project is due for completion by the 15th of August 2015.

The following table gives a brief picture of the level of service provision within the Municipality:

Basic Service (Household access to:)	% provision		
	MTEF Period		
	2012/13	2013/14	2014/15
Water	100%	100%	100%
Sanitation	100%	100%	100%
Electricity	100%	100%	100%
Refuse removal	100%	100%	100%

It is notable that Mohokare local municipality provides 100% of households with access to drinking / portable water, however the shortfalls within the sanitation provision are also worrying and the municipality has begun with the first phase of ensuring that buckets in are finally eradicated through the regional bulk water scheme, which will oversee the completion of the bucket system in Mohokare.

Electricity projects are ongoing and are implemented as per funding criteria of the department of Energy.

In terms of refuse removal, the greatest need is the equipment/machinery, with an increase in equipment, more progress can be witnessed.

1.4. Financial Health Overview

Mohokare is a highly grant dependent municipality with a high number of indigent households, as a result the municipality cannot generate sufficient income to fund its operations adequately.

Endeavors are being made through the assistance of other government departments and government entities to assist the municipality in turning around its financial viability and improving its cash flow management.

In the current year the annual financial statements were prepared in compliance with the GRAP accounting framework and the municipality complied with provisions of GRAP 17 (Property, Plant and Equipment). The basis of accounting is consistent with prior years with the exception that no exemptions were issued by National Treasury for the current year.

1.5. Organizational Development Overview

One of the most critical and key instruments towards a positive output in organizational development is the integrated performance management system, however Mohokare has had a long outstanding challenge of the absence of such a system (PMS).

The performance management System Policy was adopted by Council in 28 August 2014 and a reviewed Policy was adopted on the 1st December 2014.

The Service Delivery and Budget Implementation Plan (SDBIP) was developed and approved by Council in July 2014 and the reviewed SDBIP was adopted on the 26 February 2015.

Annual Performance Agreements and Plans for Directors were signed by the Municipal Manager and section 56/57 managers in July and submitted to Provincial CoGTA and Treasury.

Performance agreements and plans for Managers until clerical level were developed and signed in September 2014 as a start to cascade down performance. Performance assessments have not yet been conducted.

1.6. Statutory Annual Report Process

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	August
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize 4 th quarter Report for previous financial year	
4	Submit draft 2014/2015 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
7	Mayor tables the unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September – October
11	Municipalities receive and start to address the Auditor General's comments	
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	November
13	Audited Annual Report is made public and representation is invited	
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight report	December
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	January
18	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	

1.1.9. Councillors and Staff

Her worship the Mayor: Councillor MA Shasha





TOP MANAGEMENT TEAM

Municipal Manager

Mr. C. T. Panyani



Chief Financial Officer

Mr. P.M Dyonase



Director: Corporate Services

Me. L. V Nqoko-Rametse

Director Technical Services

Mr. M.N Tsoamotse

Services Mr. TA. Lekwala



Manager: Community

Chapter 2: GOVERNANCE

Component A

2.1 Political Governance Structure

Mohokare Local Municipality was established in terms of the provincial Gazette No. 14 of 28 February 2000 issued in terms of Section 21 of the Local Government Notice and Municipal Demarcation Act No.27 of 1998

Mohokare is a Local Municipality and was established on 5 December 2000. Mohokare is made up of three former TLC Local Authorities which are Zastron, Rouxville and Smithfield. The 2008/2009 demarcation processes saw this Municipality increase from having only 5 wards to 6 wards and this process brought about a gain of one more seat in the council, meaning that Mohokare now has a total number of 11 public representatives constituting the council, however this did not change the type of a council Mohokare was, it remained to be a plenary type of a Council.

Subsequent to the successfully held May 18, 2011 Local Government elections, the Council changed as outlined below:

1. Mayor & Ward 4 Councilor:	Cllr. M.A. Shasha
2. Ward 1 Councilor	Cllr. T. Khasake
3. Ward 2 Councilor	Cllr. M. Letele
4. Ward 3 Councilor	Cllr. L. Lekhula
5. Ward 5 Councilor	Cllr. E.T. Backward
6. Ward 6 Councilor	Cllr. R. Thuhlo
7. Democratic Alliance PR Councilor	Cllr. I. Riddle
8. Democratic Alliance PR Councilor	Cllr. S. Pokane
9. African National Congress PR Councilor	Cllr. M. J. Sehanka
10. African National Congress PR Councilor	Cllr. N. I. Mehlomakulu
11. African National Congress PR Councilor	Cllr. S. B. Majenge

Councillors are elected by the local registered voters in their respective wards and represent their respective constituents in local council. Mohokare has a total of eleven (11) seats with nine (9) councilors from the ANC and two (2) from the DA.

Council Committees

The new Council of Mohokare Local Municipal Council resolved to establish section 79 committees and named them as follows:

COMMITTEE	MEMBERS
OVERSIGHT COMMITTEE	Cllr I. Riddle (Chairperson) Cllr I. Mehlomakulu Cllr B. Majenge Cllr. E. Backward Ps L. Thene (Community Member) Me L Lephuting (Community Member) Mr. V Vapi (Audit Committee member) Mrs. T.L Ravele (Secretary)
PUBLIC ACCOUNTS COMMITTEE	Cllr. S. Pokane (Chairperson) Cllr. M.J Sehanka Cllr. M.A Letele
SEC 79 COMMITTEES:	MEMBERS
Corporate Services	Cllr L. Lekhula (Chairperson) Cllr M.J Sehanka Cllr M.A Letele Cllr S. Pokane
Technical Services	Cllr B.S Majenge (Chairperson) Cllr T.S Khasake Cllr L. Lekhula Cllr I.S Riddle
Planning & LED	Cllr E.T Backward (Chairperson) Cllr R.J Thuhlo Cllr S. Pokane Cllr I. Mehlomakulu
Finance Committee	Cllr R.J Thuhlo (Chairperson) Cllr M.J Sehanka Cllr M.A Letele Cllr I. Mehlomakulu
Community Services	Cllr T.S Khasake (Chairperson) Cllr B.S Majenge Cllr E.T Backward Cllr I.S Riddle

Important to note from the above committees is the following:

- a) That the Audit committee is a district shared committee utilized by all Municipalities within the Xhariep District.

SITTINGS OF THE ORDINARY COUNCIL AND SECTION 79 COMMITTEE MEETINGS
FOR THE FINANCIAL YEAR 2014/2015

Ordinary Council meetings	Meeting Dates
First Quarter	28 August 2014
Second Quarter	01 December 2014
Third Quarter	26 February 2015
Fourth Quarter	28 May 2015
Finance committee	
First Quarter	22 July 2014
Second Quarter	28 October 2014
Third Quarter	10 February 2015
Fourth Quarter	21 April 2015
Community Services committee	
First Quarter	23 July 2014
Second Quarter	29 October 2014
Third Quarter	17 February 2015
Fourth Quarter	22 April 2015
Technical Services committee	
First Quarter	23 July 2014
Second Quarter	29 October 2014
Third Quarter	28 January 2015
Fourth Quarter	22 April 2015
Corporate Services Committee	
First Quarter	22 July 2014
Second Quarter	Meeting was not held
Third Quarter	27 January 2015
Fourth Quarter	21 April 2015
Planning and LED committee	
First Quarter	24 July 2014
Second Quarter	30 October 2014
Third Quarter	29 January 2015
Fourth Quarter	23 April 2015

Council Resolutions

The Council is the policy maker, decision maker and the ultimate accountability for this structure is to the communities that they represent, therefore all business that Council undertakes is of the interest of its constituency which are communities in Mohokare jurisdiction.

The Council implements its objectives by taking resolutions on how to improve people's lives and the implementation of these resolutions is delegated to the Accounting Officer, the Municipal Manager.

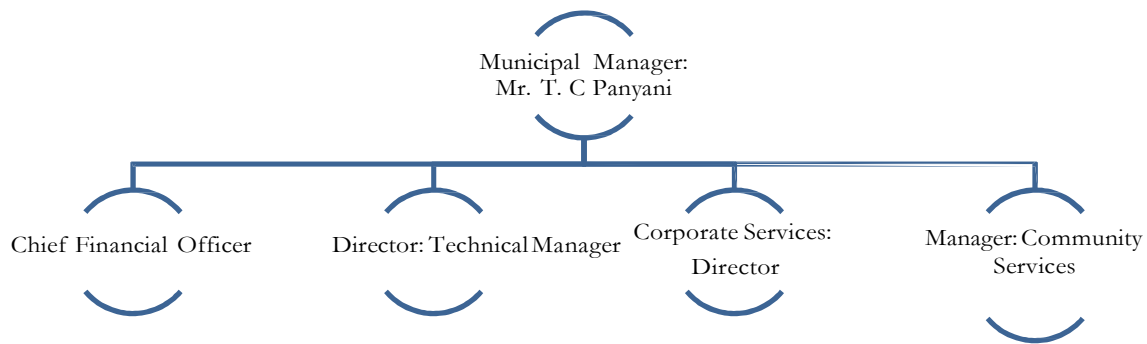
	MUNICIPAL MANAGER			COUNCIL		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Property Rates	-	-	0%	-	-	0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-	-	0%
Fines	-	-	0%	-	-	0%
Licences and Permits	-	-	0%	-	-	0%
Income for Agency Services	-	-	0%	-	-	0%
Government Grants and Subsidies Received	-	-	0%	-	-	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(6,114,639)	0	0%	(3,092,629)	0	0%
Service Charges	-	-	0%	-	-	0%
Rental of Facilities and Equipment	-	-	0%	-	-	0%
Interest Earned - External Investments	-	-	0%	-	-	0%
Interest Earned - Outstanding Debtors	-	-	0%	-	-	0%
Dividends Received	-	-	0%	-	-	0%
Royalties Received	-	-	0%	-	-	0%
Other Revenue	(6,114,639)	-	0%	(3,092,629)	-	0%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land:-	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%
Total Revenue	(6,114,639)	-	0%	(3,092,629)	-	0%
EXPENDITURE						
Employee Related Costs	2,611,121	2,668,225	102%	3,003,220	2,983,103	99%
Remuneration of Councillors	2,986,380	3,065,339	103%	3,066,736	3,236,314	106%
Collection Costs	-	-	0%	-	-	0%
Depreciation and Amortisation	-	-	0%	-	-	0%
Impairment Losses	-	-	0%	-	-	0%
Repairs and Maintenance	256	7,038	2749%	1,214	1,154	95%
Finance Costs	-	-	0%	-	-	0%
Bulk Purchases	-	-	0%	-	-	0%
Contracted Services	-	-	0%	-	-	0%
Grants and Subsidies Paid	-	-	0%	-	-	0%
Research and Development Costs	-	-	0%	-	-	0%
General Expenses	1,805,553	4,406,863	244%	2,632,044	2,275,451	86%
Other Losses on Continued Operations	-	-	0%	-	-	0%
Loss on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Total Expenditure	7,403,310	10,147,464	137%	8,703,213	8,496,022	98%

2.2 Administrative Governance Structure

Mohokare Local Municipality strives for improved service delivery and efficiency in customer care relations, in order to do these tasks the Municipality has an organizational structure that talks to the needs of Council and the Powers and Functions of a plenary type Municipality.

The Municipal Manager as the Accounting Officer has ensured that the organizational structure that will enable the implementation of service delivery tasks is reviewed.

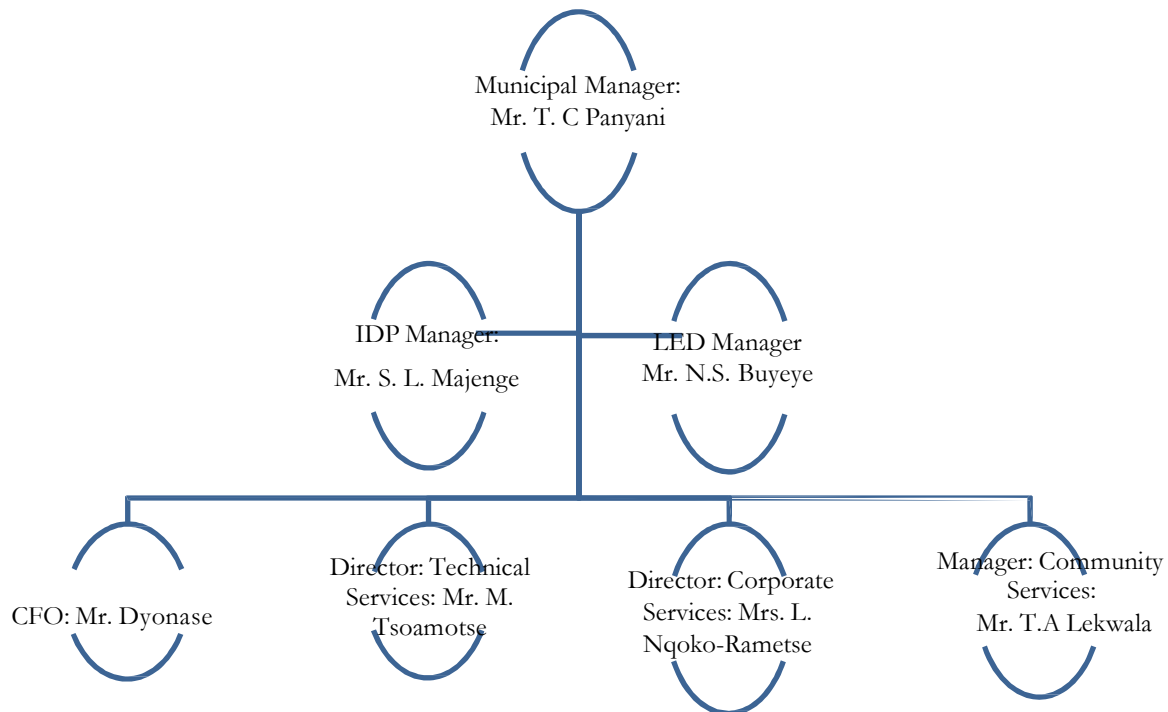
The Municipality is headed by the Municipal Manager and Managers directly accountable to the Municipal Manager, currently the top management structure of Mohokare Local Municipality is as shown below;



During the 2014/2015 financial year, all posts of Managers directly accountable to the Municipal Manager were filled during the year under review, top management posts are outlined as follows:

Chief Financial Officer:	Mr. P.M Dyonase
Director: Technical Services:	Mr. M. N. Tsoamotse
Manager: Community Services:	Mr. T.A Lekwala
Director: Corporate Services:	Mrs. L. V Nqoko-Rametse

The Municipal Manager and the Heads of Department extended to the Integrated Development Planning Manager & the Local Economic Development Manager form the management of Mohokare Local Municipality. Therefore, the Management structure is as shown below;



COMPONENT B

2.3 Inter-governmental Relations

The Inter-governmental Relations Framework Act 13 of 2005 seeks to establish a framework for the National, Provincial and Local governments to promote and facilitate intergovernmental Relations to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes and to provide for matters connected herewith.

Informed by guiding legislation and policies related to IGR structures, Xhariep District Municipality established an IGR forum where which Mohokare as a Municipality is a member of, this forum holds meetings quarterly to engage on issues pertaining to service delivery.

There are two structures of IGR, the Political IGR and the Technical IGR; The Political IGR is the structure for Mayors and Councilors and the technical structure for Municipal Managers and Key Managers and Officials.

Municipal Managers Forum

There also exists a Municipal Managers Forum which sits regularly to discuss administrative issues for municipalities. As Municipal Managers are accounting officers in their municipalities, they are also tasked with ensuring that strategies that are derived by the districts reflect issues that exist at ground level in the municipality.

Integrated Development Plan Forum

Integrated Development plan officials within the Xhariep District meet regularly to discuss issues around Integrated Development Planning. In this forum, IDP Managers, ensure horizontal alignment between the locals within the district and vertical alignment between the locals and the districts on issues of strategic planning.

Municipal Infrastructure Grant

The Municipality guided by the framework and other policies in good relations with other government departments for the sole reason of service delivery; it can be noted that the Mohokare Regional Bulk Water Scheme project funded by the Municipal Infrastructure Grant is a result of good relations between the Municipality and other government sectors such as the department of water affairs and the Office of the Premier.

Integrated Development Planning Representative Forum

The IDP Representative forum is chaired by the IDP Manager. It provides a platform for all stakeholders in the IDP process to plan for and develop the Integrated Development Plan. Sector departments are encouraged to share information around projects that they are implementing within Mohokare Local Municipality. The municipality updates the stakeholders on the key milestone of the IDP process. This forum serves as a participation mechanism and also limits the duplication of projects and resources in the municipality by different spheres of government.

Audit Committee

The audit committee of the municipality oversees financial, performance and compliance reporting, disclosures and the accounting of policies within the municipality. Mohokare Local Municipality is in a shared service agreement with the other municipalities within the district and shares the audit committee members.

2.3.1. Relationship with municipal entities

Mohokare Local Municipality does not have any entities.

Chapter 2: Public Accountability and Participation

Component C

Public Accountability and Participation

Public accountability pertains to the obligations of persons or entities entrusted with public resources to be answerable for the fiscal, managerial and program responsibilities that have been conferred on them and to report to those that have conferred these responsibilities.

It is clear that municipalities included, have an obligation to account for the way resources are allocated and used, and the results achieved. In other words, the main objectives of all public accountability initiatives are to ensure that public money is spent most economically and efficiently.

Chapter four (4) of the Local Government Municipal systems act 32 of 2000 states that a municipality must develop a culture of municipal governance that complements formal representative government, with a system of participatory governance. This promotes accountability and participation.

Mohokare utilizes general ward meetings, mass meetings and public notices to disseminate public information; this is done through a council adopted annual schedule of meetings with the communities.

2.4. Public Meetings

Communication, Participation and Forums

Mohokare has a communications policy adopted by council and communicates to communities through the council adopted schedule of meetings as mentioned earlier; there are quarterly held mass meetings for the Mayor and Ward Councilors hold their ward meetings bi-monthly; and Ward Committees have been established.

During the review or development of the Integrated Development Plan and the Budget consultation sessions are held with stakeholders and community meetings are also held to facilitate the process.

There is also a stakeholders forum chaired by the Mayor, constituted by all government departments offering services in the jurisdiction of Mohokare Local Municipality, this stakeholder forum holds monthly regular meetings and are well attended.

The ward committees meetings are held monthly and ward meetings are held quarterly.

2.5. IDP Participation and Alignment

Mohokare Local Municipality reviews annually the IDP document as dictated by the Local Government Systems act and the MFMA. This process is owned and undertaken and owned by the Council through the adoption of the budget time-lines and the process plan that will be advertised in local newspapers, meetings are then convened for stakeholders and communities to ensure extensive participation by the local community.

The 2014/ 2015 IDP and the Budget were successfully reviewed using the processes stated above. The advertised process plan that was adopted by council is outlined here below;

<u>Activity No</u>	<u>IDP AND BUDGET ACTIVITY OBJECTIVE</u>	<u>DATE</u>	<u>TIME</u>
1	IDP AND BUDGET STEERING COMMITTEE MEETING <u>OBJECTIVE:</u> PROCESS & METHODOLOGY, PREVIOUS YEAR EVALUATION, PROJECTS SCREENING.	09 September 2014	10H00
2	MUNICIPAL DEPARTMENT'S BILLATERAL SESSIONS. <u>OBJECTIVE:</u> IDENTIFICATION OF SERVICE GAPS AND FORMULATION OF DEPARTMENTAL PRIORITIES, OBJECTIVES, STRATEGIES AND PROJECTS.	07 – 10 October 2014	09H00
3	IDP AND BUDGET STEERING COMMITTEE MEETING <u>OBJECTIVE:</u> PROCESS & METHODOLOGY, PREVIOUS YEAR EVALUATION, PROJECTS SCREENING.	21 October 2014	10h00
	STRATEGIC PLANS PRESENTATIONS BY PROVINCIAL DEPARTMENTS <u>OBJECTIVE:</u> GATHER PROVINCIAL PLANS AND BUDGET IMPLICATIONS FOR MOHOKARE	28-31 October 2014	10h00
3	AREA LEVEL WARD COMMITTEE CONSULTATION SESSIONS. <u>OBJECTIVE:</u> REVIEW PRIORITIES, RE-PRIORITISATION, VISION AND MISSION, OBJECTIVES, STRATEGIES AND PROJECTS.	11 November 2014 12 November 2014 13 November 2014	10H00
	IDP AND BUDGET STEERING COMMITTEE MEETING <u>OBJECTIVE:</u> PROCESS & METHODOLOGY, PREVIOUS YEAR EVALUATION, PROJECTS SCREENING.	18 November 2014	10H00
	AREA LEVEL STAKEHOLDERS CONSULTATION SESSIONS (IDP REP FORUMS). <u>OBJECTIVE:</u> REVIEW PRIORITIES, RE-PRIORITISATION, VISION AND MISSION, OBJECTIVES,	2 December 2014 3 December 2014 4 December 2013	10H00

<u>Activity No</u>	<u>IDP AND BUDGET ACTIVITY OBJECTIVE</u>	<u>DATE</u>	<u>TIME</u>
	STRATEGIES AND PROJECTS.		
5	IDP AND BUDGET STEERING COMMITTEE MEETING OBJECTIVE: PROCESS & METHODOLOGY, PREVIOUS YEAR EVALUATION, PROJECTS SCREENING.	10 December 2014	10h00
6	IDP & BUDGET ROADSHOWS OBJECTIVE: ROADSHOWS ENABLE COMMUNITY, STAKEHOLDERS, OTHER GOVERNMENT DEPARTMENTS INPUTS AND COMMENTS	3 February 2015 4 February 2015 5 February 2015	15H00
	IDP AND BUDGET STEERING COMMITTEE MEETING OBJECTIVE: PROCESS & METHODOLOGY, PREVIOUS YEAR EVALUATION, PROJECTS SCREENING.	4 March 2015	10H00
7	TABLING OF THE 1ST DRAFT IDP AND BUDGET TO COUNCIL: OBJECTIVE: ADOPTION TO ENABLE COMMUNITY AND STAKEHOLDER INPUTS AND COMMENTS	31 March 2015	10H00
8	PUBLICATION / ADVERTISEMENT OF DRAFT IDP AND BUDGET DOCUMENTS. OBJECTIVE: COMMENTS FROM COMMUNITY, STAKEHOLDERS AND ROLE PLAYERS.	April 2015	A.S.A.P.
10	PRESENTATION OF FINAL DRAFT IDP AND BUDGET DOCUMENTS TO COUNCIL. OBJECTIVE: FINAL ADOPTION OF THE REVIEWED IDP AND THE BUDGET DOCUMENT FOR THE STRATEGIC PERIOD OF 2014/2015	31 May 2015	10H00

Chapter 2: Corporate Governance

Component D

Corporate Governance

Corporate governance is a term that refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations.

Well-defined and enforced corporate governance provides a structure that, at least in theory, works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. To that end, organizations have been formed at the regional, national, and global levels.

Municipalities too, are expected to practice well-defined corporate governance.

2.6. Risk Management; Anti-Corruption & Fraud Prevention

The Risk Management unit has been established in terms of the Public Sector Risk Management Framework of 1 April 2010.

LEGAL MANDATE

Section 62 c (i) requires that:

The Accounting Officer of the municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains

- i) Effective, efficient and transparent systems of financial and risk management and internal control.

The roles and responsibilities for the implementation of Risk Management Strategy are contained in the treasury regulations which revolve around risk management and can be summarized as follows:

- ❖ The accounting officer must ensure that a risk assessment is conducted regularly to identify emerging risks for the municipality;
- ❖ The risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority and to determine the skills required of managers and staff to improve controls and to manage these risks;
- ❖ The strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the municipality.

The King III report on corporate governance also reflects on risk management as an integral part of the strategic, operational, project and fraud activities.

RISK MANAGEMENT OBJECTIVES

The establishment and communication of the organizations risk management objectives, vision and operating principles are vital to providing overall direction, and ensure the successful integration of the risk management function into the organization. Using these instruments can reinforce the notion that risk management is everyone's business.

The Accounting Officer is also responsible for ensuring that there is a sound system of risk management and control in place for:

- ❖ Safeguarding the municipal assets and investments;
- ❖ Support achievement of strategic objectives;
- ❖ Behave responsibly towards all stakeholders; and
- ❖ Ensure service delivery to all stakeholders.

RISK MANAGEMENT

Risk Management has been defined as “a continuous, proactive and systematic process, effected by the Municipal's executive authority, Accounting Officer, management and other personnel, applied in strategic planning and across the department, designed to identify potential events that may affect the municipality, and manage risks to be within its risk tolerance, to provide reasonable assurance regarding the achievement of municipal objectives.

ENTERPRISE-WIDE RISK MANAGEMENT (ERM)

ERM is a broad-based application of risk management in all major functions and activities of the institution, rather than only in selected areas, to isolate the material risks.

RISK

Is an unwanted outcome, actual or potential, to the institution's service delivery and other performance objectives, caused by the presence of risk factor(s). Some risk factors also present upside potential, which management must be aware of and be prepared to exploit.

EMBEDDING THE RISK MANAGEMENT CULTURE

For the risk management strategy to operate effectively through the municipality there are a number of key elements that need to be in place:

- ❖ Political buy-in;
- ❖ Promotion and support from senior management
- ❖ Municipal support for risk taking and innovation;
- ❖ Communication of all policies and benefits to entire municipal employees;
- ❖ Risk management is an element of all the departments management processes;
- ❖ The attainment of key departmental objectives is closely linked to the management of risk; and
- ❖ Operating in an environment with partner organizations requires that these risks are assessed and managed on day to day.

BENEFITS OF RISK MANAGEMENT

The risk management process is being implemented by the municipality as it will assist with the achievement of the objectives. The benefit for risk management is for the municipality to:

- ❖ Organizational alignment: the risk management process is designed to complement effective strategic and operational planning. However, as the risk management approach is objective driven it will assist in ensuring that management and employees understand and are committed to the key objectives which have been defined. This will include an understanding of the key performance indicators (KPIs) against which our success is measured.
- ❖ Improved ability to manage risks: by formally identifying and evaluating risks we will improve our understanding of the risks which need to be managed. Furthermore, we will analyze and understand the cause of risks to ensure our internal controls manages the causes.

- ❖ Improved ability to achieve objectives: by proactively identifying risks in the municipality, will have a better understanding of risks and be more anticipatory and therefore able to achieve its objectives with greater certainty.
- ❖ Improved ability to seize opportunities: by understanding our risk profiles, the risk management process will enable us to seize and execute new opportunities successfully.
- ❖ Cost effective internal controls: risk management process will ensure that our system of internal control is cost effective.
- ❖ Sustainability: the risk management process is a means to educate all our management and staff on their responsibility for risk management and the effective application of internal controls. Risk management will be embedded at all levels within the department.
- ❖ Aligning risk appetite and strategy: management considers their risk appetite in evaluating strategic alternatives, setting related objectives and developing mechanisms to manage related risks.
- ❖ Enhancing risk response decisions: risk management provides the rigor for management to identify alternative risk responses- risk avoidance, reduction, sharing and acceptance.
- ❖ Ensuring compliance with laws and regulations: risk management contributes to effective reporting and monitoring of compliance with laws and regulations and assists with the limitation of damage to the municipalities reputation and associated consequences.

RESPONSIBILITIES AND STRUCTURES

The Accounting Officer is ultimately responsible for and should assume “ownership” of risk management. More than any other individual, the accounting officer sets the “tone at the top” that affects integrity and ethics and other factors of the control environment. The accounting officer fulfils duty by providing leadership and direction to senior managers and reviewing the way they manage the department.

MANAGEMENT

Management is accountable and responsible for implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the municipality.

Managers assign responsibility for establishment of more specific risk management policies and procedures to personnel responsible for individual unit's functions. A manager is effectively an accounting officer of his/her sphere of responsibility. Also significant are leaders of staff functions such as compliance, finance, human resources and information technology, whose monitoring and control activities cut across, as well as up and down, the operating and other units of a department.

AUDIT COMMITTEE

The Audit Committee will function as a monitoring and oversight body to ensure that risk management is embedded in the municipality.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee will comprise of senior management of all nominated directorates; will be established to ensure that risks are being managed on strategic and on a day-to-day operation. The chairperson of this committee will provide reports on the status of significant risks to the Audit Committee.

The Risk Management Committee will assist the head of department in discharging its risk management responsibilities. The composition and terms of reference of this committee is set out in a separate document.

RISK MANAGEMENT

Risk Management Unit is to assist management in their duties on risk management function and it has been set up within the municipality. The risk management function is not in place to manage specific risks on behalf of management. The function will be a co-ordination, facilitate and monitoring the process role. The risk management functions or risk officer will be:

- ❖ Responsible for educating management and employees in the risk management process;
- ❖ Responsible for creating an awareness of risk and assisting management in ensuring that there is a culture of control;

- ❖ Available to assist in the risk profiling exercises;
- ❖ Responsible for consolidating risk reports for the Audit Committee.

Risk management unit operates with other managers in establishing and maintaining effective risk management in their areas of responsibility. Risk management unit also have the responsibility for monitoring progress and for assisting other managers in reporting relevant risk information up, down and across the department, and will be a member of an internal risk management committee.

The risk management policies that were developed and approved by council for 2014/2015 are as follows:

- 1) Anti-Corruption Strategy
- 2) Fraud prevention policy
- 3) Risk Management Strategy

The Operational risk assessments for 2014/2015 has been performed as per the Public Sector Risk Management Framework as follows:

- 1) Strategic risk assessment;
- 2) Operational risk assessment per department which are:
 - Municipal Manager;
 - Corporate services;
 - Technical services;
 - Finance department; and
 - Community Services Department

The municipality has appointed Risk Champions to assist heads of departments in discharging the risk management responsibilities.

FRAUD; THEFT AND CORRUPTION

Mohokare Local Municipality is a “Zero corruption & Fraud tolerance” local municipality.

COMPLIANCE WITH LAWS & REGULATIONS

The municipality is in compliance with the following legislations:

1. MFMA calendar;
2. Municipal Systems Act
3. Municipal Structures Act;
4. Treasury Regulations;
5. OHS's Act; and any other regulations.

CONCLUSION

For its success, the Risk Management Framework describes its reliant upon gaining commitment from Senior Management and Council, establishing the business processes, including assigning responsibilities for change, resourcing, communication, training and reinforcing a risk culture throughout the Municipality.

The implementation of a Risk Management Framework will enable the Municipality to improve its management of Risks, and drive performance, i.e. improvement of stakeholder value.

An effective Risk Management Framework will enable Senior Management to understand the potential upside and downside of actions, and to understand the management of risk in order to raise the likelihood of issues while reducing the likelihood of failure and decrease the uncertainty of overall financial performance.

The Risk Management Framework will assist the Municipality to better allocate risk management resources, provide better performance indicators and monitoring opportunities and improve risk reporting throughout the Municipality.

In addition, the Framework will assist the Municipality with identification of unidentified risks, and highlight control gaps and unnecessary and excessive controls, elimination of which will produce cost saving. Such a framework will necessarily present risk awareness throughout the Municipality.

2.7 ANTI-CORRUPTION AND FRAUD

Refer to the Risk report on page 66

2.8. Supply Chain Management (SCM)

Supply Chain Management (SCM) is the oversight of materials, information, and finances as they move in a process from supplier to manufacturer to wholesaler to retailer to consumer. Supply chain management involves coordinating and integrating these flows both within and among companies. It is said that the ultimate goal of any effective supply chain management system is to reduce inventory (with the assumption that products are available when needed).

Mohokare Local Municipality has a Supply Chain Management policy and procurement policies that are reviewed annually and guide procurement processes as dictated by the Municipal Finance Management Act.

The Municipality has the following bid committees;

- Bid Specifications Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

The Bid Committees were functional for the year under review.

2.9. By-Laws

In the year audited 2014/2015 Council adopted one by-law in June 2015; the adopted by-law is Land Use Planning By-Law.

Section 10 (1) of our Establishment Notice (Provincial Notice 181 of 2000) reads as follows: “By-

laws and resolutions (including standing delegations) of a disestablished municipality ... (a) Continue in force in the area in which they were applicable subject to any amendment or repeal by the competent municipality”

Apart from the aforesaid by-laws being considered, there are the by-laws of the disestablished municipalities in Mohokare area of jurisdiction that are still valid in their respective areas until they have been repealed and replaced by Mohokare municipality.

In terms of section 15 of the Local Government Municipal Structures Act our municipality must review and where necessary rationalize these existing by-laws. The process was delayed due to financial constraints of our municipality followed by an initiative from the department of Cooperative Governance and Traditional Affairs whereby a standard set of by-laws has been promulgated in 2010 followed by the most essential by-laws being customized and promulgated by Mohokare LM.

The following By-Laws exist within the municipality:

1. Rules and Orders By-Law, 2007
2. Credit Control and Debt Collection By-Law, 2008
3. Impoundment of Animals By-Law , 2008
4. Dumping and Littering By-Law, 2008
5. Property Rates By-Law, 2009
6. Keeping of Animals By-Law, 2009
7. Ward Committee By-Law, 2012
8. Tariff Policy By-Law, 2012
9. Indigent Support By-Law, 2012
10. Informal Settlements By-Law, 2012
11. Refuse Removal By-Law, 2012
12. Control of Street Vendors, hawkers etc. By-Law, 2012
13. Advertising By-Law, 2012
14. Water Services By-Law, 2012
15. Land Use Planning By-Law, 2015

2.10 Website

According to section 75 of the MFMA the accounting officer of the municipality must place on the website documents referred to in section 21A of the Municipality Systems Act, No. 32 of 2000.

The documents are the following:

Budget Related Policies
Section 71 reports
Performance agreements
Service Delivery and Budget Implementation Plan
All service delivery agreements
Long-term borrowing contracts
Supply Chain management contracts above R100 000
Integrated Development Plan
Municipal Policies
Public notices
Annual Report
Annual Financial Report

Contracts having future budgetary implications to which section 33 of the MFMA applies
All quarterly reports tabled in the council in terms of section 52(d) of the MFMA.
Any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed.

Most of the indicated documents do appear on the municipal website, however it should be noted that there is a serious training need that has to be addressed to ensure that the website is current and constantly updated, the website can be accessed through the following domain www.mohokare.gov.za.

	CORPORATE SERVICES			OTHER ADMINISTRATION		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ADMINISTRATION	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Property Rates	-	-	0%	-	-	0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-	-	0%
Fines	-	-	0%	-	-	0%
Licences and Permits	-	-	0%	-	-	0%
Income for Agency Services	-	-	0%	-	-	0%
Government Grants and Subsidies Received	-	-	0%	-	-	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(6,773,329)	(1,325,040)	20%	(4,081,970)	(934,614)	23%
Service Charges	-	-	0%	-	-	0%
Rental of Facilities and Equipment	-	-	0%	-	-	0%
Interest Earned - External Investments	-	-	0%	-	-	0%
Interest Earned - Outstanding Debtors	-	-	0%	-	-	0%
Dividends Received	-	-	0%	-	-	0%
Royalties Received	-	-	0%	-	-	0%
Other Revenue	(6,773,329)	(1,325,040)	20%	(4,081,970)	(934,614)	23%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land:-	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%
Total Revenue	(6,773,329)	(1,325,040)	20%	(4,081,970)	(934,614)	23%
EXPENDITURE						
Employee Related Costs	2,975,021	2,876,986	97%	2,667,684	2,619,324	98%
Remuneration of Councillors	-	-	0%	-	-	0%
Collection Costs	-	-	0%	-	-	0%
Depreciation and Amortisation	-	-	0%	-	-	0%
Impairment Losses	-	-	0%	-	-	0%
Repairs and Maintenance	75,512	47,893	63%	2,255	2,563	114%
Finance Costs	-	-	0%	-	-	0%
Bulk Purchases	-	-	0%	-	-	0%
Contracted Services	-	-	0%	-	-	0%
Grants and Subsidies Paid	-	-	0%	-	-	0%
Research and Development Costs	-	-	0%	-	-	0%
General Expenses	3,882,185	2,104,779	54%	2,762,972	1,979,769	72%
Other Losses on Continued Operations	-	-	0%	-	-	0%
Loss on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Total Expenditure	6,932,719	5,029,658	73%	5,432,911	4,601,656	85%

Chapter 3

SERVICE DELIVERY PERFORMANCE (Part I)

COMPONENT A: BASIC SERVICES

Component A:

3.1 Water Provision

The Municipality is both a water services authority and water services provider for all its three towns. Water is supplied from three independent water systems, water resources are named below:

Smithfield : Caledon River and Smithfield dam
Rouxville : Kalkoenkraans and Paisley dam
Zastron : Montagu dam and Kloof dam

Quality and quantity

Annual water quality compliance per town:

Area	E- coli cfu/100ml 0-10	Aluminium mg/l 0 – 0.3	pH 6.95- 9.0	Electrical Conductivity mS/m <150	Turbidity (NTU) 1-5	Residual chlorine mg/l 0.2 – 0.5
Smithfield Water supply	100%	100%	100%	100%	100%	95%
Rouxville Water Supply	100%	100%	100%	100%	100%	90%
Zastron Water Supply	100%	100%	100%	100%	100%	97%

Below is the amount of supplied water per town:

Name Water Services Supply system	Quantity of purified(Treated) water (kl)	Targeted treated water per supply system (kl)
Rouxville Water Treatment Plant	437078	400 000
Smithfield Water Treatment Plant	518909	500 000
Zastron Water Treatment Plant	935233	900 000

The Municipality was evaluated by the department on its blue drop assessment program and the results are still to be issued for publication.

	TECHNICAL SERVICES			WATER DISTRIBUTION		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Property Rates	-	-	0%	-	-	0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-	-	0%
Fines	-	-	0%	-	-	0%
Licences and Permits	-	-	0%	-	-	0%
Income for Agency Services	-	-	0%	-	-	0%
Government Grants and Subsidies Received	-	-	0%	-	-	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(39,328,849)	(27,064,536)	69%	(57,839,045)	(40,922,832)	71%
Service Charges	(9,500,000)	(9,877,534)	104%	(9,899,703)	(12,857,208)	130%
Rental of Facilities and Equipment	-	-	0%	-	-	0%
Interest Earned - External Investments	-	-	0%	-	-	0%
Interest Earned - Outstanding Debtors	-	-	0%	-	-	0%
Dividends Received	-	-	0%	-	-	0%
Royalties Received	-	-	0%	-	-	0%
Other Revenue	(29,828,849)	(17,187,002)	58%	(47,939,342)	(28,065,623)	59%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land:-	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%
Total Revenue	(39,328,849)	(27,064,536)	69%	(57,839,045)	(40,922,832)	71%
Employee Related Costs	6,088,143	6,423,569	106%	6,695,532	6,936,040	104%
Remuneration of Councillors	-	-	0%	-	-	0%
Collection Costs	-	-	0%	-	-	0%
Depreciation and Amortisation	4,168,000	-	0%	4,238,856	-	0%
Impairment Losses	2,100,000	130,450	6%	5,003,615	-	0%
Repairs and Maintenance	975,777	324,846	33%	953,460	655,250	69%
Finance Costs	-	-	0%	-	-	0%
Bulk Purchases	-	3,095	0%	1,569,918	0	0%
Contracted Services	-	-	0%	-	-	0%
Grants and Subsidies Paid	-	-	0%	-	-	0%
Research and Development Costs	-	-	0%	-	-	0%
General Expenses	28,343,779	8,076,949	28%	49,145,042	30,943,120	63%
Other Losses on Continued Operations	-	-	0%	-	-	0%
Loss on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%

3.2 Waste Water (Sanitation) Provision

Completion of the Smithfield waste water treatment plant further shows a commitment by the Municipality to deliver on its mandate in protection of the environment by discharging effluent that complies with the prescribed waste water standards. The completion of this treatment plant will further assist the Municipality in the improvement of its Green drop status. However the Municipality still faces challenges in completion of the Zastron waste water treatment plant (Mechanical and Electrical works) due to lack of funds, the matter is still been pursued with relevant sector department.

SUMMARY EMPLOYEES: TECHNICAL SERVICES (Excl Refuse and Human Settlements)					
Job Level	2013/14	Ending 30 th June 2014			
	Number of Posts Filled	Number of Posts	Posts filled	Vacancies	% Variance
Office of Director	11	8	6	2	25
PMU	4	4	2	2	50
Water Services	63	47	40	7	0
Sanitation	69	70	49	21	30
Electricity (inc interns)	4	4	1	3	50
Roads & Engineering	24	25	19	6	20
TOTAL	175	158	117	41	21.5

	TECHNICAL SERVICES			WASTE WATER MANAGEMENT		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(25,829,584)	(24,610,962)	95%	(21,741,546)	(9,722,226)	45%
Service Charges	(8,349,958)	(6,700,311)	80%	(8,701,274)	(9,704,547)	112%
Other Revenue	(17,479,626)	(17,910,651)	102%	(13,040,272)	(17,680)	0%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land:-	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%
Total Revenue	(25,829,584)	(24,610,962)	95%	(21,741,546)	(9,722,226)	45%
Employee Related Costs	7,718,021	8,239,143	107%	8,334,125	8,668,189	104%
Remuneration of Councillors	-	-	0%	-	-	0%
Collection Costs	-	-	0%	-	-	0%
Depreciation and Amortisation	7,336,000	298,128	4%	7,460,712	-	0%
Impairment Losses	1,600,000	-	0%	3,812,278	-	0%
Repairs and Maintenance	-	9,600	0%	97,440	6,457	7%
Finance Costs	67,844	148,707	219%	160,000	106,881	67%
Bulk Purchases	-	-	0%	-	-	0%
Contracted Services	-	-	0%	-	-	0%
Grants and Subsidies Paid	-	-	0%	-	-	0%
Research and Development Costs	-	-	0%	-	-	0%
General Expenses	14,016,838	531,478	4%	11,322,032	1,773,406	16%
Other Losses on Continued Operations	-	-	0%	-	-	0%
Loss on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%

3.3 Electricity

Mohokare Local Municipality is an electricity services authority, however the municipality is not an electricity services provider. The municipality outsourced the electricity division to Centlec who shall ensure that electrification of households within the jurisdiction of Mohokare LM is done.

The Technical department still remains responsible for the following functions:

- Meter Transfers
- New Connections

	TECHNICAL SERVICES			ELECTRICITY DISTRIBUTION		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0		0%
Property Rates	-	-	0%	-		0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-		0%
Fines	-	-	0%	-		0%
Licences and Permits	-	-	0%	-		0%
Income for Agency Services	-	-	0%	-		0%
Government Grants and Subsidies Received	-	-	0%	-		0%
Public Contributions and Donations	-	-	0%	-		0%
Revenue from Exchange Transactions	(24,686,626)	(20,312,899)	82%	(42,851,414)		0%
Service Charges	(20,000,000)	(19,370,956)	97%	(28,378,938)		0%
Rental of Facilities and Equipment	-	-	0%	-		0%
Interest Earned - External Investments	-	-	0%	-		0%
Interest Earned - Outstanding Debtors	-	-	0%	-		0%
Dividends Received	-	-	0%	-		0%
Royalties Received	-	-	0%	-		0%
Other Revenue	(4,686,626)	(941,943)	20%	(14,472,476)		0%
Other Gains on Continued Operations	-	-	0%	-		0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-		0%
Profit on Sale of Land:-	-	-	0%	-		0%
Sale of Land	-	-	0%	-		0%
Cost of Sales	-	-	0%	-		0%

3.4 Waste Management

Zastron / Matlakeng			
Days of the Week	Name of Town/Area	Number of households	Total number of households serviced:
Mondays	Town	500	500
	Old location	280	280
Tuesdays	Kanana	741	741
	Ezibeleni 1	420	420
	Ezibeleni 2	316	316
Wednesdays	Phomolong	400	400
	New Rest	84	84
	Dinotshing	360	360
Thursdays	Khotsong	372	372
	Kanana	300	300
	Zone E	90	90
Fridays	Extension 9 (Nine)	400	400
	New Location	131	131
Total number of households serviced:			4394

Rouxville / Roleleathunya

Day of the Week	Name of Town/Area	Number of households	Total number of households serviced:
Mondays	Rouxville Town	195	195
	Uitkoms	138	138
Tuesdays	Old Location	319	319
	Zwelicha	214	214
	Extension 3, Ithoballe	281	281
Wednesdays	Phoshudi Road	116	116
	Extension 4, Phola Park	180	180
Thursdays	Extension 4, Soul City	138	138
	Extension 5	411	411
Fridays	Businesses E.g. Schools, Shops & Taverns	60	60
Total number of households serviced:			2052

Access to Refuse						
Refuse Collection	% provision					
	MTEF period					
	2013/14			2014/15		
Household access to refuse collection	100%			100%		
	COMMUNITY SERVICES			WASTE MANAGEMENT		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Property Rates	-	-	0%	-	-	0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-	-	0%
Fines	-	-	0%	-	-	0%
Licences and Permits	-	-	0%	-	-	0%
Income for Agency Services	-	-	0%	-	-	0%
Government Grants and Subsidies Received	-	-	0%	-	-	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(8,676,985)	(4,329,181)	50%	(8,472,146)	(6,495,304)	77%
Service Charges	(5,603,585)	(4,329,181)	77%	(5,839,350)	(6,495,304)	111%
Rental of Facilities and Equipment	-	-	0%	-	-	0%
Interest Earned - External Investments	-	-	0%	-	-	0%
Interest Earned - Outstanding Debtors	-	-	0%	-	-	0%
Dividends Received	-	-	0%	-	-	0%
Royalties Received	-	-	0%	-	-	0%
Other Revenue	(3,073,399)	-	0%	(2,632,796)	-	0%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land:-	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%
Total Revenue	(8,676,985)	(4,329,181)	50%	(8,472,146)	(6,495,304)	77%
EXPENDITURE						
Employee Related Costs	4,116,687	4,186,138	102%	4,555,816	4,788,718	105%
Remuneration of Councillors	-	-	0%	-	-	0%
Collection Costs	-	-	0%	-	-	0%
Depreciation and Amortisation	3,112,000	-	0%	3,164,904	-	0%
Impairment Losses	1,200,000	-	0%	2,859,209	-	0%
Repairs and Maintenance	215,043	100,839	47%	42,779	1,197	3%
Finance Costs	-	-	0%	-	-	0%
Bulk Purchases	-	-	0%	-	-	0%
Contracted Services	-	-	0%	-	-	0%
Grants and Subsidies Paid	-	-	0%	-	-	0%
Research and Development Costs	-	-	0%	-	-	0%
General Expenses	1,168,339	51,145	4%	1,260,827	23,206	2%
Other Losses on Continued Operations	-	-	0%	-	-	0%
Loss on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Total Expenditure	9,812,069	4,338,121	44%	11,883,534	4,813,121	41%

3.5 Housing

This housing project is one of the Provincial programmes from Human Settlements directorate intended to make difference to all residents within the Municipality through the below mentioned allocations;

Progress report on the project:

Smithfield/Mofulatshepe;

Project Name	Name of Contractor	Allocated Housing Units	Project Status			
			P. 5.1. (foundation level)	P.52 (Wall plate level)	P.53 (Completions)	Handed over to Beneficiary
RDP Low Cost housing project	Leveticus, Steel and Building Contractors	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)
Total Units	Housing	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)

Rouxville/Roleleathunya;

Project Name	Name of Contractor	Allocated Housing Units	Project Status			
			P. 5.1. (foundation level)	P.52 (Wall plate level)	P.53 (Completions)	Handed over to Beneficiary
RDP Low Cost housing project	Leveticus, Steel and Building Contractors	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)
Women's Built						
Total Units	Housing	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)

Zastron/Matlakeng;

Project Name	Name of Contractor	Allocated Housing Units	Project Status			
			P. 5.1. (foundation level)	P.52 (Wall plate level)	P.53 (Completions)	Handed over to Beneficiary
RDP Low Cost housing project	Suprim Trading.	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)
Total Units	Housing	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)	100 (hundred Units)

- Zastron/Matlakeng project under Suprim Trading and ZIMVO General Trading housing project in Rouxville under LEVETICUS STEEL AND BUILDING are both completed.
- Zastron/Matlakeng two (2) roomed housing project started April 2015 and will continue until the end of March 2016.

Lodged Housing Disputes

Other than facilitation of housing projects, housing and sites disputes that emanates from different families and relatives, are been attended within this division with some been elevated or referred to offices of the Magistrates due to their merits. Below, is a reflection of disputes recorded and attended during the financial year. The outstanding cases will be attended as per the Families requests and availability as some of them are working outside Mhokare.

Name of Town	No. of Disputes lodged	April	May	June	Type of Dispute			Attended		Outcome
					Site No.	Houses	Estates	Yes	No.	
Rouxville	4 (four)	-	1	-	54 & 55	-	-	Yes	-	Done.
		1	-	-	65	House	-	Yes	-	Done.
				1	66	House	-	Yes	-	Outstanding due to unavailability of all parties concerned
		1	-	-	642	-	-	Yes	-	Done
Zastron	One (1)	1	-	-	999	-	-	Yes	-	Done
Smithfield	None	-	-	-	-	-	-	-	-	-
Total	Five (5)	3	1	1	-	-	-	-	-	5 (five)

ILLEGAL SETTLEMENTS

The municipality has a list of previously registered illegal settlements which are being monitored on a monthly basis. In Zastron the case of 63 illegal occupants is being handled by Webbers Attorneys. New illegal settlements developing are being demolished by the Municipality's Security Department.

Report on status on site:

Name of Town	Initial number of households	Settlement Name
Zastron/Matlakeng	63 (sixty three)	Illegal land occupants
Rouxville/Roleleathunya	27 (twenty seven)	Somerset
Smithfield/Mofulatshepe	54 (fifty four)	54 "A" Numbers

Access to Housing			
Human Settlements	%		
	MTEF period		
	2011/12	2012/13	2013/14
Allocation of Houses	400	500	200
Backlog in housing provision	500	600	300

Important to note is that the Human Settlement Budget for provision of Houses solely rests with a n d is the responsibility of the Free State department of Cooperative Governance and Traditional Affairs.

3.6 Free Basic Services and Indigent Support

The council is pro-active in identifying any households which could qualify for the indigent subsidy. This has resulted in a 30% increase in households that now qualify for the subsidy.

Free Basic Household Services	% Provision	
	MTREF Period	
	2013/14	Ending 30 th June 2015
Households receiving free basic water	1 578	2 054
Households receiving free basic sanitation	1 578	2 054
Households receiving free basic electricity	1 578	2 054
Households receiving free refuse removal	1 578	2 054

FINANCIAL PERFORMANCE: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED						
	Jun-14			Jun-15		
SERVICE	Budget	Actual	Variance	Budget	Actual	Variance
Rates	605,810.00	6,950,601.58	54%	564,553.94	6,950,601.58	54%
Sewerage	1,097,710.00			2,060,910.00		
Refuse	828,460.00			1,177,335.00		
Water	912,220.00			728,662.50		
Electricity	1,055,810.00			432,000.00		
TOTAL	4,500,010.00			4,963,461.44		

COMPONENT B: Road Transport

3.7 Roads and Storm Water

The Municipality has prioritized the upgrading of access roads by implementation of Capital budget on this division. This is evident with the completion of the 2 km paved access road in Rouxville, the 2.9 km access road in Zastron which is 100% complete and the inclusion of the 3km access road in Smithfield in the MIG implementation plan of 2015/16.

In terms of maintenance, the department has an appointed a supervisor who is responsible for all roads and storm water maintenance work. The day to day task included the following:

- Operations supervision.
- Grading of gravel roads.
- Patching of potholes.
- Painting of road markings.
- Identification of roads that need to be replaced.

Maintenance of roads was considered for all three towns.

The table below indicates the different aspects of roads and storm water that were attended to.

Name of Services	Inspection Concerns/observations
Tar Roads	Tar Potholes to be closed using Tar while using gravel temporarily
Gravel roads	Maintenances of gravel Roads at Rouxville, Smithfield and Zastron
Community Services illegal dumping sites and sport Grounds	Grading of Sports Ground per units Plenty of illegal dumping sites.
Storm water management	Rouxville Storm water management Smithfield Storm water management Zastron Storm water management
Trafficable Road	Painting of Stop signs and all relevant road markings

SUMMARY EMPLOYEES: TECHNICAL SERVICES (Excl Refuse and Human Settlements)					
Job Level	2013/14	Ending 30 th June 2015			
	Number of Posts Filled	Number of Posts	Posts filled	Vacancies	% Variance
Office of Director	11	8	6	2	25
PMU	4	4	2	2	50
Water Services	63	47	40	7	0
Sanitation	69	70	49	21	30
Electricity (inc interns)	4	4	1	3	50
Roads & Engineering	24	25	19	6	20
TOTAL	175	158	117	41	21.5

[illegible]

Component C

3.10 Planning and Development

Planning, Development and Environmental Management

This unit is housed in the Office of the Municipal Manager, hence the staff breakdown that follows below. Mohokare has dedicated positions within the organizational structure to ensure proper planning and development, to even explore the potential of tourism promotion in our area. Being a municipality that shares a border with Lesotho presents opportunities that need to be explored and projects initiated. The landscape of the Municipality is not posing serious challenges in terms of property development, business development and better management of land.

The planning and Local Economic Development section of the municipality deals with a number of components within this field

Integrated Development Planning

The Integrated Development plan for the municipality was developed in house by this unit. It is a strategic plan that is developed and reviewed yearly and is legislated by the municipal systems act.

Performance Management System

This section deals with the performance of Individual Managers and that of the organisation as a whole. It is responsible for the development of the Organisational scorecard, the Service Delivery and Budget Implementation Plan (SDBIP) and the signing of performance contracts for the Municipal Manager and Deputy Municipal Managers (Directors). For the 2014-2015 financial years, the scorecard and SDBIP were developed and adopted and the performance contracts were signed and submitted to the MEC for COGTA.

Local Economic Development

As the municipality has limited sources of revenue collection, Local Economic Development plays a key role in the municipality's economic development plan. The LED strategy is currently in place and it aims to assist the municipality in cultivating LED opportunities within the municipality.

Spatial Planning

The presence of a spatial development framework gives more opportunities to potential positive development and the framework guards against illegal practices in terms of land development. Town planning has at its aim to see to the optimum organization, use of land and properties so that sustainable development and settlement can be developed in an organized and legal way in accordance to the principles within the local IDP and Spatial Development Framework.

Town planning is an umbrella division as it connects with different disciplines within the municipal sphere. LED, tourism, Environmental Health, Community Services, Rural development as well as Infrastructure to name a few

The National Building Regulations and Building Standards Act 103 of 1977 is the guideline that must be used for approval or not, of a building plan. The Town planning Schemes as well as the title deed must also be taken into account. Building plans are a legal requirement.

A Spatial Planning and Land Use Management Bill, 2011, commenced on the 1st July 2015, this bill will repeal the following acts used in Town planning:

Removal of Restrictions Amendment Act No. 55 of 1977

Removal of Restrictions Amendment Act No. 18 of 1984

Physical Planning Act No. 88 of 1967

Physical Planning Amendment Act No. 87 of 1983

Physical Planning Amendment Act No.104 of 1984

Physical Planning Amendment Act No. 92 of 1985

Physical Planning Act No. 125 of 1991

Development Facilitation Act No. 67 of 1995

Spatial Planning

TOWN PLANNING DIVISION

Introduction to Town Planning

Town planning from a municipal perspective focuses on land use and the development thereof in such a way as to be sustainable, in other words, planning and development must be done as to enhance the environment for man and animal in a harmonious way as to be sure that future generations will be able to enjoy the legacy from their parents in a sustainable manner.

Town planning Strategy

Manages the key performance areas and result indicators associated with the creation, regeneration, enhancement and management of public spaces through the provision of a professional management consultancy service disseminating advice and guidance on international best practice trends, design, specification, procurement and implementation sequences in respect of urban design and architectural projects and monitoring and reporting on the outcomes of the section.

For this to be possible, town planning has certain policy documents as well as guidelines to assist in above goals.

1. Integrated Development Plan
2. Spatial Development Framework
3. Town planning schemes, LUMS and Spatial Planning and Land Use Management Bill (SPLUMB)/ Spatial Planning and Land Use Management Act (SPLUMA)
4. Policies
5. By-laws
6. National Building Regulations Act

Progress made to provide basic standards

Town planning has an umbrella effect and is an all-inclusive subject spreading over many different divisions.

IDP

The IDP is the guideline and structure within the municipal framework that is needed to be followed in terms of where exactly planning and development is intended to take place in the 5 year period within the municipal boundaries.

Spatial Development Framework (SDF)

The National Department of Rural Development and Land Reform has appointed a company from Stellenbosch to assist in the development of a new SDF. The SDF was approved by the Mohokare Council in March 2014 and received a 88% score during the assessment phase during the IDP assessments. A review of this document will be done for the 2015/16 financial year to capture new development proposals as well as the LED projects as per its indicated location per town.

The SDF goes hand in hand with the IDP and indicates where planning and future development can take place. The SDF explains exactly what the current status quo per town is and where changes can be made. The SDF includes a spatial analysis showing local key spatial issues and objectives.

Town planning Strategy

Management of the key performance areas and indicators associated with the creation, regeneration, enhancement and management of public spaces through the provision of a professional management consultancy service disseminating advice and guidance on

international best practice trends, design, specification, procurement and implementation sequences in respect of urban design and architectural projects and monitoring and reporting on the outcomes of the section.

For this to be possible, town planning has certain policy documents as well as guidelines to assist in above goals.

1. Integrated Development Plan
2. Spatial Development Framework
3. Town planning schemes, LUMS and Spatial Planning and Land Use Management Bill (SPLUMB)/ Spatial Planning and Land Use Management Act (SPLUMA)
4. Policies
5. By-laws
6. National Building Regulations Act

Progress made to provide basic standards

Town planning has an umbrella effect and is an all-inclusive subject spreading over many different divisions.

Mooifontein

This farm was earmarked for future human settlement and the town planning. This division within the Mokone Municipality is in the process of development of this land with the assistance of several stakeholders.

Zastron Structure Plan

A Structure plan was developed by Mr. Casper Badenhorst to assist in a holistic development plan for Zastron. This plan links Zastron, Matlakeng and the future Mooifontein development as to create one community.

Structure plans must also be developed for Rouxville and Smithfield.

Town planning schemes, LUMS and Spatial Planning and Land Use Management Bill

To be able to implement the IDP and SDF, certain guidelines are in place that needs to be adhered to. These guidelines are found in the Town planning schemes and LUMS for each town and municipality. The town planning schemes for Rouxville and Zastron dates back from 1990 and 1991 and therefore a new set of guidelines are being developed, namely the Land Use Management Scheme. LUMS are currently not available yet.

The Spatial Planning and Land Use Management Act, no16 of 2013 (SPLUMA) was signed in August 2013 and implementation date was supposed to be 1 July 2014 which was then postponed until 1 July 2015. SPLUMA revokes all other acts eg. Black Communities Development Act no 4 of 1994 and the Physical Planning no 125 of 1991

Within abovementioned documents, there are paths to follow as to adhere to the specifications within to ensure the progress in terms of provision of basic standards to the local communities.

SPATIAL PLANNING AND LAND USE MANAGEMENT ACT (SPLUMA), SPATIAL PLANNING AND LAND USE BY LAW AND THE MUNICIPAL PLANNING TRIBUNAL

During 2014 focus was on municipal readiness in terms of SPLUMA. Mohokare is one of three municipalities in the Free State ready for the implementation of SPLUMA. Public participation was done throughout Mohokare in terms of SPLUMA and the associated by-law. As per SPLUMA, a Municipal Planning Tribunal must be set up for future applications to be evaluated. This MPT was created and was published along with the Mohokare By law on Spatial Planning and Land Use Management on 12 June 2015 in the Free State Gazette. The publishing of these two documents was funded by the National Department of Rural Development and Land Reform.



SPLUMA SA OF 2013 weekly newsletter

12 Working Days to go before the commencement of the Spatial Planning and Land Use Management Act (Act 16 of 2013)

Special Issue 2 | 12 June 2015

Countdown to 1 July 2015!



Special Announcement!!

Congratulations:

Moqhaka | Setsofo | Kopanong | Mohokare | Dihlabeng

For establishing your Municipal Planning Tribunal

&

Kopanong | Mohokare | Dihlabeng

For the publication of your By-Law!!



**Provincial
Gazette**
Free State Province



**Provinsiale
Koerant**
Provinsie Vrystaat

Published by Authority

Uitgegee by Gezag

NO. 23	FRIDAY, 12 JUNE 2015	NO. 23	WEDSAG, 12 JUNE 2015
GOVERNMENT NOTICE			
Moqhaka Local Municipality		2	
Setsofo Local Municipality		3	
Kopanong Local Municipality		4	
Mohokare Local Municipality		5	
Dihlabeng Local Municipality		6	
COOPERATIVE GOVERNANCE, TRADITIONAL AFFAIRS AND HUMAN SETTLEMENTS NOTICE			
Kopanong Local Municipality		7	
Mohokare Local Municipality		8	
Dihlabeng Local Municipality		125	

Congratulations

GAZETTE NOTICE

APPOINTMENT OF MEMBERS TO THE MOHOKARE MUNICIPAL PLANNING TRIBUNAL IN TERMS OF SECTION 35 OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, ACT 16 OF 2013

I hereby appoint the following persons as members of Mohokare Municipal Planning Tribunal in terms of Section 35 of the Spatial Planning and Land Use Management Act.

MUNICIPAL

Chairperson: Mr Thabo Christian Panyani
Deputy Chairperson: Sandile Lungelo Majenge
Emmerential Elizabeth Meades
Daniel Johanness Marias
Songezo Petela
Maria Magdalena Van Pletzen

GOVERNMENT

Petra Marias
Nandiswa Innocentia Mbolekwa

The commencement date of the Mohokare Municipal Planning Tribunal will be the 1st of July 2015. The *domicilium citandi et executandi* for the purpose of accepting land development applications, legal proceedings and giving or sending notices are the following addresses:

Physical Address:

Hoofd Street
Zastron
9550

Postal Address:

PO Box 20
Zastron
9550

E-Lodgement Address:

eMohokare@spisys.gov.za

Mr. TC Panyani
Municipal Manager
MOHOKARE MUNICIPALITY

Land uses, Title deeds, Zoning and Zoning certificates

Land use is governed by the proper land use assigned to a specific erf or area. Land use is stipulated by zoning. Development is regulated by the SDF and IDP in accordance with the specific zoning.

Land use must be in accordance with Title deeds of said property and the Town Planning Scheme. Possible revenue for the municipality can be generated in terms of rates and taxes if the Land use is changed. Requests for rezoning must be taken seriously as well as the compliance by property owners to the land use allocated to their erven. Densification of urban areas must be a focal point for the municipality and urban sprawl must be dissuaded.

Eleven (11) zoning certificates were issued in the period 1 July 2014 to 30 June 2015

POSSIBLE DEVELOPMENTS

Areas were identified within the new Spatial Development Framework for possible developments and the Town Planning Unit held meetings with PULA and MISA to set up a quantitative analysis of what these developments will entail in terms of monetary cost to the municipality. The following projects are budgeted for:

TOWN	ERF/AREA	WORK TO BE DONE	BUDGET 2015/16	2014/15 update
ZASTRON	ERVEN 486-489	REZONING AND CONSOLIDATION	R200 000	Included in the 2015/16 budget
ZASTRON/ MATLAKENG	ERVEN 2949 and 1067	PARK CLOSURE, REZONING AND CONSOLIDATION		Included in the 2015/16 budget
SMITHFIELD	54 SITES IN MOFULATSHEPE	REZONING AND SUBDIVISION, PARK CLOSURES, STREET CLOSURES AND INCORPORATION INTO THE GENERAL PLAN	R503 501.52	Not budgeted for thought Mohokare municipality HDA Pipeline project
SMITHFIELD	EXPROPRIATION of 9 erven	EXPROPRIATION:	R45 030	1 property outstanding. Handled through Malherbe, Saayman and Smith

Rezoning, Consolidation and subdivision

Depending on the regulations per title deed of a said erf, an application can be done for rezoning, subdivision or/and consolidation of erven. The legal implication is to follow with the title deed issued against specific erf as well as the specific Town Planning Scheme for land use as well as the SDF. It may have positive financial implications for the municipality in terms of a potential income and densification of land use.

It is recommended that depending on the direct impact to the immediate surroundings, a recommendation will be sent forth to the Mohokare municipality's management as well as the Council for approval or not, of a specific application. Densification of urban areas must be a focal point for the municipality and urban sprawl must be dissuaded.

ZONING AND REZONING, CONSOLIDATION, SUBDIVISION

ERF NR.	OWNER	REQUEST FOR:	ACTION TAKEN
ERVEN 112 AND 113 Smithfield	M. du Preez	CONSOLIDATION	APPROVED BY COUNCIL
ERVEN 11 AND 1.280 Rouxville	M. du Preez	CONSOLIDATION	APPROVED BY COUNCIL
383 Rouxville	P.J. FOUCHE	SUBDIVISION	APPROVED BY COUNCIL
ERF 1/207 Zastron	N.V. Tsele	REZONING	IN PROCESS

CONSENT USE APPLICATIONS

ERF NR.	OWNER	REQUEST FOR:	ACTION TAKEN
Erf 1224 SOMIDO PARK	D.C. SELEKE	CONSENT USE	APPROVED. CONSENT ATTACHED TO OWNER AND NOT TO THE PROPERTY

Encroachment queries

Encroachment is a very serious and problematic situation being dealt with continuously. Problems occur where the boundary of a site is unclear or unknown because no land surveyor pens are available. It has either been removed illegally or driven so deep into the earth, that it cannot be found. Property owners simply decide by themselves to put up a fence without checking at the municipal offices for assistance in identifying boundary lines.

Layout plans, title deeds, land surveyor's pens and aerial photographs can be used to assist in identifying boundaries. Each complaint must be investigated. If the municipal officers are unable to show out boundaries, it is necessary for the owner of the property, to contact a private land surveyor or a town planner to assist in identifying the correct boundaries but this has cost implications to the individual.

General queries

Town planning includes a wide variety of municipal information in terms of land use and therefore a lot of general queries are handled. Most information given is in terms of requirements needed on and for building plans. Secondly information is required for the

process and whole can be contacted for the designing and providing of services like building plans and in terms of possible consolidation and subdivision of erven. A draft building plan manual has been written and approved by Council.

Most site related queries are for business sites and church sites. A huge need exists. Furthermore, site measurements and copies of existing building plans are identified needs through queries being received.

Building plans

A need was identified for specifications of what is needed on a building plan and therefore a tick list was designed by the town planner to assist in this effect. Problems exist in terms of the community's unawareness of submitting building plans. A PowerPoint presentation was drawn up to explain what is needed and will be distributed to all pay points and libraries for individuals to access the information.

BUILDING PLAN REPORT 1/07/2014 – 31/06/2015

DATE	INVOICE	SURNAME	ERF NR	TOWN	NEW PLAN	EXTENSION	APPROVED	NOT APPROVED	COMMENTS
10/08/2014	14004620	N. ROODT	555	Smithfield		X		X	Resubmitted and approved 6/11/14
16/07/2014	19004065	M. DINANA	NOT AVAILABLE	ZASTRON	X			X	Resubmitted and approved 26/09/14 Cannot be built as stand at 19 Joachim Street, Zastron must first be subdivided by the owner, Me Makumsha
05/09/2014		T.P. TAMANYANE	192	ROUXVILLE	X		X		
14/05/2014	22000947	N. ROODT	107	Smithfield		X	X		
27/08/2014	15002616	J.M. SKOVA	782	Roleleathunya ROUXVILLE		X	X		

DATE	INVOICE	SURNAME	ERF NR	TOWN	NEW PLAN	EXTENSION	APPROVED	NOT APPROVED	COMMENTS
				LLE					
23/07/2014	19004087	M.A. NYAMATAKI	241	ZASTRON	X			X	SECTIONAL DRAWING – rafter cannot protrude through walls as indicated on plan RESUBMITTED 03/11/2014 APPROVED
27/08/2014	EFT (ref:141)	I. NEL	141	ROUXVILLE		x	x		
27/08/2014	15002868	Mr ADOONS	133	ROLELEATHUNYA	X		X		
21/07/2014	14004518	OVK	50 - 60	Smithfield	X			X	MORE THAN 500 ² Must be done by registered architect
28/07/14	EFT	INANEL	144	ROUXVILLE	X		X		
26/09/14	19004484	G. Mhlomi	355	Zastron		X	x		29/09/14 approved
15/10/14	Not paid – still a draft as erf must be consolidated	M. du Preez	180 and 11	Rouxville	X		x		Only as a draft. Inspected by technical staff for their approval before final plan is submitted
27/10/	17708	Mr. Montsitsi	396	Zastron	X		x		

DATE	INVOICE	SURNAME	ERF NR	TOWN	NEW PLAN	EXTENSION	APPROVED	NOT APPROVED	COMMENTS
2014									
27/10/2014	1900547	J.M. Mafene	241	Zastron	X		x		
13/11/2014	Paid	Motheo college	1/55	Zastron	Renovation		x		
17/11/2014		Mr. Sidzamba	850	Matlakeng		X	x		
23/12/2014	22001059	J. Mnyameni	114	Mofulatsh epe		X			In progress due to Dec. holidays
12/01/15	15003774	Mrs. M. SEPHULA	Erf 2061	Roleleathunya	X		x		
26/01/2015	Paid before - resubmitted	D. SELEKE	ERF 1224	SOMIDO PARK		X	X		
27/01/2015	16659	M DU PREEZ	CONSOLIDATION	ROUXVILLE	X		X		
27/01/2015	16658	M DU PREEZ	CONSOLIDATION	SMITHFIELD	X		X		
30/01/2015	13011315	FNB ZASTRON	2/23	ZASTRON	X ATM		X		
26/01/2015	RESUBMITTED	MP KATSE	2039 MATLAKE NG	ZASTRON	X		X		
16/02/2015		ROUXVILLE FARMERS UNION	ROUXVILLE	ROUXVILLE		X			BUILDING PLAN NOT TO STANDARD – Referred back to be Drawn up by draughtsman
11/03/2015	1900525	K. GQUALAQA	ERF 345	ZASTRON		X	X		

DATE	INVOICE	SURNAME	ERF NR	TOWN	NEW PLAN	EXTENSION	APPROVED	NOT APPROVED	COMMENTS
03/03/2015	13011402	Mr. ELISHA	2227 PHOMOLONG	ZASTRON		X	X		LIQUOR LICENCE
04/03/2015	14005985	MR. DICHA BA	ERF 585	Smithfield		X	X		LIQUOR LICENCE
19/05/2015		V.K. DUDA	869 SOMIDO PARK	Smithfield					LIQUOR LICENCE
01/04/2015	PAID	OVK SMITHFIELD	51 AND 52	Smithfield	X		X		STORE
29/05/2015	19006232	Mr. MANANZI	90 MATLAKE NG	ZASTRON		X	X		LIQUOR LICENCE
01/06/2015	NOT PAID YET	MC THABATHA	351	ZASTRON		X			NOT APPROVED YET. IN PROCESS DUE TO PROBLEMS WITH BUILDING PLAN AND ZONING OF PROPERTY

Policies/plans

Building Control Policy

MMOTPL001 (P37)

Policies and Procedures Manual

Town Planning Policy

MMOTPL002 (P40)

Policies and Procedures Manual

An updated town planning policy is needed as to comply with SPLUMA. This will be written in association with Cogta

By-laws

The following By-laws are in place

- Standard Control of Street Vendors, Peddlers and Hawkers By-law
- Standard Advertising By-Law
- Standard Informal Settlements By-law
- By law on Spatial Planning and Land Use Management

Fee Structure

The fee structure was updated by the town planner as the Dept. of Finance was assisted in updating the fees for the next financial year. These fees were advertised and can be implemented within the new financial year.

Measures taken to improve performance and major efficiencies delivered.

Weekly reports, formats and tick sheets were introduced by the town planning division to organize the work done on a daily basis and to ensure continuity as well as follow-ups to queries, problems and requests in terms of town planning.

With the approval of the Spatial Development Plan (SDF) the town planning division has the tools to focus on development and land use to the betterment of the local communities, eg. Development of hawker stalls to regulate informal trading, assisting the Local Development division in terms of the location of possible projects which will assist in terms of job creation and development of the local communities.

Attach trends, comments and variances

One of the biggest challenges experienced by the town planning division is the search for possible areas to develop more residential sites as there is such a huge need experienced. The three new developments stated underneath are in need of basic services and the Dept. Technical services has reported in terms of MIG for funding to develop the necessary infrastructure.

Extension 10 Zastron 725 erven

Extension 6 Rouxville 855 erven

Greenfields Smithfield 467 erven

Development of Mooifontein for residential purposes

Currently there is a need for church, crèche and business sites. It may be necessary to develop a policy in terms of a definition of what is a church, the needs of such an organization and the structure that must be put up on a site zoned for institutional purposes.

Building regulations

Adherence to building regulations is a huge challenge as people are or not clued up on what is expected of them. Structures are built without building plans. Education is necessary to explain the importance thereof.

Control of hawkers

Control of hawkers and informal businesses is proving to be a huge challenge. Erven are identified for development of a site for hawkers with formalized structures to accommodate hawkers and their businesses.

Town planning Schemes

Absence of a town planning scheme in Smithfield, make decisions in terms of town planning, e.g. land use very difficult and will the Spatial Planning and Land Use Act (SPLUMA), when implemented, assist because it will substitute all current town planning schemes.

SPLUMA will bring big changes on municipal level as most functions now being done on a provincial level, will be cascaded down to municipal level, and will all municipalities need to have registered town planner.

LIQUOR LICENSE APPLICATION:

Four (4) applications were received during the 2014/2015 financial year.

Encroachment queries

Encroachment is a very serious and problematic situation being dealt with continuously. Problems occur where the boundary of a site is unclear or unknown because no land surveyor pens are available. It has either been removed illegally or driven so deep into the earth, that it cannot be found. Property owners simply decide by themselves to put up a fence without checking at the municipal offices for assistance in identifying boundary lines.

Layout plans, title deeds, land surveyor's pens and aerial photographs can be used to assist in identifying boundaries. Each complaint must be investigated. If the municipal officers are unable to show out boundaries, it is necessary for the owner of the property, to contact a private land surveyor or a town planner to assist in identifying the correct boundaries but this has cost implications to the individual.

3.11. Local Economic Development (Including Tourism Markets)

Municipalities have a constitutional mandate to promote local economic development (LED). Section 153 of the constitution states that:

A municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community

Local Economic Development is a process where local stakeholders such as government, business, labour, and civil society organisations work collectively to identify, utilize and harness resources to stimulate local economy and create employment.

LED Strategy

Mohokare LED Strategy was first drafted in 2006 and was reviewed in 2014 and adopted by council in the same year. The review was done with the assistance of MISSA, SALGA, COGTA, and Treasury at no cost to the municipality. Be it noted that Mohokare is the only municipality so far that has done the review process on a zero based budget.

Tourism

Mohokare Local Municipality shares borders with the Mountain kingdom of Lesotho as well as the Eastern Cape town of Sterkspruit. The municipality's geographic position therefore presents a wide range of opportunities including trade and tourism. In the past financial year the LED Unit has made a proposal for a private investment on tourism in Zastron (Caravan Park and chalets and surrounding area) and that proposal has been approved by council. A decision has also been taken to advertise and invite business proposals that would take this initiative forward.

High impact projects

On 15 June 2015 the Department of Economic Development Small business support Tourism and Environmental Affairs held a meeting with all the municipalities in the district. The purpose of the meeting was to grant municipalities to make presentations on industrial projects in their localities that needed funding. Mohokare LED Unit presented the following projects:

- Sand stone mining
- Meat processing
- Quarry
- Charcoal production
- Textile factory
- Solar plant
- Lime stone mining
- Milk processing
- Fuel station
- Recycling

Poverty alleviation support

During the past financial year COGTA has been able to create 75 jobs through its Community Development Program. The department of Public Works has also created around 800 jobs through its EPWP initiative.

Measures taken to improve performance

For the improvement and enhancement of LED in all the three towns, management took a resolution to enrol all the Unit managers for a five months LED certificate course that started in April and will end in September 2015.

Funded projects

Aquaculture

Meat processing

Bakery

Agro-processing

Vegetable farming

Employment research

Be it noted that municipality is faced with a serious challenge of high unemployment rate. Research indicates that 80% of the entire population in the municipality is registered as indigents. This extremely high percentage of grant dependence makes it practically impossible for investors to come and invest in the area. As a result of this challenge the LED Unit conducted its own research on alternative means of job creation and the following areas were identified:

Cooperatives program

Agro-processing

Tourism

Commercialization of Magaleen border post

Small scale mining

Small towns' regeneration program

Commercial Land Audit

COOPERATIVES PROGRAM

This program has been identified as a possible solution in addressing unemployment. There are more than twenty registered cooperatives existing in Mohokare. Most of them are depending on grant funding as opposed to loan funding. So far the cooperatives which secured funding and are still funded are aquaculture, vegetable farming, bakery, and milk processing. At the last meeting held with Imbumba in Zastron, it was reported that private funding for meat processing project has been secured and work to take the project off the ground was to start soon.

AGRO-PROCESSING

Mohokare local municipality has been identified as an agrarian area that pride itself with cattle and sheep farming. Though this case may be local people do not benefit from agricultural opportunities that are there. For example meat, cattle skin and wool is taken elsewhere for processing instead of being processed locally and create employment for local residents. This matter has been discussed at length with the Rouxville Development Agency as well as local farmers and possible investors.

TOURISM

Mohokare Local Municipality's geographic position presents vast opportunities particularly in areas of tourism. The municipality is situated along Maluti tourism route that covers the town of Zastron and Rouxville. The other town of Smithfield is situated along the N6 national road which also presents good opportunities for tourism. LED Unit has already made a proposal on securing a private investor to develop tourism infrastructure along the Caravan Park and chalets in Zastron. A management resolution was taken that this initiative should be advertised on print media.

COMMERCIALISATION OF MAGALEEN BORDER POST

Magaleen border post is shared between the town of Zastron in the Free State and the mountain Kingdom town of Mhakeshoek. The commercialization of this border post has a potential of unleashing huge economic benefits through tourism and trade for both towns mentioned above. This subject has been discussed and presented to both COGTA and SALGA and both organisations have made a commitment to take it to the relevant authorities.

SMALL SCALE MINING

In the past financial year the LED Unit has been working on formalizing and securing support for illegal clay miners in all the three towns. The Department of Mineral Resources was called in to conduct a workshop on licencing of small scale mining activities. The department further undertook to assist municipality to secure funding for small scale mining permit. Minerals Technology (MINTEK) also visited the three towns and took clay samples for testing. Results are still to be tabled to the LED Unit.

SMALL TOWNS REGENERATION PROGRAM

The Small Towns Regeneration Program is a project initiated by SALGA national and is intended to bring much needed economic vibrancy in small towns. This project was first successfully piloted in the Eastern Cape and is now rolled out in the Free State. In 2014 a three days' workshop was held for all beneficiary municipalities and the town of Zastron has been identified and selected to be the pilot and the other two units of Rouxville and Smithfield shall follow. This project is still on going and SALGA will come and make presentation at a council meeting to be held in August 2015.

COMMERCIAL LAND AUDIT

Mohokare municipality has strategic pockets of commercial land in all the three towns. This land remains a closed book given the fact that it is not yet audited and therefore is unknown to the potential investors out there. LED Unit has made a proposal that all this commercial land be identified and be put on sale with strict conditions for development to potential buyers.

Job Creation

Implementation of projects within the Municipality is targeted to provide social and economic benefits to the community within the boundaries of the Municipality. This should be achieved through employment opportunities and development of local sub-contractors.

Below are the employment figures for the year per project under the MIG program

Table 2: Labour Employment

	Male		Females		Disabled	Total
Project Description	Youth	Adult	Youth	Adult		
Mohokare: Upgrading of the Caledon water scheme to Smithfield	0	0	0	0	0	0
Mofulatshepe: Upgrading of sports ground	6	4	3	2	0	15
Upgrading of Roleleathunya Sports Ground	0	0	0	0	0	0
Upgrading of internal streets in Matlakeng (2.9 km)	25	17	9	1	0	52
Smithfield/Somidopark: Installation of 14 high mast lights	0	0	0	0	0	0
Upgrading of Matlakeng Sports ground	0	0	0	0	0	0
RBIG Projects						
Upgrading of Rouxville Water Treatment Plant	13	8	0	1	0	22
Construction of a 15 km pipeline from Montigu Dam to Kloof Dam and to Zastron Water Treatment Works	23	13	10	6	0	52
Total	67	42	22	10	0	141

Conclusion

Be it noted that municipality does not budget for LED projects, but its primary task through its LED Unit is to create enabling environment for economic growth and employment creation. Through its LED Unit the municipality further assist, give support and lobby funding for developmental projects as identified and proposed by formalised structures in a form of cooperatives and close corporations. The EPWP as well as CWP are still accounting for more employment in the municipality even though on contractual basis.

The LED Unit has taken a resolution not to fill the post of LED officer but to advertise and appoint a project implementing agent whose main ask shall amongst others compile business plans for specific projects, lobby funding an implement such projects. The agent will then be reimbursed on the basis of achievement of set targets and objectives.

	MUNICIPAL MANAGER			PLANNING & DEVELOPMENT		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Property Rates	-	-	0%	-	-	0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-	-	0%
Fines	-	-	0%	-	-	0%
Licences and Permits	-	-	0%	-	-	0%
Income for Agency Services	-	-	0%	-	-	0%
Government Grants and Subsidies Received	-	-	0%	-	-	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(1,117,600)	0	0%	(870,229)	0	0%
Service Charges	-	-	0%	-	-	0%
Rental of Facilities and Equipment	-	-	0%	-	-	0%
Interest Earned - External Investments	-	-	0%	-	-	0%
Interest Earned - Outstanding Debtors	-	-	0%	-	-	0%
Dividends Received	-	-	0%	-	-	0%
Royalties Received	-	-	0%	-	-	0%
Other Revenue	(1,117,600)	-	0%	(870,229)	-	0%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land:-	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%
Total Revenue	(1,117,600)	-	0%	(870,229)	-	0%
Employee Related Costs	1,764,803	1,850,962	105%	2,104,223	2,176,103	103%
Remuneration of Councillors	-	-	0%	-	-	0%
Collection Costs	-	-	0%	-	-	0%
Depreciation and Amortisation	-	-	0%	-	-	0%
Impairment Losses	-	-	0%	-	-	0%
Repairs and Maintenance	-	11,200	0%	-	-	0%
Finance Costs	-	-	0%	-	-	0%
Bulk Purchases	-	-	0%	-	-	0%
Contracted Services	-	-	0%	-	-	0%
Grants and Subsidies Paid	-	-	0%	-	-	0%
Research and Development Costs	-	-	0%	-	-	0%
General Expenses	242,440	116,641	48%	176,496	126,490	72%
Other Losses on Continued Operations	-	-	0%	-	-	0%
Loss on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12 Libraries, Archives, Museums, Galleries, Community Facilities; Other

Libraries

The Municipality is still awaiting the finalization of the dissolution of services process with regards to the library services, because the department of Sport, Arts & Culture is supposed to absorb the Human Capital that the Municipality is currently funding. There are 5 (five) libraries in Mohokare Local Municipality and they operate in the following manner:

Operating hours and days
Rouxville Public Library

Days	Time of starting work	Interval of work (Lunch)	Time of finishing
Monday	8h00	13H00-13H30	16H30
Tuesday	8h00	13H00-13H30	16H30
Wednesday	8h00	13H00-13H30	16H30
Thursday	8h00	13H00-13H30	16H30
Friday	8h00	13H00-13H30	16H30
Saturday	8h00		13h00

Roleleathunya: Albert Nzula Public Library

Days	Time of starting work	Interval of work (Lunch)	Time of finishing
Monday	8h00	13H00-13H30	16H30
Tuesday	8h00	13H00-13H30	16H30
Wednesday	8h00	13H00-13H30	16H30
Thursday	8h00	13H00-13H30	16H30
Friday	8h00	13H00-13H30	16H30
Saturday	8h00		13h00

Smithfield/Mofulatshepe

Days	Time of starting work	Interval of work (Lunch)	Time of finishing
Monday	8h00	13H00-13H30	16H30
Tuesday	8h00	13H00-13H30	16H30
Wednesday	8h00	13H00-13H30	16H30
Thursday	8h00	13H00-13H30	16H30
Friday	8h00	13H00-13H30	16H30
Saturday	8h00	N/A	13h00

Zastron: Zastron Public Library

Days	Time of starting work	Interval of work (Lunch)	Time of finishing
Monday	8h00	13H00-13H30	16H30
Tuesday	8h00	13H00-13H30	16H30
Wednesday	8h00	13H00-13H30	16H30
Thursday	8h00	13H00-13H30	16H30
Friday	8h00	13H00-13H30	16H30
Saturday	8h00		13h00

Matlakeng: Matlakeng Public Library

Days	Time of starting work	Interval of work (Lunch)	Time of finishing
Monday	8h00	13H00-13H30	16H30
Tuesday	8h00	13H00-13H30	16H30
Wednesday	8h00	13H00-13H30	16H30
Thursday	8h00	13H00-13H30	16H30
Friday	8h00	13H00-13H30	16H30
Saturday	8h00		13h00

	COMMUNITY SERVICES			LIBRARIES & ARCHIVES		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Property Rates	-	-	0%	-	-	0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-	-	0%
Fines	-	-	0%	-	-	0%
Licences and Permits	-	-	0%	-	-	0%
Income for Agency Services	-	-	0%	-	-	0%
Government Grants and Subsidies Received	-	-	0%	-	-	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(558,800)	0	0%	(438,178)	0	0%
Service Charges	-	-	0%	-	-	0%
Rental of Facilities and Equipment	-	-	0%	-	-	0%
Interest Earned - External Investments	-	-	0%	-	-	0%
Interest Earned - Outstanding Debtors	-	-	0%	-	-	0%
Dividends Received	-	-	0%	-	-	0%
Royalties Received	-	-	0%	-	-	0%
Other Revenue	(558,800)	-	0%	(438,178)	-	0%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land:-	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%
Total Revenue	(558,800)	-	0%	(438,178)	-	0%
EXPENDITURE						
Employee Related Costs	1,056,648	967,049	92%	1,170,328	1,030,756	88%
Remuneration of Councillors	-	-	0%	-	-	0%
Collection Costs	-	-	0%	-	-	0%
Depreciation and Amortisation	-	-	0%	-	-	0%
Impairment Losses	-	-	0%	-	-	0%
Repairs and Maintenance	-	-	0%	-	-	0%
Finance Costs	-	-	0%	-	-	0%
Bulk Purchases	-	-	0%	-	-	0%
Contracted Services	-	-	0%	-	-	0%
Grants and Subsidies Paid	-	-	0%	-	-	0%
Research and Development Costs	-	-	0%	-	-	0%
General Expenses	2,370	20,805	878%	-	-	0%
Other Losses on Continued Operations	-	-	0%	-	-	0%
Loss on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Total Expenditure	1,059,018	987,853	93%	1,170,328	1,030,756	88%

COMMUNITY FACILITIES

3.13 CEMETORIES AND CREMATORIUMS

The Municipality has eighteen (18) cemeteries with six (6) in each Town. Having mentioned the above, its only three cemeteries fully operational in each town due to sites been allocate to the capacity regarding the hectares of each cemetery.

The allocation of graves in is being conducted through the Municipal offices and Supervisors responsible. There is no crematorium that is owned or managed by the Municipality.

	COMMUNITY SERVICES			CEMETERIES & CREMATORIUMS		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Property Rates	-	-	0%	-	-	0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-	-	0%
Fines	-	-	0%	-	-	0%
Licences and Permits	-	-	0%	-	-	0%
Income for Agency Services	-	-	0%	-	-	0%
Government Grants and Subsidies Received	-	-	0%	-	-	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(64,803)	(48,614)	75%	(55,000)	(44,544)	81%
Service Charges	-	-	0%	-	-	0%
Rental of Facilities and Equipment	-	-	0%	-	-	0%
Interest Earned - External Investments	-	-	0%	-	-	0%
Interest Earned - Outstanding Debtors	-	-	0%	-	-	0%
Dividends Received	-	-	0%	-	-	0%
Royalties Received	-	-	0%	-	-	0%
Other Revenue	(64,803)	(48,614)	75%	(55,000)	(44,544)	81%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land -	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%
Total Revenue	(64,803)	(48,614)	75%	(55,000)	(44,544)	81%
EXPENDITURE						
Employee Related Costs	-	-	0%	-	-	0%
Remuneration of Councillors	-	-	0%	-	-	0%
Collection Costs	-	-	0%	-	-	0%
Depreciation and Amortisation	-	-	0%	-	-	0%
Impairment Losses	-	-	0%	-	-	0%
Repairs and Maintenance	24,000	-	0%	-	-	0%
Finance Costs	-	-	0%	-	-	0%
Bulk Purchases	-	-	0%	-	-	0%
Contracted Services	-	-	0%	-	-	0%
Grants and Subsidies Paid	-	-	0%	-	-	0%
Research and Development Costs	-	-	0%	-	-	0%
General Expenses	-	-	0%	-	-	0%
Other Losses on Continued Operations	-	-	0%	-	-	0%
Loss on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Total Expenditure	24,000	-	0%	-	-	0%

COMPONENT E: ENVIRONMENTAL HEALTH

WORLD FOOD DAY

World Food Day is annually celebrated on the 16th of October as per the National Health Awareness Calendar. In line with this, the Environmental Health Practitioner based at Zastron carried out a session focusing on education, awareness and training (EAT) on all aspects relating to the Principals of Good Food-, Safety- and Hygiene Management within the food sector. Although the education, awareness and training session was not in line with the purpose of the celebration, center focus was placed on the important role that food handlers play in the production, transportation, storage, food preparation (cooking) to the final consumption thereof by the consumer.

On the day all employees employed through the National School Nutrition Programme as funded by the Department of Education, as well as Food handlers employed by Early Childhood Development Centres attended the session which was hosted on the 5th of November 2014 at the Lerato Educare Centre, Zastron.

The focus of the presentation was on the importance of these key role-players in feeding thousands of children on a day and how critically important the careful implementation of food hygiene management principals are in their everyday operations. Of particular interest is the questions posed on the contents presented by slideshow and the spinoffs it will have in the future day-to-day operations of work by themselves.

On the day, a total of 29 full time NSNP and ECD Food-handlers and ECD Practitioners attended the session. Health education material in the form of posters, liquid hand sanitizers and pamphlets on sanitation was distributed among the attendees. The Annexure to the report depicts the attendees and the awareness session conducted.

HEALTH AND HYGIENE EDUCATION & AWARENESS TO FOOD HANDLERS EMPLOYED THROUGH THE NATIONAL SCHOOL NUTRITION PROGRAMME: ZASTRON

Environmental Health Practitioners are mandated to provide Health and Hygiene Education and Awareness to communities in an effort to implement the National Health Strategy. The objective thereof is to combat disease, prevent deaths that can be halted through the application of basic health and hygiene principals, ensure the avocation of Environmental Health Induced Diseases and ensure that communities are empowered with knowledge and for them to spread the message of prevention and control through guidelines provided.

The Environmental Health Unit included as part of its Service Delivery and Budget Implementation Plan (SDBIP 2014/2015) to promote Food Hygiene and the principals associated therewith to all Food Handlers operating businesses within the Xhariep District. On the 29th of October 2014, the Environmental Health Practitioner based at Zastron carried out a Health Education and Hygiene Awareness Campaign at all four (4) schools where there is a National School Nutrition Programme as funded by the Department of Basic Education. The primary focus of the H&H education and awareness was to bring to the attention of these individuals the following concepts and how to integrate these with the daily operations of the programme:

1. The importance of Water Treatment by boiling or the addition of Jik
2. The importance of Good Personal, Work and Environmental Hygiene
3. The importance of Personal Protective Clothing and Equipment

On the day, a total of seventeen (17) individuals were reached through the H&H education and awareness campaign. The EHP is set to conduct a fully fleshed workshop to all these

individuals and those appointed at Early Childhood Development Centre's at Zastron. The said campaign will take place on Wednesday the 5th of November 2014

WARD 3: PUBLIC HEALTH AWARENESS CAMPAIGN WITH THE FOCUS ON PREVENTATIVE HEALTH CARE BY REACHING PEOPLE THROUGH

The Environmental Health Practitioner with the assistance of the Health Promotion Practitioner of the Free State Department of Health, based in Zastron have committed themselves to ensuring that community mobilization through effective communication will be the center focus of delivering information on preventative health care. Preventative health care in the context of the Primary Health Care System is pivotal in ensuring that the burden of diseases is reduced by ensuring that communities and residents are informed of diseases endemic in their areas of residence and how these can be prevented and controlled.

On the 21st of May 2015; mobilization of residents of an informal settlement of Zastron (*Bayipeng*) was at the center of the campaign. The reason for this was to ensure that these informal settlement dwellers are educated on the 'do's and don'ts' in the light that there is currently no basic services (water, sanitation, electricity and refuse removal) rendered to this settlement. This is a serious concern as the situation can result in the spread of environmentally induced communicable diseases and infections.

To this effect; the Matlakeng Clinic took it upon itself to ensure that toddlers from the ages of 0 to 5 years are immunized for diseases such as Polio, Measles, and Diphtheria and received Vitamin A drops and are dewormed. The focus of the EHP was to ensure that the communities who, while receiving the clinic services, are educated on the diseases which may arise from the use of an open veld for defecation, the use of water from untreated water sources as well as the importance of personal and environmental hygiene. The campaign was a success as many of the mothers and children from the area who congregated at the said mobile clinic were educated and provided with information on preventative health care. A total of **38** adults received health and hygiene education and a total of **47** children were immunized. See Annex with pictures of the campaign.

The Environmental Health Office and the Free State Department of Health have a sector collaborative relationship, by which key performance areas such as the promotion of health, hygiene and environmental awareness are together worked on to achieve a uniform approach of attaining the objectives and related outcomes of the Xhariep District Health Plan. The Health Plan sets out clear Key Performance Areas and these are aligned and also reflective in the Xhariep District Municipality's *Service Delivery and Budget Implementation Plan*; under Environmental Health as a *Basic Service Delivery* mandate.

NUTRITION AND SAFE FOOD PREPARATION AS KEY BUILDING BLOCKS TO A HEALTHY COMMUNITY: FOOD HANDLERS CAMPAIGN

On Thursday the 4th of June 2015; a campaign driven in the interest of attaining the set number of campaigns under the KPA: *Health and Hygiene* was instituted by the Environmental Health

Practitioner and the Health Promotion Practitioner of the Free State Department of Health. The programme of the day highlighted on the following areas:

1. The Importance of Good Nutrition for a Balanced Lifestyle
2. The Five Keys to Safer Food
3. The Importance of Good Hand Hygiene and the demonstration of the Hand-wash Procedure; and
4. The safety related requirements to be implemented by champions of the National School Nutrition Programme (NSNP) in terms of the requirements of the Regulation Governing the General Hygiene of Food Premises and the Transport of Food

The campaign was followed by a demonstration and a cooking exercise by the Health Promotion Practitioner to food handlers who prepare meals at either the Early Childhood Development Centre or at Schools that are NSNP Funded. The purpose of this demonstration was to educate and capacitate these individuals on 'how to cook food', to ensure that it still has its nutritious value by preventing overcooking. The campaign was attended by 44 individuals and was a success. The campaign was concluded on by serving all participants with a healthy and nutritious meal. The report is accompanied by an annex that depicts the cooking demonstration as well as the capacity building exercise.

MASSIVE CONDEMNATION OF FOODSTUFFS AT THE ZASTRON WHOLESALE AND THE IMPACT THIS HAS ON PUBLIC HEALTH IF NOT MONITORED AND CONTROLLED EFFECTIVELY

Zastron Wholesaler is one of the biggest food outlets in the Mphahlele Municipal Jurisdiction. This wholesaler serves to provide all other small to medium food premises with bulk stock and the community, who wish to purchase from them, items that can be used for day to day domestic purposes.

The Environmental Health Office has, since new ownership of the business from the previous owner, received several complaints from customers. The complaints are mainly about the sale of meat and meat products that have expired, gone bad or as rumored, is washed by the owner and resealed in the original plastic containers for resale to the public.

On the 2nd and 3rd of February 2015, the Environmental Health Practitioner, accompanied by the Unit Manager: Zastron, carried out an operation where all cool rooms, freezers etc. were inspected to verify complaints received from the community. The inspection yielded that indeed the foodstuffs (mainly meat) is unsafe for numerous reasons. The products unsafe for human consumption was immediately seized by the Office and noted on a Condemnation Certificate and finally safely disposed of. The Operation ran for two concurrent dates as depicted in both Annexure A and B.

The owner of the business was immediately instructed to correct all non-compliances ranging from:

1. Fridges that were extremely dirty and was cleaned and disinfected on the day
2. That dusty shelves were cleaned and are to be cleaned more effectively

3. That there be a stock rotation roster to ensure the effective management of stock received, sold and that which is to be ordered and eventually properly stored and placed on shelves for selling purposes
4. The construction of a condemnation area, demarcated for the purpose for which has been designated
5. The cleaning and maintenance of the general outside environment of the business
6. That packing and stacking of foodstuffs in coolers and refrigerators be so done that it allows for the fridges to serve its purpose and not to overload these to the extent where adequate distribution and circulation of air be such that foodstuffs are eventually rendered as unsafe for sale and human consumption

The Department of Labour was also informed of Occupational Health and Safety non-conformances. The department has committed itself to render the services of an Occupational Health and Safety inspector to address non-compliance.

WATER HAS NO SUBSTITUTE' NATIONAL WATER WEEK CELEBRATIONS: NALEDI INTERMEDIATE SCHOOL, ROUXVILLE

The Outcomes approach is derived to ensure that government is focused on achieving the expected real improvements in the lives of all South Africans. It clarifies what we expect to achieve, how we expect to achieve it and how we will know whether we are achieving it. In terms of the list of outcomes, the Environment is listed as Outcome 10; such to ensure that environmental assets and natural resources are well protected and is continually enhanced.

In this regard, there are activities associated with the outcome which have to be implemented to ensure that the real life improvements in the lives of South Africans are felt. To ensure the implementation of the on 'the ground experience' of the outcome; The Environmental Health Unit of the Xhariep District Municipality strategically aligns its Programmes to that outlined in the Strategic Plans of Sector Departments such as the Environmental Affairs.

Service Delivery and Budget Implementation Plan: Environmental Health:

Improve service delivery to communities	No of Environmental Health Projects undertaken	Operational	Environmental Health Manager	15	3	7	There are District projects & programmes yearly planned activities and all the EHP'S plan individual programmes and projects depending on the needs of the local Municipality.
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In terms of ensuring that quarterly and annual targets in terms of the KPI of the Service Delivery and Budget Implementation Plan is achieved; the Environmental Health Practitioner implemented a programme in Rouxville on the 18th of March 2015. The programme was run with officials of the Free State Department of Health and the Department of Environmental Affairs. We together hosted the National Water Week Celebrations at Rouxville with learners

of the Naledi Intermediate School. The Day saw the empowerment of learners on issues relating to the following crucial aspects:

1. Sustainable Water Resource Management
2. The Provisioning of Water Services to Communities
3. The Importance of a Clean Living Environment; and
4. A clean-Up Campaign of the local town and residential areas

The said event forms part of the Programme 1 of the Strategic Plan of the DEA: *Provide leadership, strategic centralized administration and executive support and corporate services; and facilitate effective cooperative governance, international relations, and environmental education and awareness.*

The event was a success as a total of **167** people were in attendance of the said event and it was followed by a Clean-Up Campaign of the local stream, the Main Entrance and the N6 as well as streets in close proximity to the school. Attached see as per Annexure images proof of the Environmental Education and Awareness, as well as the Clean-Up Campaign.

QUALITY OF WASTEWATER EFFLUENT DISCHARGED INTO THE RECEIVING ENVIRONMENT & WATER RESOURCES FOR THE XHARIEP DISTRICT

The Regulations Defining the Scope of Professions for Environmental Health dictates the roles and responsibilities of Environmental Health Practitioners appointed in terms of Section 80 of the National Health Act, 2003 (Act No. 61 of 2003) to be Health Officers. In the context of this scope of Professions, the Environmental Health Practitioners of this municipality undertakes its role to adherence to these regulations in the interest of protecting and enhancing the rendering of public health services, that in turn complies with Section 24 of the Constitution of the Republic of South Africa.

The Regulation expects of Environmental Health Practitioners to undertake and perform the \ Waste Management and General Hygiene Monitoring Functions; and to this effect, the EHPs monitor the quality of effluent discharged into the environment by Local Municipalities in their respective areas of service delivery. The application of all relevant legislation in monitoring compliance is key to hold these institutions accountable for non-compliance.

In this regard, reference is made to the Section 39 of the National Water Act which holds institutions accountable to only discharge sewage into the environment that complies with the General Limits pertained therein. The Xhariep District Municipality monitors this activity once quarterly by sampling wastewater effluent quality and measures compliance in terms of the authorized General Limits to which these institutions are to comply. On the 26th and 27th of March 2015, these samples were submitted to the IGS Laboratory and the following tables provide an overview of the compliance status per local municipality and comments per local municipality:

MOHOKARE LOCAL MUNICIPALITY

Determinant	General Limit Value	Plant (Town)	Outcome
Feacal coliforms	1000	ROUXVILLE	2
Feacal coliforms	1000	ZASTRON	0
Feacal Coliforms	1000	SMITHFIELD	0

Comment(s): Generally compliance exists for the Mohokare Local Municipality in terms of Revised General Authorizations of Section 39 of the National Water Act 1998 (Government Notice Number 665 of 23 September 2013).

Overall Compliance for *Feacal Coliforms* is good in terms of the Revised General Authorizations of Section 39 of the National Water Act. Local Municipalities of the Xhariep District all comply with the determinant that was monitored.

It is recommended that going forward an appropriate budget should be allocated to monitor all other determinants such as Ammonia, Nitrates, pH, Chemical Oxygen Demand, Chlorine as Free Chlorine etc. This will provide a broad overview of what factors are lacking in effective treatment of wastewater and what appropriate steps are taken by the municipality in ensuring that non-compliance is rectified.

CONTINUATION OF GREEN WORKS PROJECT

GREEN WORKS was a Service Provider appointed to run a project identified by the National CoGTA through department of Environmental Affairs to promote cleanliness through the campaigns within and around the residential areas particularly on the landfill and illegal dumping sites. In our case, the project came to during 2014.

New Service Provider named THOLOANA CONSULTING as they have been appointed to continue with the project starting from either the beginning of April or the start of May 2015 depending on procedures and processes to be concluded at National and Provincial CoGTA and will run the for a period of five (5) months until September 2015.

The appointment of staff or personnel to work on the project are the one's appointed and worked under GREEN WORKS. There was a shortage of the staff as some of them has resigned and that matter was dealt with by both the Council of Mohokare Local Municipality through Human Resource section or anybody identified by the Council and THOLOANA CONSULTING.

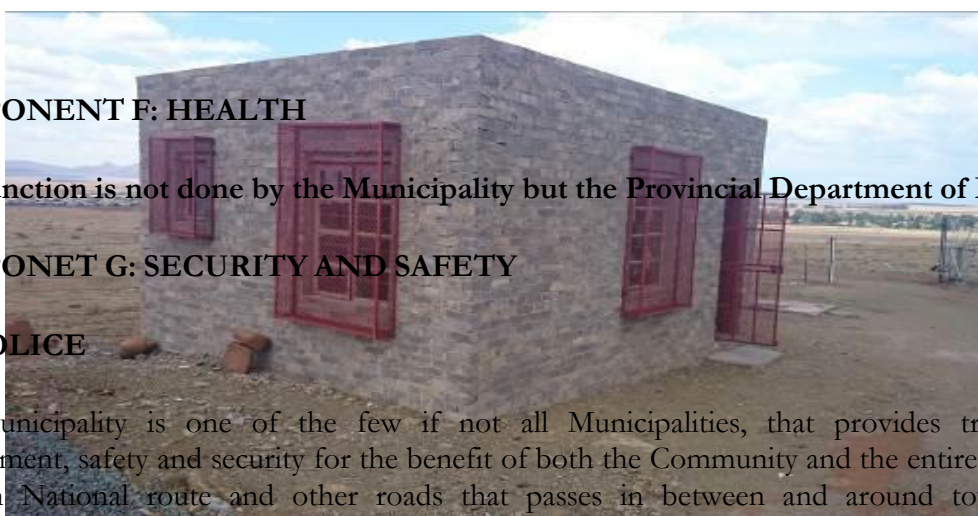
ROUXVILLE GUARD HOUSE SEMI: COMPLETED AND FINAL RECOMMENDATIONS FOR IT TO BE FULLY OPERATIONAL AND PROPER LANDFILL MANAGEMENT TO BE UNDERTAKEN

Within the first or six months in this year, the Municipality had several inspections on and consultations on the Rouxville Guard House that was made by the Environmental Health Practitioner and the Landfill Site Attendant for monitoring progress and some issues that goes

with the building after the completion were noted and amongst them, the following have been mentioned.

The monitoring and control of the disposal on the landfill, recording of the waste types for reporting purposes, Continuous inspection and provision of the security on the premise and the immediate use of the facility for both compliance and adherence to Municipal Health and Safety standards

The Management of Xhariep District Municipality is also hereby formally informed that the construction of these Guard Houses shall take effect soon at Smithfield Landfill Site with the view taken from the images (see Rouxville guardhouse) as annexed herein.



COMPONENT F: HEALTH

This function is not done by the Municipality but the Provincial Department of Health

COMPONENT G: SECURITY AND SAFETY

3.14 POLICE

The Municipality is one of the few if not all Municipalities, that provides traffic law enforcement, safety and security for the benefit of both the Community and the entire Country through National route and other roads that passes in between and around towns that constitutes its composition.

Within it, the traffic division is dedicated with the responsibility for assurance of safety on the roads, related disaster, fires, the hazmats and the livelihood of the Community through the Legislative prescripts, Regulations and the Acts that guides both the Country and the Municipality.

Name of Town	Number of accident/s attended
Rouxville/Roleleathunya	Twenty eight (28)
Smithfield/Mofulatshepe	Twenty two (22)
Zastron/Matlakeng	None
Total no. of road accidents reported and attended;	Fifty (50)

Rand value of issued fines;

Name of Towns versus fines			Total amount
Smithfield	Rouxville	Zastron	
R172,800	R81,950	-	R254,750
R14,000	R1,000	0	R15,000
R42,300	R1,550	0	R42,300
R76,900	R5,800	0	R82,700
R33, 700	R39, 400	R1,600	R116, 200
R28,500	R 13,000		
R32,200	R23,600	R11,100	R66,900
R31,400	R59,900	R5,300	R96,600
R195,450	R5,100	R0	R195,450
R25,000	R9,100	R0	R34,100
R14,600	R13,600	R0	R28,200
Total amount of issued fines			R932, 200.00

The value of fines issued is not necessarily the money into the Municipal bank account. Some fines are been withdrawn or struck of the roll due to defaulters not appearing or paying. In some instances, they have died, are from outside the Country, technical errors and maybe within the jurisdiction of the Provincial department or during joint operations including the representation submissions.

	COMMUNITY SERVICES			POLICE, TRAFFIC & STREET PARKING		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Property Rates	-	-	0%	-	-	0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-	-	0%
Fines	-	-	0%	-	-	0%
Licences and Permits	-	-	0%	-	-	0%
Income for Agency Services	-	-	0%	-	-	0%
Government Grants and Subsidies Received	-	-	0%	-	-	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(1,226,440)	(1,358,675)	111%	(3,674,505)	(265,750)	7%
Service Charges	-	-	0%	-	-	0%
Rental of Facilities and Equipment	-	-	0%	-	-	0%
Interest Earned - External Investments	-	-	0%	-	-	0%
Interest Earned - Outstanding Debtors	-	-	0%	-	-	0%
Dividends Received	-	-	0%	-	-	0%
Royalties Received	-	-	0%	-	-	0%
Other Revenue	(1,226,440)	(1,358,675)	111%	(3,674,505)	(265,750)	7%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land -	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%
Total Revenue	(1,226,440)	(1,358,675)	111%	(3,674,505)	(265,750)	7%
EXPENDITURE						
Employee Related Costs	1,051,010	1,096,855	104%	1,150,436	1,163,618	101%
Remuneration of Councillors	-	-	0%	-	-	0%
Collection Costs	-	-	0%	-	-	0%
Depreciation and Amortisation	-	-	0%	-	-	0%
Impairment Losses	-	-	0%	-	-	0%
Repairs and Maintenance	35,000	-	0%	37,087	18,100	49%
Finance Costs	-	-	0%	-	-	0%
Bulk Purchases	-	-	0%	-	-	0%
Contracted Services	-	-	0%	-	-	0%
Grants and Subsidies Paid	-	-	0%	-	-	0%
Research and Development Costs	-	-	0%	-	-	0%
General Expenses	209,821	185,209	88%	413,031	67,162	16%
Other Losses on Continued Operations	-	-	0%	-	-	0%
Loss on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Total Expenditure	1,295,831	1,282,064	99%	1,600,554	1,248,880	78%

3.15 FIRE AND DISASTER MANAGEMENT

During the aforementioned financial year, more than ten (10) hectares of agricultural land was affected by the fires in both private and public owned land.

The below table, gives reflection on where the disaster occurred

Name of town	Nature of fire		Other
	Household fire	Veld fires	
Smithfield	1 (one)	Commonage	Burnt truck on N6 road in Smithfield
Rouxville	1 (one)	None	Fourteen households were blown away by tornado in Rouxville
Zastron	None	±27 (twenty seven) Commercial farms	None

The National Treasury released funds for the relief to Commercial farmers whilst at the Commonages nothing much or no damage was done to livestock. Household affected was assisted through Ward offices and the municipal offices.

3.16 OTHER (Disaster Management, Animal Licensing and Control, Control of Public Nuisances and Other)

MUNICIPAL LIVESTOCK

Mohokare Local Municipality is one of the few Municipalities, if any that operates or running agricultural activity as one of its core mandate. In doing that, it has cattle's, horses and the bucks that administratively managed by one of its departments.

The below, is presented to reflect the current numbers livestock per their type:

Date	Balance	Increase / Decrease	Reason/s of Decrease / Increase	Breakdown of balance									
				Total No.	Cattle's			Total No.	Horses			Total No.	Grand Total No.
					Bulls	Cows	Calves		Stallions	Mares	Calves		
30/06/15	66	1	New born calves	67	1	37	20	67	3	5	1	9	67

COMPONENT H: SPORT AND RECREATION

3.17 Sport and Recreation

The department of sports and facilities is tasked with the responsibility to ascertain sports development through facilitating the programmes within the Municipal area of jurisdiction.

Amongst their role and responsibilities, they assist with management of sports facilities and support to local and municipal sports initiatives.

To date, the Municipality has upgraded Matlakeng Sports ground and the project is complete. Mofulatshepe Sports Ground is still in the process of being upgraded.

Apart from the above, there is an ongoing repairs and maintenance on the existing infrastructure. Reference is made to Roleleathunya Sports ground. To add on the list, Roleleathunya Sports and Recreation hall, has recently been fenced with devil fork fencing and same project is anticipate to roll in the coming financial year in other facilities and Council buildings.

SUMMARY EMPLOYEES: COMMUNITY SERVICES

Job Level	2013/14	Ending 30 th June 2015			
	Number of Posts Filled	Number of Posts	Posts filled	Vacancies	% Variance
Office of Director	08	11	7	4	36.3
Sports Facilities	01	0	0	0	0
Amenities	29	34	31	3	8.8
Human Settlement	04	4	3	1	25
Land	06	6	4	2	33.3
Waste Management	61	44	37	7	15.9
Traffic	07	7	4	3	42.9
Library Services	03	2	2	0	0
TOTAL	119	108	88	21	19.44

	COMMUNITY SERVICES			SPORTS GROUNDS		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Property Rates	-	-	0%	-	-	0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-	-	0%
Fines	-	-	0%	-	-	0%
Licences and Permits	-	-	0%	-	-	0%
Income for Agency Services	-	-	0%	-	-	0%
Government Grants and Subsidies Received	-	-	0%	-	-	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(2,683,068)	0	0%	(2,655,596)	0	0%
Service Charges	-	-	0%	-	-	0%
Rental of Facilities and Equipment	-	-	0%	-	-	0%
Interest Earned - External Investments	-	-	0%	-	-	0%
Interest Earned - Outstanding Debtors	-	-	0%	-	-	0%
Dividends Received	-	-	0%	-	-	0%
Royalties Received	-	-	0%	-	-	0%
Other Revenue	(2,683,068)	-	0%	(2,655,596)	-	0%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land -	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%
Total Revenue	(2,683,068)	-	0%	(2,655,596)	-	0%
EXPENDITURE						
Employee Related Costs	404,592	400,696	99%	419,940	383,218	91%
Remuneration of Councillors	-	-	0%	-	-	0%
Collection Costs	-	-	0%	-	-	0%
Depreciation and Amortisation	-	-	0%	-	-	0%
Impairment Losses	-	-	0%	-	-	0%
Repairs and Maintenance	85,000	-	0%	110,216	1,391	1%
Finance Costs	-	-	0%	-	-	0%
Bulk Purchases	-	-	0%	-	-	0%
Contracted Services	-	-	0%	-	-	0%
Grants and Subsidies Paid	-	-	0%	-	-	0%
Research and Development Costs	-	-	0%	-	-	0%
General Expenses	2,683,068	-	0%	2,655,596	889,835	34%
Other Losses on Continued Operations	-	-	0%	-	-	0%
Loss on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Total Expenditure	3,172,660	400,696	13%	3,185,752	1,274,444	40%

COMPONENT I:

CORPORATE POLICY OFFICES AND OTHER SERVICES

3.18 EXECUTIVE AND COUNCIL (Please refer to Chapter 2 Component A)

3.19 FINANCIAL SERVICES

Mohokare is a highly grant dependent municipality with a high number of indigent households, as a result the municipality cannot generate sufficient income to fund its operations adequately. Endeavors are being made through the assistance of other government departments and government entities to assist the municipality in turning around its financial viability and improving its cash flow management.

In the current year the annual financial statements were prepared in compliance with the GRAP accounting framework and the municipality complied with provisions of GRAP 17 (Property, Plant and Equipment). The basis of accounting is consistent with prior years with the exception that no exemptions were issued by National Treasury for the current year.

Pricing of Services

In order to remain financially viable and sustainable, the municipality must generate sufficient

resources. As limited scope exists to generate alternative revenue, it is necessary to increase tariffs annually above the inflation rate. The present increase is set at 10% per annum.

The determining of tariffs is the responsibility of Council, as per the provision of the Local Government Municipal Systems Act. Affordability was an important factor when considering the rates and tariff increases. Consideration was also given to the alignment between the resources of the municipality, level of service and customer expectations.

Rates

The rates increased by 10% during the year under audit

Service Charges

The 10% increase in water tariffs are as a result of (amongst other factors), the water loss intervention program, the increase in maintenance of ageing infrastructure and the roll out of infrastructure to new areas / developments.

Indigents

Furthermore, the number of indigents has increased from 1578 to 2054 for the year under audit. The free basic services program is put in place in order to provide free services to residents who cannot afford to pay the services. This also contributed to the need to increase tariffs.

The cost of the indigents was funded from the equitable share allocated to Council by National Treasury in terms of the Division of Revenue Act.

General

The following service delivery challenges also influenced the levels of tariffs and service charges for the municipality:

- The developmental challenge to address the service delivery backlogs in all towns of the municipality.
- The declining local economy will be insufficient to absorb the unemployed and this will have a service delivery impact and harm the ability of the municipality to sustain its revenue base to finance extended services.

The other general contributory factors for the increase in levels of rates and service charges were:

- Salary increase of 6.4% with effect from 1 July 2014;
- Provision for the filling of critical vacancies;
- Rollout of infrastructure and the provision of basic services; and
- Increased maintenance of network and structures.

Intervention measures implemented for 2014/15 Government debt.

Over the years Mohokare Local Municipality has developed a good relationship with the Provincial and National Governments. There have been notable successes in recovering outstanding debts; however there are still a number of unresolved issues. This relationship did yield fruit in the form of increase payment for services rendered.

Secondly, the municipality has engaged in the process of gathering data of all vacant erven billed per month, investigate ownership and advertised in the provincial gazette to recover the sites for re-allocation.

Thirdly, categorization of debtors per:

Department:

Business:

Households:

One of the most pertinent issues is the debt accumulated over a number of years. The total outstanding debt is standing at R95 831 311 with a collection rate of 45%. To accelerate collection and increase the collection rate, the council reviewed the credit control and debt collection policy on the 28 May 2014.

Lastly, the municipality further employs the services of its lawyer to assist in the collection of outstanding debts in respect of those accounts handed over.

Council properties

Council properties are not ratable as per the rates policy.

Arrest a debt

The process of conducting road shows per wards to identify all qualifying indigents is being accelerated so that more customers are targeted. The main intention of the Municipality is to contain debt on customers so that it doesn't become too large to manage.

The last resort will be recommendation to council to write-off the account of all affected households or insolvent business.

Recession and National Credit Act

The recession had a negative impact on the collection of outstanding debts. Customers could not afford to pay outstanding amounts.

Certain consumers were granted extended terms to pay. These customers could not raise loans to pay outstanding Municipal accounts because of the National Credit Act. The banks requirements for granting loans became stringent and that had a huge impact in recovering outstanding amounts.

Asset Register

A GRAP compliant asset register is in operation. The biggest challenge now is the maintenance of the assets and the asset register.

Institutional Transformation

The municipality had succeeded into reviewing the IDP successful in-house. The municipality's budget is compiled per the format as prescribed by the MFMA, as is also done in-house.

Key Challenges Facing the Municipality

Mohokare Local Municipality's economy is very weak with only agricultural activities as its main economic activities and experiencing a high unemployment rate. The above factors place a large task on the Municipality to revive its economy in order to create job opportunities. The key challenges for the municipality are:

- To develop a coherent local economic development strategy to create job opportunities.
- To ensure sustainability of the Municipality through sound administration and financial management.
- Deepening participatory democracy and good governance.
- To enhance effective service delivery to the community.

3.20 HUMAN RESOURCES SERVICES

For the financial year 2014/2015 the organization focused on ensuring effective management of available human resources and attraction of competent work force. Human Resources Management Policies were developed and approved by council in May 2014 for the 2014/2015 financial year, in order to ensure proper governance of the workforce. Senior Management Teams were trained on developed policies in order to familiarise the team with the policies and road shows for employees were also held. Filling of vacant position was also placed at the centre of service delivery with the aim of capacitating these offices to deliver on their political mandate.

- Human Resources Management is focused on the following core support services:
- Effective Human Resources Development
- Promoting Safe and Healthy working environment (Compliance with the Occupational Health and Safety Act)
- Promoting the Wellbeing of all Employees (Implement the Employee Wellness Program)
- Recruitment and Selection
- Institutional Leave Management

3.21 INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) SERVICES

IT systems are critical to the maintenance of the Financial Systems that are used by the municipality. IT systems range from tangible systems such as physical servers, server room peripherals, computer workstations, and the network infrastructure as cabling, switches and routers.

After much assessment the following projects were identified by the IT Unit to empower the IT environment.

INFORMATION TECHNOLOGY PROJECTS

Project Name	Baseline	Outcome
Data Center/Server Room Rebuild	The server room was not on par with requirements of standard server room (i.e. Window in the server room)	<ul style="list-style-type: none">- An optimal and up to standard server room has been build. The server room incorporated a new:<ol style="list-style-type: none">1. UPS – Uninterrupted Power Supply2. Fire-Rated Door3. Raised Access Flooring4. Biometric Access System
New Server Installation	An old server, about 10 years old	<ul style="list-style-type: none">- A new server was procured to install the critical financial systems of the municipality.- The increased accessibility of the system, increased safety of system from failure- A file server for internal users(individual user information backup on server)
Telephone Management System	There was no system to control telephone usage	<ul style="list-style-type: none">- A new telephone management system has been installed on the new server- This system is able to allow management to control usage of telephone lines.- The system has helped to decrease a high debt owed to the municipality

Project Name	Baseline	Outcome
Procurement of new computers	The computer had overlapped their life-span, unable to accommodate new software, and sluggish as a result	<ul style="list-style-type: none"> - After an assessment made in the previous financial year – 2013/2014, 29 HP 450 Laptops and 6 HP Desktop Towers were procured, to replace the old obsolete infrastructure. - The desktop came were installed with Windows 8 software and license.
Procurement of software	An outdated software which did not have support anymore, and there vulnerable to security threats	<ul style="list-style-type: none"> - The outdated software on the server, was replaced with the following: <ol style="list-style-type: none"> 1. MS Server 2012 2. vmWAre Esxi
Network Infrastructure Refresh	The obsolete internal network was running at 100Mb/per sec bandwidth speed, and this speed was slowing down the running of financial systems, internet and remote file access.	<ul style="list-style-type: none"> - As there was a need to access the internal network from outside (i.e. from home), there was no secure and decrypted communication line established. - To improve on the above, the following infrastructure was procured and installed <ul style="list-style-type: none"> ▪ Cisco SE500 Network Switches – this improved the network speed to 1000Mb/per sec bandwidth speed. This speed allows for faster access to network systems. This infrastructure can now allow heavy traffic such as video streaming for future projects, and further it paves way implementation of wireless network. ▪ Sophos UTM – this network device component stands between the internal network and outside network to control traffic and decrypt information. It establishes a secured (Secure Socket Layer

Project Name	Baseline	Outcome
		protocol) line, to enable decrypted communication between internal network and outside network, this means that even if the information could be intercepted on the outside network, it will be unreadable
Website Revamp	An old website(non-interactive and updated)	<ul style="list-style-type: none"> - A new website has been developed to replace the old one, and placed under internal control: - The website has achieved the following: - Means of effective communication(both internally and externally) - Improved interface for organised information, and easy access - Search on information is easy and effective
Anti-Virus Software	A mix of trial anti-virus was a means of mitigation against virus.	- A new Anti-Virus was installed, call Kaspersky Anti-Virus

	COMMUNIITY SERVICES			INFORMATION TECHNOLOGY		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Property Rates	-	-	0%	-	-	0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-	-	0%
Fines	-	-	0%	-	-	0%
Licences and Permits	-	-	0%	-	-	0%
Income for Agency Services	-	-	0%	-	-	0%
Government Grants and Subsidies Received	-	-	0%	-	-	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(1,285,240)	0	0%	(527,881)	0	0%
Service Charges	-	-	0%	-	-	0%
Rental of Facilities and Equipment	-	-	0%	-	-	0%
Interest Earned - External Investments	-	-	0%	-	-	0%
Interest Earned - Outstanding Debtors	-	-	0%	-	-	0%
Dividends Received	-	-	0%	-	-	0%
Royalties Received	-	-	0%	-	-	0%
Other Revenue	(1,285,240)	-	0%	(527,881)	-	0%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land:-	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%
Total Revenue	(1,285,240)	-	0%	(527,881)	-	0%
Employee Related Costs	341,202	519,545	152%	782,003	796,019	102%
Remuneration of Councillors	-	-	0%	-	-	0%
Collection Costs	-	-	0%	-	-	0%
Depreciation and Amortisation	-	-	0%	-	-	0%
Impairment Losses	-	-	0%	-	-	0%
Repairs and Maintenance	5,545	1,733	31%	38,250	991	3%
Finance Costs	-	-	0%	-	-	0%
Bulk Purchases	-	-	0%	-	-	0%
Contracted Services	-	-	0%	-	-	0%
Grants and Subsidies Paid	-	-	0%	-	-	0%
Research and Development Costs	-	-	0%	-	-	0%
General Expenses	1,204,288	437,591	36%	1,178,860	509,183	43%
Other Losses on Continued Operations	-	-	0%	-	-	0%
Loss on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%

3.22 LEGAL AND PROPERTY SERVICES

Legal services

The Legal Section is located in the Municipal Manager's Office. As a sub-section in the **'Unit: Administration and Legal'** the legal section responds to the KPA – *Good Governance*. At this stage the legal section delivers a support function to all directorates and due to the size of the municipality cannot function as a fully-fledged legal unit, like in the Metropolitan Municipalities. In other words, operationally it cannot offer specialised services to the different sub-disciplines within the municipality.

Suspensions

Position	Nature of Alleged misconduct	Date of suspension	Details of Disciplinary action taken/ status of case	Date Finalized
General worker	Theft/Illegal possession of municipal property	10 September 2014	Dismissal	03 April 2015

Dismissals

Position	Nature of Alleged misconduct	Date the alleged offence was committed	Details of Disciplinary action taken/Status of case	Date Finalized
General Worker	Abscondment	24 February 2014	Dismissal	21 August 2014
Admin Officer	Bringing municipality into disrepute	20 March 2014	Dismissal	15 September 2014
General Worker	Abscondment	25 September 2014	Dismissal	24 October 2014
Debtors' Clerk	Disrupting operations of the employer	04 April 2014	Dismissal	04 November 2014
General Worker	Theft/illegal possession of municipal property	24 August 2014	Dismissal	03 April 2015

PROPERTY

REPAIRS AND MAINTENANCE ON COUNCIL PROPERTIES

The aforementioned division (Human Settlements), is again responsible for repairs and maintenance on all Municipal properties. In its possession, the Municipality has houses, offices and buildings or facilities erected for the purpose of running the crèches.

The figure below, gives the number of buildings used for above mentioned purposes.

Name of Town	Property Description		
	Houses	Offices	Crèches (ECDC)
Smithfield / Mofulatshepe	Two (2)	Three (3)	Four (4)
Rouxville / Roleleathunya	One (1)	One (1)	One (1)
Zastron / Matlakeng	Eighteen (18)	None	None

There are other buildings like Chalets and Caravan Park in Zastron that the Municipality is currently exploring other means to generate revenue in the future.

	COMMUNITY SERVICES			PROPERTY SERVICE		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Property Rates	-	-	0%	-	-	0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-	-	0%
Fines	-	-	0%	-	-	0%
Licences and Permits	-	-	0%	-	-	0%
Income for Agency Services	-	-	0%	-	-	0%
Government Grants and Subsidies Received	-	-	0%	-	-	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(875,825)	(25,816)	3%	(1,810,593)	(26,007)	1%
Service Charges	-	-	0%	-	-	0%
Rental of Facilities and Equipment	(93,505)	(25,816)	28%	(100,000)	(26,007)	26%
Interest Earned - External Investments	-	-	0%	-	-	0%
Interest Earned - Outstanding Debtors	-	-	0%	-	-	0%
Dividends Received	-	-	0%	-	-	0%
Royalties Received	-	-	0%	-	-	0%
Other Revenue	(782,320)	-	0%	(1,710,593)	-	0%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land -	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%
Total Revenue	(875,825)	(25,816)	3%	(1,810,593)	(26,007)	1%
EXPENDITURE						
Employee Related Costs	-	-	0%	-	-	0%
Remuneration of Councillors	-	-	0%	-	-	0%
Collection Costs	-	-	0%	-	-	0%
Depreciation and Amortisation	-	-	0%	-	-	0%
Impairment Losses	-	-	0%	-	-	0%
Repairs and Maintenance	449,561	85,157	19%	1,236,321	298,978	24%
Finance Costs	-	-	0%	-	-	0%
Bulk Purchases	-	-	0%	-	-	0%
Contracted Services	-	-	0%	-	-	0%
Grants and Subsidies Paid	-	-	0%	-	-	0%
Research and Development Costs	-	-	0%	-	-	0%
General Expenses	892,081	765,978	86%	849,785	553,139	65%
Other Losses on Continued Operations	-	-	0%	-	-	0%
Loss on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Total Expenditure	1,341,642	851,135	63%	2,086,106	852,117	41%

COMPONENT J MISCELLANEOUS

The components that are illustrated above are not the competency of the Mobokare Local Municipality

COMPONENT K

ORGANISATIONAL PERFORMANCE SCORECARD

ANNUAL PERFORMANCE REPORT COUNCIL SCORECARD

KPA 2 Strategic objective (SO6)	Public participation							
	Participate in Mohokare							
Objectives	Key Performance Indicator(s)	Baseline information (13/14)	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Ensuring 100% compliance to legislature for Council operations	1 Ordinary Council meeting per quarter	4 ordinary Council meetings held in 2013/14	4 ordinary council meetings	Target Achieved 4 ordinary council meetings held	N/A	N/A	Notice and attendance registers	A1
To develop a municipal governance system that complies with	72 Monthly ward committee meetings held	3 monthly ward committee meetings held per ward	72 monthly committee ward meetings	Not achieved 24 committee meetings were held	Due to other commitments of the political principals	Letters were written to Councillors highlighting noncompliance and the	Letters were written to Councillors	A2

KPA 2 Strategic objective (SO6)	Public participation							
	Participate in Mohokare							
Objectives	Key Performance Indicator(s)	Baseline information (13/14)	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
international standards						importance of holding meetings		
	General monthly ward meetings held	4 quarterly general ward meetings held per ward	24 quarterly general ward meetings per year	Not Achieved 22 general ward meetings were held in a year	Due to other commitments of the political principals	Letters were written to Councillors highlighting non-compliance and importance of holding meetings	Attendance registers	A3
	5 Council committee meetings held per quarter	Council portfolio committees functional 12/13	Functional portfolio committees	Target Achieved All council committees are functional	N/A	N/A	Notices, acknowledgement of receipt, attendance registers	A4

KPA 2 Strategic objective (SO6)	Public participation							
	Participate in Mohokare							
Objectives	Key Performance Indicator(s)	Baseline information (13/14)	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
	Public participation plan in place and implemented	No plan in place	Developed one public participation plan in place	Target Achieved Public participation plan approved	N/A	N/A	Approved public participation plan	A5
	5 Public participation plan implemented		5 Public participation plans implemented	Target Achieved 5 public participation plans implemented	N/A	N/A	Invitation, minutes and attendance register	A6

KPA 2 Strategic objective (SO6)	Public participation							
	Participate in Mohokare							
Objectives	Key Performance Indicator(s)	Baseline information (13/14)	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
	Implemented Mayoral Imbizo program bi-annually	2013/2014 Mayoral Imbizo programme	3 Mayoral Imbizos held by June 2015	Achieved 3 Mayoral Imbizos held			Attendance registers	A7
	8 Special programmes implemented	2013/2014 year plan/programmes	8 Special programmes implemented	Not achieved 3 programmes implemented	Financial constraints of the municipality	Adherence to the budgeted plans	Reports with attachments	A8
	Developed and approved Youth development year plan	2013/2014 year plan/programmes	2014/2015 approved year plans by June 2015	Achieved Youth development plan approved	N/A	N/A	Budget programmes, minutes budget steering committee and council resolution	A9

KPA 2 Strategic objective (SO6)	Public participation Participate in Mohokare							
Objectives	Key Performance Indicator(s)	Baseline information (13/14)	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
	6 Youth development programmes held by June 2015	-	3 Youth development programmes held by June 2015	Not achieved 2 programmes implemented	Financial constraints of the municipality	Adherence to the budgeted plans	Programme plan and report	A10
	4 Agri-Forum meetings	4 Agri forum meetings held	4 Agri-Forum meetings	Target Achieved 4Agri Forum meetings held	N/A	N/A	Notice and attendance registers	A11
	Publication of ordinary council meeting schedule by March 2015	Published Schedule	Publicized annual schedule of ordinary Council meetings	Achieved Annual schedule published	N/A	N/A	Council Schedule	A12

OFFICE OF THE MUNICIPAL MANAGER

LOCAL ECONOMIC AND DEVELOPMENT

KPA 5 IDP Strategic objective (SO2)	Local Economic development							
	Grow Mohokare							
Objectives	Key Performance Indicators	Baseline information (2013/2014)	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
To create and facilitate an enabling environment for economic development in Mohokare	Developed Local Economic Development Strategy, inclusive of;	No LED strategy in place	Developed LED strategy inclusive of key economic drivers included	Target Achieved	N/A	N/A	Copy of LED Strategy and Council resolution	B1
	Developed and approved Agricultural Strategy	No agricultural strategy	Developed and approved Agricultural Strategy by May 2015	Target Achieved	N/A	N/A	Copy of LED Strategy and Council resolution	B2

The Local Economic Development Unit had 02 targets set for the financial year under review, actual targets achieved were 02, which resulted to 100% achievement.

HUMAN RESOURCES

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
To increase by 80% the operations and departmental controls of Human Resources by June 2015	1 HRD strategy developed and reviewed annually	HRD strategy adopted in May 2014	Reviewed HRD strategy	Target achieved.	N/A	N/A	Copy of HRD Strategy Council Resolution	C1
	Council Adopted Human Resource Policies	Existing Policies adopted in 2012	7 Human Resources Policies developed and approved by March 2015.	Target achieved	N/A	N/A	Copies of the HR policies Council Resolution	C2

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Organogram Review	Annually reviewed Organogram to meet service delivery needs	2013/2014 Organogram	Reviewed Organogram 30 September 2014.	Target achieved	N/A	N/A	Copy of Organogram Council resolution	C3
Leave Management on VIP system	Effective leave management with accurate leave provision reporting	Leave Balances by 30 June 2014	Accurate leave balances tallying with VIP and Leave forms	Target achieved	N/A	N//A	Leave provision report(Quarterly)	C4
Employee Wellness interventions	Development of Employee Wellness Program	No strategy in place	Development Employee Wellness Programs by 15 December 2014	Target achieved	N/A	N/A	Wellness Intervention Report(Quarterly)	C5

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
100% filled vacant sec 57 posts	100% filled vacant sec 57 posts	1 vacant position (Community services)	Filled section 57 position	Not Achieved	Municipal Financial constraints.	Anticipation of an improved municipal financial status will enable us to fill the critical vacant post.	No POE attached	-

National KPA IDP KPA Key performance indicator	Municipal Development and Transformation							
	Good Governance in Mohokare							
	Objective	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Meeting held communicate municipal IDP objectives and community inputs and ISO within the department	Promote Communication	-	4 IDP and ISO meeting held	Not achieved 2 departmental meetings held	Departmental work load that required urgent attendance And attending to Auditor General audit findings.	Commitment to the quarterly meeting	Attendance registers HR Policies and Procedures Checklist	C6
Meeting held to communicate Top layer and Operational SDBIP within the department		-	4 meeting Quarterly	Not Achieved 3quarterly	Departmental work load that required urgent attendance And attending to Auditor General audit findings.	Commitment to the quarterly meeting	Minutes Attendance registers	C7
Number of departmental meetings held	Promote planning and performance management	12	12	Not Achieved 7 departmental	Departmental work load that required urgent	Commitment to the quarterly meeting	Minutes Attendance registers	C8

National KPA	Municipal Development and Transformation							
IDP KPA	Good Governance in Mohokare							
Key performance indicator	Objective	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Number of quarterly performance reports with POEs submitted		4	4	meetings held	attendance And attending to Auditor General audit findings.	Commitment to the quarterly meeting	Quarterly reports and POEs.	C9
Number of formal employee performance assessment and feedback session conducted and submitted		- New KPI	4 assessments	Not Achieved No assessment was conducted.			No POE attached	

The HR Unit had 11 targets set for the financial year under review, actual targets achieved were 5, which resulted to 45% achievement.

PERFORMANCE MANAGEMENT SYSTEMS

KPA 3	Good governance and Administration							
Strategic objective (SO4)	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
100% monitoring and evaluation of the municipality's Performance	Adopted PMS Policy reviewed annually	Approved PMS policy Framework	Reviewed PMS policy framework by Council by August 2014.	Target Achieved	N/A	N/A	Council resolution on the adoption of the PMS Policy	D1
To implement Performance Management	Assess and monitor performance of three (3)	Two (2) formal reviews of performance management for	Two (2) formal reviews of performance management for	Not achieved	Audit Committee is not functional	Municipality is to advertised and	Assessment results and	D2

KPA 3	Good governance and Administration							
Strategic objective (SO4)	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
System with realistic target setting in each department	Section 56 managers quarterly	Section 54A and 56 managers bi-annually during the 2013/2015 financial year.	Section 54A and 56 managers bi-annually	One (1) formal review was conducted for section 54A and 56	in terms of section 166 of the MFMA.	appoint its own Audit Committee members	minutes.	
	Evaluated Performance appraisals for employees below sec 57 Managers	New KPI	Evaluated Performance appraisals for employees below sec 57 Managers by May 2015	Not achieved Only Corporate Services evaluated the Manager	Managemen ts commitmen ts	Manageme nt to ensure that performan ce assessment for managers is conducted on a	Assessme nt Report	D3

KPA 3	Good governance and Administration							
Strategic objective (SO4)	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
						quarterly basis		
To implement Performance Management System with realistic target setting in each department	SDBIP adjusted by February 2015	2013/2014 adjusted SDBIP	Reviewed SDBIP by February 2015	Target Achieved	N/A	N/A	Reviewed 2014/2015 SDBIP	D4
Ensuring 100% compliance to MFMA, MSA and	Developed, Monitored and Evaluated Organizational Laws and		Developed an Organizational Laws and Regulations	Target Achieved	N/A	N/A	Reviewed compliance checklist	D5

KPA 3	Good governance and Administration							
Strategic objective (SO4)	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Circular 63 & 32	Regulations Calendar by September 2014		Calendar					

National KPA	Municipal Development and Transformation							
IDP KPA	Good Governance in Mohokare							
Key performance indicator	Objective	Baseline information	Annual target	Achieved/ or Not	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Meeting held communicate municipal IDP objectives and community inputs and ISO within the department	Promote Communication	-	4 IDP and ISO meeting held	Not achieved 3 IDP and ISO meetings held	Preparation of the SDBIP , AR and attendance of classes	Pre-preparation of the Department schedule for meetings to be held.	Minutes and attendance registers	D6
Meeting held to communicate Top layer and Operational SDBIP		-	4 meeting Quarterly	Not achieved 3 quarterly meetings	Preparation of the SDBIP , AR and attendance of classes	Pre-preparation of the Department schedule for meetings to	Minutes and attendance registers	D7

National KPA	Municipal Development and Transformation							
IDP KPA	Good Governance in Mohokare							
Key performance indicator	Objective	Baseline information	Annual target	Achieved/ or Not	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
within the department				were held		be held.		
Number of departmental meetings held	Promote planning and performance management	12	12	Not achieved 9 department meetings were held	Preparation of the SDBIP , AR and attendance of classes	Pre-preparation of the Department schedule for meetings to be held.	Minutes and attendance registers	D8

National KPA	Municipal Development and Transformation							
IDP KPA	Good Governance in Mohokare							
Key performance indicator	Objective	Baseline information	Annual target	Achieved/ or Not	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Number of formal employee performance assessment and feedback session conducted and submitted		- New KPI	4 assessments	Not achieved	Management Commitment	Management to ensure that performance assessment for managers is conducted on a quarterly basis.	No POE attached	-

The PMS Unit had 10 targets set for the financial year under review, actual targets achieved were 4, which resulted to 40% achievement.

INFORMATION TECHNOLOGY

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Ensure 100% development of the ICT strategy	Implemented ICT strategy	2014/2015 adopted ICT strategy	Reviewed ICT strategy in place by June 2015	Not achieved ICT strategy was developed	The ICT strategy could be submitted to Council	To be submitted in the next Council meeting	ICT Strategy	E1
	Developed server room infrastructure	2002 Server, 2002 UPS	100% developed server room infrastructure by June 2015	Target achieved	N/A	N/A	Physical verification of the Server room Pictures	E2
	Developed network infrastructure	2004 network switches	100% developed network infrastructure by June 2015	Target achieved	N/A	N/A	Physical verification of the Server room Pictures	E3

Ensure 100% implementation of the Policy	Developed ICT Policy	2013/2014 ICT Policy	Develop 6 (Network, Email, Password, Internet, Software and ICT security) 2014/2015 ICT Policy by June 2015	Develop 6 (Network, Email, Password, Internet, Software and ICT security) 2014/2015 ICT Policy by June 2015	Not achieved All (5) five policies were developed except the Email policy:	Email policy was developed however not submitted and presented to Council.	Council resolution on the adoption of ICT policies" All (5) five policies were developed except the Email policy: (Network, Password, Internet, Software and ICT security policy) "	E4
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National KPA IDP KPA Key performance indicator	Municipal Development and Transformation							
	Good Governance in Mohokare							
	Objective	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Meeting held communicate municipal IDP objectives and community inputs and ISO within the department	Promote Communication	-	4 IDP and ISO meeting held	Not achieved 3 IDP d ISO Meetings were held	Commitment of attending external workshops	4 IDP and ISO meetings quarterly.	Minutes and attendance registers	E5
Meeting held to communicate Top layer and Operational SDBIP within the department		-	4 meeting Quarterly	Not achieved 3 Quarterly meetings were held	Commitment of attending external workshops	4 Meetings to be held quarterly.	Minutes and attendance registers	E6
Number of departmental meetings held		12	12	Not achieved	Commitment of attending external	4 IDP and ISO meetings to be held	Minutes and attendance	E7

National KPA	Municipal Development and Transformation							
IDP KPA	Good Governance in Mohokare							
Key performance indicator	Objective	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
					workshops	quarterly.	registers	
Number of quarterly performance reports with POEs submitted		4	4	Target Achieved	N/A	N/A	SDBIP quarterly reports	-
Number of formal employee performance assessment and feedback session conducted and submitted		- New KPI	4 assessments	Not achieved			No POE	-

The Information Technology Unit had 09 targets set for the financial year under review, actual targets achieved were 03, which resulted to 33% achievement.

INTERNAL AUDIT

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Maintaining the Unqualified Audit Opinion	Design and implementation of Audit Action Plan as derived from AGSA findings raised	Qualification audit opinion 12/13	Designed and implemented Audit Action Plan as derived from AGSA findings raised	Target Achieved	N/A	N/A	Audit Action Plan	F1

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Maintaining the Unqualified Audit Opinion	Review and submit the Audit Charter to AC for approval by June 2015	Adopted Audit Charter by Audit Committee	Reviewed and adopted Audit Charter by Audit Committee by September 2014	Not achieved The Audit Committee is not functional in terms of S166 of the MFMA	The Audit Charter was prepared and submitted to the two members of the Audit Committee within the prescribed time frame. The Audit Committee is however not functional in terms of S166 of the MFMA	Ensure that the Audit Charter is approved as soon as the new members to the Audit Committee are appointed.	Attached Copy of Audit Charter not adopted	F2

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
					and therefore the Audit Charter couldnot be adopted by the Audit Committee			

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
	Review and submit the Audit plan to the AC	Adopted Audit plan by the Audit Committee by June 2015	Reviewed and adopted Audit Plan by Audit Committee September 2014	<p>Not achieved</p> <p>The Audit Committee is not functional in terms of S166 of the MFMA</p>	<p>The Audit Plan was prepared and submitted to the two members of the Audit Committee within the prescribed time frame. The Audit Committee is however not functional in terms of S166 of the MFMA and</p>	<p>Ensure that the Audit Plan is approved as soon as the new members to the Audit Committee are appointed.</p>	Attached Copy of Audit Plan not adopted	F3

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
					therefore the Audit Charter couldnot be adopted by the and Audit Committee			

The Internal Audit Unit had 03 targets set for the financial year under review, actual targets achieved were 01, which resulted to 33% achievement.

RISK MANAGEMENT

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
To evaluate the effectiveness of Risk management, control and governance processes and develop actions to address key risks identified	Risk Strategy Framework & Policy	Mitigation of risk within the institution	Risk strategy Framework & Policy adoption and approval	Target achieved Risk Strategy adopted by Risk Management Committee	N/A	N/A	Adopted Risk strategy Framework & Policy	G1
	Review and submit Risk Charter to RC & AC by June 2015	Approved Risk Charter	Reviewed and approved Risk Charter	Target achieved Risk Charter adopted by Risk Management Committee The Audit Committee is not functional in terms of	N/A	N/A	Risk Charter adopted by Risk Management Committee	G2

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
				S166 of the MFMA				
To evaluate the effectiveness of Risk management, control and governance processes and develop actions to address key risks identified	Identified and mitigated risks on the SDBIP and Operational Risk per Department	Mitigation of risk within the institution	Identified and mitigated risks on the SDBIP and Operational Risk for all (5) Departments by June 2015: (1) Corporate Services (2) Technical Services (3) Community Services (4) Finance	Not achieved Only Expenditure and Payroll divisions were not monitored	Both division are not included in the Risk Register	To be included in the new Risk Register 2015/16	Risk monitoring report	G3

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
			Services (5) Office of the MM					
			4Quarterly reports to management, RC and AC	Not achieved Only two (2) quarterly reports have been submitted to RMC			Risk assessment report to RMC	G4

The Risk management Unit had 04 targets set for the financial year under review, actual targets achieved were 02, which resulted to 50% achievement.

TOWN PLANNING

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Compliance to Land use management	Surveying, Subdivision, rezoning of parks for residential purposes, Erf 1174 Roleleathunya, Erf 366 Smithfield	Number of erven created		Not achieved 1174 and 366 were earmarked for subdivision into portions for allocation to disabled individuals	Financial constraints and no further communication from the DBSA to indicate interest	A council decision was taken to sell the properties due to non-communication from the DBSA no longer viable and can be taken out	Report of Community Services that went to Council	H1
Compliance to Land use management	Development of hawker sites and taxi rank Zastron	Erven identified for development	New taxi rank: Adherence to the by-law in terms of hawker, peddlars by June 2015	Target Achieved	N/A	N/A	Submission of proposed outlay to develop taxi rank and hawker stalls	H2

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Compliant Special Development Framework	Reviewed and adopted SDF by May 2015	2013/2014 SDF	Reviewed and adopted SDF	Not achieved Due to various engagements and other responsibilities by Cogta with SPLUMA	Cogta busy with SPLUMA	After SPLUMA implementation	Letter from Cogta	H3
Compliance to SLUMA	4 SPLUMA Forum quarterly meetings reports	4 reports	4 SPLUMA Forum quarterly meetings reports	Achieved	N/A	N/A	SPLUMA technical report	H4

The Town Planning Unit had 04 targets set for the financial year under review, actual targets achieved were 02, which resulted to 50% achievement.

INTEGRATED DEVELOPMENT PLANNING

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
To implement a ranking and rating system for all new capital projects to support the strategic objectives and priorities of Council and Community	Reviewed and approved IDP by May 2015	Approved 2013/2014 IDP	Reviewed and approved IDP	Achieved	N/A	N/A	Council resolution on the approved 2015/2016 IDP	I1

The IDP Unit had 01 targets set for the financial year under review, actual targets achieved were 01, which resulted to 100% achievement.

TECHNICAL SERVICES

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achieveme nt	Reason for deviation	Corrective measures to be taken	POE	REFERENC E
Expenditure on grants	100 % expenditure on the RBIG Grant R35 000 000.00	100% Expenditure by end of March 2014	100% Expenditure by end of March 2015	Not achieved – 84.5 % Expenditure was achieved R29 561 185.62	Late appointment of contractor on the Rouxville project due to contractual procedures that needed to be followed before termination. Inclement weather (rainfall)	Appointme nt of a new contractor. A revised program of works was drafted to make up for lost rain days	Termination letter of the previous contractor and appointment letter of the new contractor	J1

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achieveme nt	Reason for deviation	Corrective measures to be taken	POE	REFERENC E
	100 % expenditure on the MWIG Grant R 7 730 000.00	100% Expenditure by end of March 2014	100% Expenditure by end of March 2015	Not achieved - 58 % expenditure was incurred	An Implementin g agent(Bloem Water) that was appointed by DWS could not complete the projects	The Municipality wrote a letter of concern to the Department as the matter was not in its hands	Letter of concern written by the municipality to the department (DWS)	J3
Sustainable supply of good quality drinking water for Mohokare residents	Provision of bulk water supply to Rouxville	Completion of the water treatment plant and the 4.8 km rising main	Completion of the Water Treatment works by June 2015	Not achieved – 85 % on constructio n progress achieved	Disagreemen ts between the Consultant and the contractor with regard to quantities	Dispute resolution processes were followed as per the service level agreement / contract	Copy of the dispute procedure from the contract document, minutes of meetings held and an attendance register	J4
		Construction of a 27 km raw water pipe	Advertise and appoint a contractor for	Achieved	N / A	N / A	Advert and Appointment letter for a	J5

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achieveme nt	Reason for deviation	Corrective measures to be taken	POE	REFERENC E
		line from Orange river to Paisely dam	partial works on the 27 km pipeline					
	Provision of bulk water supply to households in Zastron	Design and tender for the 15 km raw water pipeline from Montagu dam to WTP	Completion and commissioning of the 15 km raw water pipeline	Not Achieved – 90% progress	Labour unrest, inclement weather conditions and delays on delivery of pipes	Meeting were held with the labours, revised programme of works. Due payments were made to the contractor	Minutes of the progress meeting	J5
	(10792 households with access to portable water, on or above RDP level	Zastron -876 Ml	876 Ml	Achieved	N / A	N / A	Water balance report	J7
		Rouxville - 427.05 Ml	427.05 Ml	Achieved	N / A	N / A	Water balance report	
		Smithfield - 558.5 Ml	558.5 Ml	Achieved	N / A	N / A	Water balance report	

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achieveme nt	Reason for deviation	Corrective measures to be taken	POE	REFERENC E
Sustainable supply of good quality drinking water for Mohokare residents	100% achievement on Blue drop by June 2014	77.04% level of blue water achievement 2013/14	100% Blue drop level achievement	Not achieved– Not measureable	Assessments were not conducted by DWS this year	Align Municipal targets with departmental targets	Confirmation by the department (DWS)	J8
	Three(3) water awareness campaigns conducted	One (1) done in Smithfield	3 campaigns conducted - 1 per town	Not achieved – one campaign was done	The programmes were to be done under MWIG funding however the implementing agent (Bloem Water)did not co-operate	The Municipality wrote a letter to DWS, and further highlighted its concerns on the meetings	Attendances register for the one campaign. Copy of a letter sent to DWS and Bloem Water	J9

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achieveme nt	Reason for deviation	Corrective measures to be taken	POE	REFERENC E
Dam Safety	Implementation of the dam safety recommendations	A dam safety report was compiled for Kloof, Montagu and Smithfield dam	Full implementation of the recommendations Clearing of trees from the dam, cleaning and clearing of the emergency spill-way. Cleaning of the silt material from the dam. Attend the identified cracks on the crest.	Not achieved	Budget constrains	Schedule for 2015/2016 due to budget	No POE attached	

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achieveme nt	Reason for deviation	Corrective measures to be taken	POE	REFERENC E
Provision of dignified sanitation and environmental friendly waste water services	Eradication of 777 buckets in Rouxville	Projects has been committed to be done under the Rapid Bucket Removal program(RBR P)	Eradication of 777 buckets in Rouxville by December 2014	Not achieved – excavation for internal networks done	Delays of the project due to funding issues from the funding agents. Late payment of service providers. Incliment weather conditions	Concerns were raised with Babereki, and Bloemwater as implementin g agents.	Minutes of the meeting and attendance register	J10
	Eradication of + 54 buckets in Smithfield	Projects has been committed to be done under the Rapid Bucket Removal program(RBR P)	Eradication of + 54 buckets in Smithfield	Achieved	N / A	N / A	Happy letters Confirmation by consultant	J11

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achieveme nt	Reason for deviation	Corrective measures to be taken	POE	REFERENC E
	Eradication of +30 buckets in Zastron	Projects has been committed to be done under the Rapid Bucket Removal program(RBR P)	Eradication of + 30 buckets in Zastron	Not achieved All connections were done	All the toilets were connected however there is still challenges with the main sewage line as a results some households are still utilising buckets	Concerns were raised with Babereki and Bloem Water	Communicati on made with CoGTA	J12
	% of Green drop compliance status	% level of Green drop achievement 2013/2014	100% green drop level achievement	Not achieved	The Department did not conduct assessment on the current financial year	Target to be review based on Department confirmation on next financial year	No POE attach	

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achieveme nt	Reason for deviation	Corrective measures to be taken	POE	REFERENC E
Provision of trafficable roads and well maintained storm water channels	Zastron: Construction of 2.9 km access road in Matlakeng by June 2015	50% progress on the construction works	Completion and handover of the access road in Matlakeng by June 2015	Achieved	N / A	N / A	Completion certificate	J13
	Grading and re-gravelling of Municipal roads by June 2015	The Municipality can only perform at a rate of 50 meters a day due to lack of machinery	13.2 km of graded and gravelled road by June 2015	Not achieved Only 4.6 km was graded and gravelled	Only Achieved 4.6 km then Grader and front end loader went for repairs	both machines were sent for repairs	Quotation	J14
	Refilling of pot-holes on the Municipal tar roads by June 2015	Refilling of 76 m ² of potholes in Zastron	Refilling a total of 140 m ² of potholes in all three towns by June 2015	Not achieved 65 m ²	Work could not be done due to incliment weather (asphalt material could not be	The programme is scheduled to resume as winter season ends	Reports	J15

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achieveme nt	Reason for deviation	Corrective measures to be taken	POE	REFERENC E
					used in cold weather)			
	Smithfield: Installation of 14 high mast lights in Greenfield and Somido Park (MIG)	Projects is currently on the planning phase and yet to be registered	Installation and commissioning of 14 high mast lights by June 2015	Achieved	N / A	N / A	Completion certificate	J16

National KPA IDP KPA	Municipal Development and Transformation							
	Good Governance in Mohokare							
Key performance indicator	Objective	Baseline information	Annual target	Achieved/ or Not	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Meeting held communicate municipal IDP objectives and community inputs and ISO within the department	Promote Communication	-	4 IDP and ISO meeting held	Not Achieved 2 meetings were held	N/A	N/A	Attendance register	J17
Meeting held to communicate Top layer and Operational SDBIP within the department		-	4 meeting Quarterly	Not achieved 2 meetings were held	There was only one SDBIP document which was not aligned to the smart principle	The new SDBIP has been drafted based on the smart principle	No POE attached	-

National KPA	Municipal Development and Transformation							
IDP KPA	Good Governance in Mohokare							
Key performance indicator	Objective	Baseline information	Annual target	Achieved/ or Not	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Number of departmental meetings held	Promote planning and performance management	12	12	Not achieved 6 meetings were held	More than 12 meetings were held however the attendance registers file was lost	Security on the building has been improved by installation of CCTV cameras	Police file	J18
Number of quarterly performance reports with POEs submitted		4	4	Achieved	N/A	N/A	PMS Reports	-

National KPA	Municipal Development and Transformation							
IDP KPA	Good Governance in Mohokare							
Key performance indicator	Objective	Baseline information	Annual target	Achieved/ or Not	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Number of formal employee performance assessment and feedback session conducted and submitted		- New KPI	4 assessments	Not achieved	Managements commitments	Assessments for all line for all line Managers has been scheduled for August 2015	No POE attached	-

The Technical Services Department had 25 targets set for the financial year under review, actual targets achieved were 09, which resulted to 36% achievement.

FINANCE DEPARTMENT

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
100% compliance to MFMA Regulations	Development of a compliant municipal budget	Compliant budget 2012/2013	Table the annual compliant budget 2014/2015 to council by May 2015	Target Achieved	N/A	N/A	Council resolution on approved budget and related policies	K1
	Developed adjustment budget	Adjustment budget 2014/2015	Adjustment budget 2014/2015 by 28 February 2015	Target Achieved	N/A	N/A	Council resolution on adoption of adjustment budget	K2

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
	The review of related municipal budget policies by June 2015		The review of related municipal budget policies by March 2015: 1. Indigent policy 2. Rates policy 3. Credit Control Policy 4. Tariff policy 5. Debt write-off policy 6. Budget policy	Target Achieved	N/A	N/A	Council resolution on approved budget and related policies	K3
	Submission of section 71 reports to Treasury	12 MFMA Section 71 financial reports	12 MFMA Section 71 financial reports	Target Achieved	N/A	N/A	Section 71 Reports	K4
	12 increase in revenue by June 2015	10% increase in revenue	12 increase in revenue by June 2015	Not Achieved	Credit control and debt collection policy was not fully	Adherence to the reviewed 2015/2016 Credit control and	Payment statistics per month	K5

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
					implemented due to installation of water meters and restrictors	debt collection policies		
Implementation of the credit control policy.	Implementation of the credit control policy by:		Implementation of the credit control policy.	Not Achieved 90%	Awaiting Centlec for electricity meter info	1. Installation of metres still in progress 2. Continuous engagement with Centlec	No POE Attached	-
	1. Installation of water restrictors 2. Implementing of 30% leverage electricity							
To develop a one year cash flow projections	Developed 1 year cash flow projections	Only (1) year cash flow management plan in place	Developed 1 year cash flow projections by June 2015 for the next financial year.	Target Achieved	N/A	N/A	Cash flow forecast	K6

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
To review a GRAP 17 compliant assets register	Updated assets register	Draft assets management register in place	Final assets register in place by June 2015	Target Achieved	N/A	N/A	Final assets register	K7
	Reviewed assets management policy by June 2015	Asset management policy in place	Review of the asset management policy by June 2015	Target Achieved	N/A	N/A	Council resolution on approved budget and related policies	K8
To put in place and manage financial controls	Reviewed supply chain policy by June 2015	SCM policy reviewed	Reviewed SCM policy by June 2015	Target Achieved	N/A	N/A	Council resolution on approved budget and related policies	K9
	Updated and monitored supplier database register	Supplier Database Register	Update the supplier data base register on an annual basis	Target Achieved	N/A	N/A	Advert and updated supplier database	K10

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
	4 reports submitted to Section 79 Committee		4 Reports for awards above R100 000.00 submitted Council via Section 79 Committee.	Target not achieved Only two (2) reports were submitted to Section 79 Committee.	Reports were not submitted to Council via Section 79	The Department will ensure that submissions are done on a quarterly basis even in instances where awards above R100 000 were made.	Monthly reporting of SCM for awards above R100-000	K11
Implemented MFMA Internship program	5 MFMA Treasury appointed interns	5 interns appointed	Appoint 5 MFMA treasury interns	Target Achieved	N/A	N/A	Contract of employment for all 5 interns appointed.	K12

KPA 3 Strategic objective (SO4)	Good governance and Administration Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Development and implementation of the Municipal financial management plan	Developed Financial Management Plan	No municipal financial management plan	Developed municipal financial management plan by June 2015	Target not achieved, no proof showing that the financial management plan is attached in IDP	The financial Plan is found within the IDP		2014/2015 financial management plan	K13
Compilation of compliant Annual Financial Statements for 12/13	AFS submitted to AG and Council	Compiled municipal AFS for 13/14	Compiled compliant municipal AFS	Target Achieved	N/A	N/A	Proof of submission	K14
Unqualified audit opinion by June 2015	% of audit queries received and resolved. 2013-14 Financial Year	No of audit queries received and resolved for 2012-13	100% of audit queries received and resolved for 2013-14	Not achieved 90%achieved	Year- end procedures	Issues to be resolved by end of August	No POE Attached	-

National KPA IDP KPA Key performance indicator	Municipal Development and Transformation							
	Good Governance in Mohokare							
	Objective	Baseline information	Annual target	Achieved/ or Not	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Meeting held communicate municipal IDP objectives and community inputs and ISO within the department	Promote Communication	-	4 IDP and ISO meeting held	Target not Achieved Only two (2) meetings held to communicate ISO			Minutes and attendance registers	K5
Meeting held to communicate Top layer and Operational SDBIP within the department		-	4 meeting Quarterly	Target not Achieved			No POE attached	
Number of departmental meetings held	Promote planning and performance management	12	12	Target not Achieved Nine (9)			Minutes and attendance register	K6

National KPA	Municipal Development and Transformation							
IDP KPA	Good Governance in Mohokare							
Key performance indicator	Objective	Baseline information	Annual target	Achieved/ or Not	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
				departmental meetings held				
Number of quarterly performance reports with POEs submitted		4	4	Target Achieved	N/A	N/A	SDBIP quarterly report and POEs	
Number of formal employee performance assessment and feedback session conducted and submitted		- New KPI	4 assessments	Not Achieved An assessment was only done for the Revenue manager	Due to the preparation of the AFS, the Finance Department could not commit themselves	Assessments will be conducted after the submission of the AFS.	No POE attached	

The Finance Department had 22 targets set for the financial year under review, actual targets achieved were 14, which resulted to 63% achievement.

CORPORATE SERVICES

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
To ensure 100% promotion in the employee capacity building	Submitted work place skills plan for 2014/2015 to LGSETA	WSP approved and submitted to LG SETA by 30 April 2014	Submitted work place skills plan for 2014/2015 to LGSETA by 30 April 2014	Target Achieved	N/A	N/A	Acknowledgement of receipt from LGSETA and copy of WSP	L1
	9 training programmes implemented annually		9 training programmes implemented annually	Target Achieved 12 training programmes implemented	N/A	N/A	Reports and attachments (Q2)	L2

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
To ensure 100% good working relations with management and labour forums	12 LLFs notices are distributed to ensure sitting of meetings	12 LLFs notices are distributed to ensure sitting of meetings	12 LLFs notices are distributed to ensure sitting of meetings	Not Achieved 9 LLF notices distributed to ensure sitting of meetings	Due to the process of electing new trade union representatives in the first quarter	Notice of meeting distributed monthly	Notices	L3
	Submission of Employment Equity report to the Dept. of Labour by 15 th January 2015	The compliance deadline is manually 01 October annually/ Electronically on 15 January annually.	Submission of the EE Report by Jan 15 th 2015	Target Achieved EE report submitted to Department of Labour	N/A	N/A	EE Report (q3)	L4

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Annual review of the Delegation system	Review of the municipalities delegation system by May 2015	Delegation system reviewed by May 2014	100% reviewed and implemented Delegation system by May 2015	Target Achieved Delegation system reviewed and adopted	N/A	N/A	Council resolution on the adoption of the delegation policy	L5
Community satisfaction survey conducted	Community satisfaction survey conducted per town (3 surveys)	No community satisfaction survey conducted	1 community satisfaction survey conducted per town by June 2015	Target Achieved 1 community survey conducted per town	N/A	N/A	Report and community satisfaction survey forms	L6
100% promotion of communication channels and public	Communications Policy finalized and adopted by March 2015	Policy adopted as draft by Council in 2012	Policy adopted as final by March 2015	Target Achieved Communication policy adopted by	N/A	N/A	Council resolution on the adoption of the Commu	L7

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
participation				Council			nication Policy	
	2 articles bi-annually	-	2 articles Issued bi- annually	Not Achieved One article published	The newsletter scheduled for second quarter due published in the fourth quarter and the first quarter newsletter was not	The newsletter to be published in line with the schedule in the new financial year	(1) One newsletter	L8

KPA 3 Strategic objective (SO4)	Good governance and Administration							
	Good governance in Mohokare							
Objectives	Key Performance Indicator	Baseline information	Annual target	Actual achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
					published as a result of the municipalities financial constraints			

National KPA	Municipal Development and Transformation							
IDP KPA	Good Governance in Mohokare							
Key performance indicator	Objective	Baseline information	Annual target	Actual Achievements	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Meeting held to communicate municipal IDP objectives and community inputs and ISO within the department	Promote Communication	-	4 IDP and ISO meeting held	Achieved 4 ISO meetings held and 3 IDP meetings held			Minutes and attendance registers	L9
Meeting held to communicate Top layer and Operational SDBIP within the department		-	4 meeting Quarterly	Achieved 4 meetings held			Minutes and attendance registers	L10
Number of departmental meetings held	Promote planning and performance management	12	12	Not Achieved 10 meetings were held	Due to other commitments of the departmental	Meeting scheduled to be adhered to, and	Minutes and attendance registers	L11

National KPA	Municipal Development and Transformation							
IDP KPA	Good Governance in Mohokare							
Key performance indicator	Objective	Baseline information	Annual target	Actual Achievements	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
					staff members	meetings to proceed even with a minimum number of staff members		
Number of quarterly performance reports with POEs submitted		4	4	Achieved 4 performance reports submitted			SDBIP quarterly reports	L12
Number of formal employee performance assessment and feedback session conducted and submitted		- New KPI	4 assessments	One assessment in the second quarter on administration employees	The assessments were on a trial basis, the final approved assessments in line with the PMS policy were to resume in the fourth term	Approved assessments were conducted in July 2015.	Assessment form	L13

The Corporate Services Department had 13 targets set for the financial year under review, actual targets achieved were 09, which resulted to 69% achievement

COMMUNITY SERVICES

KPA 5 Strategic objective (SO3)	Environmental management							
	Keep Mohokare safe and clean (AND Community services)							
Objectives	Key Performance Indicator(s)	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
To provide basis services to informal settlements that comply with the minimum standards	Monitored informal settlements in Smithfield (54 sites) by June 2015	54 sites in Smithfield	Monitored informal settlements in Smithfield (54 sites) by June 2015	Achieved	None	N/A	Quarterly reports.	M1
	Monitored informal settlements in Rouxville (27 sites) by June 2015	27 sites in Rouxville	Monitored informal settlements in Rouxville (27 sites) by June 2015	Achieved	None	N/A	Quarterly reports.	

KPA 5 Strategic objective (SO3)	Environmental management							
	Keep Mohokare safe and clean (AND Community services)							
Objectives	Key Performance Indicator(s)	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
	Monitored illegal occupation on Municipal land in Zastron by June 2015	63 (sixty three) recorded Respondents illegally occupied land in Zastron	Monitored illegal occupation on Municipal land in Zastron by June 2015	Achieved	None	N/A	Quarterly reports.	
	Evicted 63 (sixty three) illegal occupants on Municipal land in Zastron) by June 2015	New KPI	Evicted 63 (sixty three) illegal occupants on Municipal land in Zastron) by June 2015	Not achieved Ongoing communication between Municipality and Webbers Attorneys	The case is pending in office of the Magistrate	Await the ruling of the court.	Proof of Communication with WEBBERS Attorneys.	M2

KPA 5 Strategic objective (SO3)	Environmental management Keep Mohokare safe and clean (AND Community services)							
Objectives	Key Performance Indicator(s)	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
	Eight (8) Housing disputes resolved by end of June 2015.	The disputes are not been attended.	Report on resolved housing disputes.	Not achieved Only five (5) disputes were attended and only four (4) were resolved.	Other disputes have been re-scheduled due to none attendance of disputes to September and December 2015 due to some of them working outside the Municipality.	The meeting have been re- scheduled to September and December 2015 to meet family needs.	Minutes and attendance register	M3

KPA 5 Strategic objective (SO3)	Environmental management							
	Keep Mohokare safe and clean (AND Community services)							
Objectives	Key Performance Indicator(s)	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
To ensure the development of a desirable and quality leaving environment that fosters safety and welfare of the community concerned, preserves the natural and cultural environment and does not impact negatively	291 (two hundred and ninety one) applications for title deeds submitted in Zastron by end of June 2015.	The verification programme is currently under progress.	291 (two hundred and ninety one) applications for title deeds submitted.	Not achieved Only two hundred Applications have been submitted.	Provincial department of Human Settlements allocated only two hundred applications.	The list of outstanding applications has been prepared for submission for next financial year.	List of Applicants already submitted.	M4
	Completion of low cost housing subsidy scheme	Incomplete or incorrect data on government low cost housing subsidy scheme	Completed 400 low cost housing scheme	Not achieved. Three hundred and ninety eight (398) has been built to completion.	The Contractor abandoned the site.	The Contractor came back to continue with outstanding housing units to be completed between July and September 2015.	Project status report.	M5

KPA 5 Strategic objective (SO3)	Environmental management Keep Mohokare safe and clean (AND Community services)							
Objectives	Key Performance Indicator(s)	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
on existing rights	Reviewed Municipal Human Settlements Sector Plan by June 2015.	New KPI	Reviewed Municipal Human Settlements Sector Plan in place by June 2015	Achieved	N/A	N/A	Copy of the plan and Council resolution.	M6
	Number of households provided with refuse removal in Smithfield per week	6799 (62%) households receive refuse collection from the municipality	10793 households receiving refuse removal from the municipality	Not Achieved. The refuse have been un-measurably collected on monthly basis from July to December 2014.	The Unit Manager did not have the correct template, measurement and the exact number of households serviced on monthly basis.	The templates were developed and implemented from January to June 2015 to enable us to measure the work against the households.	Quarterly reports.	M7

KPA 5 Strategic objective (SO3)	Environmental management Keep Mohokare safe and clean (AND Community services)							
Objectives	Key Performance Indicator(s)	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
	Number of households provided with refuse removal in Rouxville per week	6799 (62%) households receive refuse collection from the municipality	10793 households receiving refuse removal from the municipality	<p>Not Achieved.</p> <p>The refuse have been unmeasurably collected on monthly basis from July to December 2014.</p>	The Unit Manager did not have the correct template, measurement and the exact number of households serviced on monthly basis.	The templates were developed and implemented from January to June 2015 to enable us to measure the work against the households.	Quarterly reports.	

KPA 5 Strategic objective (SO3)	Environmental management							
	Keep Mohokare safe and clean (AND Community services)							
Objectives	Key Performance Indicator(s)	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
	Number of households provided with refuse removal in Zastron per week	6799 (62%) households receive refuse collection from the municipality	10793 households receiving refuse removal from the municipality	Not Achieved. The refuse have been un-measurably collected on monthly basis from July to December 2014.	The Unit Manager did not have the correct template, measurement and the exact number of households serviced on monthly basis.	The templates were developed and implemented from January to June 2015 to enable us to measure the work against the households.	Quarterly reports.	M7
To keep mohokare safe and clean (And Community services)	Reviewed Municipal IWMP by June 2015.	Municipal IWMP in place	Reviewed Municipal IWMP in place by June 2015	Achieved	N/A	N/A	Copy of a Policy and Council resolution.	M8
To provide an integrated waste management service for	Four (4) Implemented IWMP Programmes by June 2015	New KPI	Four (4) Implemented IWMP Programmes by June 2015	Not Achieved. We managed to undertake water awareness	The Municipality has mechanical challenges	Embarked on programmes with District on environmental	Reports	M9

KPA 5 Strategic objective (SO3)	Environmental management							
	Keep Mohokare safe and clean (AND Community services)							
Objectives	Key Performance Indicator(s)	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
the total municipal area				together with cleaning campaigns, including awareness's on how to handle food staffs and personal hygien programmes and the construction of a guardhouse on Rouxville landfill site	especially with its TLB and front end loader tractor.	awareness.		
Keep mohokare safe and clean (And Community services)	Draft EM Plan developed and submitted to Council for adoption by May 2015	-	Draft EM Plan developed and submitted to Council by June 2015	Not Achieved. The Plan of the District was received for revision by the Municipality.	The Municipality does have the capacity to review the Plan and invited District did to assist the Municipality in	Plan to be done through Provincial assistance during the before end of March 2016.	Xhariep District Municipality Plan	M10

KPA 5 Strategic objective (SO3)	Environmental management Keep Mohokare safe and clean (AND Community services)							
Objectives	Key Performance Indicator(s)	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
					developing the Plan.			
Keep Mohokare safe and clean (And Community services)	Established Clinic Committee by July 2014(Re- establishment)		Establish 1 clinic committee per town: Zastron Rouxville Smithfield	Achieved	N/A	N/A	Clinic Committee members lists have been attached, one per Town.	M11
Operations and maintenance of municipal land and properties	Reviewed Commonage Management Policy by June 2015	Adopted policy 2013/2014	Reviewed Commonage Management Policy by June 2015	Achieved	N/A	N/A	Copy of a Policy and Council resolution.	M12

KPA 5 Strategic objective (SO3)	Environmental management							
	Keep Mohokare safe and clean (AND Community services)							
Objectives	Key Performance Indicator(s)	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Keep Mohokare Safe and Clean	Implemented 4 Extended Public Works Programmes by June 2015 : 1.Working parks 2.Working on Cemeteries 3.Working on Landfill sites 4.Cleaning and greening	Implemented Extended Public Works Programmes by June 2014	Implemented 4 Extended Public Works Programmes by June 2015 : 1.Working parks 2.Working on Cemeteries 3.Working on Landfill sites 4.Cleaning and greening	Not achieved. Only Rouxville did submit the report for first quarter that is inadequate with information.	No measurable and planned reports were submitted.	Unit Managers and EPWP Champion instructed to develop templates that will reflect proper work plans on work to be done per programmes to be approved.	No POE attached	-

National KPA	Municipal Development and Transformation							
IDP KPA	Good Governance in Mohokare							
Key performance indicator	Objective	Baseline information	Annual target	Actual Achievement	Reason for deviation	Corrective measures to be taken	POE	REFERENCE
Meeting held communicate municipal IDP objectives and community inputs and ISO within the department	Promote Communication	-	4 IDP and ISO meeting held	Not Achieved. Only two quarterly meetings were held).	Postponement of meetings due to other work commitments	A schedule for meeting will be developed for implementation in order to be aligned with Management and Council activities.	Attendance registers of meetings held.	M14
Meeting held to communicate Top layer and Operational SDBIP within the department		-	4 meeting Quarterly	Not Achieved. Only two quarterly meetings were held).	Postponement of meetings due to other work commitments	A schedule for meeting has been developed for implementation in order to be aligned with Management and Council activities.	Attendance registers of meetings held.	M15

Number of departmental meetings held	Promote planning and performance management	12	12	Not Achieved. Only two quarterly meetings were held).	Postponement of meetings due to other work commitments	A schedule for meeting has been developed for implementation in order to be aligned with Management and Council activities.	Attendance registers of meetings held.	M16
Number of quarterly performance reports with POEs submitted		4	4	Achieved			SDBIP quarterly report	
Number of formal employee performance assessment and feedback session conducted and submitted		- New KPI	4 assessments	Not Achieved.	Municipal performance plans was never completely attended to have complete plans.	The Plans still to be completed in new financial year	No POE attached	

The Community Services Department had 22 targets set for the financial year under review, actual targets achieved were 09, which resulted to 40% achievement.

Chapter 4

Organizational Development Performance (Performance Report part II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 Employee Totals, Turnover and Vacancies

The Municipality manages the workforce guided by legislation and relevant policies and procedures promulgated through the South African constitution, matters of workplace policies that protect the workforce, policies that protect the interest of the employer, policies that manage the employer / employee relations and interaction, the respect of unions in the workplace and processes of bargaining at relevant structures are all taken into consideration by the Municipality

EMPLOYEES					
Description	2013/14	Ending 30 th June 2015			
	Number of Employees	Number of Posts	Number of Employees	Vacancies	% Variance
Water	54	47	40	7	2.1
Sanitation	47	70	49	21	30
Electricity	3	4	1	3	50
Roads & Storm-water	22	25	19	6	24
Technical Services (exc the above)	9	12	8	4	33.3
Refuse Collection	61	44	33	11	15.9
Human Settlement	3	4	4	0	25
Traffic Safety & Management	4	7	4	3	42.9
Community Services (exc Refuse, Human Settlement & Traffic)	38	50	35	15	18.9
Planning (IDP/Town Planner/PMS)	4	5	4	1	20
Local Economic Development	2	3	1	2	66.7
Office of the MM (exc Planning & LED)	3	27	19	16	48.1
Finance	26	46	36	10	14.9
Corporate Services	28	34	26	8	22.6
TOTALS	304	378	274	104	22.4

	MUNICIPAL MANAGER			HUMAN RESOURCE		
	BUDGET 2013/14	ACTUAL 2013/14	Variance 2013/14	BUDGET 2014/15	ACTUAL 2014/15	Variance 2014/15
REVENUE						
Revenue from Non-exchange Transactions	0	0	0%	0	0	0%
Property Rates	-	-	0%	-	-	0%
Property Rates - Penalties imposed and collection charges	-	-	0%	-	-	0%
Fines	-	-	0%	-	-	0%
Licences and Permits	-	-	0%	-	-	0%
Income for Agency Services	-	-	0%	-	-	0%
Government Grants and Subsidies Received	-	-	0%	-	-	0%
Public Contributions and Donations	-	-	0%	-	-	0%
Revenue from Exchange Transactions	(1,293,600)	(320,181)	25%	(903,224)	(13,411)	1%
Service Charges	-	-	0%	-	-	0%
Rental of Facilities and Equipment	-	-	0%	-	-	0%
Interest Earned - External Investments	-	-	0%	-	-	0%
Interest Earned - Outstanding Debtors	-	-	0%	-	-	0%
Dividends Received	-	-	0%	-	-	0%
Royalties Received	-	-	0%	-	-	0%
Other Revenue	(1,293,600)	(320,181)	25%	(903,224)	(13,411)	1%
Other Gains on Continued Operations	-	-	0%	-	-	0%
Gains on Disposal of Property, Plant and Equipment	-	-	0%	-	-	0%
Profit on Sale of Land:-	-	-	0%	-	-	0%
Sale of Land	-	-	0%	-	-	0%
Cost of Sales	-	-	0%	-	-	0%

5.4.4 Office of the Mayor

COMPONENT B

MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

Corporate Services facilitated the development of different municipal policies as to address the backlog on those policies not in place. The following policies exist within the Municipality:

Corporate Services Department:-

1. Placement Policy
2. Organizational Design Policy
3. Employment Policy
4. Training & Development Policy
5. Leave Policy
6. Relocation Policy
7. Legal Aid Policy
8. Occupational Health & Safety Policy
9. Employee Benefits Policy
10. Smoking in the Workplace Policy
11. Working hours Policy
12. Labour Relations, Employment Equity and Harassment Policy
13. Retention Policy
14. Notch Progression Policy
15. Core Records Management Policy
16. Guidelines on Civic Funerals
17. Communication Policy & Strategy
18. Public Participation Policy
19. Language Policy

The following plans (strategies) exist within the municipality or were developed and adopted during the year under audit:

1. Organizational Structure
2. Declaration of Interest
3. Access to Information Act, PAIA Manual (Act No. 2 of 2000)
4. Collective Agreement on Conditions of Service
5. Collective Agreement on Disciplinary Procedure
6. Main Collective Agreement
7. Delegation of Powers
8. Code of Ethics
9. Workplace Skills Plan
10. Employment Equity Plan

11. HIV Aids Wellness Plan
12. Human Resource Management & Development Strategy

4.3 SUSPENSION

Suspensions

Position	Nature of Alleged misconduct	Date of suspension	Details of Disciplinary action taken/ status of case	Date Finalized
General worker	Theft/Illegal possession of municipal property	10 September 2014	Dismissal	03 April 2015

4.4 PERFORMANCE REWARDS

In terms of regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 R. 805 a bonus may only be paid after the municipal council has adopted the annual report of the year under review.

All Managers (or Acting Managers) appointed in terms of Section 56 of the MSA are on fixed-term performance contracts. The Individual Performance Management System has been cascaded down to the second reporting line of managers. Currently no performance bonus system or policy exists to pay bonus to non-section 57 employees. This will be put in place once the organisation achieves the necessary performance management maturity level.

No performance bonus was paid to Section 54A and 56 managers during the 2014/2015 financial year.

COMPONENT C

CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
1	M.V. Ramotsabi	Post Graduate diploma in Public Management	Human Resource	Skills Programme	18/02/2013	12/2014	NQF L 6
2	N. Skhosana	Leave management & Personnel Management	HR VIP System	Skills programme	06/10/2014	07/10/2014	Not NQF Level aligned
3	Z.G Ncinithwa	Leave management & Personnel Management	HR VIP System	Skills Programme	06/10/2014	07/10/2014	Not NQF Level aligned
4	D.C. Matsoso	Leave management & Personnel Management	Human Resource	Skills Programme	06/10/2014	07/10/2014	Not NQF Level aligned
5	L.T.G. Lebetse	Infrastructure Asset	Finance	Skills programme	07/10/2014	10/0/2014	Not NQF level aligned
6	L.J. Yeko	Infrastructure Asset	Finance	Skills Programme	07/10/2014	10/07/2014	Not NQF level aligned
7	S.L Shamase	Infrastructure Asset	Finance	Skills Programme	07/10/2014	10/07	Not NQF level aligned
8	B.T. Mancephu	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
9	M.E. Leballo	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
10	N.N.Mangco tywa	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
11	T.V. Ndulula	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
12	W. Booysen	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
		safety			14		
13	A.M. Makoa	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
14	N.B. Vena	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
15	K.F. Rakhokolots o	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
16	M.K. Leeuw	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
17	T. Stoffel	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
18	B.I. Gili	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
19	N. Kota	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
20	I.Marumo	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
21	T.T. Mokhanya	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
22	T.P. Makoa	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
23	M.S. Mosole	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
24	L.C. Chaka	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
25	M.E. Akata	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
26	M.Taemane	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
27	N.O Thumana	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
28	M. Ratefane	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
29	L.H. Ramohape	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
30	Z.M. Qithi	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
31	N.A. Thane	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
32	T.P. Kama	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
33	T.C. Ngalo	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
34	L.Nkebethwana	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
35	M.Lebaka	Occupational Health and safety	Health and safety	Skills programme	14/10/2014	16/10/2014	US 120391
36	Cllr AM. Shasha	Leadership Development programme	Leadership skills	Skills Programme	13/10/2014	22/10/2014	NQF L4
37	Cllr R.J Thuhlo	Leadership Development Programme	Leadership skills	Skills programme	13/10/2014	22/10/2014	NQF L4
38	Cllr L. Lekhula	Leadership Development Programme	Leadership skills	Skills programme	13/10/2014	22/10/2014	NQF L4
39	Cllr T.S Khasake	Leadership Development Programme	Leadership skills	Skills programme	13/10/2014	22/10/2014	NQF L4
40	Cllr M.J. Sehanka	Leadership Development Programme	Leadership skills	Skills programme	13/10/2014	22/10/2014	NQF L4
41	Cllr I Mehlomekhu	Leadership Development	Leadership skills	Skills programme	13/10/2014	22/10/2014	NQF L4

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
	lu	Programme			14		
42	Cllr E.T. Backward	Leadership Development Programme	Leadership skills	Skills programme	13/10/2014	22/10/2014	NQF L4
43	Cllr S. Pokane	Leadership Development Programme	Leadership skills	Skills programme	13/10/2014	22/10/2014	NQF L4
44	Cllr B.S. Majenge	Leadership Development Programme	Leadership Skills	Skills Programme	13/10/2014	22/10/2014	NQF L4
45	T.C Nzula	Municipal Office Administration	Administrati on	Skills Programme	20/10/2014	24/10/2014	NQF L4
46	P.H Moeti	Municipal Office Administration	Administrati on	Skills Programme	20/10/2014	24/10/2014	NQF L4
47	T.I. Phatsoane	Municipal Office Administration	Administrati on	Skills Programme	20/10/2014	24/10/2014	NQF L4
48	M.M.JamJam	Municipal Office administration	Administrati on	Skills Programme	20/10/2014	24/10/2014	NQF L4
49	T.D. Lobi	Municipal Office Administration	Administrati on	Skills Programme	20/10/2014	24/10/2014	NQF L4
50	M.Ntsele	Municipal Office Administration	Administrati on	Skills Programme	20/10/2014	24/10/2014	NQF L4
51	T.G. Aphane	Municipal Office Administration	Administrati on	Skills Programme	20/10/2014	24/10/2014	NQF L4
52	N. Matsasa	Municipal Office Administration	Administrati on	Skills Programme	20/10/2014	24/10/2014	NQF L4
53	M. Lekwene	Municipal Office Administration	Administrati on	Skills Programme	20/10/2014	24/10/2014	NQF L4

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
		n					
54	I.Moerane	Municipal Office Administration	Administration	Skills Programme	20/10/2014	24/10/2014	NQF L4
55	A.Mohlabane	Municipal Office Administration	Administration	Skills Programme	20/10/2014	24/10/2014	NQF L4
56	S. Ndara	Municipal Office Administration	Administration	Skills Programme	20/10/2014	24/10/2014	NQF L4
57	M.S. Matamane	Municipal Office Administration	Administration	Skills Programme	20/10/2014	24/10/2014	NQF L4
58	N.R Mokati	Municipal Office Administration	Administration	Skills Programme	20/10/2014	24/10/2014	NQF L4
59	N.B Shiya	Municipal Office Administration	Administration	Skills Programme	20/10/2014	24/10/2014	NQF L4
60	M.R Seotlolla	Municipal Office Administration	Administration	Skills Programme	20/10/2014	24/10/2014	NQF L4
61	X. Majenge	Municipal Office Administration	Administration	Skills Programme	20/10/2014	24/10/2014	NQF L4
62	M.B. Lekhelebane	Municipal Office Administration	Administration	Skills Programme	20/10/2014	24/10/2014	NQF L4
63	T.Chalube	Municipal Office Administration	Administration	Skills Programme	20/10/2014	24/10/2014	NQF L4
64	M.M. Van Pletzen	Multi-Year capacity development strategy	Administration	Short Course	03/11/2014	04/11/2014	Not NQF level aligned

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
65	M.V. Ramotsabi	Multi-Year capacity development strategy	Administration	Short Course	03/11/2014	04/11/2014	Not NQF level aligned
67	T.E Fobane	Group Training Course for Water and Waste Water Treatment Plant Officials	Water and Waste Treatment	Short Course	16/11/2014	29/11/2014	Not NQF level aligned
68	T. Adoons	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
69	H. Bonji	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
70	V.Jafta	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
71	E. Jobo	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
72	M. Lebaka	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
73	N. Lefotho	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
74	N. Mabula	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
75	T. Mangengene	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
76	E. Manka	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
77	T. moloi	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
78	M. Mokhele	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
79	P. Mohlabane	AET	Basic Education	Formal	06/09/2014	14/08/2015	Abet L 1-4

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
				Education			4
80	N. Reu	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
81	M. Sephapho	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
82	T. Valashiya	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
83	L. Thuso	AET	Basic Education	Formal Education	06/09/2014	14/08/2015	Abet L 1-4
84	Taole T.P	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	20/04/2015	11/12/2015	NQF L2
85	Mahase M.W	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	20/04/2015	11/12/2015	NQF L2
86	Van Rooyen L.M	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	20/04/2015	11/12/2015	NQF L2
87	Choane M.J	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	20/04/2015	11/12/2015	NQF L2
88	Adoons M.G	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	20/04/2015	11/12/2015	NQF L2
89	Monyane T.S	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	20/04/2015	11/12/2015	NQF L2

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
		Works					
90	Manandzi .I.	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	20/04/2015	11/12/2015	NQF L2
91	Makhabokoa ne D.A	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	20/04/2015	11/12/2015	NQF L2
92	Stock N.M	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	20/04/2015	11/12/2015	NQF L2
93	Kambi N.M	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	20/04/2015	11/12/2015	NQF L2
94	Thako L.L.L	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	20/04/2015	11/12/2015	NQF L2
95	Ngalo T.E	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
96	Mondi M.E	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
97	Job .D.	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
98	Qhithi M.W	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
99	Moeti T.H	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
100	Mofana H.	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
101	Nzula M.P	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
102	Mokoena T.S	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
103	Mpete M.A	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
104	Mputle T.P	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
105	Ramatheko M.M	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
106		Water & Waste Water	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
	Lottering D	Treatment Works					
107	Mosola N.J	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
108	Nthlakane T.M	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
109	Thibane S.E	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
110	Majenge M.E	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
111	Dyum I.	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
112	Mnyameni M.N	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
113	Jemulane	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
114	Job	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
115	Johannes Tsotlelo	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
116	Tsoamotsi	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
117	Sebenzo	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
118	Labuschagne S.W	Water & Waste Water Treatment Works	Water & Waste Water treatment	Learnership	28/04/2015	20/11/2015	NQF L3
119	S.L Majenge	MFMP	Financial Management	Learnership	13/04/2015	11/01/2016	NQF L6
120	L.T.G Lebetse	MFMP	Financial Management	Learnership	13/04/2015	11/01/2016	NQF L6
121	L.F. Sebatane	MFMP	Financial Management	Learnership	13/04/2015	11/01/2016	NQF L6
122	N. Ntsele	MFMP	Financial Management	Learnership	13/04/2015	11/01/2016	NQF L6
123	T. Gwala	MFMP	Financial Management	Learnership	13/04/2015	11/01/2016	NQF L6
124	D. Mazwi	MFMP	Financial Management	Learnership	20/04/2015	11/01/2016	NQF L6
125	M.T.V. Mabote	MFMP	Financial Management	Learnership	20/04/2015	11/01/2016	NQF L6
126	L.J. Yeko	MFMP	Financial Management	Learnership	20/04/2015	11/01/2016	NQF L6
127	D.W. Rannetla	MFMP	Financial Management	Learnership	20/04/2015	11/01/2016	NQF L6
128	S. Petela	MFMP	Financial Management	Learnership	20/04/2015	11/01/2016	NQF L6
129	M.N.	MFMP	Financial Management	Learnership	28/04/2015	11/01/2016	NQF L6

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
	Tsoamotse						
130	T.D. Fobane	MFMP	Financial Management	Learnership	28/04/2015	11/01/2016	NQF L6
131	P.G Lesenycho	MFMP	Financial Management	Learnership	28/04/2015	11/01/2016	NQF L6
132	E.T. Ntakatsane	PFMA	Financial Management & Admin	Learnership	11/05/2015	07/12/2015	NQF L5
133	Z.D. Sebusi	PFMA	Financial Management & Admin	Learnership	11/05/2015	07/12/2015	NQF L5
134	A . Fenwick	PFMA	Financial Management & Admin	Learnership	11/05/2015	07/12/2015	NQF L5
135	S. Khumalo	PFMA	Financial Management & Admin	Learnership	11/05/2015	07/12/2015	NQF L5
136	L. Mmembe	PFMA	Financial Management & Admin	Learnership	11/05/2015	07/12/2015	NQF L5
137	I.M. Moerane	IDP	Planning	Short course	20/04/2015	12/10/2015	NQF L5
138	T. Chalube	IDP	Planning	Short course	20/04/2015	12/10/2015	NQF L5
139	Z. March	IDP	Planning	Short course	11/05/2015	09/11/2015	NQF L5
140	Cllr E.T. Backward	IDP	Planning	Short course	11/05/2015	09/11/2015	NQF L5
141	T.L. Ravele	IDP	Planning	Short course	11/05/2015	09/11/2015	NQF L5
142	M. Matamane	LED	Planning and Development	Short course	13/05/2015	05/10/2015	NQF L5
143	S.S. Ndara	LED	Planning and Development	Short course	13/05/2015	05/10/2015	NQF L5
144	N.R Mokati	LED	Planning and Development	Short course	13/05/2015	05/10/2015	NQF L5

No	Names of the Learners	Course Name	Skills Area	Type of Intervention	Start Date	End Date	Qualification
0145	L. Moahlodi	LED	Planning and Development	Short course	13/05/2015	05/10/2015	NQF L5
146	Cllr S. Pokane	LED	Planning and Development	Short course	13/05/2015	05/10/2015	NQF L5

Skills Development Budget and expenditure

	2013/14	2014/15
Budget	R400 000.00	R400 000.00
Actual expenditure	R36 239.30	R189 710.00
Over/ under expenditure		
% over/ under expenditure		

The above table shows that for the year under review the municipality only spent 56% of its Skills Development budget. This is an improvement from the over expenditure of the previous year, however considering that a lot of officials still have skills gap, it is recommended that 100% of the skills budget be spend.

CHAPTER 5 FINANCIAL PERFORMANCE

Summary Employees: Financial Services

SUMMARY EMPLOYEES: FINANCIAL SERVICES					
Job Level	2013/14	Ending 30th June 2015			
	Number of Posts Filled	Number of Posts	Posts filled	Vacancies	% Variance
Office of the CFO (inc interns)	8	8	8	0	0%
Revenue	25	27	23	4	17%
Budget & Reporting	1	1	1	0	0%
Expenditure	2	2	2	0	0%
Asset	2	2	2	0	0%
SCM	2	2	2	0	0%
TOTAL	40	42	38	4	11%

Financial Performance: Financial Services

FINANCIAL PERFORMANCE	FINANCE			BUDGET & TREASURY		
	Budget 2013-14	Actual Expenditure 2013-14	Variance Budget to Actual	Budget 2014-15	Actual Expenditure 2014-15	Variance Budget to Actual
REVENUE						
Revenue from Non-exchange Transactions	(17 475 236.69)	(58 090 087.60)	232.41%	(22 814 067.28)	(48 651 583.32)	113.25%
Property Rates	(13 406 467.00)	(4 012 087.60)	-70.07%	(13 970 530.79)	(6 678 620.19)	0.00%
Fines	-	-	0.00%	-	-	0.00%
Licenses and Permits	-	-	0.00%	-	-	0.00%
Government Grants and Subsidies Received	(4 068 769.69)	(54 078 000.00)	1229.10%	(8 843 536.49)	(41 972 963.13)	374.62%
Revenue from Exchange Transactions	(4 802 286.79)	(1 113 317.51)	-76.82%	(7 098 960.82)	(1 416 082.91)	-80.05%
Services Charges	-	-	0.00%	-	-	0.00%
Rental of facilities and Equipment	(66 110.00)	(75 547.56)	14.28%	(66 313.80)	(218 520.24)	229.52%
Licenses and Permits	-	-	0.00%	-	-	0.00%
Interest Earned - External Investments	(6 176.22)	(66 720.23)	980.28%	(6 631.38)	(80 756.21)	1117.79%
Interest Earned - Outstanding Debtors	(498 452.46)	(603 760.67)	21.13%	(615 771.00)	(705 945.60)	14.64%
Dividends Received	(8 925.31)	(8 925.31)	0.00%	(19 377.74)	(7 066.62)	-63.53%
Other Income	(4 222 622.80)	(358 363.74)	-91.51%	(6 390 866.90)	(403 794.24)	-93.68%
Total Revenue	(22 277 523.48)	(59 203 405.11)	165.75%	(29 913 028.10)	(50 067 666.23)	67.38%
EXPENDITURE						
Employee Related Costs	5 033 235.61	5 834 671.01	15.92%	6 276 301.04	6 087 373.26	-3.01%
Debt Impairment	710 050.00	-	-100.00%	2 277 446.79	-	-100.00%
Depreciation	2 056 000.00	-	-100.00%	2 090 952.00	-	-100.00%
Finance Charges	-	-	0.00%	56 000.00	-	-100.00%
Transfers and Grants	787 550.00	-	-100.00%	564 553.94	-	-100.00%
Bulk Purchases	-	-	0.00%	-	-	0.00%
Contracted Services	2 104 308.64	3 433 027.44	0.00%	-	-	0.00%
General Expenditure	9 075 213.95	6 962 798.62	-23.28%	12 927 965.19	9 302 520.45	-28.04%
Repairs and Maintenance	-	42 041.85	0.00%	38 250.00	335.52	-99.12%
Total Expenditure	19 766 358.20	16 272 538.92	-17.68%	24 231 468.96	15 390 229.23	-36.49%

Debtors Age Analysis

Debtors by Income Source	TOTAL	Current	>30	>60	>90	>120
Rates	9,974,783	91,805	69,166	81,868	414,299	9,317,644
Electricity	0	0	0	0	0	0
Water	35,497,249	1,325,553	1,122,297	1,132,889	664,780	31,251,731
Sewerage	23,941,811	742,807	652,032	630,589	610,208	21,306,175
Refuse	17,758,726	477,244	436,731	427,162	415,956	16,001,633
Housing	1,707,828	76,412	65,249	65,356	63,282	1,437,528
Other	6,950,914	25,019	23,775	23,587	23,293	6,855,240
Total	95,831,311	2,738,840	2,369,250	2,361,451	2,191,818	86,169,951

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE COUNCIL ON THE MOHOKARE LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Mohokare Local Municipality set out on pages ... to ... , which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, cash flow statement and budget statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South Africa Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the

entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Receivables from exchange transactions

6. I was unable to obtain sufficient appropriate audit evidence in respect of other receivables stated at R17 797 303 (2013: R18 308 584) and the value of the impairment for other receivables stated at R17 632 076 (2013: R17 962 593) in note 3 to the financial statements. In addition, I was unable to confirm service debtors with a value of R1 814 890 as disclosed in note 3 to the financial statements. This was because the records of the municipality were not sufficient to support these disclosures. I was unable to confirm these balances by alternative means. Consequently, I was unable to determine whether any adjustment was necessary in respect of other receivables.
7. In addition to the matter reported in paragraph 6, due to the misclassification of debtors per customer classification, as disclosed in note 3.2 to the financial statements, national and provincial government receivables were overstated and household receivables understated by R18 097 330. Additionally, there was a resultant impact on the deficit for the period and the accumulated surplus as well as a consequential impact on the cash flow statement.

Service charges

8. I was unable to obtain sufficient appropriate audit evidence in respect of revenue from the sale of water, as meter readings taken during the year were inaccurate and incomplete. I was unable to confirm revenue from water sales by alternative means. Consequently, I was unable to determine whether any adjustment was necessary relating to revenue from water sales stated at R9 877 534 (2013: R7 496 769) in note 20 to the financial statements.

Irregular expenditure

9. I was unable to obtain sufficient appropriate audit evidence that management had identified, investigated and recorded all instances of irregular expenditure for the current and prior year, as controls over the system were ineffective. I was unable to confirm irregular expenditure by alternative means. Consequently, I was unable to

determine whether any adjustment was necessary to irregular expenditure stated at R130 196 434 (2013: R129 258 580) in note 40.3 to the financial statements.

Fruitless and wasteful expenditure

10. I was unable to obtain sufficient appropriate audit evidence that management had identified, investigated and recorded all instances of fruitless and wasteful expenditure for the current and prior year, as the controls over the system were ineffective. I was unable to confirm fruitless and wasteful expenditure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to fruitless and wasteful expenditure stated at R6 829 242 (2013: R4 947 535) in note 40.2 to the financial statements.

Qualified opinion

11. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Mohokare Local Municipality as at 30 June 2014 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

12. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

13. As disclosed in note 34 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of errors discovered during 2014 in the financial statements of the municipality at, and for the year ended, 30 June 2013.

Material losses

14. As disclosed in note 32.1 to the financial statements, material losses of R7 287 849 (2013: R9 223 183) were incurred as a result of electricity and water distribution losses, and R15 691 377 (2013: R12 333 732) as a result of the write-off of irrecoverable debtors.

Material impairments

15. As disclosed in note 3 to the financial statements, receivables from exchange transactions were impaired by R79 167 080 (2013: R70 845 752); and as disclosed in note 4 to the financial statements, receivables from non-exchange transactions were impaired by R6 980 116 (2013: R6 275 779).

Unauthorised expenditure

16. As disclosed in note 40.1 to the financial statements, the municipality incurred unauthorised expenditure of R27 617 260 (2013: R41 481 969) during the year under review, due to the overspending of the municipal budget.

Going concern

17. As disclosed in note 52 to the financial statements, the municipality's cash management was under pressure due to an amount of R? 000 000 of unspent municipal infrastructure grants that had been withheld from the equitable share of the municipality as well as the poor collection rate of receivables.

Additional matter

18. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

19. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

20. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for the selected development priority presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

21. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2014:
 - KPA 1: Basic service delivery and infrastructure development on pages x to x
22. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
23. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I

further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework *for managing programme performance information* (FMPPI).

24. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
25. The material findings in respect of the selected development priority are as follows:

**KPA 1: Basic service delivery and infrastructure
development Usefulness of reported
performance information**

26. Section 41(c) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) requires the integrated development plan (IDP) to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 24% of the reported objectives and indicators and 40% of the targets were not consistent with those in the approved IDP. This was due to the municipality not having sufficiently developed policies and processes to guide the process of performance reporting as well as capacity constraints brought about by a lack of skilled and experienced persons in its performance management department.
27. Section 41(c) of the MSA requires actual achievements against all planned indicators and targets to be reported annually. The annual performance report submitted for audit purposes did not include the actual performance of 34% of all planned objectives, indicators and targets specified in the IDP for the year under review. This was due to a lack of information systems to record and document actual achievements against targets. Management, the audit committee and the internal audit unit also provided limited review of the completeness of the reported information.
28. The FMPPI requires the following:
 - Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 57% of the targets were not specific.
 - Performance targets must be measurable. I could not measure the required performance for 57% of the targets.
 - The period or deadline for delivery of targets must be specified. A total of 84% of the targets were not time bound.

- Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use. A total of 52% of the indicators were not well defined.
- Performance indicators must be verifiable, meaning that it must be possible to validate the processes and systems that produced the indicator. A total of 91% of the indicators were not verifiable.

This was because management did not adhere to the requirements of the FMPPI, due to a lack of proper systems and processes, technical indicator descriptions as well as sufficient skills and experience in its performance management department.

Reliability of reported performance information

29. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to limitations placed on the scope of my work due to the absence of information systems and the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information. The auditee's records did not permit the application of alternative audit procedures.

Additional matter

30. I draw attention to the following matter:
Achievement of **planned** targets
31. Refer to the annual performance report on pages x to x and x to x for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected development priority reported in paragraphs 26 to 29 of this report.

Compliance with legislation

32. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Strategic planning and performance management

33. The municipality did not conduct its affairs in a manner consistent with its IDP, as required by section 36 of the MSA, section 21(2)(a) of the MFMA and municipal planning and performance management regulation 6.
34. Although reviewed annually, the IDP was not reviewed based on an assessment of the municipality's performance measurements, as required by section 34 of the MSA and municipal planning and performance management regulations 3 and 11.
35. The municipality did not establish a performance management system, as required by section 38(a) of the MSA.
36. Performance targets for the financial year with regard to each of the development priorities and key performance indicators set in the IDP were not measurable, as required by section 41(1)(b) of the MSA and municipal planning and performance management regulation 12(1) and 12(2)(e).
37. The annual performance report for the year under review did not include a comparison with the previous financial year and measures taken to improve performance, as required by section 46(1)(b) and (c) of the MSA.

Budgets

38. Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.

Annual financial statements, performance report and annual report

39. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Some material misstatements of non-current assets, current assets, current liabilities and expenditure identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Audit committee

40. The audit committee was not constituted in the manner required by section 166(4)(a) of the MFMA. One member of the audit committee resigned during the year and another member's contract was not renewed. This resulted in the audit committee not having the required minimum of three members. The latest audit committee member position became vacant in March 2014.
41. The audit committee did not advise the council on matters relating to internal financial control, accounting policies, effective governance, performance management and performance evaluation, as required by

section 166(2){a} of the MFMA.

42. The audit committee did not review the annual financial statements to provide the council with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness, and its overall level of compliance with legislation, as required by section 166(2)(b) of the MFMA.
43. The audit committee did not review all the quarterly internal audit reports on performance measurement, as required by municipal planning and performance management regulation 14(4)(a)(i).
44. The audit committee did not advise the council on matters relating to compliance with legislation, as required by section 166(2)(a)(vii) of the MFMA.
45. The audit committee did not advise the council on matters relating to the adequacy, reliability and accuracy of financial reporting and information, as required by section 166(2)(a)(iv) of the MFMA.
46. The audit committee did not respond to the council on the issues raised in the audit reports of the auditor-general, as required by section 166(2)(c) of the MFMA.

Internal audit

47. The internal audit unit did not advise the accounting officer and report to the audit committee on matters relating to compliance with the MFMA, DoRA and other applicable legislation, as required by section 165(2)(b)(vii) of the MFMA.

Human resource management and compensation

48. The municipality did not submit a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury, as required by minimum competency levels regulation 14(2)(a).
49. The annual report of the municipality did not reflect information on compliance with prescribed minimum competencies, as required by minimum competency levels regulation 14(2)(b).

Procurement and contract management

50. Sufficient appropriate audit evidence could not be obtained that goods and services with a transaction value above R200 000 had been procured by means of inviting competitive bids, as required by supply chain management (SCM) regulation 19(a).
51. Sufficient appropriate audit evidence could not be obtained that bid specifications had been drafted by bid specification committees composed of one or more officials of the municipality, as required by SCM regulation 27(3).

52. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding had been advertised for the required minimum period, as required by SCM regulation 22(1) and 22(2).
53. Construction projects were not always registered with the Construction Industry Development Board (CIDB), as required by section 22 of the CIDB Act of South Africa, 2000 (Act No. 38 of 2000) and CIDB regulation 18.

Expenditure management

54. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
55. Reasonable steps were not taken to prevent unauthorised, irregular as well as fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Conditional grants

1. The municipality did not evaluate its performance in respect of programmes or functions funded by allocations of the municipal systems improvement grant and the local government financial management grant, as required by section 12(5) of DoRA.

Revenue management

2. The credit-control and debt-collection policy of the council was not implemented, as required by section 96(b) of the MSA and section 62(1)(f)(iii) of the MFMA.
3. An adequate management, accounting and information system was not in place to account for revenue, debtors and the receipt of revenue, as required by section 64(2)(e) of the MFMA.
4. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

Liability management

5. Short-term debt was not repaid within the financial year, as required by section 45(4) of the MFMA.

Consequence management

6. Unauthorised, irregular as well as fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA.

Internal control

7. I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. The matters reported below are limited to the significant

internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the performance report and the findings on non-compliance with legislation included in this report.

Leadership

8. The leadership did not adequately respond to the matters reported by the external auditors in the previous financial year, and did not implement consequential performance management for managers and officials that did not implement municipal policies and procedures.
9. In addition, organisational party politics attempted to destabilise the municipality and to deliberately undermine the leadership.

Financial and performance management

10. The work ethic of certain municipal officials, including senior and middle management, was not at the required level. This resulted in officials not performing their job function, which placed undue pressure on the leadership of the municipality.
11. Management did not adequately respond to the audit matters reported in the previous financial year, and did not establish a performance management system and technical indicator descriptions. Within the performance management and SCM departments there was a lack of sufficient skills and experience, resulting in ineffective monitoring and review.
12. Management did not adequately respond to the recommendations of the external auditors to implement processes to monitor and report on compliance with laws and regulations. This resulted in a situation where compliance was still not actively managed.

Governance

13. The governance structures of the municipality were not sufficiently capacitated and as a result did not deliver on their mandates. Consequently, the governance structures did not take into account all the risks that affected the municipal environment and did not monitor the implementation of the recommendations of the risk management division. Furthermore, the internal audit division did not achieve its annual audit plan; and the audit committee did not deliver on its legislated responsibilities.

OTHER REPORTS

Investigation

14. Three investigations are being conducted by an independent consulting firm on request of the municipality and the Office of the Premier. The investigations were initiated based on allegations of irregularities in procurement and payments. The investigations are currently in the reporting phase.

Auditor - General

Bloemfontein

30 November 2014



A U D I T O R - G E N E R A L

S O U T H A F R I C A

Auditing to build public confidence

INTERNAL AUDIT

In terms of section 166 (2) (a) the Audit Committee must advise to Council on matters relating to:

- (i) Financial controls
- (ii) Internal audit
- (iii) Risk Management
- (iv) Accounting Policies
- (v) Accuracy and reliability of financial reporting
- (vi) Effective Governance
- (vii) Compliance with MFMA and DORA
- (viii) Performance management
- (ix) Any other matter referred to it by the Municipality

The following is the Audit Projects that were planned during the financial year 2014/2015.

- Payroll Department
- Supply Chain Management
- Information Technology
- Revenue Management
- Human Resource Management (Follow-up)

During the financial year 2014/2015 Supply Chain Management did not provide internal audit unit with the requested information and limitation of scope report was reported.

The following report relating to the financial year 2014/15 was presented and considered by the Shared Audit and Performance Committee.

- Internal Audit Methodology
- Audit Action Plan
- SABS ISO Manual policy relating to the procedures to be followed in terms of the SAPC
- Internal Audit Plan
- Internal Audit Charter

During 2014/2015 financial year the shared audit and performance committee held two (2) meetings and two meetings were cancelled due to non-availability of the members. Municipal

Council took a resolution to appoint their own Audit Committee. The new Audit Committee was appointed in August 2015.

In terms of the Audit Action plan the Auditor General conducted an audit at Mohokare Local Municipality for the 2013/2014 financial year, the municipality obtained qualified audit opinion. A plan was then drawn by management to address the audit findings as required by the above mentioned section and Act.

As the Internal Audit Unit of Mohokare local Municipality we have conducted a follow-up audit on AGSA findings so as to establish progress made in implementing the management action plan.

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
<i>Commitments</i>						
During the evaluation of the commitments register submitted for audit purposes it was noted that the following contract expenditure exceeded the contract value for the specific indicated contract. This resulted in no commitment being disclosed but it was identified that as at 30 June 2014 the contract has not been completed. This would mean that there should be variation orders on this contract that increased the original contract value but none is included in the contract register or considered in the calculation of commitments. This indicates that the commitments are understated by an unknown amount.	This occurred due to the fact that management doesn't have controls in place that will enable the municipality to update registers on a monthly basis to ensure that the expenditure incurred on the project doesn't exceed the contract value.	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better communication between the Finance Department and the Technical Department; - Proper record keeping by both the Finance and Technical Departments so overspending of contracts can be identified timeously; - Monthly meetings between the Technical Department and the Finance Department to ensure that all records are up to date; - The Commitment Register should be kept up to date during the course of the year and be reconciled with all payments made to contractors on a monthly basis. 	31 January 2015 and monthly reporting thereon going forward	<p>Finance Department Lesibo Sebatane</p> <p>Technical Department Songezo Patela</p>	A contract register is in place and reconciliation on payment are done on a monthly basis by Project Management Unit. Variation orders are pre-approved by the Accounting Officer.	100%
Through recalculation of the commitments register it was identified that certain commitments exceeded the contract value. No proof could be obtained that the contract had been finally completed as at 30 June 2014 and for this reason it indicates a risk that commitments might be understated as the true value of the contract is not reflected in the calculation of the commitment.	This occurred due to the fact that management doesn't have controls in place that will enable the municipality to update registers on a monthly basis to ensure that the expenditure incurred on the project doesn't exceed the contract value.	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better communication between the Finance Department and the Technical Department; - Proper record keeping by both the Finance and Technical Departments so overspending of contracts can be identified timeously; - Monthly meetings between the Technical Department and the Finance Department to ensure 	31 January 2015 and monthly reporting thereon going forward	<p>Finance Department Lesibo Sebatane</p> <p>Technical Department Songezo Patela</p>	A contract register is in place and reconciliation on payment are done on a monthly basis by Project Management Unit. Variation orders are pre-approved by the Accounting Officer	100%

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
		that all records are up to date; - The Commitment Register should be kept up to date during the course of the year and be reconciled with all payments made to contractors on a monthly basis.				
<i>Employee Costs</i>						
No evidence could be obtained that the municipality submitted a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury as required by the Regulations on Minimum Competency Levels reg14(2)(a).	The issue occurred because management has not monitored compliance to laws and regulations relevant to performance reporting	Management will be able to resolve this matter by conducting the following steps: - Ensure that all legislation to be complied to by the Human Resources Department are identified and included in the MLM Compliance Calendar; - 'Ensure that the report as required by National and Provincial Treasury is submitted within the required timeframe i.e. 30 January 2015 and 30 July 2015; - Ensure that the above information is included in the Annual Report	30 January 2014 30 July 2015	Human Resources Department Victoria Ramotsabi		
Overtime paid to employees was calculated incorrectly. This could be attributed to the following reasons: - A lack of supervisory review of the calculation of overtime; - The value is not calculated by the salary system and therefore subjected to higher risk of human error; - The municipality used the incorrect number of working days in the year, (250 instead	The matter occurred due to controls ensuring that all overtime payments are reviewed in a timely manner, were not functioning at all times.	Management will be able to resolve this matter by conducting the following steps: - Design and implement a system where overtime calculations are reviewed and signed off by a more senior official.	28-Feb-15	Payroll Department Tumelo Fobane		

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
of 261 working days) to calculate the overtime payments; - The municipal HR policies are not specific enough on the formula for the calculation of overtime						
While the AGSA was performing procedures on employee costs, certain employees were noted as not falling in the salary scales set by the South African Bargaining Council.	This occurred mainly due to the lack of monitoring and implementation of employees' salaries in accordance with the appropriate salary levels and job titles as per the South African Bargaining Council agreement.	Management will be able to resolve this matter by conducting the following steps: - Management should ensure that employees are remunerated according to the applicable salary scales as per the South African Bargaining Council agreement. - A report thereon should be submitted to the Accounting Officer in writing to ensure that we have proof that this exercise has been done.	31-Jan-15	Human Resources Department Victoria Ramotsabi	Done	100%
<i>Compliance</i>						
Compliance: Conditional Grant non- compliance to DoRA section 12 (5) No evidence could be obtained that MLM evaluated its performance in respect of programs funded by the Local Government Financial Management Grant and Municipal Systems Improvement Grant within two months after the end of the financial year and submitted these evaluations to the transferring national officer at Provincial Treasury.	Management did not effectively monitor the requirements of the legislation and therefore missed the set deadline to evaluate the performance of programs funded by the indicated grants within two months after year end.	Management will be able to resolve this matter by conducting the following steps: - Ensure that these evaluation reports for the 2014/15 financial year are done as required by legislation; - Ensure that this event is included in the legislation calendar of MLM.	31-Aug-15	Finance Department Senior Finance Manager	Only due on 31 August 2015, to be prepared during the months of July and August 2015	0%
Compliance: MFMA section	This was caused by	Management will be able to	31-Mar-15	Finance Department	Taking the current status	0%

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
45(4) MLM applied for an overdraft facility during the 2013/14 financial year. It could not be determined whether the overdraft facility incurred were, repaid within the financial year; and not renewed or refinanced where such renewal or refinancing will have the effect of extending the short term debt into a new financial year.	weak internal controls in place over cash management and sufficient budgeting of revenue and expenditure in order to ensure bank overdraft were only utilised for a short term and repaid.	resolve this matter by conducting the following steps: - Ensure better cash flow planning and projections; - Devise a payment plan to ensure that the bank balance on 30 June 2015 is positive and that the short term debt (overdraft) is repaid.		Senior Finance Manager	of the Municipality into account, we do not foresee the municipality ending the 2014/15 financial year with a positive bank balance. Further feedback will be provided closer to the year end date.	
Compliance: Other disclosures During the audit performed it was noted that note 41.7 stated that no known matters (of non compliance) existed at reporting date. However, during the audit, the following various non compliance matters were identified: 1) Material losses through criminal conduct - Refer to exception 104 raised (audit communication 10) 2) Non compliance to Section 70(2) regarding banking reporting to Treasury and Auditor-General - Refer to exception 96 raised (audit communication 10) 3) Non compliance to section 65(2) (e) suppliers not paid within 30 days. - Refer to exception 172 raised (in	This was caused by weak internal controls by management of the municipality over the reporting of non compliance matters and to insufficient review of the financial statements.	Management will be able to resolve this matter by conducting the following steps: - Ensure better adherence to applicable laws and regulations through complying with the compliance calendar as set up by the PMS department - Ensure that all non-compliance matters identified and confirmed during the course of the financial year are included in the AFS disclosures.	30-Jun-15	Finance Department Senior Finance Manager	This finding will be taken into account whilst the AFS are prepared in the next 3 months.	0%

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
<p>process of issuing)</p> <p>4) PAYE/SITE/UIF no paid within the 7 days reporting requirement of Income Tax Act - Refer to exception 42 raised (audit communication 7)</p> <p>5) Non compliance to Section 32(4)(a) of the MFMA - Refer to exception 18 raised (audit communication 3)</p> <p>6) Non compliance to Section 32(a) of the MFMA - Refer to exception 18 raised (audit communication 3)</p> <p>7) Non compliance to section 9 (b) - Refer to exception 9 raised (audit communication 3)</p>						
<p>Compliance: Credit Control Policy</p> <p>No proof could be obtained that management implemented its credit control policy effectively.</p>	<p>The issue occurred because management is unable to implement its credit control policy for fear of public unrest and the political ramifications of such actions.</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <p>- Implement the credit control policy.</p>	28-Feb-15	Finance Department Shakes Moorosi	Technical department already started with installation of water meters including restrictors.	75%
<p>Compliance: Internal Audit</p> <p>Through inspection of the information that is submitted to the AC by internal audit to facilitate the discussion at the quarterly meetings, the AGSA could not be provided with sufficient evidence that proof that matters of non-compliance to the applicable legislation was discussed with any of the committee or the accounting officer as required by subsection 2(b)(vii).</p>	<p>Control processes were not effective to ensure compliance to laws and regulations.</p>	<p>Management will be able to resolve this matter by conducting the following steps: - Structure internal audit reports submitted to the AC to include all the requirements of S 165 of the MFMA</p>	28-Feb-15	Office of the Municipal Manager Elmien Wilken	Reports submitted to the SAPC has been structured to include matters referring to compicance to applicable laws and regulations.	100%

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
<i>Audit Committee</i>						
During the year, two members of the audit committee resigned / contracts not renewed that resulted in the audit committee not being properly constituted. The latest audit committee member position became vacant in March 2014 and since then, only two members remained. As a result of the fact that the audit committee was not properly constituted the following key requirements of law could not be adhered to: - MFMA 166(2)(a) - MFMA 166(2)(b) - Municipal planning and performance management regulation 14(4)(a)(i) - MFMA 166(2)(a)(vii) - MFMA 166(2)(a)(iv) - MFMA 166(2)(c)	The audit committee membership was not timeously reviewed to ensure continuity.	Management will be able to resolve this matter by conducting the following steps: - Ensure that the membership of the audit committee is restored in line with the MFMA.	31-Dec-14	Chief Audit Executive Elmien Wilken	An new member was appointed to the SAPC ensuring alignment to MFMA requirements	100%
<i>Unauthorised, Irregular, Fruitless and Wasteful expenditure</i>						
Irregular expenditure - Investigation Committee The AGSA takes note that an investigation committee was established in order to investigate unauthorised, irregular and fruitless and wasteful expenditure. Through inspection of the report received from the committee, no specific cases which were investigated by the committee could be identified. Further, the last meeting for which minutes was received	The issue occurred because the appointed committee did not deliver on their mandate.	Management will be able to resolve this matter by conducting the following steps: - Ensure that the committee is functional and that monthly meetings are held - Ensure that reports regarding the expenditure investigated are compiled and available to the AGSA.	28-Feb-15	Finance Department Lesibo Sebatane	The matter is to be discussed at the meeting between Mohokare Local Municipality, AG and the Provincial Treasury that will be held on Friday 07 Feb 2015	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
from the committee was on 21 November 2013. This indicates that the committee was not functional throughout the year.						
Irregular expenditure - Prior year During the AG's consideration of irregular expenditure, they identified that certain irregular expenditure in a prior financial year were not identified and included in the register of irregular expenditure and consequently in the disclosure in the financial statements. Section 126 of the MFMA indicates that it is the responsibility of the accounting officer to prepare the financial statements of the municipality which in terms of section 122 should be prepared based on Generally Accepted Accounting Practice.	The issue occurred due to a breakdown in internal control in respect of supply chain management processes in the previous financial year. As a result these expenses continue to be irregular and current review processes of the financial statements did not detect and correct these omissions.	Management will be able to resolve this matter by conducting the following steps: - In the 2014/15 financial year a total review will be done on expenditures from 1 July 2009 to ensure the accuracy of Irregular expenditures. - The assistance of Provincial Treasury will be acquired in the process to clear this matter from the Audit report.	28-Feb-15	Finance Department Pakamisa Dyonase		
Amounts per supporting documentation and irregular expenditure register does not agree During the AG's consideration of irregular expenditure, they noted that the amount for irregular expenditure as included in the register did not agree to the amount per the relevant supporting documentation.	The error occurred as management incorrectly interpreted the definition of expenditure in considering the value of disclosed irregular.	Management will be able to resolve this matter by conducting the following steps: - Ensure that all items included in the irregular expenditure register are supported by the relevant supporting documentation - Ensure that all items are included in the register exclusive of VAT	28-Feb-15	Finance Department Senior Manager Finance	The irregular expenditure register to be reviewed by the expenditure accountant and SCM accountant to ensure that all items are included excluding VAT where applicable. Once they are finished it will be reviewed by the Senior Manger Finance and spot checks will be done.	20%
Fuel Usage During the evaluation of the fuel	This is caused by insufficient controls in	Management will be able to resolve this matter by conducting	28-Feb-15	Finance Department Pakamisa Dyonase		

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
<p>usage reconciliations the following was noted:</p> <p>a) The reconciliations were compiled by the finance intern, reviewed by the payroll officer, but not reviewed by the CFO, except for the month of June 2014.</p> <p>b) Through the evaluation of the reconciliations, it was noted that the reconciling items were not cleared and no official were held responsible for the fuelling vouchers not submitted to the LM (reconciling items) after fuelling of the vehicle. All reconciling items amounted to fruitless and wasteful expenditure</p>	<p>place at the municipality over their fleet vehicles and petrol cards.</p>	<p>the following steps:</p> <ul style="list-style-type: none"> - Ensure that all reconciliations are reviewed and signed off as proof of review by the CFO. - Circulate a memorandum to all officials with the next payroll run, to communicate to them that should vouchers of the fuel filling not be submitted within the timeframe set out by payroll department, the amount will be deducted from their next payroll. This is in order to keep officials responsible for fuel usage - Create a fleet management policy which stipulates at least the following: <ul style="list-style-type: none"> a) A trip authority should be provided to the unit managers before the petrol cards are issued to them b) Upon return of the trip, both the vouchers as well as evidence of attendance of the meeting/workshop/indaba should be provided to the unit manager c) The unit manager should evaluate the evidence provided to them. Any inconsistencies should be followed up. d) On a monthly basis, on a date set out by payroll, any unsupported amounts should be communicated to payroll office in order to deduct the amount from the official's next salary. - Ensure that all fuel purchases for which no proof could be 				

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
		obtained are deducted from the responsible employee's salary - Ensure that proper review and follow up of reconciling items are done on a monthly basis.				
Irregular expenditure register incomplete During the audit of expenditure, contract management, commitments and employee cost, irregular expenditure were identified which were not disclosed	The issue arose because management did not establish controls over daily and monthly processing of transactions and reconciling of transactions.	Management will be able to resolve this matter by conducting the following steps: - In the 2014/15 financial year a total review will be done on expenditures from 1 July 2014 to ensure the accuracy of Irregular expenditure.	30-Jun-15	Finance Department Pakamisa Dyonase		
<i>Conditional Grants</i>						
As at the financial year end management has disclosed in its financial statements that it has conditional grant funding to the extent of R6 163 160.40 which has not met the conditions set for the grant and therefore the municipality cannot recognise the amounts as revenue received. The AGSA note with concern that despite the fact that these conditions were not met, the grant funds owing to the transferor are not supported by available municipal funds. The municipality has not separated these funds from its other budgeted funds and as a result has used the unspent funds as temporary finance for its own budget shortfall. As the grants are given through	The issue has arose because management has not separated the grant funds from its own and managed such funds separately.	Management will be able to resolve this matter by conducting the following steps: - All unspent grants should be kept in a separate account from the day to day operating expenditure account where it should be kept until the money is to be spent on what it was awarded for.	28-Feb-15	Finance Department Pakamisa Dyonase		

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
the Division of Revenue Act and can only be spent in line with the framework that has been set utilising such funds for purposes other than what is prescribed in the framework will result in the incurrence of irregular expenditure as prescribed by section 33 of DORA.						
<i>Supply Chain Management</i>						
Procurement: Awards between R2,000 and R10,000 Non-compliance in terms of procurement within the abovementioned bracket were identified during the course of the audit as no proof could be obtained that the following requirements for the selected sample was satisfied: - No deviation letters where less than three quotations were obtained - Expenses which could be recovered from Free State Fleet Management was not forwarded to their offices in a timely manner - No evidence of reports of approval from the CFO - No report to the AO or CFO on a monthly basis in terms of all quotations received and accepted	The issue occurred as the management control environment over procurement processes as weak and compliance to SCM laws and regulations are not monitored.	Management will be able to resolve this matter by conducting the following steps: - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis.	31-Mar-15	Finance Department Pakamisa Dyonase Finance Department Lesibo Sebatane	A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.	
Procurement: Awards between R10,000 and R30,000 Non-compliance in terms of procurement within the	The issue occurred as the management control environment over procurement	Management will be able to resolve this matter by conducting the following steps:	31-Mar-15	Finance Department Pakamisa Dyonase Finance Department	A tender checklist has been invented which addresses and solves all irregularities with regards	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
<p>abovementioned bracket were identified during the course of the audit as no proof could be obtained that the following requirements for the selected sample was satisfied:</p> <ul style="list-style-type: none"> - Items tested did not contain written quotations from at least three different suppliers; - No declaration of independence were included in some of the items selected for testing; - An overall non-compliance rate of 45% was noted in the items tested indicating an overall material error 	<p>processes as weak and compliance to SCM laws and regulations are not monitored.</p>	<ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. 		<p>Lesibo Sebatane</p>	<p>to awards above R 200 000,00. See annexure in the action plan file.</p>	
<p>Procurement: Awards between R30,000 and R200,000</p> <p>The following list of laws and regulations relate to the exceptions noted on transactions audited for procurement processes between R 30 000 and R 200 000 for which competitive bidding was followed. Applicable laws and regulations are listed in accordance to each part of the audit process audited. a) SCM reg. 12(1)(c) & 17(a); b) SCM reg 17(c) & 36(2); c) SCM reg 17(c); d) SCM reg 36(2); e) SCM reg 17(b); f) SCM reg. 12(3); g) SCM reg. 5; h) MFMA sec 62(1)(a); i) MFMA sec 95(a); j) SCM reg 18(a); k) PPR 3(b); l) PPR 4(1); m) PPR 4(3); n) SCM</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance. The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over</p>	<p>Management will be able to resolve this matter by conducting the following steps: - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders</p>	<p>31-Mar-15</p>	<p>Finance DepartmentPakamisa DyonaseFinance DepartmentLesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
reg. 16(d); o) SCM reg 13(a); p) PPR 14; q) SCM reg 13(b); r) SCM reg 43PPR 14; s) SCM reg 13(b); t) SCM reg 43; u) PPPFA Sec 2(1)(a); v) PPR 4(4); w) PPR 4(5)Contrary to the above mentioned requirements, no evidence could be obtained to support the application of required SCM laws and regulations. Management provided the auditors with the invoices only. Contrary to the above mentioned requirements, no evidence could be obtained that where less than three quotations were obtained that it has been reported to the council.The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.	financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure	awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met.				
Procurement: Competitive bidding - Awards above R200,000 Applicable laws and regulations:	The issues resulted because management have not implemented sufficient internal controls regarding	Management will be able to resolve this matter by conducting the following steps: - Better management of the	31-Mar-15	Finance Department Pakamisa Dyonase Finance Department Lesibo Sebatane	A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
<p>(a) SCM reg. 27(3); (b) SCM reg. 22(1)(b)(i); (c) SCM reg. 22(2); (d) SCM reg 22(1)(a); (e) SCM reg 23(c)(iii); (f) MFMA sec 112 - fairness; (g) CIDB SFU 4.2.1.4 & 5; (h) CIDB act Section 22 (3); and (i) CIDB regulation 18(1A), (1)</p> <p>Several issues in contravention to the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance. The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes</p>	<p>Supply Chain Management Division</p> <ul style="list-style-type: none"> - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation 			<p>000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
	result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure	committee meetings should be made available to the AGSA to ensure that all requirements from their side are met.				
<p>Procurement: Competitive bidding - Awards above R200,000 - Valuation Roll Applicable laws and regulations: (a) SCM reg. 27(3); (b) SCM reg. 22(1)(b)(i); (c) SCM reg. 22(2); (d) SCM reg 22(1)(a); (e) SCM reg 23(c)(iii); (f) MFMA sec 112 - fairness; (g) SCM reg 28(1)(b); (h) SCM reg 28(1)(c); and (i) SCM reg 38(1)(d)(i)</p> <p>Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance.</p> <p>The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification 	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
	<p>some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following:</p> <p>(a) Non-compliance to the applicable laws and regulations;</p> <p>(b) The incurrence of irregular expenditure</p>	<p>committee did meet and discuss the specifications for the specific bid.</p> <ul style="list-style-type: none"> - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. <p>Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements.</p> <ul style="list-style-type: none"> - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met. 				
<p>Procurement: Competitive bidding - Awards above R200,000 - Supply & Delivery Of A Network Server Equipment</p> <p>Applicable laws and regulations:</p> <p>(a) MFMA sec 62(1)(a); (b) MFMA sec 95(a); (c) SCM reg. 27(3); (d) SCM reg. 22(1)(b)(i); (e) SCM reg. 22(2); (f) SCM reg 22(1)(a); (g) SCM reg 23(c)(iii); (h) SCM reg 28(2)(a); (i) PPR 8; (j) SCM reg 28(1)(b); (k) SCM reg 28(1)(c); (l) SCM reg 38(1)(d)(i); (m) SCM reg. 28(1)(a)(ii); (n) PPR 6(1); (o) PPR 6(4) & 11(4); (p) PPR 6(5) & 11(5); (q) PPPFA Section 2(1)(f); (r) PPR 7(1)</p> <p>Several issues in contravention</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance.</p> <p>The AGSA are also of the opinion that the reason for the unavailability of the information is due to a</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession 	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.	<p>lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrance of irregular expenditure</p>	<ul style="list-style-type: none"> - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met. 				
Procurement: Competitive bidding - Awards above R200,000 - Water Treatment Chemicals (Dagne Water Division) Applicable laws and regulations: (a) MFMA sec 62(1)(a); (b) MFMA sec 95(a); (c) SCM reg. 27(3); (d) SCM reg. 22(1)(b)(i); (e) SCM reg. 22(2); (f) SCM reg 22(1)(a); (g) SCM reg 23(c)(iii); (h) PPR	The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in	Management will be able to resolve this matter by conducting the following steps: - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled	31-Mar-15	Finance DepartmentPakamisa DyonaseFinance DepartmentLesibo Sebatane	A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
8Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.	instances where controls are in place management supervisory processes did not detect the non compliance. The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed. The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure	and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met.				
Procurement: Competitive bidding - Awards above R200,000 - Upgrading of	The issues resulted because management have not implemented	Management will be able to resolve this matter by conducting the following steps:	31-Mar-15	Finance Department Pakamisa Dyonase	A tender checklist has been invented which addresses and solves all	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
<p>15km Pipeline Montague dam Applicable laws and regulations: (a) SCM reg. 27(3); (b) SCM reg. 22(1)(b)(i); (c) SCM reg. 22(2); (d) SCM reg 22(1)(a); (e) SCM reg 23(c)(iii); (f) MFMA sec 112 - fairness; (g) CIDB SFU 4.2.1.4 & 5; (h) CIDB act Section 22 (3); and (i) CIDB regulation 18(1A), (1)</p> <p>Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance. The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted</p>	<ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. <p>Design a template (checklist) to ensure that all steps as required are taken to meet all legislative</p>		Finance Department Lesibo Sebatane	irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
	regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure	requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met.				
<p>Procurement: Competitive bidding - Awards above R200,000 - Travelling Agencies (Hama Nathi Travel Agencies)</p> <p>Applicable laws and regulations: (a) MFMA sec 62(1)(a); (b) MFMA sec 95(a); (c) SCM reg. 27(3); (d) SCM reg. 22(1)(b)(i); (e) SCM reg. 22(2); (f) SCM reg 22(1)(a); (g) SCM reg 23(c)(iii); (h) PPR 8</p> <p>Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance.</p> <p>The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded 	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
	<p>procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following:</p> <p>(a) Non-compliance to the applicable laws and regulations;</p> <p>(b) The incurrence of irregular expenditure</p>	<p>to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid.</p> <ul style="list-style-type: none"> - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. <p>Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements.</p> <ul style="list-style-type: none"> - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met. 				
<p>Procurement: Competitive bidding - Awards above R200,000 - Upgrading of internal streets in Matlakeng</p> <p>Applicable laws and regulations:</p> <p>(a) SCM reg. 22(1)(b)(i); (b) SCM reg. 22(2); (c) SCM reg 22(1)(a); (d) SCM reg 23(c)(iii); (e) MFMA sec 112 - fairness; (f) CIDB SFU 4.2.1.4 & 5; (g) CIDB act Section 22 (3); and (h) CIDB regulation 18(1A), (1).</p> <p>Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance.</p> <p>The AGSA are also of the opinion that the reason for the</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a 	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
	<p>unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure</p>	<p>signed contract/ valid VAT invoices in our possession</p> <ul style="list-style-type: none"> - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met. 				
<p>Procurement: Competitive bidding - Awards above R200,000 - Preparation Of Fixed Assets Register - Movables (Ducharme)Applicable laws and regulations:(a) SCM reg. 27(3); (b) SCM reg 23(c)(iii); (c) MFMA sec 112 - fairness;</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the</p>	<p>Management will be able to resolve this matter by conducting the following steps: - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and</p>	31-Mar-15	<p>Finance DepartmentPakamisa DyonaseFinance DepartmentLesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
(d) SCM reg 28(1)(b); (e) SCM reg 28(1)(c); and (f) SCM reg 38(1)(d)(i) Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.	applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance. The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed. The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure	registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met.				
Procurement: Competitive	The issues resulted	Management will be able to	31-Mar-15	Finance Department	A tender checklist has	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
<p>bidding - Awards above R200,000 - Preparation Of Fixed Assets Register</p> <p>Applicable laws and regulations: (a) SCM reg. 27(3); and (b) SCM reg 23(c)(iii)</p> <p>Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance.</p> <p>The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers.</p> <p>Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p>	<p>resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. <p>Design a template (checklist) to</p>		<p>Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	<p>been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
	The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure	ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met.				
<p>Procurement: Competitive bidding - Awards above R200,000 - Short-Term Insurance (AON) Applicable laws and regulations: (a) SCM reg. 27(3); (b) SCM reg. 22(1)(b)(i); (c) SCM reg. 22(2); (d) SCM reg 22(1)(a); and (e) SCM reg 23(c)(iii)</p> <p>Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance. The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the 	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
	<p>documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrance of irregular expenditure</p>	<p>bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid.</p> <ul style="list-style-type: none"> - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. <p>Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements.</p> <ul style="list-style-type: none"> - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met. 				
<p>Procurement: Competitive bidding - Awards above R200,000 - Construction of a 15km Raw Water Pipeline</p> <p>Applicable laws and regulations: (a) SCM reg. 27(3); (b) SCM reg. 22(1)(b)(i); (c) SCM reg. 22(2); (d) SCM reg 22(1)(a); (e) SCM reg 23(c)(iii); (f) SCM reg 28(1)(b); and (g) CIDB SFU 4.2.1.4 & 5</p> <p>Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance. The AGSA are also of</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents 	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
	<p>the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure</p>	<ul style="list-style-type: none"> - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met. 				
Procurement: Competitive bidding - Awards above R200,000 - Upgrading Of The Rouxville/Roleleathunya WTW (Lohan Civil) Applicable laws and regulations:(a) SCM reg. 27(3); (b) SCM reg.	The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management	Management will be able to resolve this matter by conducting the following steps: - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all	31-Mar-15	Finance DepartmentPakamisa DyonaseFinance DepartmentLesibo Sebatane	A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
22(1)(b)(i); (c) SCM reg. 22(2); (d) SCM reg 22(1)(a); (e) SCM reg 23(c)(iii); (f) MFMA sec 112 - fairness; (g) SCM reg 28(1)(b); (h) CIDB SFU 4.2.1.4 & 5; (i) CIDB act Section 22 (3); (j) CIDB regulation 18(1A), (1) Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.	processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance. The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed. The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular	requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met.				

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
	expenditure					
<p>Procurement: Competitive bidding - Awards above R200,000 - Oxidation Ponds Smithfield</p> <p>Applicable laws and regulations: (a) SCM reg. 22(1)(b)(i); (b) SCM reg. 22(2); (c) SCM reg 22(1)(a); (d) SCM reg 23(c)(iii); (e) CIDB SFU 4.2.1.4 & 5; (f) CIDB act Section 22 (3); and (g) CIDB regulation 18(1A), (1)</p> <p>Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance.</p> <p>The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as 	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
	<p>followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following:</p> <p>(a) Non-compliance to the applicable laws and regulations;</p> <p>(b) The incurrence of irregular expenditure</p>	<p>stipulated are maintained.</p> <p>Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements.</p> <ul style="list-style-type: none"> - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met. 				
<p>Procurement: Competitive bidding - Awards above R200,000 - Revenue Enhancement</p> <p>Applicable laws and regulations:</p> <p>(a) SCM reg. 27(3); (b) SCM reg. 22(1)(b)(i); (c) SCM reg. 22(2); (d) SCM reg 22(1)(a); (e) SCM reg 23(c)(iii); (f) PPR 6(2); and (g) PPR 10</p> <p>Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance.</p> <p>The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal 	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
	<p>control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following:</p> <p>(a) Non-compliance to the applicable laws and regulations;</p> <p>(b) The incurrence of irregular expenditure</p>	<p>website</p> <ul style="list-style-type: none"> - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. <p>Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements.</p> <ul style="list-style-type: none"> - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met. 				
<p>Procurement: Competitive bidding - Awards above R200,000 - Traffic Management</p> <p>Applicable laws and regulations:</p> <p>(a) SCM reg. 27(3); (b) SCM reg. 22(1)(b)(i); (c) SCM reg. 22(2); (d) SCM reg 22(1)(a); and (e) SCM reg 23(c)(iii)</p> <p>Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping 	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
	<p>compliance. The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure</p>	<p>and safeguarding of these documents</p> <ul style="list-style-type: none"> - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met. 				
Procurement: Competitive bidding - Awards above R200,000 - Quality Management System Applicable laws and	The issues resulted because management have not implemented sufficient internal controls regarding	Management will be able to resolve this matter by conducting the following steps: - Better management of the Supply Chain Management Division - Ensure	31-Mar-15	Finance DepartmentPakamisa DyonaseFinance DepartmentLesibo Sebatane	A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
<p>regulations:(a) SCM reg. 27(3); (b) SCM reg. 22(1)(b)(i); (c) SCM reg. 22(2); (d) SCM reg 22(1)(a); (e) SCM reg 23(c)(iii); (f) MFMA sec 112 - fairness; (g) CIDB SFU 4.2.1.4 & 5; (h) CIDB act Section 22 (3); and (i) CIDB regulation 18(1A), (1)Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance. The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and</p>	<p>that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met.</p>			<p>000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
	regulations; (b) The incurrence of irregular expenditure					
<p>Procurement: Competitive bidding - Awards above R200,000 - Telephone System</p> <p>Applicable laws and regulations: (a) SCM reg. 27(3); (b) SCM reg. 22(1)(b)(i); (c) SCM reg. 22(2); (d) SCM reg 22(1)(a); (e) SCM reg 23(c)(iii); (f) MFMA sec 112 - fairness</p> <p>Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance.</p> <p>The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. 	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
	<p>of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following:</p> <p>(a) Non-compliance to the applicable laws and regulations;</p> <p>(b) The incurrence of irregular expenditure</p>	<p>- Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements.</p> <p>- Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met.</p>				
<p>Procurement: Competitive bidding - Awards above R200,000 - Supply And Installation Of Photocopying Machines</p> <p>Applicable laws and regulations:</p> <p>(a) MFMA sec 62(1)(a); (b) MFMA sec 95(a); (c) SCM reg. 27(3); (d) SCM reg. 22(1)(b)(i); (e) SCM reg. 22(2); (f) SCM reg 22(1)(a); (g) SCM reg 23(c)(iii); (h) MFMA sec 112 - fairness; (i) SCM reg 28(1)(b); (j) SCM reg 28(1)(c); (k) SCM reg 38(1)(d)(i); and (l) PPR 6(1)</p> <p>Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non-compliance.</p> <p>The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <p>- Better management of the Supply Chain Management Division</p> <p>- Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations</p> <p>- All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis.</p> <p>- Ensure better record keeping and safeguarding of these documents</p> <p>- No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession</p> <p>- Registers as required should be kept up to date by the SCM accountant on a weekly basis</p>	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
	<p>sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure</p>	<ul style="list-style-type: none"> - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met. 				
<p>Procurement: Competitive bidding - Awards above R200,000 - Personal Protective Clothing (Raw Networks)</p> <p>Applicable laws and regulations: (a) MFMA sec 62(1)(a); (b) MFMA sec 95(a); (c) SCM reg. 27(3); (d) SCM reg. 22(1)(b)(i); (e) SCM reg. 22(2); (f) SCM reg 22(1)(a); (g) SCM reg 23(c)(iii); (h) PPR 8</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed 	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebataane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.	<p>supervisory processes did not detect the non compliance. The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure</p>	<p>on a monthly basis.</p> <ul style="list-style-type: none"> - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met. 				
Procurement: Competitive bidding - Awards above R200,000 - Upgrading of	The issues resulted because management have not implemented	Management will be able to resolve this matter by conducting the following steps: - Better	31-Mar-15	Finance Department Pakamisa Dyonase	A tender checklist has been invented which addresses and solves all	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
<p>Matlakeng Sports groundApplicable laws and regulations:(a) SCM reg. 22(1)(b)(i); (b) SCM reg. 22(2); (c) SCM reg 22(1)(a); (d) SCM reg 23(c)(iii); (e) CIDB SFU 4.2.1.4 & 5; (f) CIDB act Section 22 (3); and (g) CIDB regulation 18(1A), (1)Several issues in contravention of the abovementioned regulations were identified. Please refer to the hyperlinked exception for more information.</p>	<p>sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance. The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted inadequate and do not contain sufficient detail of the original procurement process followed.The fact that exceptions were noted regarding the procurement processes result in the following:</p>	<p>management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss the specifications for the specific bid. - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements. - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are</p>		<p>Finance Department Lesibo Sebatane</p>	<p>irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
	(a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure	met.				
<p>Procurement: Legal fees - Appointment of legal representation Applicable laws and regulations: (a) MFMA S.12(1); (b) MFMA S.12(2); (c) MFMA S.12(3); (d) SCM reg.13©</p> <p>Contrary to the above mentioned requirements, no evidence could be obtained: (a) to prove the application of supply chain management laws and regulations; and/or (b) the authorisation of the deviation from supply chain management laws and regulations in regard to the appointment of legal representation.</p>	<p>The issues resulted because management have not implemented sufficient internal controls regarding procurement and contract management processes to prevent non-compliance to the applicable laws and regulations and in instances where controls are in place management supervisory processes did not detect the non compliance. The AGSA are also of the opinion that the reason for the unavailability of the information is due to a lack of control over financial documents, including a lack of sufficient space and the maintenance of control registers. Supporting documentation attached to procurement documentation are for some instances noted</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Better management of the Supply Chain Management Division - Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations - All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis. - Ensure better record keeping and safeguarding of these documents - No supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession - Registers as required should be kept up to date by the SCM accountant on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should be taken and safeguarded to be presented to the AGSA as support that the bid specification committee did meet and discuss 	31-Mar-15	<p>Finance Department Pakamisa Dyonase</p> <p>Finance Department Lesibo Sebatane</p>	<p>A tender checklist has been invented which addresses and solves all irregularities with regards to awards above R 200 000,00. See annexure in the action plan file.</p>	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
	<p>inadequate and do not contain sufficient detail of the original procurement process followed.</p> <p>The fact that exceptions were noted regarding the procurement processes result in the following: (a) Non-compliance to the applicable laws and regulations; (b) The incurrence of irregular expenditure</p>	<p>the specifications for the specific bid.</p> <ul style="list-style-type: none"> - Ensure that compliance to all relevant laws and regulations as stipulated are maintained. <p>Design a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements.</p> <ul style="list-style-type: none"> - Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met. 				
<p>Procurement: Use of consultants - Fruitless and wasteful expenditure</p> <p>The appointment of Ramabulane Management Services to address MLM's problems in regards to VAT calculations did not achieve its contracted agreement as the AGSA identified problems during the audit of VAT of MLM.</p>	<p>The matter occurred due to the fact that:</p> <p>(a) Management appointed the consultant, whilst the municipality was fully capacitated and able to calculate and record the VAT; (b) Various problems in regards to the revenue accounting records were not firstly addressed to ensure that the source information used by the consultant (Ramabulane Management Services) were correct; and (c) Management does not have a</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Management should take responsibility for completing VAT returns in-house as we are capacitated to do so. 	31-Mar-15	Finance Department Senior Manager Finance	VAT returns are currently being compiled in-house by the Senior Manager Finance since July 2014.	100%

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
	policies/procedures in place to administer and monitor the appointment and performance of appointed consultants.					
<i>Operating expenditure</i>						
Expenditure: Specifications SCM Regulation 46(3) stipulates certain requirements in regards to procurement processes. Through inspection of supporting documentation as per the sample tested by the AGSA, the following items of non-compliance were identified: - Instances where no quotations were attached to the invoices; - Instances where no proof of receipt of the specific goods/services was attached to the invoices/quotations	The issue occurred as the management control environment over procurement processes are weak and compliance to SCM laws and regulations are not monitored.	Management will be able to resolve this matter by conducting the following steps: - No invoice should be processed if the required quotations, order, etc. is not attached to the invoice; - Delivery notes should be issued for each item of goods/services ordered and it should be signed for by both the SCM Clerk and the person whom ordered the goods/services	28-Feb-15	Finance Department Thandeka Lesibo Rethabile SFM	Transactions that are captured on the system have the required documents such as an invoice, order, quotation etc, except in cases where there was a tender, an appointment letter will be attached.	100%
Expenditure: Non-compliance to SCM Regulations Transactions were entered into with contractors/vendors for which it could not be determined whether they form part of the registered and approved list of vendors of the LM as stipulated in the SCM Regulations par 14, as no valid vendor code could be obtained for the identified vendors.	Management is not actively managing its approved supplier list.	Management will be able to resolve this matter by conducting the following steps: - Management should review the vendor/contractor list on a quarterly basis and update it accordingly - No invoices from vendors without a valid vendor code should be processed for payment.	28-Feb-15	Finance Department Thandeka Rethabile Lesebo	In order for a payment to be processed an order must be generated, no order can be generated if there is no Vendor code. Payments that are made where there is no vendor code are refunds for hiring municipal hall, payments that go off as debit orders or payments related to employee costs (maintenance and garnishes)	100%

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
Expenditure: Non-compliance to SCM Regulations During the audit, the AGSA identified several payments which did not adhere to supply chain management Regulations. For further details, please refer to the hyperlinked exception	This was caused by weak internal controls over SCM regulations not being implemented/evaluated by SCM department.	Management will be able to resolve this matter by conducting the following steps: - Management should implement proper controls over the SCM department to ensure that all regulations are adhered to.	28-Feb-15	Finance Department Pakamisa Dyonase Finance Department Lesibo Sebatane	In order for a payment to be processed an order must be generated, no order can be generated if there is no Vendor code. Payments that are made where there is no vendor code are refunds for hiring municipal hall, payments that go off as debit orders or payments related to employee costs(maintenance and garnishes)	
Expenditure: Non-compliance MFMA Contravention of section 65(2)(e) of the MFMA took place during the course of the year as MLM did not see to it that all creditors are paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure, as required by legislation.	The issue occurred because of the following: • The severe cash flow constraints of the municipality • Lack of controls to track the date of receipt of an invoice and to track the distribution/movements of a particular invoice at any given time	Management will be able to resolve this matter by conduction the following steps: - start a mail register that track the date of receipt of an invoice; - ensure that invoices are date stamped and that track the distribution of the invoice through the various departments of the LM until it reaches the financial department for final payment.	28-Feb-15	Finance Department Pakamisa Dyonase		
Expenditure: Non-compliance MFMA Contravention of section 65(2)(e) of the MFMA took place during the course of the year as MLM did not see to it that all creditors are paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure, as required by	The issue occurred because of the following: • The severe cash flow constraints of the municipality • Lack of controls to track the date of receipt of an invoice and to track the distribution/movements of a particular invoice	Management will be able to resolve this matter by conduction the following steps: - start a mail register that track the date of receipt of an invoice; - ensure that invoices are date stamped and that track the distribution of the invoice through the various departments of the LM until it reaches the financial department for final payment.	28-Feb-15	Finance Department Thandeka	A mail register book has been developed and a date stamped has been procured for all posted mail as well as the emailed invoices.	100%

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
legislation.	at any given time					
Payroll						
Subsistence & Travel Allowance: Non compliance 30 days Payment Payments to suppliers were not made within 30 days after receipt of invoices or statements as required by section 65(2)e of the MFMA	Controls ensuring the payment of suppliers within 30 days of the receipt of invoices or statements did not function at all times. In addition the Municipality has experienced period where it had cash flow problems that result in management not being able to make payment within the prescribed timeframes.	Management will be able to resolve this matter by conducting the following steps: - Better cash flow budgeting to ensure that all creditors are paid within the 30 day timeframe as set out legislatively	28-Feb-15	Finance Department Pakamisa Dyonase		
Subsistence & Travel Allowance: Non compliance with SCM Regulations Payments not adhering to SCM Regulations 17, 18 and 19 were identified during the course of the audit by the AGSA. Please refer to the hyperlinked exception for further details.	This was caused by weak internal controls over SCM regulations not being implemented/evaluated by SCM department when it comes to travel and subsistence expenditure. The issues identified result in the incurrence of irregular and fruitless and wasteful expenditure that was not identified and accounted for by management.	Management will be able to resolve this matter by conducting the following steps: - Ensure that all S&T expenses complies with the regulations of SCM - Design a template (checklist) which are attached to each S&T invoice to ensure that all the legislative requirements are met.	28-Feb-15	Finance Department Lesibo Sebatane	An internal memo with regards to the handling of invoices after the trip has been undertaken is attached. A new checklist for accommodation exclusively has been developed and no payments will be passed to expenditure before all the requirements thereon are met	
Integrated Development Plan						
IDP review process non-compliance During the performance of the	The IDP is not being reviewed in accordance with the	Management will be able to resolve this matter by conducting the following steps:	3/31/2015 (The date to be revised)	Office of the Municipal Manager Sandile Majenge	Formally documented processes/procedures will be developed for the	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
<p>audit, the AGSA obtained an understanding of the detailed business process that relate to performance management it was identified that the municipality did not have a formally documented process for the review of the IDP. Non existence of the documented process resulted in non-compliance.</p> <p>No evidence could be obtained that proved that the annual review of the Integrated Development Plan (IDP) by council was based on the performance results from a performance management assessment done by the municipality .</p> <p>No evidence could be obtained that prove that the informal processes of performance management and review used, provide for procedures by which the performance management system is linked to the municipality's IDP.</p> <p>The Municipality did not have an IDP review process in place for the period of 2013/14. The approved IDP review process plan for 2014/15 financial year does not include the contents of the subsequent review of the IDP after the initial IDP has</p>	<p>requirements of legislation and resulted in non-compliance.</p>	<p>- Design and develop the necessary policies to guide the review process of the IDP to include all the requirements of the law.</p>			<p>annual review of the IDP during the 2014/2015.</p>	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
been adopted after the elections.						
<i>Performance Management Systems</i>						
<p>No supporting evidence for the selected indicators/objectives During the audit of the reported performance information, management was unable to provide the AGSA with sufficient appropriate audit evidence to support the actual performance reported in respect of the selected indicators.</p> <p>Please refer to the hyperlinked exception for further information</p>	<p>The matter occurred due to the fact that the municipality does not have a proper performance management system in place and has not developed any documentation protocols for performance reporting. Performance reporting in the municipality has not been developed to the level where reliable and verifiable information is produced for reporting on the strategic objectives that has been set in the municipalities IDP and SBDIP</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Design and develop processes to ensure that all information reported by the relevant departments are supported by corroborating evidence - Design and develop the required policies to ensure that all PMS requirements are documented as required by laws and regulations - Ensure alignment between the IDP, the SDBIP and the Annual Report 	28-Feb-15	Office of the Municipal Manager Takalani Ravele	<p>a) Systems descriptions/processes will be designed and developed for the office of the MM and Corporate services by end of March 2015</p> <p>b) A PMS policy has been designed, developed and adopted by Council on the 28th if August 2014.</p> <p>c) All strategic objectives identified in the 2014/2015 IDP have been aligned to the 2014/2015 SDBIP. Furthermore, a consistent alignment will be ensure during the adjustment of the SDBIP</p>	<p>(a) 30% (b) 100% (c) 80%</p>
<p>Inconsistency between planned and reported performance information Applicable legislation: S.41(1), S.41(2) and S.46(1) of the Municipal Systems Act</p> <p>Contrary to the above requirements it has been established on assessment performed between planned objectives, indicators, and</p>	<p>The above misstatements occurred due to the following factors:</p> <p>a) Municipality did not apply the principles and requirement necessary for the performance information.</p> <p>b) Those charged with governance did not</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Design and develop processes to ensure that all information reported by the relevant departments are supported by corroborating evidence - Design and develop the required policies to ensure that all PMS requirements are 	28-Feb-15	Office of the Municipal Manager Takalani Ravele	<p>a) Systems descriptions/processes will be designed and developed for the office of the MM and Corporate services by end of March 2015</p> <p>b) A PMS policy has been designed, developed and adopted by Council on the 28th if</p>	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
<p>targets that the reported ones have been changed from the initially agreed on with the director of the technical services.</p> <p>For more detail, please refer to the hyperlinked exception.</p>	<p>charge out their duties of overseeing that the process is being followed</p> <p>c) Annual report was not prepared in accordance with the agreed indicators and targets</p> <p>d) Proper outline or formatting was not performed on the structure of the annual report to ensure proper alignment.</p>	<p>documented as required by laws and regulations</p> <ul style="list-style-type: none"> - Ensure alignment between the IDP, the SDBIP and the Annual Report 			<p>August 2014.</p> <p>c) All strategic objectives identified in the 2014/2015 IDP have been aligned to the 2014/2015 SDBIP. Furthermore, a consistent alignment will be ensure during the adjustment of the SDBIP</p>	
<p>Performance indicators and targets are not measurable</p> <p>The National Treasury Framework for managing programme performance information (FMPPI) requires that indicators/measures should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. The framework continues by indicating the requirement that it must be possible to validate the processes and systems that produce the indicator, that performance targets be specific in clearly identifying the nature and required level of performance and that performance targets be measurable.</p> <p>During the audit of the reported</p>	<p>The matter occurred due to the fact that the municipality does not have a proper performance management system in place and has not developed any documentation protocols for performance reporting. Performance reporting in the municipality has not been developed to the level where reliable and verifiable information is produced for reporting on the strategic objectives that has been set in the municipalities IDP and SBDIP.</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Design and develop a proper Performance Management System - Design and develop processes to ensure that all information reported by the relevant departments are supported by corroborating evidence - Design and develop the required policies to ensure that all PMS requirements are documented as required by laws and regulations - Ensure alignment between the IDP, the SDBIP and the Annual Report - Review all targets included and ensure that the SMART principle can be applied to all. 	28-Feb-15	Office of the Municipal Manager Takalani Ravele	<p>d) For the 2014/2015 financial year, the municipality has ensured that the SMART principle has been applied on all indicators/obejctives set in the SDBIP. The SMART approach will further be ensured during the adjustment of the SDBIP.</p>	

Audit finding	Root cause	Remedial Actions	Completion date	Responsible Branch / Directorate and Official:	Status to ensure 100% compliance	Jun
<p>performance information the AGSA identified that certain performance indicators/measurements from the selected objectives do not have a clear, unambiguous data definition they are not specific and measurable.</p> <p>Please refer to the hyperlinked exception for further details.</p>						
<p>Performance indicators are not consistent</p> <p>The National Treasury Framework for managing programme performance information (FMPPPI) requires that indicators/measures should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. The framework continues by indicating the requirement that it must be possible to validate the processes and systems that produce the indicator, that performance targets be specific in clearly identifying the nature and required level of performance and that performance targets be measurable</p> <p>During the audit of the reported performance information, the AGSA identified that certain performance indicators/measurements from</p>	<p>The matter occurred due to the fact that the municipality does not have a proper performance management system in place and has not developed any documentation protocols for performance reporting. Performance reporting in the municipality has not been developed to the level where reliable and verifiable information is produced for reporting on the strategic objectives that has been set in the municipalities IDP and SBDIP.</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> - Design and develop a proper Performance Management System - Design and develop processes to ensure that all information reported by the relevant departments are supported by corroborating evidence - Design and develop the required policies to ensure that all PMS requirements are documented as required by laws and regulations - Ensure alignment between the IDP, the SDBIP and the Annual Report - Review all targets included and ensure that the SMART principle can be applied to all and that all targets are consistent for the year under review. 	<p>28-Feb-15</p>	<p>Office of the Municipal Manager Takalani Ravele</p>	<p>d) For the 2014/2015 financial year, the municipality has ensured that the SMART principle has been applied on all indicators/objectives set in the SDBIP. The SMART approach will further be ensured during the adjustment of the SDBIP.</p>	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
<p>the selected objectives do not have a clear, unambiguous data definition and/or are not consistent.</p> <p>For further detail, please refer to the hyperlinked exception.</p>						
<p>Selected performance indicators are not reported in the Annual ReportThe National Treasury Framework for managing programme performance information (FMPPi) requires that indicators/measures should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. The framework continues by indicating the requirement that it must be possible to validate the processes and systems that produce the indicator, that performance targets be specific in clearly identifying the nature and required level of performance and that performance targets be measurable. During the audit of the reported performance information, the AGSA identified that certain performance indicators/measurements from the selected objectives was not reported on, in the annual report. For further detail, please refer to the hyperlinked</p>	<p>The matter occurred due to the fact that the municipality does not have a proper performance management system in place and has not developed any documentation protocols for performance reporting. Performance reporting in the municipality has not been developed to the level where reliable and verifiable information is produced for reporting on the strategic objectives that has been set in the municipalities IDP and SBDIP.</p>	<p>Management will be able to resolve this matter by conducting the following steps: - Design and develop a process where it is ensured that all relevant information is included in the Annual Report and that all of these information are corroborated by supporting documentation.</p>	<p>28-Feb-15</p>	<p>Office of the Municipal Manager Takalani Ravele</p>	<p>a) Systems descriptions/processes will be designed and developed for the office of the MM, Technical and Corporate services by end of March 2015</p>	<p>30%</p>

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
exception.						
<p>Shortcomings in the Performance Management System</p> <p>Whilst obtaining an understanding of the business processes related to performance reporting, the AGSA identified the following critical weaknesses in the processes of the municipality. These weaknesses is the main contributing factor for the current poor state of performance reporting:</p> <p>(i) Management has not developed technical indicators to clarify the information needs for its performance indicators and targets;</p> <p>(ii) Management is not ensuring that it sets measurable targets for KPI's;</p> <p>(iii) Management is not ensuring that the necessary supporting evidence is defined, identified and safeguarded in respect of performance information</p> <p>(iv) andard Operating Procedures for performance information collections, collation and verification have not been developed and documented;</p> <p>(v) Monitoring and review processes are not in place; and</p> <p>(vi) o independent monitoring and verification is performed of</p>	<p>The matter occurred as management did not adequately monitor the compliance to laws and regulations and a performance management system policy was not approved and adopted by council, for the 2013-14 financial year. In addition, management did not adequately respond to the findings raised by the Auditor-General as this matter was already reported in 2012/13.</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <p>- Design and implement a process which will track compliance to laws and regulations and ensure that all legislative requirements are adhered to.</p>	28-Feb-15	Office of the Municipal Manager Takalani Ravele	A compliane checklist has been deisgned and developed which will ensure that all laws and regulations are adhered to.	100%

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
the work done by consultants.						
Receivables						
Debtors classification During the testing of receivables, instances were identified where the classification as per the debtors type per age analysis (SEBATA) were not deemed to be appropriate given the nature of the debtors and the confirmation procedures performed to the municipal valuation roll.	The matter occurred due to a weakness in the control environment in the revenue section of the municipality and a lack of priority in the section to confirming the integrity of the consumer data on the billing system of the municipality.	Management will be able to resolve this matter by conducting the following steps: - Design and implement a process where the classification of all debtors are reviewed and all incorrect classifications are corrected.	31-Mar-15	Finance Department Avela	Correcting of all incorreced classifications in terms of the valuation roll and recommendations from Smart Metro	95%
Receivables - Limitation of scope (existence) During the testing of the existence of debtors, there were instances where the existence of the debtor could not be confirmed as the debtor did not make any payments since July 2014 and were not available for physical verification.	The matter occurred due to the nature of the debtors and the unavailability of the persons for confirmation.					
Receivables - Prior period unresolved findings Please refer to the hyperlinked exception for information regarding the prior period findings which were unresolved	The issue arose because of the breakdown in the control environment during 2012/13. This breakdown in the control environment resulted in unreliable financial information on the systems of the municipality and the loss of documentation.	Management will be able to resolve this matter by conducting the following steps: - Investigate the matters raised and determine whether we have the proof to make the required adjustments to the AFS.	31-Mar-15	Finance Department Senior Manager Finance	All of these items will be taken into account whilst preparing the 14/15 AFS	0%
Receivables - Incorrect water meter readings	The matter occurred due to a lack in	Management will be able to resolve this matter by conducting	31-Mar-15	Finance Department Shakes Moorosi	Faulty and none functional water meters	75%

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
During the testing performed on receivables, debtors were identified whose accounts for water in respect of June 2014 were not comparable with average usage in previous months. The water usage billed was very high and considering the nature if the debtor, it is unlikely that the reading is correct.	controls pertaining to the monthly water meter readings	the following steps: Processes will be put in place to ensure the following: 1. • That where a reading is obtained from meter man, such readings are tested and then set out in the exception report. 1. o The exception report to be scrutinized by the Snr Clerk/accountant and further readings are requested. 2. o New readings are captured and a 2nd exception report is verified and signed off by the accountant. 2. • Where meter man does not have a reading for any reason, processes will be put in place to ensure that an interim account is billed. 3. • All covered meters to be reported to the meter readers to clear. 4. • All broken meters / meters stopped to be reported to the Technical department. 5. • Details of changed meters to be obtained from Technical Department and put on system.		Technical Department Hloaks Tsoamotse	were identified. New replacement water meters has been procured and partly delivered. Installation to be done as from March 2015 upon delivery of the complete order	
Revenue						
Revenue - Completeness of revenue						
During testing of the completeness of water charges levied, a sample of readings from different properties was taken on 3 July 2014. The	The issue occurred because of a lack of control processes in the revenue section of the municipality.	Management will be able to resolve this matter by conducting the following steps: - Implementation of the revenue	31-Mar-15	Finance Department Shakes Moorosi	To be addressed by implementing revenue enhancement recommendations from Smart Metro.	

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
debtors' accounts of these houses were obtained and instances were identified where the accounts indicate that the meters were not read as the accounts did not have a reading for the month of June 2014. For more detail refer to the hyperlinked exception		enhancement policy which will ensure that all services rendered are levied.				
Revenue - Prior period unresolved findings Please refer to the hyperlinked exception for information regarding the prior period findings which were unresolved	The issue arose because of the breakdown in the control environment during 2012/13. This breakdown in the control environment resulted in unreliable financial information on the systems of the municipality and the loss of documentation.	Management will be able to resolve this matter by conducting the following steps: - Investigate the matters raised and determine whether we have the proof to make the required adjustments to the AFS.	31-Mar-15	Finance Department Senior Manager Finance	All of these items will be taken into account whilst preparing the 14/15 AFS	
Revenue - Service charges incorrect During the audit of service charges the following instances were identified: WATER - No readings for certain accounts - Meters not read and account holder only billed for interim reading - Differences in the amounts actually billed and what should have been billed - Readings taken at year end by the auditors differs from those taken by the AGSA - Water meter readings which	The issues occurred due to lack of implementation of controls in the revenue section of the municipality. The fact that these matters that have been identified and reported in previous years and are not improving indicates a lack of proper management in the component. The component that is fully staffed in terms of the municipal approved establishment also	Management will be able to resolve this matter by conducting the following steps: Processes will be put in place to ensure the following: 1. • That where a reading is obtained from meter man, such readings are tested and then set out in the exception report. 1. o The exception report to be scrutinized by the Snr Clerk/accountant and further readings are requested. 2. o New readings are captured and a 2nd exception report is verified and signed off by the accountant.	31-Mar-15	Finance Department Shakes Moorosi	To addressed by installation of new water meters by Technical Services and reviewing of the final meter exception report.	70%

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
did not move for the whole financial year	makes use of consultants to perform their functions and for reporting purposes and despite these resources and the cost associated therewith cannot resolve these issues and improve the financial controls. Proper revenue management is extremely important for the financial well being of the municipality as the revenue informs the extent of what the municipality is able to deliver. It would thus appear that the directorate do not have persons with the correct skills and experience to lead this component.	<ul style="list-style-type: none"> 2. • Where meter man does not have a reading for any reason, processes will be put in place to ensure that an interim account is billed. 3. • All covered meters to be reported to the meter readers to clear. 4. • All broken meters / meters stopped to be reported to the Technical department. 5. • Details of changed meters to be obtained from Technical Department and put on system. 				
Revenue - Service charges incorrect During the audit of service charges the following instances were identified: REFUSE - Tariffs does not agree to the approved tariff list - Tariffs billed at incorrect rates due to incorrect classification of debtors		Management will be able to resolve this matter by conducting the following steps: - Design and implement controls to ensure that the correct tariffs are uploaded in the system and that a regular spot check on accounts are performed to identify possible errors.	31-Mar-15	Finance Department Shakes Moorosi	To be corrected by correcting incorrect debtors classification as per the valuation roll.	95%
Revenue - Service charges incorrect During the audit of service		Management will be able to resolve this matter by conducting the following steps:	31-Mar-15	Finance Department Shakes Moorosi	To be corrected by correcting incorrect debtor's classification as	95%

Audit finding	Root cause	Remedial Actions	<u>Completion date</u>	<u>Responsible Branch / Directorate and Official:</u>	<u>Status to ensure 100% compliance</u>	Jun
charges the following instances were identified: SEWERAGE - Tariffs billed at incorrect rates due to the incorrect classification of debtors		- Design and implement controls to ensure that the correct tariffs are uploaded in the system and that a regular spot check on accounts are performed to identify possible errors.			per the valuation roll.	
<i>WIP Contracts</i>						
Limitation of scope The following contracts could not be obtained for verification during the 2013/14 audit and should be requested from the service provider and kept on file for the 2014/15 audit - Colemo Projects (R5,3million was paid to them before dismissal) - ISA & Partners (R4, 252, 980)	The issue occurred because of a lack of control processes over documentation in the Project Management Unit of the municipality.	Management will be able to resolve this matter by conducting the following steps: - Design and implement a file where all contracts on current capital work in progress (even if it was entered into in a prior financial year) are kept to ensure that record keeping is up to dateThis file should include the following documents per contract as a minimum: - Signed Appointment letter - Signed contract - All invoices relating to the respective projects for the 2014/15 financial year - Ensure that all contracts which was not obtained in the previous year is also on file	28-Feb-15	Project Management Unit Songezo Patela	A file for all contracts is in place and the acting data captured has been assign the responsibility of updating and managing it	85%

APPENDIX A: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

PLEASE REFER TO CHAPTER 1

APPENDIX B: COMMITTEES AND COMMITTEE PURPOSES:

PLEASE REFER TO CHAPTER 1

APPENDIX C: ADMINISTRATIVE STRUCTURE

PLEASE REFER TO CHAPTER 1

APPENDIX E & F: WARD REPORTING AND INFORMATION

WARD COMMITTEE AND WARD COMMUNITY MEETINGS 2014/2015 FINANCIAL YEAR

Ward committee meetings year target: 72 meetings
Actual achieved: 26

Ward community meetings year target: 24
Actual achieved: 31

MONTH	WARD COMMITTEE MEETING	WARD COMMUNITY MEETING
JULY	2	3
AUGUST	2	1
SEPTEMBER	3	1
OCTOBER	3	6
NOVEMBER	None	3
DECEMBER	None	6
JANUARY	2	1
FEBRUARY	5	2
MARCH	4	3
APRIL	None	None
MAY	3	3
JUNE	2	2
TOTAL		