



MOHOKARE
LOCAL MUNICIPALITY

DRAFT ANNUAL REPORT

2016/2017

MOHOKARE LOCAL MUNICIPALITY FS 163

(Before Noting by Municipal Council)

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CHAPTER 1



COMPONENT A: MAYOR'S OVERVIEW

MAYOR'S FOREWORD

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

Mission: A performance-driven municipality that utilises its resources to respond to community needs.

Slogan: Re aha motse

Mohokare Local Municipality endeavoured to have sound management in finance, good cooperative governance, provide strategic direction, capacitate and encourage skills competencies during its financial year 2016/17. The IDP & Budget that were conducted in the financial year is a prove of a mandate that our communities gave to the municipality to improve the quality of their lives. Mohokare Local Municipality performed well in the {2016/2017} financial year, both the Integrated Development Plan (IDP) and Budget of Mohokare local municipality managed to gain a credibility status by Cooperative Governance, Traditional Affairs Department (COGTA) and National Treasury this translates to the municipality reflecting thoroughly on the needs of the community.

2017 is the important year for all South Africans, the year marks the centenary commemoration of the birth of Oliver Reginald Tambo; an internationalist par excellence. O.R Tambo once warned us that a country that doesn't take care of its youth doesn't deserve its future, hence the Office of the Mayor managed to fill a critical post of Youth Development Practitioner.

In the year of Oliver Reginald Tambo, we dare not to forget the cries of the community regarding the maintenance of the graveyards in all areas of Mohokare at large, the project was completed with notable success.

Collaborating directly with the vision of the municipality: “To be a community driven municipality that ensures sustainable quality service delivery applying principles of good governance” we therefore, commit to such a notion not only by words but with definable actions and perceivable facts

Considering a performance driven municipality that utilises its resources efficiently in order to respond to community needs, as a mission we therefore again ensure the broader community; residents and visitors of the area about quality services and friendliness of the towns which constitutes Mohokare. Mohokare took a conscious decision to work together with our communities to map out ways of practically addressing their plight and thus build better communities; therefore, the year under review tangibly shows the results of this, and the organic relations with communities.

Mohokare Local Municipality performed well in the 2016/2017 financial year, both the Integrated Development Plan (IDP) and Budget of Mohokare local municipality managed to gain a credibility status by Cooperative Governance, Traditional Affairs Department (COGTA) and National Treasury this translates to the municipality reflecting thoroughly on the needs of the community. At the beginning of the term of Council set standards of quality service was intended to be achieved, one of the prominent standards was to implement a quality management system with the objective to improve service delivery standards which the council achieved by implementing processes and standards as per the International Standardisation Organisational (ISO) 9001 which assisted the municipality in achieving an Unqualified Audit opinion.

KEY POLICY DEVELOPMENT

The IDP (Integrated Development Plan) identifies the developmental priorities and strategies to be undertaken within the municipality. The IDP is the crucial planning document and policy mechanism of the municipality. A number of plans and policies have been developed and play a major role in ensuring achievement of the municipality strategies such as: Revenue enhancement strategy, Fraud and corruption strategy, spatial development plan, Local economic plan, HRD Strategy, Public participation and communication policy.

PUBLIC PARTICIPATION

The Constitution of the Republic of South Africa is underpinned by the principles of good governance, highlighting the importance of public participation as an essential element of successful good governance. The municipality is obligated to take into account the interests and concerns of the community when it develops by-laws, policies and implements its programmes.

Mohokare Municipality council adopted the public participation and communication policy as a mechanism that outlines community participation and communication to ensure the municipality reaches out to the community which strengthens participation and create more opportunities for the community to actively participate in matters that affect their lives and influence decision making.

Ward public meetings, IDP/budget participation meetings, by laws consultations and consultations and feedback on various programmes relating to provision of services and development were held throughout the year.

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

This report is a reflection of municipal activities for the financial year (2016/2017) as undertaken by the municipality.

Regards,


I N MEHLOMAKULU
MAYOR



COMPONENT B: EXECUTIVE SUMMARY

1.1 ACTING MUNICIPAL MANAGER'S OVERVIEW

The 2016/17 Annual Report is hereby submitted to the broader community of Mohokare and all its relevant stakeholders with pride. Mohokare local municipality has, during the financial year devoted itself to the achievements of its priorities and activities as outlined in the IDP while adhering to the SDBIP approved by Council.

The municipality succeeded in performing both legislative and administration functions bestowed upon it, while involving stakeholders in its activities under the guidance of the Council at large. Our goal for the past financial year was clear and unambiguous, to deliver municipal services to the best of our abilities.

Informed by the priority needs of the communities, the SDBIP is geared towards improving the quality of life of the community through a particular focus on the following pillars:

- Service delivery and Infrastructure development
- Good governance and administration
- LED and job creation
- Environmental and health issues
- Land use, rural development and human settlement

Mohokare Local 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. The progression of tangibility was proven by the opinion of the Auditor-General of S.A regarding Mohokare when it received Unqualified Audit Opinion for 2016/17 financial year. Unqualified Audit Opinion is when financial statements of the municipality

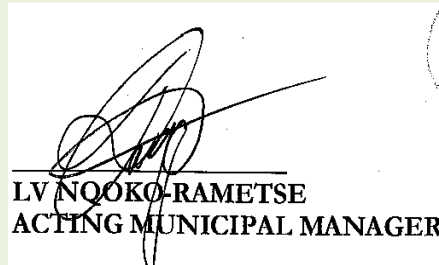
contain no material misstatements. Considering the historical background of the municipality, indeed there is a perceivable progression in terms of sound financial administration.

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. We urge all residents to assist service delivery by paying for their services, rates & taxes.

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 2016/2017.

Kind regards



LV NOOKO-RAMETSE
ACTING MUNICIPAL MANAGER

PREFACE

The financial years contained in this report are explained as follows:

- Year -1: The previous financial year;
- Year 0: The current financial year;
- Year 1: The following financial year.

We wish to thank all relevant municipal employees for their inputs and support throughout the development of this document.

1.1 POPULATION AND ENVIRONMENTAL OVERVIEW

Mohokare Local Municipality is situated in the Xhariep District (Free State Province) is measures 8 748,53 km and comprises of three main towns i.e. Zastron, Rouxville and Smithfield and surrounding farm areas.

The community survey conducted in 2016 estimates the population of Mohokare to be at 35 840 with 12 387 households

Demographics as per STATS SA 2016

Geography	Total population	Gender		Age				% of Youth	Dependency Ratio [Per 100 (15 - 64 Years)]	Sex Ratio (Males per 100 Females)
		Male	Female	0–14 Years (Children)	15–34 Years (Youth)	35–64 Years (Adults)	65 + Years (Elderly)			
Free State	2834714	1379965	1454749	797265	1058948	732863	245638	37.4	58.2	94.9
Xhariep	125884	62474	63409	33355	48209	32128	12191	38.3	56.7	98.5
Letsemeng	40044	21140	18904	9955	15794	10656	3639	39.4	51.4	111.8
Kopanong	49999	24812	25188	13007	18802	13227	4964	37.6	56.1	98.5
Mohokare	35840	16523	19317	10393	13613	8245	3589	38.0	64.0	85.5

Households Dynamics as per STATS SA 2016

Geography	Total households	Average household size	Child-headed households (10 - 17 Years) %	Female headed households %	Formal dwellings %	Housing owned/paying off %
Free State	946638	3.0	0.6	41.7	83.6	70.2
Xhariep	44767	2.8	0.8	37.6	89.2	62.8
Letsemeng	13969	2.9	0.5	31.5	85.1	73.0
Kopanong	18412	2.7	0.6	37.4	89.3	60.0
Mohokare	12387	2.9	1.3	44.8	93.6	55.3

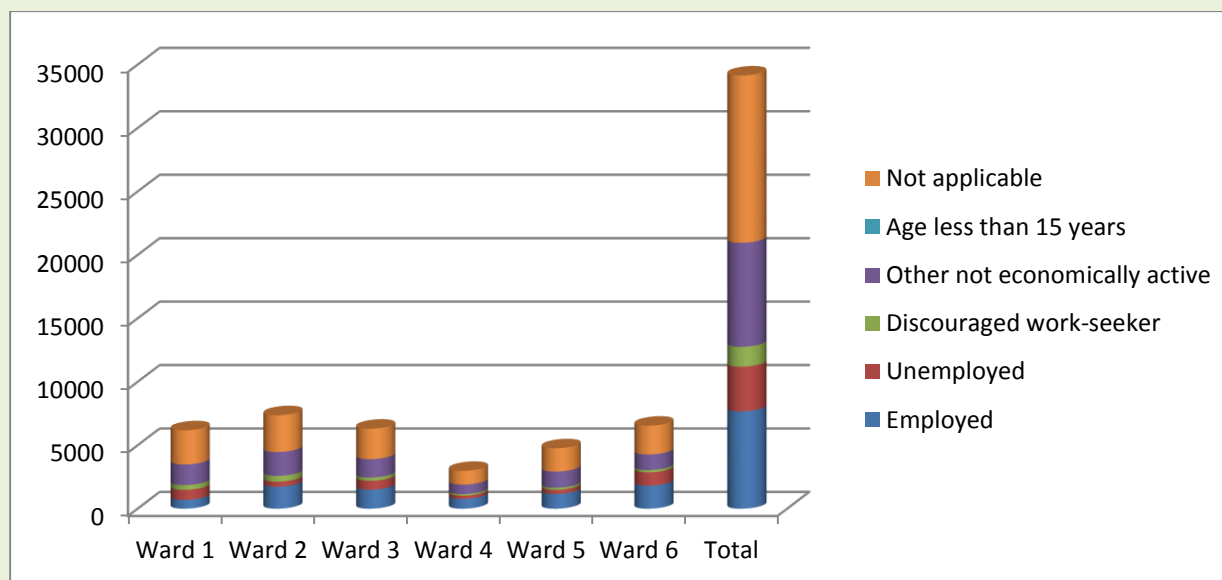
SOCIO ECONOMIC STATUS

Table:1.2.
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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

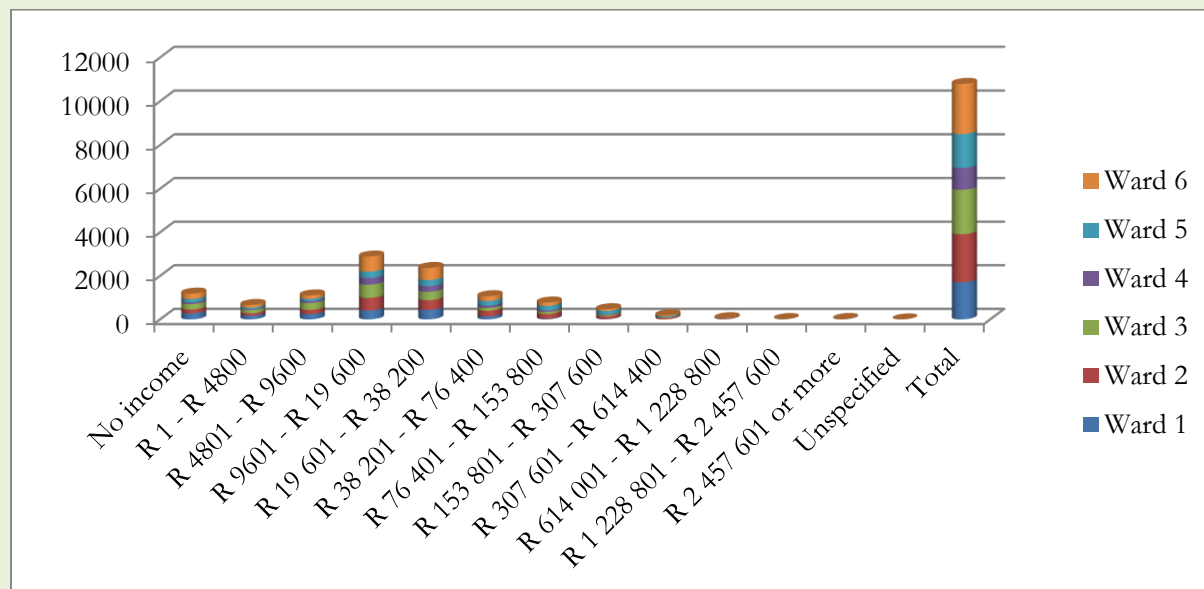
STATS SA 2011



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

STATS SA 2011



Overview of neighbourhoods within Mohokare Local Municipality as per STATSSA 2011

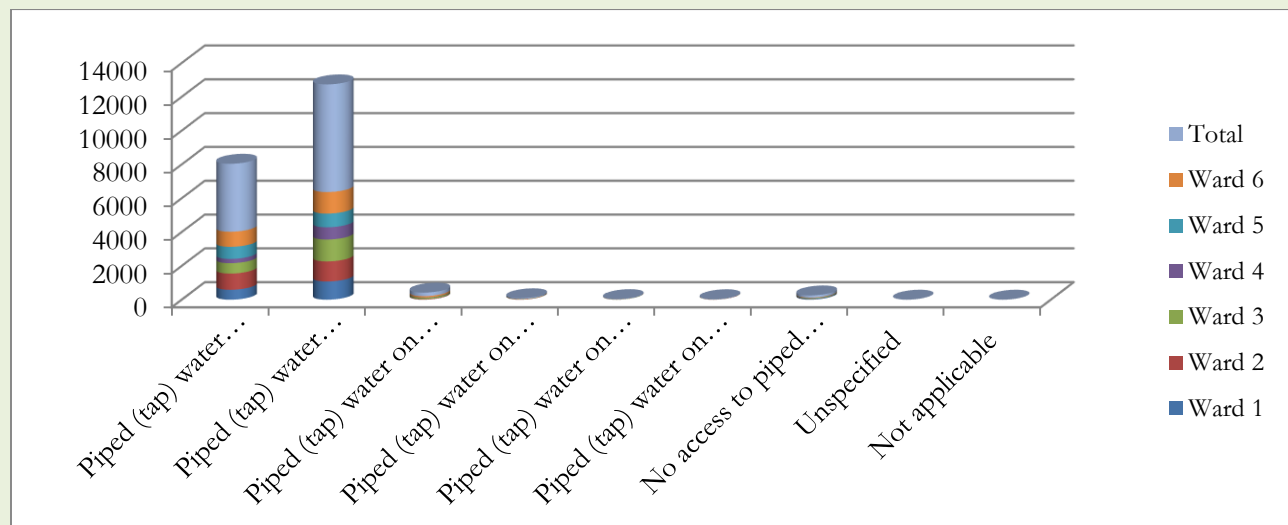
	Census/ Households- Households N	Census/Populat ion – Population N	Census/Popul ation – Population group Black African N	Census/Popul ation – Population group Coloured N	Census/Popul ation – Population group Indian or Asian N	Census/Popul ation – Population group Other N	Census/Popul ation – Population group White N
Ward 1 ZASTRON	1705	6181	6163	7	6	5	1
Ward 2 ROUXVILLE	2208	7370	6353	182	21	31	783
Ward 3 ZASTRON	2036	6307	5963	37	9	4	294
Ward 4 ROUXVILLE	1000	2982	2655	194	5	2	126
Ward 5 ZASTRON	1552	4762	4020	59	41	3	639
Ward 6 SMITHFIELD	2292	6543	5865	290	11	16	361
Total	10793	34145	31019	769	93	61	2204

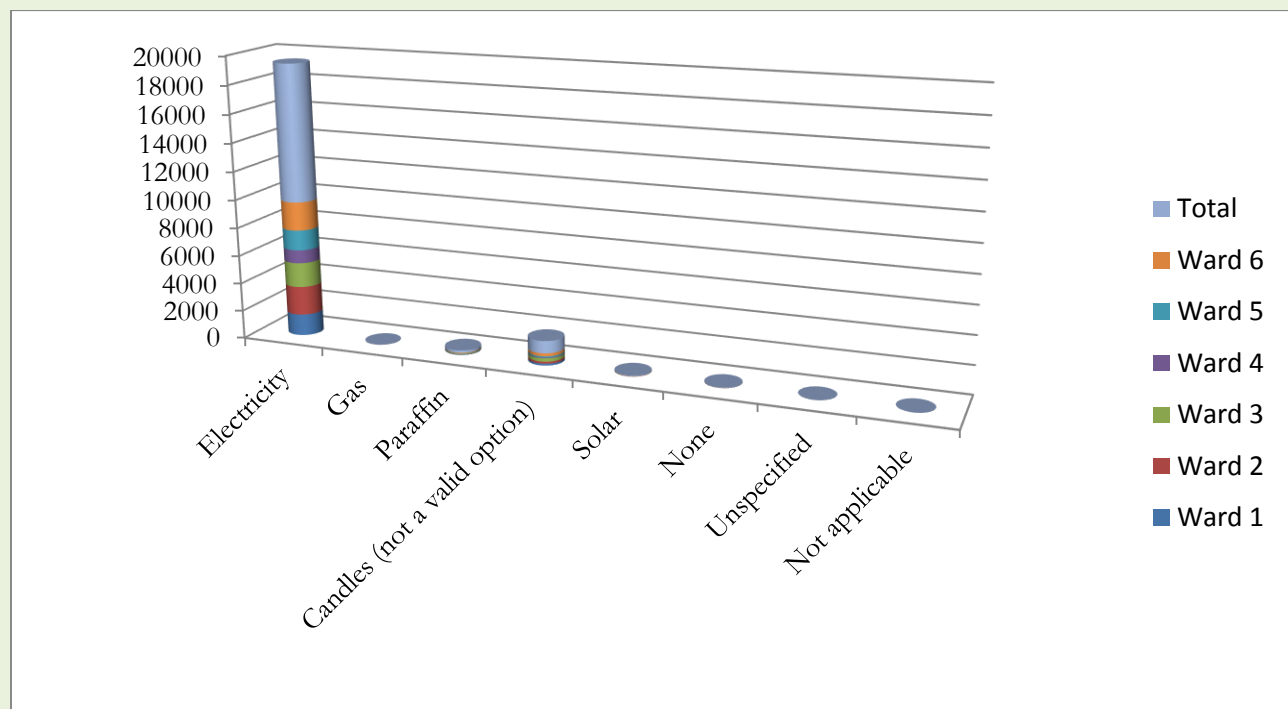
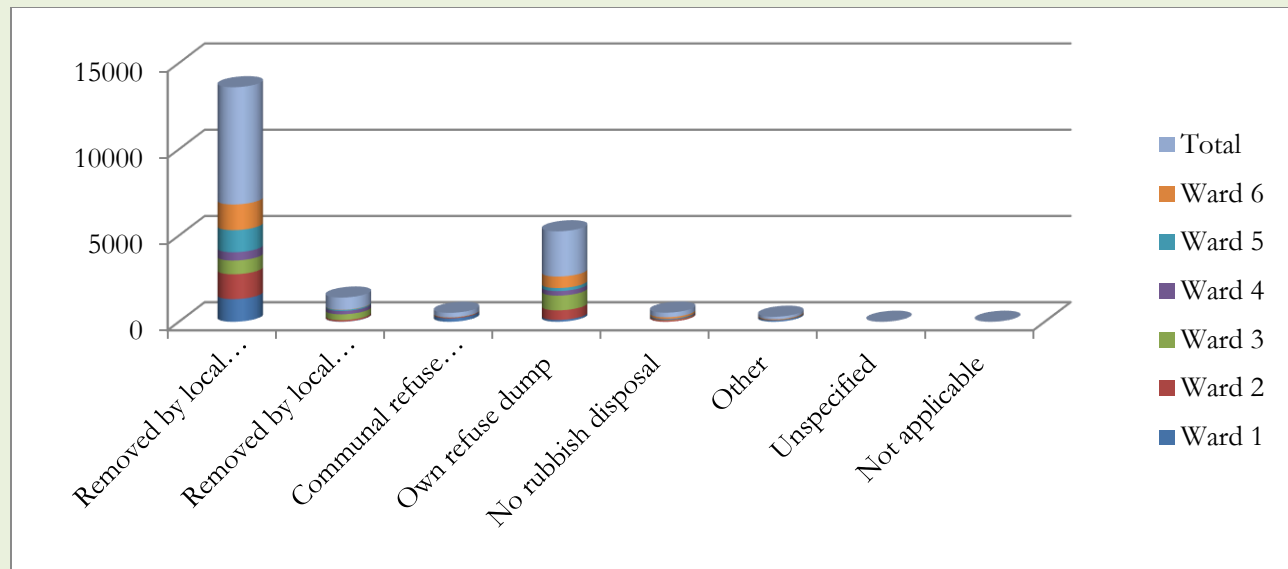
1.2 SERVICE DELIVERY OVERVIEW

Mohokare Local Municipality provides affordable and acceptable quality of basic services to different categories within its area of jurisdiction. The provision of such services is a directive from different pieces of legislation which delegates powers and function to Local Authority. The following services are rendered to different categories of consumers which include commercial businesses, schools, and hospitals, formal and informal settlements.

Type of services rendered by the Municipality:

- Portable water services
- Sanitation services
- Roads and storm water services
- Refuse removal services
- Electricity services





The municipality faced and is still facing draught challenges as far as raw water supply is concerned. Although all the households have access to water supply, the raw water supply was a challenge due to the draught. The eradication of buckets still can't be concluded due to the BEP that is on hold.

1.3 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).

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 rates and tariffs annually.

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 6% increase in water tariffs are as a result of (amongst other factors), the water loss intervention programme, 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 2050 to 2079 for the year under audit and in order to provide free services to residents who cannot afford to pay 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 6.00% with effect from 1 July 2016
- _ 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 planned for 2015/2016 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 is still a number of unresolved issues. We expect this relationship to yield fruit in the form of increase payment for services rendered.

Secondly, 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 R119, 932,697.52 with a collection rate of 38%. To accelerate collection and increase the collection rate, the council reviewed the credit control and debt collection policy on the 26 May 2016.

Lastly, the municipality further employs the services of its lawyer to assist in the collection of outstanding debts.

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.

Embark on a process of putting maps of wards on the financial system of the municipality to print monthly accounts per ward; the intention is to involve Ward Councilors in the process of debt coverage by going door to door per ward.

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

Unemployment 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 had now been compiled and the infrastructure assets had been unbundled. 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.

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.

Financial Overview: Year 2015 - 16				
Details	Original budget	Adjustment Budget	Actual	Previous Year AFS
Income:				
Grants Operational	143,440,550	123,320,000	95,519,312	45,807,155
Grants - Capital	107,109,842	139,299,763	45,646,420	2,923,020
Taxes, Levies and tariffs	145,408,566	133,751,922	66,896,845	47,553,917
Other	20,414,245	27,935,606	15,895,532	1,607,810
Sub Total	416,373,203	424,307,291	223,958,108	97,891,902
Less: Salaries & Councillor Allowance	93,808,778	98,169,683	49,583,235	56,760,363
Less: Non Cash expenditure - Depreciation and provision	83,856,725	84,134,080	30,576,254	48,873,180
Less: Bulk Purchases	41,350,234	42,771,456	26,973,014	23,607,805
Less: Maintenance	11,708,688	11,949,618	3,444,039	4,224,805
Less; Other	42,546,646	43,714,620	14,423,629	-38,940,874
Less: Conditional Grants	169,595,518	180,936,567	18,432,561	1,763,598
Less Capital	4,075,282	2,221,263	79,737	-389,020
Less: Expenditure	446,941,872	463,897,286	143,512,470	95,899,858
Net Total*	-30,568,669	-39,589,996	80,445,638	1,992,045
* Note: surplus/(deficit)				T 1.4.2

COMMENT

Income

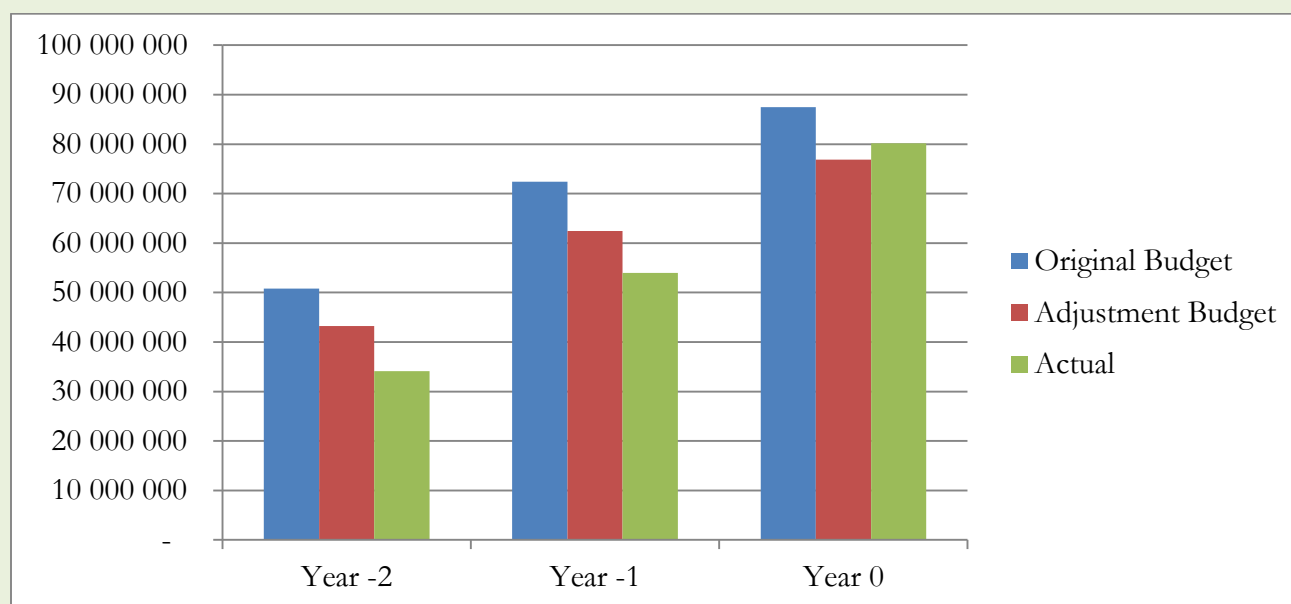
The municipality is grant reliant. R141 million is grants received compared to R61 million from own operations.

Expenditure

The Non-Cash expenditure is not cash-backed. Depreciation, when cash backed, will enable additional expenditure on maintenance and replacement of assets at the end of their useful lives.

Operating Ratios	
Detail	%
Employee Cost	32.2%
Repairs & Maintenance	19.6%
Finance Charges & Impairment	1.8%

Total Capital Expenditure: Year -2 to Year 0			
Detail	Year -2	Year -1	Year 0
Original Budget	50 819 640	72 435 713	87 508 100
Adjustment Budget	43 198 000	62 423 895	76 860 000
Actual	34 113 495	53 987 745	80 152 000



1.5 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The implementation of PMS is to fulfil the legislative mandate, improve service delivery and provide mechanism to report back to National Government and the public. Performance Management focuses on results than activities. It ensures that there is alignment between the internal processes to the vision and mission of the municipality and encourages the culture of performance and accountability. It assists the municipality to detect early warning signs of under-performance or non-performance, thus allowing relevant interventions for improvement. The PMS Section lies under the Municipal Manager and the reporting line is directly to Council.

The section is tasked with implementing the PMS Framework and conducting monitoring and evaluation in respect of the 5 National Government KPA's :

- Basic Service Delivery,
- Local Economic and Development,
- Municipal Transformation and Institutional Development,
- Financial Management and Viability, and
- Good Governance and Public Participation

The Mohokare Local Municipality has adopted a scorecard as its performance measuring tool. The municipality adopted a Performance Management Framework in 2016/17 Financial Year. The framework has been reviewed and was adopted by Council at a Council meeting held on the 25th of February 2016.

The PMS section addressed all issues in relation to AG's exceptions in order to ensure that there is no repetition of these queries in the new financial year. Support was offered in terms of identifying and training of Departmental PMS Champions with regards to compilation of Portfolio of Evidence Files. However, the section is still experiencing poor cooperation from reporting departments which always result in late submission of reports and noncompliance to treasury timeframes. As a corrective measure, the PMS section will roll-out PMS workshops to strengthen understanding of PMS by all staff levels. A possibility of cascading PMS to all levels will also be looked at so that all staff levels have performance plans which will be monitored by relevant Heads of sections on quarterly basis.

- Filling of Section 54A and 56 Manager Positions;
- Signed performance agreements by Section 54A and 56 Managers;
- Disciplinary processes against Section 54A and 56 Managers;

1.6 AUDITOR GENERAL REPORT

The Municipality progressed from qualification to an unqualified audit opinion with emphasis drawn to the following Matters:

- Restatement of corresponding matters
- Material losses
- Material impairment
- Irregular expenditure
- Unauthorised expenditure
- Going concern
- Unaudited disclosure notes
- Unaudited supplementary information
- Report on other legal and regulatory requirements
- Predetermined objectives
- Adjustment of material misstatements
- Unaudited supplementary schedules
- Compliance with legislation
- Strategic planning and performance management
- Procurement and contract management
- Expenditure management
- Revenue management
- Consequence management
- Internal control
- Leadership
- Financial and performance management
- Governance

The final Management Report is attached in Chapter 6 of this report.

1.7 STATUTORY ANNUAL REPORT PROCESS

According to legislation the Annual Report of a municipality must be tabled in the municipal council on or before 31 January each year. In order to enhance Council's oversight function, the municipality should submit their Annual Report as soon as possible after the financial year end ideally this ought to be end of August.

The anticipated process for the creation, submission, review and approval for the 2016/17 Annual Report is set out in the table below:

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	31 st August 2017
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	01 st July 2016
3.	Finalise the 4th quarter Report for previous financial year	14 th July 2017
4.	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	31 st August 2017
5.	Municipal entities submit draft annual reports to MM	N/A
6.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	31 st August 2017
7.	Mayor tables the unaudited Annual Report	N/A
8.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	31 st August 2017
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	31 st January 2017
10.	Auditor General audits, Annual Report including consolidated Annual Financial Statements and Performance data	31 st August 2017
11.	Municipalities receive and start to address the Auditor General's comments	31 st January 2018

NO	ACTIVITY	TIMEFRAME
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	31 st January 2017
14.	Oversight Committee assesses Annual Report	31 st March 2017
15.	Council adopts Oversight report	31 st March 2017
16.	Oversight report is made public	07 th March 2017
17.	Oversight report is submitted to relevant provincial councils	07 th March 2016
18.	Commencement of draft Budget/ IDP finalisation for next financial year	31 st March 2017
19.	Annual Report and Oversight Reports to be used as input	31 st May 2017

Note that the annual performance report and the financial statements form part of the Annual Report.

The Final Annual Report will be submitted to National and Provincial Treasuries', COGTA and Auditor General and to the Chairperson of the Oversight Committee in line with the National Treasury's guidelines.

Measures such as creation and capacitation of the performance management unit in the office of the municipal manager have been put in place to ensure appropriate monitoring and reporting.

CHAPTER 2

GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The primary role of the municipal council is that of political oversight of the municipality's functions and programs. The powers of local government as outlined in the Constitution of the Republic of South Africa chapter 7, section 160(1) are vested in the municipal council, which has legislative authority and executive authority. The Municipal Council is led by the Honourable Mayor while the administration is governed by the Municipal Manager who ensures that the decisions and policies of the Council are implemented.

Corporate management support – Council and committees

The Standing Rules and Orders of Mohokare Local Municipality govern that the speaker must determine a schedule of the dates, times and venues of ordinary council meetings, and that the council must hold at least one ordinary meeting every three months.

The functions of the Council include:

The development and implementation of by-laws, the Integrated Development Plan, the budget and it also debates local government issues and can ratify or reject proposals. The council has adopted major by-laws, policies and plans. It has subsequently appointed the committees in terms of the Structures Act dealing with vast responsibilities which are fully functional: Section 79 committees, MPAC, Oversight Committee, the Audit Committee, Ward Committees, and SPLUMA Committee.

Council meetings are functional with ordinary council meetings sitting once quarterly with special council meetings called by the Mayor as and when the need arises also taking in consideration compliance matters governed by municipal legislation. Senior management implements council resolutions to achieve strategic objectives.

2.1 POLITICAL GOVERNANCE

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 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 LM 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 August 02, 2016 Local Government elections, the Council changed as outlined below:

1. Mayor (ANC PR Councilor)	Cllr. N.I Mehlomakulu
2. Ward 1 Councilor	Cllr. T.S. Khasake
3. Ward 2 Councilor	Cllr. T.D Mochechepa
4. Ward 3 Councilor	Cllr. L. Lekhula
5. Ward 4 Councilor	Cllr. B.M. Valashiya
6. Ward 5 Councilor	Cllr. T.I Phatsoane
7. Ward 6 Councilor	Cllr. M.I Morapela
8. Democratic Alliance PR Councilor	Cllr. I.S. Riddle
9. Democratic Alliance PR Councilor	Cllr. M.L Lephuthing
10. EFF PR Councilor	Cllr. L.J Lipholo
11. EFF PR Councilor	Cllr. B.J Lobi

Councilors 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 seven (7) councilors from the ANC, two (2) from the DA and two (2) from the EFF.

Refer to **Appendix A** where a full list of Councilors can be found (including committee allocations and attendance at council meetings)

Introduction to political governance oversight

Mechanisms used for oversight purposes are the following current committees to which councillors are assigned to serve on these committees chaired by a nominated councillor as outlined below:

- **Section 79 portfolio committees**

Five Council Portfolio committees have been established in line with section 79 of municipal structures act, 1998 and their meeting schedule adopted by council. They sit quarterly and the target is for each committee to sit four (4) times a year. Operations of the committees are also governed by the standing rules and orders of council. All the five committees are functional. The following Councilors serve as chairpersons of the committees:

Initials and surname	S79 Committee
Clr. B.M. Valashiya	Finance
Clr. L. Lekhula	Planning and Local Economic Development
Clr. M.I. Morapela	Corporate Services Committee
Clr. T.I. Phatsoane	Community Services
Clr. T.S. Khasake	Technical Services

- **Council Oversight committee**

The MFMA governs the establishment of an Oversight Committee for the detailed analysis and review of the annual report and the annual performance report. Following the reports being tabled in Council, receiving and reviewing representations made by the public and inputs from other Councillors and then drafting an oversight report for Council's adoption. The annual report of the financial year 2016/2017 was adopted by council in January 2017. The Oversight Committee discussed the Annual Report and adopted it with reservations on the 31st March 2017.

The current oversight committee consists of the following members:

Initials and surname	Capacity
Clr I Riddle	Councillor, Chairperson
Mr L Thene	Community Member
Me VL Tuoane	Community Member
Mr Vapi	Risk Management Committee, Audit Committee member

- **Audit Committee / Performance Audit Committee**

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The audit committee of the municipality oversees financial, performance and compliance reporting, disclosures and the accounting of policies within the municipality.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee.

According to the regulations, the performance audit committee must review the quarterly reports submitted to the committee by the internal audit unit and the municipality's performance management system and make recommendations in this regard to the council. The audit committee should at least twice during a financial year submit an audit report to the municipal council.

The Audit Committee / Performance Audit committee comprises of the following members:

Initials and surname	Capacity
Ms. K. Mackerduth	Chairperson
Ms. M.P Koatla	Member
Mr. V.W Vapi	Member
Ms. Z Chonco	Member

- **Risk Committee**

The Risk Committee emanates from the risk management unit which has been established in terms of the Public Sector Risk Management Framework of 1 April 2010.

The MFMA governs that a municipality must have effective, efficient and transparent systems of risk management as all activities of an organisation involve risk.

The development of this risk management is a systematic, timely and structured approach to risk management; anti-corruption and fraud prevention.

The following policies/documents guide the risk unit in its operations:

- Risk management strategy and policy; and
- Anti-fraud and corruption policy.

The Risk Committee comprises of the following members:

Initials and surname	Capacity
Mr. V.W Vapi	Chairperson replaced by Mr. Ntseko Maqabe
Management (Senior & Middle)	Members
Internal Auditor	Member
Information Technology	Member

- **Municipal Public Accounts Committee (MPAC)**

The MPAC will assist council to hold the executive and municipal entities to account, and to ensure the efficient and effective use of municipal resources. By so doing, the MPAC would help to increase council and public awareness of the financial and performance issues of the municipality and its entities.

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from the Accounting Officer of a municipality.

Currently the MPAC is a shared service with the Xhariep District Municipality.

Agri Forum

The Agri Forum consists of a group of organised farmers meeting with municipal management on a regular basis. Chaired by the Mayor the forum sits once quarterly and matters of mutual interest are shared between the municipality and the association of the farming component based in Mohokare Local Municipality. The aim of the forum is to enhance good relations between the two groups.

Local Labour Forum

Section 23 of the Constitution of the Republic of South Africa, Act 108 of 1996, lays the basis for good labour relations and collective bargaining. The Labour Relations Act, 66 of 1995 prescribes how this constitutional mandate can be achieved. The primary purpose of the Act was to change the law governing labour relations with specific focus on, amongst other things, promoting and facilitating collective bargaining at the workplace and at sectorial level.

The Workplace Organisational Rights Agreement governs the establishment and operations of the Local Labour Forum. The Local Labour Forum shall have the powers and functions of negotiating and/or consulting on the following matters

- Matters of mutual concern pertaining to the municipality and which do not form the subject matter of negotiations at the SALGBC
- Matters referred to it by the SALGBC
- Minimum Service Level Agreements

Mohokare Municipality's Local Labour Forum has an approved meeting schedule and it meets monthly.

POLITICAL STRUCTURE

MAYOR/SPEAKER

Cllr. Nokufa Irene Mehlomakulu

CHIEF WHIP

Cllr. Thabo Simon Khasake

HONOURABLE COUNCILORS

Cllr. T.D Mochechepa

Cllr. B.M Valashiya

Cllr. L. Lekhula

Cllr. T.I Phatsoane

Cllr. M.I Morapela

Cllr. M.L Lephuthing

Cllr. I.S Riddle

Cllr. L.J Lipholo

Cllr. B.L Lobi



Councillor I.S Riddle
Democratic Alliance



Councillor M.J Morapela
African National Congress



Councillor M.L Lephuthing
Democratic Alliance



Councillor T.I Phatsoane
African National Congress



Councillor N.I Mehlomakulu
African National Congress



Councillor L. Lekhula
African National Congress



Councillor L.J Liphoolo
Economic Freedom Fighters



Councillor T.D Mochechepa
African National Congress



Councillor T.S Khasake
African National Congress



Councillor B.J Lobi
Economic Freedom Fighters



Councillor B.M Valashiya
African National Congress

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.

The following outstanding council resolutions were recorded as not being concluded on the 30th of June 2017:

Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/Not	Reasons for deviation	Corrective action taken
14/09/2016	13.1.5 REPORT ON PRIVATELY OWNED VACANT SITES Administration to conclude the research on the relevant legislation governing the matter before the identified sites can be advertised.	Manager Community Services	10%		The Manager Community Services had a discussion with the Senior Administration Manager and met with the Town Planner to work on the processes through the Ordinance.
13 AND 14/09/2016	13.1.3 POLICY ON PROOF OF RESIDENCE Council adopted the draft Proof of Residence Policy for consultation with communities with the final document to be tabled in the next council meeting.	Chief Finance Officer	0%		
25/01/2017	6.2 MID-YEAR BUDGET AND	PMS Manager	90%	Awaiting the	The SDBIP will be

Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/Not	Reasons for deviation	Corrective action taken
	PERFORMANCE REPORT (JULY 2016 – DECEMBER 2016) The new objectives on the IDP as revised by the incoming Council should be included in the Service Delivery Budget Implementation Plan (SDBIP).			finalization of the IDP	amended accordingly in line the new Council's strategic objectives IDP.
13/12/2016	13.6.2.1 REPORT ON AMENDMENT TO GENERAL PLAN SMITHFIELD Council agreed to the subdivision of municipal owned properties in Smithfield in order to accommodate the medium income group with the provision of sites.	Town Planner	20%	Due to lack of funds, the town planner will proceed in the next financial year	The Town Planner has started with the process of sub-division of the said properties as per the E-lodgment system. There are different stages to be done before the application can be lodged. 1. Request for title deeds from deeds office 2. Obtain 3 quotations from surveyors for sub-division.

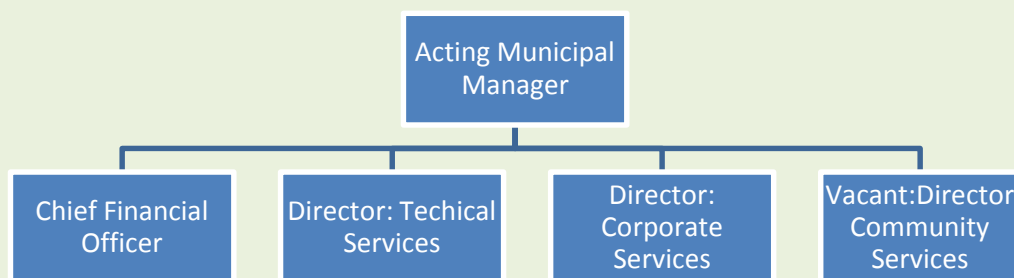
Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/Not	Reasons for deviation	Corrective action taken
					3. Request services report from Technical Department

2.2 ADMINISTRATIVE GOVERNANCE

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



During the 2016/2017 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:

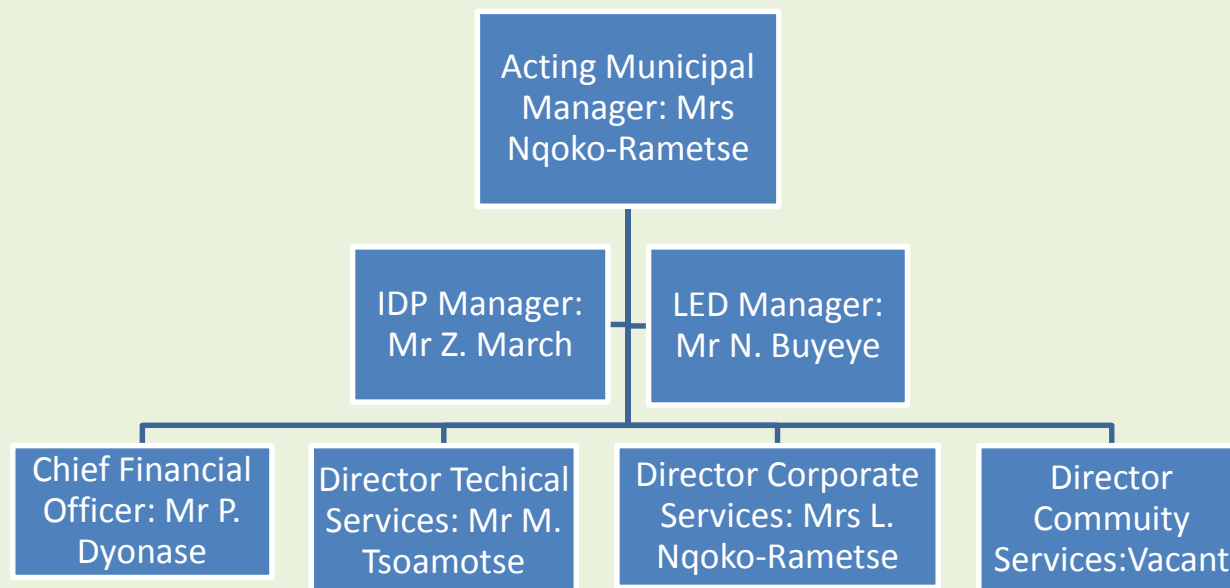
Municipal Manager	Mr. T.C Panyani
Chief Financial Officer:	Mr. P.M Dyonase
Director: Technical Services:	Mr. M. N. Tsoamotse
Director: Community Services:	Vacant
Director: Corporate Services:	Mrs. L. V Nqoko-Rametse

However, the Municipal Manager Mr. Thabo Panyani's contract ended on the 30th October 2016, and was extended by 3 months until end January 2017.

The Deputy Director General of CoGTA Free State Mr. Sipho Thomas was seconded from Provincial Cogta for a period of 3 months which ended on the 30th April 2017.

The Corporate Director Me Nqoko-Rametse was then appointed as Acting Municipal Manager for a period of 3 months until end July 2017.

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. However, in September 2016 the IDP Manager Mr. Majenge resigned and Mr. Z. March was appointed as the IDP Manager. Therefore, the Management structure is as shown below;



TOP MANAGEMENT TEAM



**Acting Municipal Manager:
Mrs. L.V Nqoko-Rametse**



**Chief Financial Officer:
Mr. P.M Dyonase**



**Technical Services Director:
Mr M.N Tsoamotse**

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL 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.

The municipality participates with various departments at national, provincial and district levels in fostering strategic partnerships and to advance its developmental objectives.

NATIONAL INTERGOVERNMENTAL STRUCTURES

Municipal Managers Forum

The Municipal Manager's Forum established as a platform for Municipal Managers to share knowledge and experiences, it sits regularly as a platform that provides an opportunity for Municipal Managers to contribute to the strengthening of the sector by informing improvements in Local Government performance collaborate in addressing common concerns and technical input to policy and legislative processes. The forum also provided opportunities to collectively engage with key stakeholders in addressing key issues affecting Local Government.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality is collaborating with various departments at provincial level.

The municipality participates in the SALGA IGR forum, Municipal Managers Forum, integrated development plan forum, Performance Management Systems Forum, Job Evaluation Forum and is also involved in attending meetings called by Provincial COGTA and the office of the Premier.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Informed by guiding legislation and policies related to IGR structures, Xhariep District Municipality established an IGR forum of which Mohokare as a Municipality is a member of this forum. The forum holds meetings quarterly to engage on issues pertaining to service delivery and to also foster strategic partnerships with government departments.

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.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Mohokare Municipality is committed to the development of a culture of municipal governance that complements formal representative government with a system of participatory governance. The Municipality has a legal obligation to establish appropriate mechanisms, processes and procedures to enable the local community to participate in its affairs.

Mohokare Municipality utilizes the community centered participatory approach which enables the involvement of communities in municipal planning which ensures the participation of the community in the development of their area to promote the promotion of public accountability.

Public participation is the main system through which the municipality practices a culture of stakeholder engagements and participation as required by. The Constitution of the Republic of South Africa, Act 108 of 1996, and the Local Government: Municipal Systems Act 32 of 2000

2.4. PUBLIC MEETINGS

Mohokare has a public participation policy adopted by council, in terms of the Municipal Systems Act, Ward Councilors are required to hold at least one public meeting per ward per quarter, Councilors were encouraged to hold public meetings monthly to ensure continuous communication with their constituencies.

Mohokare Municipality engages with the public all through the year on IDP/ Budget, by laws and various programmes and projects. The municipality has 6 wards and 6 ward committees that are functional. The municipality publishes its public meeting in local newspapers and also utilizes the municipal website, notices and loud hailing to inform the community on public meetings to broaden its public participation.

IDP/Budget review meetings were held in all 6 wards in March, April and 2017 with stakeholders and the community to consult and also to assist in prioritizing the community needs for consideration in the planning of the operations of the municipality.

There is also a stakeholder's 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.

Public Meetings

Nature and purpose of meeting	Date of events	Number of participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Mayoral Imbizo	Sept 2016	10	8	Number vary from town to town	Yes	Feedback formed part of ward meetings report
Awareness Programme: Woman and children killings and abuse	June 2017	4	10	+ - 250	Yes	None
IDP/ Budget consultative meetings	Mar-Apr 2017	11	10	Number vary from town to town	Yes	Scheduled for August 2017
Ward Community Meetings	Quarterly	one per ward	5 per ward	Number vary from ward to ward	Yes	monthly-Quarterly

2.5 IDP PARTICIPATION AND ALIGNMENT

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

INTEGRATED DEVELOPMENT PLANNING

Integrated Development Planning (IDP) is a process whereby a municipality prepares its strategic development plan for a five year cycle directly linked to its term of Council. IDP is at the centre of system of developmental local government in South Africa and represents the driving force for making municipalities more strategic, inclusive, and responsive and performance driven in character.

The IDP is the principle strategic instrument which guides and informs all planning, budgeting and development in Mohokare Local Municipality. It seeks to integrate and balance the economy, ecological and social pillars of sustainability without compromising the institutional capacity required to implement and coordinate the efforts needed across sectors and relevant spheres of government.

COMPONENT D: CORPORATE GOVERNANCE

On-going local government reforms have provided broad administrative frameworks for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability.

2.6 RISK MANAGEMENT

The need to manage risk systematically applies to all components and to all functions and activities within Mohokare local municipality

An effective risk management strategy helps the municipality to meet its objectives by ensuring that everyone has a clear understanding of:

- The vision, mission & objectives of the municipality;
- Factors that could impact on the municipality's ability to meet its objectives
- Actions necessary to ensure objectives are met.

For the 16/17 financial year the municipality had no functional risk management committee. Due to non-availability of the chairperson of the committee.

An effective risk management strategy can improve accountability by ensuring that risk are explicitly stated and understood by all parties that the management of risk is monitored and reported on and that action is taken based on the results.

Focus on planning to deal with factors that may impact on the objectives of the municipality and provide an early warning signal.

Ensure opportunities are not missed and surprises cost don't arise.

The table below indicates progress made by departments in addressing the risks:

OVERALL RISKS IDENTIFIED				
Directorate	Total no. of risks	Completed	In-progress	No progress
Community Services	13	0	11	2
Corporate Services	6	3	2	0
Financial Services	13	2	1	10
Municipal Manager	25	4	12	9
Technical Services	21	6	12	3
Total	78	15	38	24

TOP 5 Risks of the Municipality (based on the above table):

- No re-evaluation of services providers appointed.
- Unregistered households on Municipal billing system
- Unauthorised illegal dumping sites which pose as health hazards
- Ineffective performance management systems
- Incurring fruitless and wasteful expenditure.

2.7 ANTI-CORRUPTION AND FRAUD

Transparency is the cornerstone of public sector accountability. Fraud prevention is concerned ultimately with the effective utilization of resources and the minimization of waste, abuse, mismanagement, fraud and corruption. Effective accountability mechanisms for the use of public funds act to bolster the fraud prevention environment. Measures to prevent fraud should be continually monitored, reviewed and developed particularly as new systems, benefit programs, contracting or arrangements are introduced or modified.

The following documents were submitted to and approved by the Risk Management Committee on the 20 June 2016 and Audit Committee on the 24 June 2016:

- Fraud prevention plan in place
- Risk Management Strategy
- Risk Management Policy

During the month of November as it known as international fraud month the risk unit posted posters in the notice boards of the municipality, the aim of the post was to create awareness to the employees, community of Mohokare to come and report alleged cases of fraud either to the municipality or by dialing the national hotline.

2.8 SUPPLY CHAIN MANAGEMENT

The Mohokare SCM Policy is adopted and in line with section 112 of the MFMA.

The Mohokare SCM Policy is from the Model Policy (Treasury Guideline) which is in line with the SCM Regulations. The Policy was adopted by Council and also approved by Treasury.

Goods or services must be procured by the municipality in accordance with authorized processes only. Threshold values for different procurement processes must be complied with. There are ranges of procurement processes within the SCM Policy of the Municipality which is in line with the Model Policy (guideline). Performance management is also included in the Mohokare Supply Chain Policy.

There is a newly developed performance tool by SCM with the assistance of PMU and PMS and is to be included as part of the SLA when a contract is signed by Mohokare Local Municipality and a service provider.

2.9 BY-LAWS

Sections 12 and 13 of the Municipal Systems Act, 2000 (as amended) govern the legislative procedures and publication of by-laws by the municipality in order to give effect to the municipality's policies.

No new by-laws were newly adopted or during the year and no by-laws in existence was revised.

Section 10 (1) of the Establishment Notice of Mohokare LM (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”

As a result 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.

The following By-Laws were promulgated by the Mohokare Local Municipality during the financial year 2016/2017:

By-laws Introduced during Year 0					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
By-Laws relating to Rules and Orders, 2017	None	None	None	Yes	13/01/2017
*Note: See MSA section 13.					T2.9.1

2.10 WEBSITE

Mohokare Local Municipality's website can be found at www.mohokare.gov.za.

MUNICIPAL WEBSITE : CONTENT AND CURRENCY OF MATERIAL		
Documents published on the Municipality's Website	Yes/ No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	2017-06-09
All current budget-related policies	Yes	2017-06-09
The previous annual report	Yes	2016-04-08
-The annual report 2015/2016 published	Yes	2017-04-05
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	2016-08-08
All service delivery agreements (Year 0)	No	-
All long-term borrowing contracts (Year 0)	No	-
All supply chain management contracts above a prescribed value (give value) for Year 0	Yes	2016-08-31
An information statement containing a list of assets over a prescribed value that have been	No	-

disposed of in terms of section 14 (2) or (4) during Year 1		
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	-
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	-
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	No	-

MUNICIPAL WEBSITE AND CONTENT

Section 21B of the Municipal systems act requires all municipalities to establish their own official website, the website enables municipalities to deliver information to the public this is essential for improving service delivery.

The municipal website is an integral part of the communication platform of the municipality that serves as a tool for communication participation, information dissemination, allows for access to significant information, stakeholder involvement and disclosure in line with the pieces of legislation including: Local Government Municipal Systems Act No 32 of 2000, Local Government Municipal Finance Management Act No 56 of 2003 and Municipal Property Rates Act No 6 of 2004.

Municipal Local Municipalities has established its own website that is managed and hosted internally, the website contains a newly developed structure, it is accessible, easy to use and it is regularly uploaded with key documentation and information as set out in Local Government Municipal Finance Management Act section 75 or any other applicable legislation. The website at the current stage does not have a function of measuring the number of the public visiting the website, the function is provided for in the ICT strategy as adopted by Council and plans are underway to accommodate for the function.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality did not undertake community satisfaction surveys during the year 2016/2017 and the previous year's survey conducted did not realise a satisfactory sample of respondents, therefore data is inadequate to analyse service feedback.

The services used in the survey index were based on service delivery such as water, sanitation, electricity, municipal billing and roads.

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The municipality is a Water Services Authority and a Water Services provider for all its three towns namely; Smithfield, Rouxville and Zastron. The municipality uses its own funds for the abstraction, purification and supply of drinking water. The Municipality is currently facing challenges with the supply of drinking water due to shortage of raw water in Rouxville and lack of bulk infrastructure in both Smithfield and Zastron. Bulk water supply projects are currently underway in Rouxville and Zastron which are aimed at addressing these challenges. All households in three towns have been provided with taps in yards and this has been set as the minimum service level for the Municipality.

A number of about 48 households in Rouxville have been provide with waterborne sanitation which translates in all households having provision of waterborne sanitation in Mohokare Local Municipality and this has been set as the minimum service level for the Municipality. Through the Municipal Capital budget, the Municipality has managed to undertake an upgrading of the Zastron waste water treatment works which is anticipated to be completed in July 2017. In addition, the Smithfield waste water treatment plant was completed in 2013.

All households in three towns have been provided with an electricity connection and this means that the Municipality has reached the universal target on this service. The main challenges remain to transfers of the electricity meter box from shacks to recently build RDP houses. Aerial lighting projects were prioritised by the Municipality with 16 high mast lights constructed during 2013 in Refengkhoto/Zastron and 14 high mast lights were completed in 2014 in Somido Park-Smithfield.

The Municipality has been struggling to provide maintenance to its roads infrastructure due to lack of yellow fleet, however the following access roads projects were prioritised namely; 2 km in Roleleyathunya/Rouxville completed in 2011, 2.9 km in Matlakeng/Zastron completed in 2015 and 5 km in Somido Park/Smithfield which is currently under construction.

COMPONENT A: BASIC SERVICES

3.1 WATER PROVISION

INTRODUCTION TO WATER PROVISION

The Municipality is currently failing to meet the water demand due to limitations in raw water supply. Below are limitations and strategies to achieve basic standard per supply system:

Town	Limitation	Strategy
Zastron	Lack of capacity in the water treatment works (WTW) and raw water supply pipeline	WTW currently been upgraded. A 15 km raw water pipeline upgrading is now complete and awaits completion of the two pump stations
Rouxville	Lack of capacity in the water treatment works and raw water source	27 km raw water pipeline from Orange river to Rouxville which has now stands at 80% completion stage
Smithfield	Lack of capacity in the raw water pipeline	11 boreholes have been drilled and equipped to supplement surface water while awaiting funding for pipeline upgrade. WTW was upgraded in 2011.

As a small municipality, we only cater water services to domestic and commercial users. The municipality does not have agriculture, forestry and industrial sectors.

The Municipality towns can be classified a very rural and therefore does not have industries and agricultural sectors within the municipal water supply network. Most of the water supplied goes to residential areas ($\pm$ 60 percent) with a small percentage ($\pm$ 12 percent) to schools and health facilities like hospital and clinics. About 20 percent of the purified water remains unaccounted for due to losses within the network as well as unmetered supplies.

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water
Year -1	0	0	0	1979300	113794
Year 0	0	0	0	1701826	161550.60

Employees: Water Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	19	20	19	1	5%
4 - 6	24	24	23	1	4.2%
7 - 9					
10 - 12	3	3	3	0	0%
13 - 15					
16 - 18					
19 - 20					
Total	46	47	45	2	4.3%

Water Service Delivery Levels				
Description	Households			
	Year -3	Year -2	Year -1	Year 0
	Actual No	Actual No	Actual No	Actual No
Water: (above min level)				
Piped water inside dwelling				
Piped water inside yard (but not in dwelling)				
Using public tap (within 200m from dwelling)	42	42	42	57
Other water supply (within 200m)				
Minimum Service Level and Above				
Minimum Service Level and Above				
Water: (below min level)				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	255	255	255	266

Financial Performance Year 2015-16: PLANNING DIVISION: Includes Town Planning, IDP and LED					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-1,688	975,801	988,265	410,816	-138%
Expenditure:					
Employees	1,665,453	2,270,747	3,690,779	947,587	-140%
Repairs and Maintenance	0	0	0	0	0%
Other	372,916	782,340	642,676	30,096	-2499%
Total Operational Expenditure	2,038,369	3,053,087	4,333,455	977,683	-212%
Net Operational Expenditure	2,040,057	2,077,287	3,345,191	566,868	-266%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.1.8

Financial Performance Year 2015-16: Water Services					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	44 794 798	84 843 937	76 848 824	93 819 153	10%
Expenditure:					
Employees	6 793 514	6 871 450	11 842 390	11 687 706	41%
Repairs and Maintenance	897 671	1 610 595	1 831 283	1 144 240	-41%
Other	9 854 767	83 323 431	76 234 804	54 355 394	-53%
Total Operational Expenditure	17 545 952	91 805 476	89 908 477	67 187 340	-37%
Net Operational Expenditure	-27 248 846	6 961 540	13 059 654	-26 631 814	126%

The Municipality given its current financial year budget will be able to achieve almost seventy (70) percent of its year 5 targets. Major projects to be completed in this financial year relates to Bulk water supply infrastructure in Rouxville and Zastron namely:

- Upgrading of the Rouxville water treatment works
- 27 km raw water pipeline from the Orange river to Paisley dam in Rouxville
- Upgrading of the Zastron water treatment works
- Upgrading of the Zastron 15 km raw water pipeline including two pump stations

The above mentioned projects are aimed at addressing the current and future water demand. The Municipality has recognized that its development entirely depends on the sustainability of water supply. All the above mentioned projects are funded by the Department of Water and Sanitation through its Regional Bulk Infrastructure Grant and Municipal Water Infrastructure Grant.

3.2 WASTE WATER (SANITATION) PROVISION

The Municipality has been heading to a call by National government call to eradicate buckets system. Below table shows progress made towards this national call.

Town	Backlog -2011	Buckets eradicated to date	Current backlog
Zastron	33	33	0
Rouxville	777	344	0
Smithfield	54	54	0

There has been major progress made to eradicate the remaining buckets in Rouxville as all the toilet structures and house connections have been completed. Work on the mainline has been delayed by hard rock. The only problem with sanitation is the network blockages and scarce water for people to be able to flush.

The Municipality has further adopted water-borne sanitation as its level of service; however studies for alternative sanitation service due to water scarcity are still underway. The Municipality has also developed a green drop improvement plan and accordingly its annual performance was demonstrated on the green drop results. The municipality has further focused on the upgrading of its three waste water treatment works, (Smithfield plant been completed in 2013) and the Zastron plant has just been completed.

Sanitation Service Delivery Levels				
Description	Year -3	Year -2	Year -1	*Households Year 0
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/seweraae: (above minimum level)				
Flush toilet (connected to sewerage)	6163	6163	7614	10749
Flush toilet (with septic tank)	356	356	217	217
Chemical toilet	76	76	3	3
Pit toilet (ventilated)	453	453	341	341
Other toilet provisions (above min.service level)	131	131	118	118
<i>Minimum Service Level and Above sub-</i>	10793	10793	10793	10793
<i>Minimum Service Level and Above Percentage</i>	9.41%	9.413%	6.29%	6.29%
Sanitation/seweraae: (below minimum level)				
Bucket toilet	1263	1263	1269	134
Other toilet provisions (below min.service level)	535	535	535	535
No toilet provisions				
<i>Below Minimum Service Level sub-total</i>	1798	1798	1798	669
<i>Below Minimum Service Level Percentage</i>	16.65%	16.65%	16.65%	6.198%
Total households	10793	10793	10793	10793
*Total number of households including informal settlements				T 3.2.3

Employees: Sanitation Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	40	40	40	0	0%
4 - 6	6	27	6	21	77.8%
7 - 9					
10 - 12	3	3	3	0	0%
13 - 15					
16 - 18					
19 - 20					
Total	49	70	49	21	30%

Financial Performance Year 2015-16: Waste Water Management					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	24,474,772	32,704,188	33,800,169	16,445,888	-99%
Expenditure:					
Employees	8,721,026	17,823,176	13,198,958	8,055,159	-121%
Repairs and Maintenance	176,729	3,037,257	4,295,000	78,504	-3769%
Other	1,425,120	32,346,586	31,818,745	1,740,030	-1759%
Total Operational Expenditure	10,322,875	53,207,018	49,312,703	9,873,693	-439%
Net Operational Expenditure	-14,151,897	20,502,830	15,512,534	-6,572,195	412%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.2.8</i>

Capital Expenditure Year 0: Sanitation Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	14 170	8 721	9 505	22%	22 902
Upgrading of the Zastron	14 170	8 721	9 505	22%	22 902

The municipality has been experiencing sewage spillages within its towns due to aged infrastructure and inappropriate usage of system by community. Mayor spillages have also been experienced in some part of Zastron (Refengkhotoso), were upon a sewage investigation program which includes CCV camera operation were undertaken. The municipality is currently implementing recommendations based on the findings on the investigation report. The municipality will further be conducting community awareness campaigns as part of its endeavor to reduce sewage blockages in the coming financial year.

3.3 ELECTRICITY

The Municipality is the Electricity services authority but it has however appointed CENTLEC (entity of Mangaung Metro) to provide this service on its behalf. Some of the households, mostly in the townships fall within Eskom supply area. The Municipality currently does not have backlogs as all its households have been connected to electricity supply grid. This was achieved through funding from the department of Energy (DoE).

In the 2016/2017 financial year, the municipality did not have any aerial lighting projects.

T 3.3.1

Electricity Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households Year 0
	ActualNo.	ActualNo.	ActualNo.	ActualNo.
Energy: (above minimum level)				
Electricity (at least min.service level)	8667	8867	9681	0
Electricity - prepaid (min.service level)	8667	8667	9681	0
<i>Minimum Service Level and Above sub-total</i>	1926	1926	1112	0
<i>Minimum Service Level and Above Percentage</i>	17,844%	17,884%	10,31%	0
Energy: (below minimum level)				
Electricity (< min.service level)	1926	1926	1112	0
Electricity - prepaid (< min. service level)				
Other energy sources				
<i>Below Minimum Service Level sub-total</i>	1926	1926	1112	0
<i>Below Minimum Service Level Percentage</i>	17,844%	17,884%	10,31%	0
Total number of households	10793	10793	10793	10793

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Households Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	1926	1926	1112			0
Households below minimum service	17,844%	17,884%	10,31%			0
Proportion of households below minimum	1926	1926	1112			0

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 -3					
4 -6					
7 -9					
10 -12	0	3	0	3	100%
13 -15	1	1	1	0	0%
16 -18					
19 -20					
Total	1	4	1	3	75%

Financial Performance Year 2015-16: Electricity					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	22,364,274	61,535,230	46,611,212	30,970,488	-99%
Expenditure:					
Employees	528,415	898,670	459,967	414,263	-117%
Repairs and Maintenance	884,450	3,340,171	429,358	952,226	-251%
Other	49,402,241	39,948,057	30,831,895	56,392,124	29%
Total Operational Expenditure	50,815,106	44,186,898	31,721,220	57,758,613	23%
Net Operational Expenditure	28,450,832	-17,348,332	-14,889,992	26,788,125	165%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.3.7

In delivering the above, the Municipality utilised both MIG and INEP grants as per allocation from the relevant sector department. The Municipality further utilised CENTLEC as per the signed service level agreement for the design and physical implementation of these projects

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING (COMMUNITY SERVICES))

The above division is mainly responsible for removal of waste classified or meant for household and business uses.

On daily basis once per week, a programme has been implemented or followed to ensure removal of refuse within our communities. This service considered applicable matters as per the adopted municipal indigent policy during the implementation of the service.

Solid Waste Service Delivery Levels				
Description	Year-3	Year-2	Year-1	Households Year 0
	Actual No	Actual No	Actual No	Actual No
Solid Waste Removal: (Minimum level)				
Removed at least once a week	2,895	2,685	2,846	2,235
<i>Minimum Service Level and Above sub-</i>	2,895	2,685	2,846	2,235
<i>Minimum Service Level and Above</i>	50.9%	47.1%	51.5%	44.8%
Solid Waste Removal: (Below minimum				
Removed less frequently than once a week	655	547	565	523
Using communal refuse dump	865	846	487	865
Using own refuse dump	655	547	565	523
Other rubbish disposal	502	952	938	720
No rubbish disposal	112	123	124	124
<i>Below Minimum Service Level sub-</i>	2,790	3,015	2,678	2,755
<i>Below Minimum Service Level percentage</i>	49.1%	52.9%	48.5%	55.2%
Total number of households	5,685	5,699	5,523	4,991
				T 3.4.2

Employees: Waste Management Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	22	34	22	12	35,3%
4 - 6	5	9	5	4	44,4%
7 - 9	0	1	0	1	100%
10 - 12	7	7	7	0	0%
13 - 15	1	1	1	0	0%
16 - 18					
19 - 20	0	1	0	1	100%
Total	35	53	35	18	33,96%

Financial Performance Year 2015-16: Waste Management					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	5,111,976	19,810,200	19,907,480	10,282,501	-93%
Expenditure:					
Employees	4,825,249	9,544,458	9,339,751	5,506,242	-73%
Repairs and Maintenance	1,197	30,000	30,000	2,584	-1061%
Other	665,846	15,451,128	16,792,931	658,893	-2245%
Total Operational Expenditure	5,492,292	25,025,587	26,162,682	6,167,719	-306%
Net Operational Expenditure	380,316	5,215,387	6,255,201	-4,114,782	227%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.4.7

3.5 HOUSING

This division is responsible for registration and management of applicants in need of sites, the allocation thereof, registration and the allocation of houses and to address disputes of houses and sites. All of the above are to reflect on divisions five (5) years Housing Sector Plan reviewed on annual basis. From the beginning of this Council term, the Municipality had allocation required and segmented as per the below table, Towns allocations and the project progresses per the Contractor in each Town.

Name of Town	Financial Year	Housing units allocated	Name of Contractor	Project Sponsor	Project progress to date
Zastron	2015 to 2017	200	BOMAC CC. Ithuteng Consulting	Provincial CoGTA	In progress
TOTAL ALLOCATION					

Another project in progress is the construction of two roomed houses, which is a project from the Provincial Human Settlement and is monitored by the Province. The Municipality only gets involved when there are complaints from the community about the delays of the completion of the project and then the municipality liaise with the Province and contractors on site

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	10276	10276	100%
Year -2	10276	10276	100%
Year -1	10276	10276	100%
Year 0	10793	10276	100%

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.		%
0 - 3					
4 - 6	2	3	2	1	33.3%
7 - 9					
10 - 12	1	1	1	0	0%
13 - 15					
16 - 18					
19 - 20					
Total	3	4	3	1	33%

Financial Performance Year 2015-16: Housing					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	556,705	1,431,325	2,021,664	1,204,068	-19%
Expenditure:					
Employees	1,275,493	1,328,519	1,853,588	1,047,811	-27%
Repairs and Maintenance	0	0	0	0	0%
Other	3,842	19,721	13,455	18,319	-8%
Total Operational Expenditure	1,279,335	1,348,241	1,867,043	1,066,130	-26%
Net Operational Expenditure	722,630	-83,085	-154,621	-137,938	40%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.5.5</i>

Housing is not the core function of the Municipality but facilitate allocation and construction on behalf of both the Province and National sphere as it's their core mandate. In doing such, our Municipality has to ascertain the below as per the table;

Service delivery priorities	Improved performance measures	Major efficiencies achieved
Identification of land for housing development	Availability of land and sites for developments	Reduction of backlog on sites and housing
Compilation of register for Applicants	Up to date registers for sites	
Compilation of a register for potential Beneficiaries	Up to date register for housing allocations	
Annual review of the Housing Sector Plan	Reviewed Housing Sector Plan	

T 3.5.7

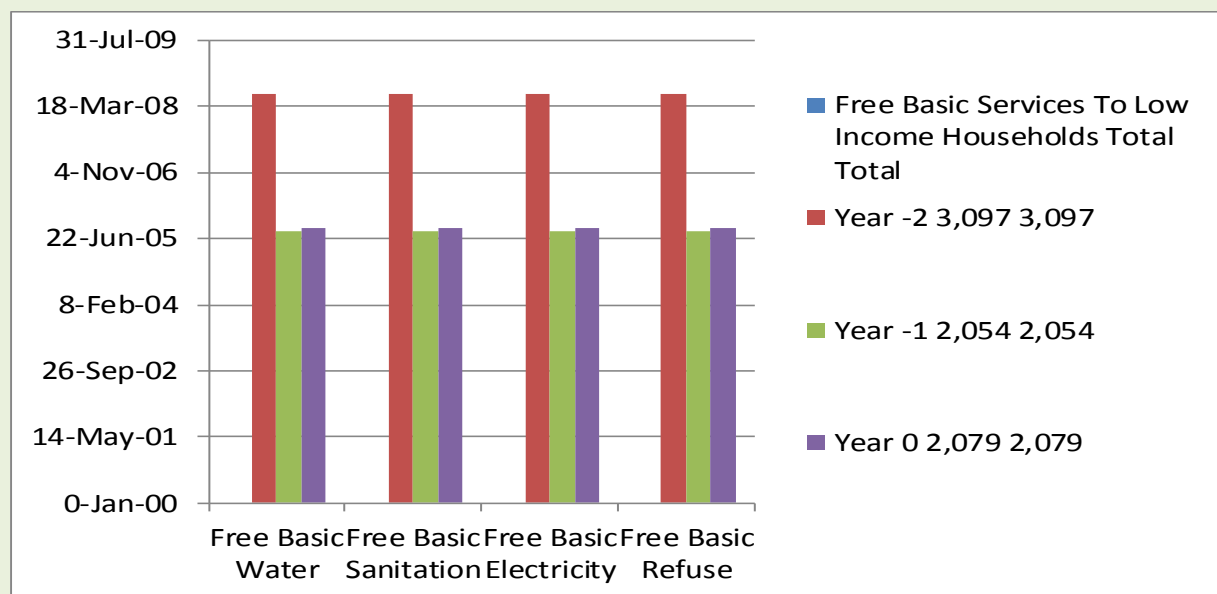
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Basic services are generally regarded to be, access to electricity, clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads. Free Basic Services (FBS) are allocated as part of the equitable share received annually and utilized for the benefit of the poor only.

The key purpose of the indigent policy subsidy is to ensure that households with no or lower income are not denied a reasonable service and on the contrary the Municipality is not financially burdened with non-payment of services. Provided that funds are available, the indigent subsidy policy should remain intact.

Registered indigent qualify for the following free basic services:

- 6kl of free water
- 50kwh of electricity
- 100% subsidy on sanitation tariff
- 100% subsidy on refuse removal tariff
- Up to R 120 000 of the market value of the property



Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
Year -2	3,097	3,097	3,097	100%	3,097	100%	3,097	100%	3,097	100%
Year -1	2,054	2,054	2,054	100%	2,054	100%	2,054	100%	2,054	100%
Year 0	2,079	2,079	2,079	100%	2,079	100%	2,079	100%	2,079	100%
T 3.6.3										

Financial Performance Year 2016: Cost to Municipality of Free Basic Services Delivered					
Details	2014-15	2015-16		Actual	Variance to Budget
	Actual	Budget	Adjustment Budget		
Water	0	942,975	1,692,000	0	-94297500000%
Waste Water (Sanitation)	0	1,466,821	1,346,795	0	-146682090000%
Electricity	0	475,200	1,371,720	0	-47520000000%
Waste Management (Solid Waste)	0	1,466,821	1,346,795	0	-146682090000%
Rates and Rates Levy	0	730,599	597,298	0	-73059921000%
Total	0	5,082,416	6,354,608	0	-101648320200%
AWAITING THE POSTING OF VARIOUS JOURNALS				T 3.6.4	

COMPONENT B: ROAD TRANSPORT

The Municipality has managed to develop a road and storm water master plan and is currently developing a road maintenance plan. The above mentioned plans are aimed at assisting in the management of this critical infrastructure.

The Municipality has further acknowledged its challenges in the maintenance of roads due to lack of yellow fleet. This challenge is currently being counteracted by implementation of roads projects which is focusing on the construction of an access road.

3.7 ROADS & WASTE WATER (STORM WATER DRAINAGE)

The Municipality has been implementing roads projects in line with its road and storm-water master plan. The focus has been on access roads where the internal roads have been upgraded with block paving. Despite progress made thus far, the Municipality still faces challenges on maintenance of existing roads.

Challenge:

- Lack of yellow fleet for maintenance of roads
- Lack of proper storm-water channels which affects roads especially during rainy season

Gravel Road Infrastructure					Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
Year-2	60	-	2.7		90
Year-1	60	-	2.5		90
Year 0	60	-	0		120
Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads Maintained
Year -2	21	-	-	21	18
Year -1	21	-	-	21	21
Year 0	21	-	-	8	14
					<i>T 3.7.3</i>

Road; Storm Water					
Job Level	Year-1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.		%
0 – 3	11	15	11	4	26,7 %
4 – 6	1	7	1	6	85,7%
7 – 9					
10 – 12	1	4	1	3	75%
13 – 15					
16 – 18					
19 – 20					
Total	13	25	13	12	48%

Financial Performance Year 2015-16: Roads and Transport					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1,064,991	29,671,372	46,178,502	9,727,848	-205%
Expenditure:					
Employees	4,996,826	7,781,648	5,723,394	3,760,058	-107%
Repairs and Maintenance	22,464	332,526	918,013	430,465	23%
Other	1,366,896	39,656,709	54,374,075	4,573,437	-767%
Total Operational Expenditure	6,386,186	47,770,883	61,015,483	8,763,960	-445%
Net Operational Expenditure	5,321,194	18,099,511	14,836,981	-963,888	1978%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.7.8</i>

As indicated earlier, the Municipality has been prioritizing its access roads and below are the main projects implemented thus far:

- Upgrading of 2 km access paved road in Rouxville - completed in 2011
- Upgrading of the 2.9 km paved access road in Matlakeng – completed 2015
- Upgrading of 3 km paved access road in Mofulatshepe/Smithfield – is complete and the municipality increased the scope of work to 5,6 km of which the 2.6 km is still in construction.

3.8 TRANSPORT

The Municipality does not have an approved transport plan; however, the plan will be developed once the spatial framework has been completed. Most of the transport functions which includes vehicle licensing and taxi licensing are currently been managed under the provincial government.

3.9 WASTE WATER (STORMWATER DRAINAGE)

The Municipality is currently creating new storm-water channels on the existing residential areas through implementation of new access roads. In the 2013/14 financial year the Municipality constructed a 2 km access road in Rouxville/Roleleathunya and in the 2014/15 constructed 2.9 km access road in Zastron. The Municipality started with a 5 km access road project in Smithfield in April 2016.

The Municipality has not yet upgraded any existing storm-water channels due to huge backlog. Maintenance of the existing storm water channels is currently being done through the Expanded Public Works Program. Below tables indicates the length of storm-water done for the past three years including expenditure thereof:

Storm water Infrastructure				
	Kilometres			
	Total Storm water Measures	New storm water measures	Storm water measures	Storm water measures
Year -2	145	0	0	22
Year -1	160	0.4	0	30
Year 0	166	1.3	0	26.76

Cost of Construction/Maintenance			
	R' 000		
	Storm water Measures		
	New	Ungraded	Maintained
Year -2	0	0	R110 000.00
Year -1	632.800	0	R 120 000.00
Year 0	2.337.396	0	R 158 400.00

The Municipality is utilizing open channel drainage system in most of its areas and these are further implemented along the access road project. Maintenance is mostly done under the Public Works program of EPWP.

Major maintenance works is done utilizing hired jet machines to unblocked underground storm-water channels in certain sections of Matlakeng/Zastron.

3.10 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.

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

SPLUMA COMPLIANCE

- Spatial Planning By law;
- Town planning policy updated in terms of SPLUMA;
- Spatial Development Framework Review: incorporation of SPLUMA principles; and
- Development of a land use scheme for Mohokare as per SPLUMA within 4 years (2019).

LANDUSE DEVELOPMENT, PLANNING AND MANAGEMENT

- Building control; and
- Land use management.

By-laws:

The following by laws assisting in town planning were adopted, in place and are implemented to assist in the management of municipal land.

- Standard Control of Street Vendors, Peddlers and Hawkers By-law;
- Standard Advertising By-Law;
- Standard Informal Settlements By-law; and
- Spatial planning and land use management by-law on municipal land use planning

ACHIEVEMENTS

The Mohokare Land Use Scheme is being drawn up with the assistance of Spatial Planning, COGTA and PULA.

The Mohokare Municipality is earmarked for a Farmer Production Support Unit as part of the DRLR (Department of Rural Development and Land Reform's Agri Park project - an initiative through the National Development Plan. A site (Erf 4195) was earmarked at Zastron and has been fenced in the April 2017.

In June 2017 the Mohokare Council approved a recommendation for the creation of two nature reserves and a protected area.

- The Game camp at Smithfield on the N6 opposite the Golf Course as a nature reserve
- The Asvoelberg mountain which is the only breeding ground in the Free State for the Cape Vulture as a nature reserve and
- The surrounding land at Asvoelberg in conjunction private land owners as a protected area.

<u>STRENGTHS</u>	<u>WEAKNESSES</u>
Alignment of Spatial Development Framework to the Integrate Development Plan and the Budget. Professional planner National and Provincial support SPLUMA – supportive legislation Good working relations with Senior Management Team	Lack of understanding of spatial planning and land use management by local communities No GIS Turn-around time for town planning processes to run its course MPT (Municipal Planning Tribunal) problematic in small municipalities
<u>OPPORTUNITIES</u>	<u>THREATS</u>
Effective implementation of SPLUMA in terms of land use Development and planning opportunities Future growth within the wall-to-wall boundaries of the municipality Smooth Land use management and governance	Illegal occupation of land Inadequate budget for processes of own planning in terms of own land development – eg 54 sites in Mofulatsepe

LANDUSE DEVELOPMENT, PLANNING AND MANAGEMENT

Fencing of Erf 4195 Zastron for development of a Farmer Production Support Unit (26/04/2017)

Identification of land for LED projects

ZONING AND REZONING, CONSOLIDATION, SUBDIVISION

ERF NUMBER	OWNER	REQUEST FOR:	ACTION TAKEN
ERF 73 ZASTRON	R.Mdalana	Rezoning	Approved
Erf 1/55 Zastron	Motheo College	Rezoning	Awaiting Municipal tribunal sitting
Erf 704 Zastron	Assemblies of God Movement	Rezoning	Awaiting Municipal tribunal sitting
Erf 869 Somido Park	V.K Duda	Consent Use	Awaiting Municipal tribunal sitting

LIQUOR LICENSE APPLICATIONS**10 applications**

ERF	TOWN	NAME OF PREPOSED OUTLET	APPROVAL/NOT
140	Matlakeng	Lwando's lounge	Outcome unknown
797	Somido Park	Khatelopele pub	
1072	Roleleathunya	Lagos inn	
3432	Matlakeng	Ditau tavern	
403	Roleleathunya	Le joint tavern	
317	Zastron	Put stop	Application Cancelled by applicant
42	Zastron	Cassalis bottle store	Approved
	Smithfield district	Letsatsi game lodge	Approved
686	Matlakeng	Oudehuis tavern	Approved
	Goedemoed	Goedemoed Prison Pub	Approved

The Mohokare municipality experiences problems with the Free State Liquor board's decisions and lack of feedback on licenses issued as it does not take enough cognizance of the municipal recommendations and thus does not adhere to SPLUMA principles. This problem will be addressed through the Free State SPLUM Forum.

BUILDING PLAN REGISTER 2016/17

DATE	Invoice	SURNAME	ERF NR	TOWN	NEW PLAN	Extension	approved	not approved	Comments
11/07/16	190102 61 R200	Mr. Ncembu	94	Matlakeng		x	x		
01/09/16	190109 53 R477	Mr. Nyamataki	241	Zastron	x				
18/07/16	EFT	OVK	2/48	Zastron	X new tanks		x		
18/07/16	130142 81 R200	Thandi	70	Zastron		X fl at s		x	Needs to rezone to erect flats
30/09/16	EFT	J. Kraay	30	Smithfield				X	Consolidation of erven needed
04/10/16	190113 38 R477	K. Mothibela	1072	Roleleathuny a	x		x		
11/10/16	190115 28 R477	G. Solomon	68	Zastron	x		x		
19/10/16	130147 66 R477	L.P. Moleleki	1099	Roleleathuny a				x	Entrance not indicated No hatchingRoof pitch not indicated

04/10/16	190099 33	Me. Hlalele	N26	Roleleathunya	x			x	No firewall between house and garage
06/10/2016	Not paid	Mr. Khalimane	1354	Greenfields		x		x	Not according to National Building Regulations and Building Standards Act no 103 of 1977
14/11/16	13015097	NA.A Mankayi	1688	Matlakeng		x	x		
8/11/2016	EFT	J. Malan	90	Smithfield		x	x		
12/12/16	EFT	G.J. Marais	720	Zastron		x	x		
24/03/2017	001252	MR. NDODA	10	Zastron		X		X	Single residential use (TPS) Awaits ownership verification and servitude line adherence explained
01/06/2017	EFT Payment	MRS. N. BHAYI	92	Smithfield	X		X		
25/06/2017	00002522	S.D. SMITH	25	Rouxville	X		X		

SERVICE DELIVERY PRIORITIES

Land use applications according to SPLUMA and new E-lodgment format

Constant information is given to the community and individuals on the new Act governing Land use. This was done by devising a new policy based on SPLUMA principles. New application forms have been developed for use in submitting applications.

Problems are currently experienced throughout the Free State in terms of the Municipal Planning Tribunals but municipalities are being assisted by COGTA.

Spatial Development Framework and Land Use Scheme development

Meetings were held with Spatial Planning COGTA as well as MISA who is assisting in drawing up the Land Use Scheme for Mohokare as per SPLUMA. Land use definitions have been looked at to fit into the new scheme and the SPS's identified through SPLUMA and Free State COGTA.

Building plans

A format was created to assist in the smooth flow of the approval of building plans, called the Building Plan Process checklist.

MEASURES TO IMPROVE SERVICE DELIVERY

1. Doing weekly and monthly reports and "reconciliation" of work done and assistance given through each month.
2. Doing follow up calls or site visits where needed.
3. Make use of the Chief Surveyor General's data and diagrams for encroachment complaints
4. Verification of ownership through the Deeds Office

Applications for Land Use Development						
Detail	Formalization of townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	0		3		0	16
Determination made in year of receipt	0		0		0	16
Determination made in following year	0		1		0	0
Applications withdrawn	0		0		0	0
Applications outstanding at year end	0		2		0	0
						T 3.10.2

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					
4 – 6					
7 – 9					
10 – 12					
13 – 15	1	1	1	0	0
16 – 18					
19 – 20					
Total	1	1	1	0	0
T 3.10.4					

Financial Performance Year 2015-16: PLANNING DIVISION: Includes Town Planning, IDP and LED					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-1,688	975,801	988,265	410,816	-138%
Expenditure:					
Employees	1,665,453	2,270,747	3,690,779	947,587	-140%
Repairs and Maintenance	0	0	0	0	0%
Other	372,916	782,340	642,676	30,096	-2499%
Total Operational Expenditure	2,038,369	3,053,087	4,333,455	977,683	-212%
Net Operational Expenditure	2,040,057	2,077,287	3,345,191	566,868	-266%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.10.5

3.11 LOCAL ECONOMIC DEVELOPMENT – LED (INCLUDING TOURISM AND MARKET PLACES)

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 has been reviewed and adopted by council for 2017/2018 financial year in June 2017. Be it noted that Mohokare is still 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.

High impact projects

In 2016 the LED Unit made a presentation on catalyst projects to DESTEA. Be it noted that municipality does not budget for LED projects due to financial constraints but through its LED Unit strives to lobby funding and necessary support for local cooperatives to implement their proposed projects: The following are still regarded as catalyst projects that can bring huge economic spin offs, create employment opportunities and alleviate poverty in our communities:

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

Poverty alleviation support

For the current financial year COGTA has been able to create 1000 jobs through its Community Work Program. The department of Public Works has also created around 78 jobs through its EPWP initiative. The municipality through Technical Services projects has created 83 jobs.

Funded projects in the current financial year

Graphic Design Project in Rouxville: R450 000: Funded by Department of Rural Development and Land Reform

Sand Stone Mining in Zastron: Funded by Department of Rural Development and Land Reform

R4.9 Million (R500 000 has already been approved for EIA study and compilation of Business Plan)

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 difficult for business 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. Cooperatives which secured funding in the past and are still funded are aquaculture, vegetable farming, bakery, and dairy. For 2017/2018 financial year two more cooperatives have been funded for Graphic Designing as well as Sand Stone Mining.

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, cow 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 to Council on securing a private investor to develop tourism infrastructure along the Caravan Park and chalets in Zastron.

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 Mohakeshoek. The commercialization of this border post has a potential of unleashing huge economic benefits through tourism and trade for both towns. This subject has been presented as part of Small Towns Regeneration Program for the town of Zastron.

SMALL SCALE MINING

The Department of Rural Development and Land Reform has approved a budget to the tune of R4.9 million for a sand stone mining in Zastron. The funding will be availed in phases and for the current financial year a budget of R500 000 will be made available for purpose of compiling EIA report and the developing of a business plan.

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 Xhariep District. A STR Steering Committee has been established for the program and the town of Zastron has been selected as beneficiary for piloting the project. The LED Unit in consultation with relevant stakeholders has compiled a list of projects for the regeneration of the town and submitted them to MISA to assist with compilation of business plans. On 10 and 11 July 2017 the LED practitioner together with the chairperson of LED committee and Planning attended a STR conference in DE Aar for the Karoo Region where the mandate to resuscitate the program was renewed.

SALE OF COMMERCIAL LAND

Mohokare municipality has strategic pockets of commercial land in all the three towns. In 2016 the LED Unit submitted a proposal that all this commercial land be identified and be put on sale with strict conditions for development to potential buyers. In 2017 council approved the proposal and LED Committee on Planning and LED invited potential investors to come and make presentations with a view of releasing land for economic development on lease or outright purchase basis.

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.

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)		None	None	Reports
Year -2	11	None	None	Reports
Year -1	114	None	None	Reports
Year 0	83	None	None	Reports

Job creation through EPWP* projects		
	EPWP Projects	Jobs created through EPWP projects
Details	No.	No.
Year -2	3	78
Year -1	3	78
Year 0	3	78
*- Extended Public Works Programme		T

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.		
0 – 3					
4 – 6					
7 – 9					
10 – 12	0	1	0	0	0%
13 – 15	1	1	1	1	100%
16 – 18					
19 – 20					
Total	1	2	1	1	50%

Financial Performance Year 2015-16: PLANNING DIVISION: Includes Town Planning, IDP and LED					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	0	0	0	0	0%
Net Operational Expenditure	0	0	0	0	0%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.15.5</i>

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives, museums arts and galleries, community halls cemeteries and crematoria, child care, aged care social programs, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

In contexts of our Municipality, this department serves to bring about changes and developments through the below strategies, Traffic policing, solid waste management, amenities, land and housing administration and the management and improvement of sports and its facilities.

3.12 LIBRARIES, COMMUNITY FACILITIES & OTHER

This division is responsible for provision of services specifically on the following areas;

Promotion of learning and sport and sporting activities. From within this division, the Municipality is currently managing and administering Community Facilities as the rest are of the Provincial and National departments' competence.

The prioritized deliverables in this current financial year are the following;

- Upgrading of Mofulatshepe Sports Ground in Smithfield.
- Development of the Policy for use and Management of Sports facilities

Priorities progress/outcome

- The upgrading has commenced and still in progress or ongoing.
- The Municipality Managed to develop a Policy that is aimed to assist both the Municipality and the Community on managing and regulating the use of sports and the sporting facilities throughout the Municipality.

SERVICE STATISTICS FOR LIBRARIES, COMMUNITY FACILITIES & OTHER

The municipality is only responsible with management of community halls through Corporate Services in terms of renting it out to the community. The Community services department is responsible for maintenance of the halls.

Employees: Libraries					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					
4 – 6					
7 – 9					
10 – 12	2	2	2	0	0%
13 – 15					
16 – 18					
19 – 20					
Total	2	2	2	0	0%

Financial Performance Year 2015-16: Libraries					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	13,411	491,335	497,611	206,545	-138%
Expenditure:					
Employees	168,211	1,280,761	631,326	155,756	-722%
Repairs and Maintenance	0	0	0	0	0%
Other	8,188	62,314	63,622	0	-6231408000%
Total Operational Expenditure	176,399	1,343,075	694,948	155,756	-762%
Net Operational Expenditure	162,988	851,740	197,337	-50,789	1777%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.12.6</i>

The has never been projects planned for the above facilities (Community Facilities) except the upgrading of Mofulatshepe Sports ground. See report or details under sports and facilities.

3.13 CEMETERIES

The Municipality has eighteen (18) cemeteries with six (6) in each Town. Having mentioned the above, its only three cemeteries operational in each town due to sites been allocated to its full capacity. The allocation of graves is being conducted through the Municipal offices and Supervisors responsible. There is no crematorium that is owned or managed by the Municipality.

To date, reported and attended departmental monthly reports through Management meetings revealed the below statistics against the cemeteries as crematoriums are not or have been erected by the Municipality and the intention is to improve it during the next submission.

Name of Town	Number allocated
Smithfield / Mofulatshepe	21
Rouxville / Roleleathunya	27
Zastron / Matlakeng	59

The municipality through the technical services department awarded 4 tenders in June 2017 for fencing of cemeteries in the three towns 1 Smithfield, 1 Rouxville and 2 Zastron.

Financial Performance Year 2015-16: Cemeteries					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	44,544	121,558	124,630	64,135	-90%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	250,000	150,000	30,000	-733%
Other	0	0	0	0	0%
Total Operational Expenditure	0	250,000	150,000	30,000	-733%
Net Operational Expenditure	-44,544	128,442	25,370	-34,135	476%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.13.5</i>

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

The municipality has in June 2017 awarded tenders to fence the cemeteries in the three towns of Mohokare (Smithfield, Rouxville and Zastron) and the projects are estimated to be completed by end of September 2017.

3.14 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

The Municipality does not manage or have all of the above as they are not its core-mandate but has building from within which Early Childhood Development Centers are operation.

COMPONENT E: ENVIRONMENTAL PROTECTION

Pollution control is not a core function of the municipality; therefore, all the tables in this component are not applicable to the municipality.

COMPONENT F: HEALTH

This component includes: clinics, ambulances and health inspection and it is not the core-function of the municipality

COMPONENT G: SECURITY AND SAFETY

Our traffic safety and security division, under department of Community Services, plays a pivotal role in managing our roads and assisting both the Province and National spheres of government, when coming to traffic services on the roads they are responsible for. It is within this division again that you see enforcement of the by-laws.

3.17 TRAFFIC SAFETY AND SECURITY

Mohokare Municipality does not have municipal Police; it is a function of the Provincial Police department. We do however have a traffic law enforcement unit under the Community Services Department. Therefore, in this component we will be commenting and discussing traffic law enforcement.

Under this division, the Municipality focused mainly on the following; visible traffic policing when coming to speed controls, well-staffed (human and technical resources) traffic division. The below table serves as illustrations under the division;

Service delivery priorities	Improved performance measures	Major efficiencies achieved
Visible traffic policing	Informed drivers and repaired and maintained vehicles and the roads	Reduced traffic accidents, continuous repairs and maintenance of the roads and fully functional traffic division.
Speed control	Reduced charges on reckless, careless and drinking driving	
Capacitated division	Enhanced Municipal revenue base.	

Municipal Traffic Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	58	0	73	0
2	Number of by-law infringements attended	0	0	0	0
3	Number of traffic officers in the field on an average day	7	7	4	0
4	Number of traffic officers on duty on an average day	7	7	4	0

The municipality has a total number of six (6) traffic officers (2 permanent and 4 interns) on the ground fully operating on daily basis to or on identified area of work as per their work schedule or programs. In January 2016 the Chief Traffic Officer retired. T 3.20.1.1

Financial Performance Year 2015-16: Traffic & Police					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1,477,722	6,171,490	7,437,583	13,074,848	53%
Expenditure:					
Employees	1,137,279	2,428,903	2,419,384	1,330,668	-83%
Repairs and Maintenance	463,783	46,206	126,333	4,750	-873%
Other	1,920,963	590,449	399,198	163,179	-262%
Total Operational Expenditure	3,522,025	3,065,558	2,944,916	1,498,597	-105%
Net Operational Expenditure	2,044,303	-3,105,932	-4,492,668	-11,576,251	73%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.20.5

3.18 FIRE & DISASTER MANAGEMENT

The fire service is the competence of the District Municipality. In instance where prompt response and assistance required, the Municipality assigns its own employees to assist and frequently would source the services of Working On Fire teams in both Zastron and Rouxville. To date, there are no priorities except to mention that we only ascertain the annual review of Disaster Management Plan.

Fire Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	4	0	52	0
2	Total of other incidents attended in the year				
3	Average turnout time - urban areas	30min	30min	30min	30min
4	Average turnout time - rural areas	30min	30min	30min	30min
5	Fire fighters in post at year end	0	0	0	0
6	Total fire appliances at year end	0	0	0	0
7	Average number of appliance off the road	0	0	0	0
T 3.21.2					

The Municipality is in a process to review its reporting format since time and others factors are not recorded. This is mainly to facilitate or assist in such instances as we do not have fire engines or dedicated personnel.

Financial Performance Year 2015-16: Fire Fighting and Protection					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	130,162	131,039	54,984	-137%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	11,326	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	11,326	0	0	0	0%
Net Operational Expenditure	11,326	-130,162	-131,039	-54,984	-137%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.21.5

These services are provided on ad hoc basis by the Municipality and the Working On Fire teams deployed full time in Zastron and Rouxville. As mentioned earlier, our key priority and of which we always attain, is the annual review of Disaster Management Plan of the Municipality. Such annual review does not demand financial assistance or backing from the municipality but from the Province as they play a pivotal role in this regard.

3.19 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES AND OTHER)

Disaster management is a district function in terms of the allocation of powers and functions. The Unit is specifically responsible for both foreseen and unforeseen circumstances not directly within our Municipal ambit. In partnerships, we attend to such (hazmats, road accidents, veld & households' fires, commercial and commonage farming and environmental health).

The Municipality is currently in the process of implementing the Commonage Management Plan to administer the commonages, get assistance in controlling of public nuisance through Xhariep District programs on disaster management and environmental health. One other assistance or partnership in department of agriculture is of vital importance.

In Managing Disaster, a Plan is in place and work with stakeholders to maintain the course. Animal licensing with specific reference to the dogs, is still a matter to be emphasized through the By-laws whilst others (pigs, cattle, sheep etc.) are notably registered as per the animal livestock registration Act.

The control of public nuisance is being given attention by our Xhariep based EHP and as such, a report reflects on the progress and plans under the District.

COMPONENT H: SPORT AND RECREATION

Sports in general, is the main and vital activity in the upbringing of healthy persons, mentally and physically. Without this in life, life expectants with reference to our Youth, would seem diminishing as most will resort to unhealthy lifestyles. As this was one of the Municipal important strategic goal in this current financial year, attention was brought or given in the below areas; Upgrading of Mofulatshepe Sports ground, maintenance of existing sports grounds.

Through MIG (Municipal Infrastructure Grant), more than five (5) households reaped rewards through employment on this project. Yes, the project faced contractual challenges hence it's still ongoing with benefits (employment) to the Community residing in both Smithfield and Mofulatshepe. This was the only Municipal key performance area in ascertain development and or improvement around sports and its facilities.

SERVICE STATISTICS FOR SPORT AND RECREATION

There are no recorded services statistics except to mention that progress, employment opportunities enjoyed under the project, is reflected under department of technical services.

3.20 SPORT AND RECREATION

There are no recorded services statistics except to mention that progress, employment opportunities enjoyed under the project, is reflected under department of technical services.

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

Financial Performance Year 2015-16: Sport and Recreation					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	218	3,900,467	4,600,665	16,452,739	76%
Expenditure:					
Employees	1,236,027	467,674	399,723	362,931	-29%
Repairs and Maintenance	8,322	409,118	300,000	134,092	-205%
Other	16,068	2,862,879	3,562,154	23,257	-12210%
Total Operational Expenditure	1,260,417	3,739,672	4,261,877	520,280	-619%
Net Operational Expenditure	1,260,200	-160,795	-338,788	-15,932,459	99%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.23.4</i>

It is clear from the KPA itself that the wellbeing of us is dependent on local area planning and such has to be realized. Having said that, Municipality through CWP (Community Works Programme) and Xhariep District Municipality's EPWP, have identified specific strategic location in developing the Community Park. Testimony thereto will be the main entrance into Smithfield, Rouxville and Zastron main entrances into the Towns. The upgrading of stadium in Smithfield also bears testimony.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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.

Mohokare Local Municipality applies the requirements of King III with the main focus areas:

- Ethical leadership and citizenship
- Boards and directors
- Audit Committees
- The governance of risk
- The governance of information technology
- Compliance with laws, rules, codes and standards
- Internal Audit
- Governing stakeholder relationships
- Integrated reporting and disclosure

The municipality has made strides in its role of ensuring the following is in place:

- Compliance with statutes through the development of a compliance register
- Upgrading of technology and systems
- Risk management- the governance of risk through applicable processes
- Development and review of policies
- Periodic performance assessments of Senior Managers is conducted
- There is an independent and effective audit committee
- A functional internal audit unit.

Employee: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					
4 – 6					
7 – 9					
10 – 12					
13 – 15	16	20	16	4	20%
16 – 18					
19 – 20					
Total	16		16	4	20%

Financial Performance Year 2015-16: Municipal Manager					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	746,418	755,952	315,488	-137%
Expenditure:					
Employees	1,163,521	1,415,587	1,327,996	403,725	-251%
Repairs and Maintenance	0	0	0	0	0%
Other	1,059,989	209,600	170,000	49,264	-325%
Total Operational Expenditure	2,223,510	1,625,187	1,497,996	452,989	-259%
Net Operational Expenditure	2,223,510	878,769	742,044	137,501	-539%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.24.5

Financial Performance Year 2015-16: Municipal Manager					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	1 315 851	1 834 490	301 740	-336%
Expenditure:					
Employees	1 037 137	1 543 757	1 277 754	1 105 273	-40%
Repairs and Maintenance	0	0	0	0	0%
Other	186 749	290 177	238 213	318 657	9%
Total Operational Expenditure	1 223 886	1 833 935	1 515 967	1 423 931	-29%
Net Operational Expenditure	1 223 886	518 084	-318 523	1 122 191	54%

3.21 FINANCIAL SERVICES

The financial services for Mohokare are rendered by the Budget and Treasury department under the leadership and guidance of the Chief Financial Officer.

Capacity in the reporting of financial matters making use of in-house capacity relating to Budget (draft, final and adjustment) as well as the drafting of the Annual Financial statements. The completion of the asset register is outsourced only relating to fixed and infrastructure assets.

The reporting on assets is still outsourced.

The financing of services has been achieved in spite of severe financial constraints.

The major constraints being:

Poor cash-flow:

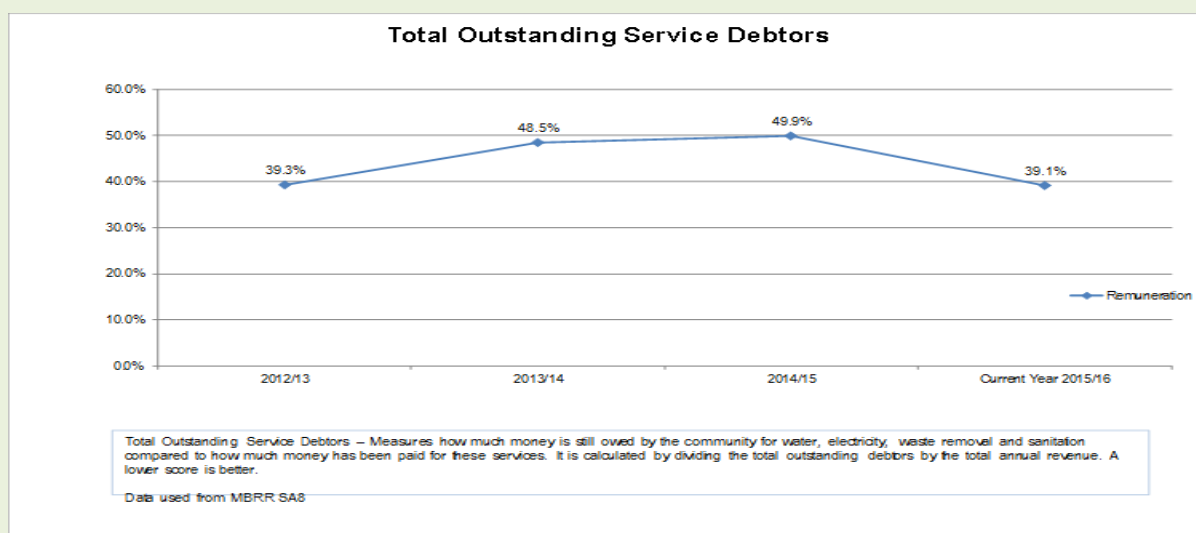
- As a result of a low payment rate and
- The inability to budget for the effective provision for the payment of creditors from the prior period.

Low payment rate.

The payment rate is set out in graph below, i.e. 39.1%

- The Municipality does not have the leverage to use restriction of electricity to ensure payment of the water, refuse and sewerage services.
- Water is at present not restricted – the fact that water is not always available at source also minimizes the effect of restricting the supply of water to a specific household.
- The recovery of existing debts is hampered by the limited information on consumers whether they are able to service the debt and the current consumption.
- The moratorium place by a council decision on the handing over of new debtor accounts to the attorney of the council.
- The lack of capacitated staff to undertake credit control and debt collection.

This will be further illustrated below.



Employees: Financial Services					
Job Level	Year -1	Year			
	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					0%
4 – 6	18	24	18	6	0%
7 – 9	6	6	6	0	25%
10 - 12	10	14	10	4	53%
13 - 15	1	2	1	1	40%
16 - 18					48%
19 - 20					40%
Total	35	46	35	11	41%

Financial Performance Year 2015-16: Budget and Treasury					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	63,804,089	33,382,122	33,390,390	47,326,245	29%
Expenditure:					
Employees	6,611,193	5,658,809	7,304,821	7,672,264	26%
Repairs and Maintenance	0	0	0	0	0%
Other	35,439,161	18,170,235	21,654,370	44,944,213	60%
Total Operational Expenditure	42,050,354	23,829,045	28,959,191	52,616,477	55%
Net Operational Expenditure	-21,753,735	-9,553,077	-4,431,199	5,290,232	281%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.25.6

3.22 HUMAN RESOURCE SERVICES

The Human Resource Department contributes to managing the gap between human capacity needs and realities of Mohokare Local Municipality.

A Human Resource Strategy is in place to align our human resource policies and practices to support the accomplishment of the mission, vision, goals and strategies of MLM. The focus is to invest in our human capital to contribute effectively, efficiently and economically to the achievement of short, medium and long term objectives of the municipality.

The principal objectives of the HRM can be listed as the following but not limited to:

- To help the organisation reach its goals;
- To employ the skills and abilities of the workforce efficiently
- To provide the organisation with well trained and well-motivated employees;
- To increase to the fullest the employees job satisfaction and self-actualization
- To communicate the HR policies to all employees
- To be ethically and socially responsible to the needs of the society.
- To develop and maintain a quality of work force.

In the year ahead work will be done to develop the succession and staff retention strategies and policies in order to grow internal capacity and ability. It is believed that this is a key tool to realizing many components of the HR Strategy.

Employees: Human Resources Services					
Job Level	Year -1	Year			
	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of
	No	No	No	No	%
0 - 3					
4 - 6	0	2	0	2	100%
7 - 9					
10 - 12	3	4	3	1	25%
13 - 15	1	1	1	0	0%
16 - 18					
19 - 20					
Total	4	7	4	3	42.86%

Financial Performance Year 2015-16: Human Resources					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-281,978	844,601	855,389	356,343	-137%
Expenditure:					
Employees	1,024,279	2,349,064	1,573,501	429,172	-447%
Repairs and Maintenance	0	0	0	0	0%
Other	20,601,786	287,502	107,747	17,395	-1553%
Total Operational Expenditure	21,626,065	2,636,566	1,681,247	446,567	-490%
Net Operational Expenditure	21,908,043	1,791,965	825,858	90,224	-1886%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.26.5

3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information Technology Services provided by the IT Unit in Mohokare Local Municipality, include the following.

The Client Services function is responsible for help desk and desktop support services.

The Network Services function is responsible for management of the municipality's local and wide area networks, copper, and wireless communications, and telecommunication services. Further responsibility is also to assure adequate security measures are in place to protect the municipality's network from unauthorized access.

The Website and Application Services function is responsible for support of enterprise systems; selection leadership and integration of new commercial-off-the-shelf (COTS) solutions; maintenance and upgrade of existing systems; architectures, software and database standards; web development;

The Server Administration Services function is responsible to design, install, administer,

IT Governance and Administration function is “hidden” but critically active function. The responsibilities in this area include the management of the Information Technology related assets, the administration of SLA’s and contracts, management of information security, IT Strategic Planning as well as sourcing and procuring of IT related equipment. The area is also responsible for the recommendation for replacement equipment where the need arises.

As set out in the IT Strategic documents, which is an input to the drafting of the municipality’s IDP, a dedicated and all-round effort has been placed on improvement of all functions of the ICT environment in order to enable efficiently the processes the brings about the realization of the IDP objectives, which amongst others include good governance.

Primarily, in brief measures have been put in place to:

Provide efficient helpdesk support service to enable or empower the workforce of municipality. Further, procurement of the upgrades of the server items have enabled the setup of the File Server which backups user’s information. Provide for increased protection of user’s information, by procuring efficient Anti-Virus software, Kaspersky Anti-Virus.

Employees: ICT Services					
Job Level	Year -1	Year			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9					
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18					
19 - 20					
Total	2	2	2	0	0%

Financial Performance Year 2015-16: Information Technology					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-292,960	591,921	599,482	249,667	-137%
Expenditure:					
Employees	3,435,600	863,028	811,343	205,922	-319%
Repairs and Maintenance	0	104,800	0	-234	44925%
Other	760,200	911,760	830,800	47,414	-1823%
Total Operational Expenditure	4,195,801	1,879,588	1,642,143	253,102	-643%
Net Operational Expenditure	4,488,761	1,287,668	1,042,662	3,435	-37383%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.27.5

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ANNUAL PERFORMANCE REPORT

2016/2017

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COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD INTRODUCTION

The Annual Performance Report is hereby submitted to the Mohokare Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 on annual reporting. This report covers the performance information from 01 July 2016 to 30 June 2017 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development and Plan (IDP).

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2016/2017.

This report will also endeavor to report to Council the Municipality's performance in terms of the five (5) National Government's Strategic Key Performance Areas for local government, which are

- (1) Basic Service Delivery;*
- (2) Local Economic Development;*
- (3) Municipal Institutional Transformation and Development;*
- (4) Municipal Financial Viability and Management and*
- (5) Good Governance and Public Participation.*

LEGAL REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows: (1) a municipality must prepare for each financial year a performance report reflecting—

- (a) The performance of the Municipality and each external service provider during that financial year;*
- (b) A comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and*
- (c) Measures taken to improve performance.*

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of

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the different role players.” Performance management is not only relevant to the organization as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

SUMMARY OF MUNICIPAL PERFORMANCE PER DEPARTMENT 2015/2016

Directorate	Number of set target	Number of achieved targets	Number of not achieved	Percentage
Office of the Municipal Manager	29	25	04	86%
Finance Department	10	9	1	90%
Corporate Services	8	7	1	87.5%
Community and Technical Services	24	14	10	58%
	71	55	16	77%

SUMMARY OF MUNICIPAL PERFORMANCE PER DEPARTMENT 2016/2017

Directorate	Number of set target	Number of achieved targets	Number of not achieved	Percentage
Office of the Municipal Manager	44	23	2	52%
Finance Department	18	14	4	77%
Corporate Services	14	8	6	57%
Community Services	16	10	6	62.5%
Technical Services	27	12	15	44%
	119	67	52	56%

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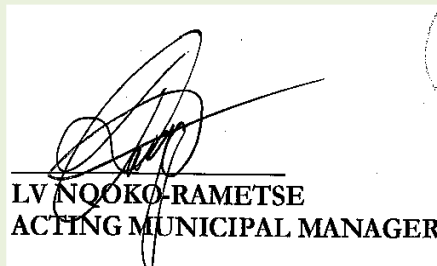
Mohokare Local Municipality served the community with distinction during the 2016/2017 financial year. This report clearly demonstrates the commitment of the municipality to ensure that the local community have access to their basic needs.

Investment capital infrastructure remains a clear focus area when projects are identified in the IDP. This report to Council and the local community demonstrates the ability of the Mohokare Local Municipality to adapt to the ever changing social needs of the local community.

The 2016/2017 was the new term of the Council which started office in August 2016, this affected the performance of the First and Second quarter set targets as the main focus was on compliance, handover reports, training and induction of the new Council hence the 44% of the set targets were not met.

This progress report will be submitted to the Municipal Council during January 2018 together with the Mid-year Budget and Performance Assessment Report 2017/2018.

I wish to extend my gratitude to the Municipal Council, Mayor, and the Management Team as well as to all the employees of the Mohokare Local Municipality who willingly and competently assisted to ensure the Municipality is well on its way to become a place of excellence.



LV NQOKO-RAMETSE
ACTING MUNICIPAL MANAGER

LOCAL ECONOMIC DEVELOPMENT

KPA 5	Local economic development											
Strategic objective (SO2)	Local economic development											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Local Economic Development	Reviewed Local Economic Development Strategy by June 2017	2015/2016 LED Strategy	-	-	Submit the reviewed draft Strategy to Council by March 2017	Submit the final strategy by May 2017	Reviewed LED Strategy by June 2017	Target achieved	-	-	Council Resolution and copy of the adopted strategy	A1
	12 Business expos conducted to assist cooperatives and SMMEs per town	2 Business expos conducted	Conduct 1 business expo per town	Conduct 1 business expo per town	Conduct 1 business expo per town	Conduct 1 business expo per town	12 Business expos conducted to assist cooperatives and SMMEs per town	Not achieved 10 business expos conducted	Unavailability of local Cooperatives weather conditions	Invites to be send to Local Cooperatives in the next Financial year	Invites and attendance registers	A2
	Reviewed SMME support Policy by June 2017	SMME Policy 2014/2015 reviewed	-	-	Submit the developed draft Policy to Council by March 2017	Submit the developed final Policy to Council by May 2017	Reviewed SMMEs support Policy by June 2017	Target achieved	-	-	Council Resolution and copy of the Policy	A3
	Reviewed the Agricultural Strategy by June 2017	2015/2016 Strategy	-	-	Submit the reviewed strategy to Council	Submit the reviewed strategy to Council by May	Reviewed Agricultural Strategy by June 2017	Target achieved	-	-	Council resolution and copy of the strategy	A4

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KPA 5	Local economic development											
Strategic objective (SO2)	Local economic development											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
					by March 2017	2017						
Good governance and public participation	3 Identified risks mitigated quarterly June 2017	NEW KPI	Identification of risks submitted to risk officer by Sept 2016	Updated risk register report submitted to risk officer by Dec 2016	1 Identified risks mitigated June 2017	2 Identified risks mitigated June 2017	3 Identified risks mitigated by June 2017	Target not applicable				A5

INFORMATION TECHNOLOGY

KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Reviewed ICT Strategy by June 2017	2015/2016 ICT Strategy	-	-	Submit the draft ICT Strategy to Council by March 2017	Submit the final ICT Strategy to Council by May 2017	Reviewed ICT Strategy by June 2017	Target achieved	-	-	Council Resolution and copy of Strategy	A5
	Reviewed ICT Policies June 2017	7 reviewed and adopted Policies 2015/16	-	-	Submit the 9 draft reviewed ICT Policies to	Submit the 9 Final ICT Policies to Council by May 2017	9 reviewed ICT Strategies adopted by May 2016. 1.IT Security	Target achieved	-	-	Council Resolution and copies of the adopted Policies	A6

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KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Ensure 100% development of ICT Strategy					Council by March 2017		policy 2.IT Assets Control & Disposal Policy 3.Internet Usage Policy 4.Change management policy 5.Password policy 6.IT Backup Policy 7 Disaster Recovery policy 636 8 Network Policy 9 Email Usage Policy					
	Review of the Disaster recovery and Business Continuity Plan by May 2017	New KPI	-	-	Submit draft Disaster Recovery and Business Continuity Plan to Council by March 2016	Submit the final Disaster Recovery and Business Plan to Council by May 2016	Reviewed Disaster Recovery and Business Continuity Plan for the 2016/17 financial year.	Target achieved	-	-	Council resolution and copy of the approved plan	A7
To instil good governance in all Municipal	4 Identified risks, mitigated by June 2017	New KPI	Identification of risks	Updated risk register	2 identified	2 identified risk mitigated	4 Identified risks, mitigated by	Target not achieved	Risk management unit did not	Chairperson of the RMC has been	Proof of submission of the	A8

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KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
operations, ensure public participation and provide critical strategic support to the Municipality			submitted to risk officer by Sept 2016	report submitted to risk officer by Dec 2016	risk mitigated		June 2017		closely monitor management's responses to the municipality's strategic & operation risks due to non - functioning of RMC	appointed with effect from 1 st June 2017	updated risk register (Acknowledgment of receipt)	
	Monitoring B2B Report	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	12 monthly Updated B2B reports	Target not applicable	-	-	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	

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TOWN PLANNING

KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
100% compliance to SPLUMA	Development of SPLUM Policy by June 2017	New KPI	-	-	Submit the draft Policy to Section 79 and Council by March 2016	Submit the final Policy to Council by May 2016	Developed SPLUM Policy by June 2017	Target not achieved	Policy underwritten by SPLUMA only needs revision if the ACT changes	To be removed as Performance indicator	Council Resolution and copy of the policy	B1
	Reviewed Spatial Development Framework by June 2017	2015/2016 SDF	-	-	Submit the draft SDF to Council by March 2016	Submit the final SDF to Council by May 2016	Reviewed SDF by June 2017	Target not achieved	Assistance of MISA with data come after the submittance date and was part of IDP as a chapter on its own	Changed date to submit a document at the IDP assessment session as to talk to municipal dates	Council Resolution and Copy of the Policy	B2
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Monitoring of risk related matters	New KPI	Identification of risks submitted to risk officer by Sept 2016	Updated risk register report submitted to risk officer by Dec 2016	3 identified risk mitigated	3 identified risk mitigated	3 Identified risks, mitigated by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 st June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	B3

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RISK MANAGEMENT

KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
To evaluate the effectiveness of Risk management, control and governance processes and develop actions to address key risks identified	Reviewed Enterprise Risk Management Policies (Risk Management Strategy and Framework, Fraud and Anticorruption Strategy, Risk Management Committee Charter	Reviewed Enterprise Risk Management Policies	Submission of 2016/2017 Policies to RMC & AC for approval & Council takes note by July 2016	-	Submission of 2016/2017 Policies to RMC & AC for approval & Council takes note by March 2017	Submission of 2016/2017 Policies to RMC & AC for approval & Council takes note by June 2017	Reviewed Enterprise Risk Management Policies	Target achieved	Policies were tabled in the RMC & AC meeting, still needs to go to council for approval	Minutes to be approved in the next RMC & AC meeting	Attendance register and minutes from RMC and AC Council resolution and copy of the adopted policies	C1
	Reviewed Risk Register by June 2017	2015/16 Risk Register	-	-	Assessment of Municipal Risk Appetite and Risk Tolerance by March 2017	Approval of Risk Register by RMC by June 2017	Approved Risk Register by RMC	Not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Approval of the register by RMC	Attendance register, Minutes, Acknowledgement of receipts and the approved risk register and report	C2

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KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Identified and monitored top 10 high municipal risks by June 2017	New KPI	Strategic risks identified by August 2016	Top 5 high risks identified by October 2016	Top 10 high risks monitored	Top 10 high risks monitored	10 high municipal risks identified and monitored for each Department	Target achieved	-	-	Risk register and risk report	C3
	Monitoring of risk related matters	New KPI	Aggregate municipal summary of mitigated risks	Aggregate municipal summary of mitigated risks	Aggregate municipal summary on the 50% (49) identified and mitigated risks	Aggregate municipal summary on the 50% (49) identified and mitigated risks	Aggregate municipal summary of 98 identified and mitigated risks by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 st June 2017	Aggregate summary report	C4
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Monitoring Back to Basics Report	New KPI	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	12 Monthly Updated B2B reports by June 2017	Target not applicable	-	-	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	C5
	Summary of AG action plans resolved and implemented.	New KPI	Departmental Summary of action plan queries	Departmental Summary of action plan queries	One(1) Audit finding resolved by March 2017	One (1) Audit finding resolved by June 2017	Resolve 1 audit finding to achieve clean audit on previous years queries	Target not applicable	-	-	Quarterly Action plan reports submitted	C6

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INTERNAL AUDITING

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Maintaining and improving the Municipal Audit Opinion	Review Internal Audit Charter and Manual for approval by March 2017	Adopted and reviewed 2014/2015 Internal Audit Plan	Review of Internal Charter and Manual by July 2016	-	Review of Internal Charter and Manual	-	Review Internal Audit Charter by March 2017	Target achieved	-	-	Approved Internal Audit Charter, and Manual Attendance register and minutes	D1
	Reviewed and approved Audit Committee Charter by March 2017	Adopted 2014/2015 Audit Plan	Submission of the reviewed Audit Committee Charter to Council for Approval	-	Submission of the reviewed Audit Committee Charter to Council for Approval	-	Reviewed and approved Audit Committee Charter by March 2017	Target achieved	-	-	Approved Audit Committee Charter	D2
	Develop and submit Internal Audit Coverage Plan by June 2017	2014/2015 Audit Action Plan	Approved Internal Audit Coverage Plan by August 2016	-	-	Approved Internal Audit Coverage Plan	Approved Internal Audit Coverage Plan by June 2017	Target not achieved	Risk register has not yet been submitted to the Internal Audit office to prepare the Coverage Plan	The Coverage Plan will be prepared when the Risk Register has been submitted and subsequently presented to the Audit	Approved Internal Audit Coverage Plan, Attendance register & minutes.	D3

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KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
										Committee for approval.		
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	3 risks mitigated and implemented against identified risks	New KPI	Identification of risks submitted to risk officer by Sept 2016	-	1 identified risks mitigated	2 identified risks mitigated	3 identified risks mitigated in the Risk registers June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 st June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	D4
	Monitoring B2B Report	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	3 monthly updated B2B Diagnostic Report by March 2017	3 monthly updated B2B Diagnostic Report by June 2017	12 monthly updated B2B report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	D5
	Conducting of ISO Audit report by March 2017	New KPI	Quarterly updated departmental register on ISO audit findings by Sept 2016	Quarterly updated departmental register on ISO audit findings by Dec 2016	Conducting of ISO Audit by March	-	Conducting of ISO Audit report by March 2017	Target not achieved	Internal Auditor not adequately capacitated to conduct ISO audits	Attend module (2) training on ISO	ISO Audit report	D6

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KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Summary of 62 AG action plans resolved and implemented	New KPI	Aggregate municipal Summary of action plan queries	Aggregate municipal Summary of action plan queries	Aggregate municipal Summary of 31 (50%) action plan queries	Aggregate municipal Summary of 31 (50%) action plan queries	Resolve 62 queries to achieve clean audit on previous years queries	Target not achieved	-	-	Quarterly Action plan reports submitted	D7

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HUMAN RESOURCE MANAGEMENT

KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Annual review and implementation of the Human Resource Development Strategy by June 2017	Reviewed HRD Strategy by June 2017	Adopted 2015/2016 HRD Strategy	-	-	Submit draft 2017/2018 Strategy to Sec 79 and Council by March 2017	Final reviewed 2016/2017 HRD Strategy submitted to Council by May 2017	Reviewed HRD Strategy by June 2017	Target not achieved	HR Strategy: Delay of inputs from the Departments	To be reviewed in the next financial year, the last one adopted in February 2016 will be used	Council resolution and copy of adopted reviewed strategy	E1
	Implementation of the HRD Strategy	New KPI	-	-	6 Quarterly reports	6 Quarterly reports	12 Quarterly Recruitment and selection, leave management, benefits and claims, vacancy rate, wellness report and overtime report	Target achieved	-	-	Quarterly reports	E2
	100% filled vacant sec 57 posts	4 positions filled and 1 vacant	-	-	Advertising of Sec 54A	Appointment of Sec 54A and 56 by 30 June 2017	100% filled vacant sec 57 posts	Target not achieved Advert for a position of Sec 54A	Financial constraints	To be advertised in the 1 st quarter of the new financial year 2017/2018	Advertisement Recruitment processes Appointment letter contracts	E3

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KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Vacant posts identified in the EE Plan filled	New KPI	-	Appointment of: One(1) Senior Finance Manager Five (5) Unskilled employees by December 2016	Five (5) Unskilled employees	Five (5) Unskilled employees	Appointment of: One(1) Senior Finance Manager Five (5) Unskilled employees by December 2016	Target not achieved Only appointment of Senior Finance Manager	Financial Constraints	To be appointed in the new financial year second quarter	Appointment letters and Contracts	E4
	8 Human Resources Policy reviewed and approved by June 2017	8 Reviewed HR policies Councilor remuneration, leave policy, organizational design, relocation ,employment policy, overtime, staff retention, OHS Policy	-	-	Submit drafts (8) to Section 79 and Council by March 2017	Submit (8) reviewed HR Policies to Council by May 2017	8 Human Resources Policy reviewed and approved by June 2017	Target over achieved 10 HR policies approved	-	-	Council Resolution and electronic copies of HR Policies	E5
	Reviewed Organogram by June 2017 in line with the EE Plan	Reviewed Organogram by June 2016	-	-	Submit reviewed Organogram to Section 79 by March 2017	Submit reviewed Organogram to Council by May 2017	Reviewed Organogram	Target Achieved	The same Organisational structure was adopted because of the delay of inputs from departments	Reviewed to be adopted in July	Council resolution and electronic copy of the reviewed organogram	E6

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KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Monitoring of risk related matters	New KPI	Identification of risks submitted to risk officer by Sept 2016	Updated risk register report submitted to risk officer by Dec 2016	1 Risk identified and mitigated	1 Risk identified and mitigated	2 Identified risks mitigated by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 st June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	E7
	Monitoring of Back to Basics Report monthly	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Jan 2017	Quarterly updated B2B Diagnostic Report by Jun 2017	12 monthly Updated B2B report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	E8

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PERFORMANCE MANAGEMENT SYSTEMS

KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
100% monitoring and evaluation of the municipality's Performance	2016/2017 Organisational performance management system reviewed by May 2017	Approved PMS policy Framework	-	-	Submit the draft 2017/2018 PMS Policy to Council by March 2017	Submit the draft 2016/2017 PMS Policy to Council by May 2017	Review PMS policy framework	Target achieved	-	-	Council resolution and electronic copy of the reviewed policy	F1
	Submission of the draft Annual report and the annual performance report for 2015/16 to the Auditor General by 31 August 2016	Annual report, annual performance report submitted on the 31 August 2015	Submit draft Annual report, annual performance report on 31st of August 2016	-	-	-	Submitted draft Annual report, annual performance report by 31st of August 2016	Target achieved	-	-	Acknowledgement of receipt	F2
	Developed 2017/2018 SDBIP by June 7	2016/2017 SDBIP	-	-	Draft 2017/2018 SDBIP submitted to Council by March 2017	Submit developed 2017/2018 SDBIP to Mayor WITHIN 28 days after the approval of the Budget	Developed 2017/2018 SDBIP by June 2017	Target achieved	-	-	Approved SDBIP	F3

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KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Developed Mid-year report submitted to Council by 25 January 2017	Mid-year report submitted to Council by 25 January 2017	-	-	Mid-year report developed and submitted to Council by 25 Jan '17	-	Developed and submitted Mid-year report	Target Achieved	-	-	Adopted Mid-year report	F4
Ensuring 100% compliance to MFMA, MSA and Circular 63 & 32	Developed and adopted adjustment SDBIP and submitted to Council by 28 Feb 2017	Adjusted SDBIP and adopted by Council in Feb 2017	-	-	Developed and approved Adjusted SDBIP by Council by 28 Feb 2017	-	Developed and approved adjusted SDBIP	Target Achieved	-	-	Council resolution and electronic copy of AR & APR	F5
	Tabled AR and APR to Council by 25 January 2017	Annual report, annual performance Report tabled on the 29 January 2016	-	-	Table Annual Report and Annual Performance Report by the 25 January 2017	-	Tabled Annual Report and Annual Performance Report by the 25 January 2017	Target achieved	-	-	Council resolution and electronic copy of AR & APR	F6
	Review of 2016/17 Suppliers and Service Providers monitoring Policy by March 2017	New KPI	-	-	Review of 2016/17 Suppliers and Service Providers	-	Review of 2016/17 Suppliers and Service Providers monitoring	Target achieved	-	-	Adopted policy, and Council resolution	F7

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KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
					monitoring Policy by March 2017		Policy by March 2017					
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Identification and mitigation of risks	New KPI	Identification of risks submitted to risk officer by Sept 2016	Updated risk register report submitted to risk officer by Dec 2016	3 risks mitigated	3 risks mitigated	3 risks Identified and mitigated by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 st June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	F8
	Monitoring B2B Report quarterly	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Jan 2017	Quarterly updated B2B Diagnostic Report by Jun 2017	12 monthly Updated B2B report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	F9
	# ISO audit findings resolved by June 2017	4 Updated ISO registers (POE) on resolved findings	Quarterly updated departmental register on ISO audit findings by Sept 2016	Quarterly updated departmental register on ISO audit findings	Conduct ISO Audit for the municipality	-	4 Updated ISO registers (POE) on resolved findings	Target not achieved	Internal Auditor not adequately capacitated to conduct ISO audits	Attend module (2) training on ISO	Proof of submission of the updated ISO Audit file to IDP Unit (Acknowledgment of receipt)	F10

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KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
				by Dec2016								
	Summary of 3 AG action plan queries resolved and implemented.	3 AG action plan queries resolved to achieve clean audit on previous years queries	Departmental summary of audit matters attended	Departmental summary of audit matters attended	Departmental summary of 1 audit matters attended	Departmental summary of 2 audit matters attended	3 AG action plan queries resolved to achieve clean audit on previous years queries	Target achieved	-	-	Quarterly reports submitted	F11

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INTEGRATED DEVELOPMENT PLANNING

KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
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 2017	Approved 2015/16 IDP	Approved IDP Process plan by August 2016	Establishment of Rep Forum	Submit draft IDP to Council by March 2017 for 2017/18 FY	Submit final IDP to Council for adoption by May 2017	Reviewed and approved IDP	Target achieved	-	-	Council resolution And electronic copy of the IDP.	G1
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Identified and mitigated risks	New KPI	Identification of risks submitted to risk officer by Sept 2016	Updated risk register report submitted to risk officer by Dec 2016	2 risks identified and mitigated	3 risks identified and mitigated	5 risks Identified and mitigated quarterly June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non - functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 st June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	G2
	Monitoring B2B Report monthly	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec	Submit reports to National COGTA 10 days after the end of the	Submit reports to National COGTA 10 days after the end of the month	12 monthly Updated B2B reports submitted to National and Provincial COGTA	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission to National and Provincial COGTA	G3

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KPA 3	Good governance and Administration											
Strategic objective (SO4)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
				2016	month						(Acknowledgegment of receipt)	
	1 AG findings resolved to achieve clean audit on previous years queries	New KPI	Departmental summary of audit matters attended	Departmental summary of audit matters attended	1 AG findings resolved	-	1 AG findings resolved to achieve clean audit on previous years queries	Target achieved	-	-	Quarterly reports submitted	G4

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TECHNICAL SERVICES

KPA 1	Good governance and Administration											
Strategic objective (SO1)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Provision of Project Management services to the Municipality 2016/2017	To execute work amounting to R35 million on RBIG (Regional Bulk Infrastructure Grant) by 31 March 2017 (100% expenditure)	92% expenditure	44 % work executed	72 % work executed	100 % work executed	-	100% expenditure	Target not achieved 72% expenditure	Termination of a consultation due to incompetency. This termination resulted in delay of execution of work on site	A new consultant has been appointed	Invoices from service providers	H1
	To execute work amounting to R31 million on MWIG (Municipal Water Infrastructure Grant) by 30 June 2017	27% expenditure	30 % work executed	44 % work executed	55 % work executed	100% work executed	100% expenditure	Target not achieved 34% expenditure	Late appointment of service providers for the project implemented under the water services infrastructure grant	The mechanical and Electrical contractor has been appointed	Invoices from service providers Payment certificates	H2
	To execute work amounting to R28 million 100% expenditure of Municipal Infrastructure Grant by 30 June 2017	% expenditure	30 % expenditure	44 % expenditure	55 % expenditure	100% expenditure	100% expenditure by June 2017	Target not achieved 58% expenditure	Slow internal procurement processes on cemetery projects. Implementation started 3 months later than initially scheduled	Service provider for the cemetery projects have been appointed	Invoices from service providers	H3

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KPA 1	Good governance and Administration											
Strategic objective (SO1)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Deliver sustainable access to sanitation services on or above RDP level	Upgrading of the Zastron Waste Water Treatment works by 26 May 2017	70% progress on construction	100 % completion of the works	-	Completion of civil works	Completion of the project	Completion of the Zastron Waste Water Treatment works by 26 May 2017	Target achieved	-	-	Progress report Completion certificate	H4
Provision of access roads to previously disadvantaged areas by June 2017	Construction of the Smithfield 5 km Access paved road	5% progress on construction	25% progress on construction	50% progress on construction	75% progress on construction	100% Completion of the access road	Completion of the access road by 23 June 2017	Target achieved	-	-	Quarterly Progress reports Completion certificate	H5
To provide dignified cemeteries	Upgrading of the cemeteries in Zastron by June 2017	NEW KPI	Designs and layout plans	-	Advertise and appoint a service provider	25% progress on project	25% progress on the project by June 2017	Target achieved	-	-	Designs and layout plans Advert and appointment letter progress report	H6
To provide dignified cemeteries	Upgrading of the cemeteries in Rouxville by June 2017	NEW KPI	-	Designs and layout plans	Advertise and appoint a service provider	25% progress on project	25% progress on the project by June 2017	Target achieved	-	-	Designs and layout plans Advert and appointment letter Progress report	H7

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KPA 1	Good governance and Administration											
Strategic objective (SO1)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Construction of the two pump station in Zastron by June 2017	Completed 15km pipeline	Completion of civil works and Appointment of mechanical and electrical service provider	Designs and layout plans	Advertise and appoint a service provider	25% progress on project	Site establishment of electrical and mechanical contractor by June 2017	Target achieved	-	-	Tender advert Site hand over Minutes and attendance register	H8
	Construction of the 27 km raw water pipeline in Rouxville by June 2017	25km of pipeline completed	Completion of civil works and Appointment of mechanical and electrical service provider	10% progress in installation of mechanical and electrical components	Re-advertise the project	Site establishment	Practical completion on contract no. SCM/MOH/10/2015	Target not achieved 73% completed due to Termination of a consultant due to incompetency	Termination of a consultant due to incompetency. This termination resulted in delay of execution of work on site	A new consultant has been appointed	Completion certificate Appointment letter	H9

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KPA 1	Good governance and Administration											
Strategic objective (SO1)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Upgrading of the Water Treatment works in Zastron by June 2017	Service provider appointed	10% progress on project-Earth works	40% progress on project – Concrete works	40% progress on project by putting contract on terms	70% progress on the project	70% progress on the works by June 2017	Target not achieved 22.33%	The Contractor went off site after court order stating that the Company was under liquidation.	Contract between the contractor to be terminated and new contractor be appointed	Progress report	H10
Provision of sustainable portable water in all 3 Towns by June 2017	Development and approval of WSDP	Draft WSDP	-	Submit the final WSDP to Council by Dec 2016	-	Submit the final WSDP to Council	Final WSDP approved by Council by June 2017	Target not achieved	Awaiting inputs from water and sanitation	N/A	Council Resolution and Approved WSDP	H11
Provision of access roads to previously disadvantaged areas by 30 June 2017	Developed Road management plan by May 2017	Draft plan	-	-	Draft Road Management plan submitted to Council by March 2017	Final Road Management plan submitted to Council by May 2017	To develop a road management plan by May 2017	Target not achieved	Awaiting for Council resolution	-	Council resolutions Road management plan copy	H12

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KPA 1	Good governance and Administration											
Strategic objective (SO1)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Basic Service Delivery and Infrastructure development	Provision of Aerial lighting and electrification of household by 30 June 2017	New kpi	1 report	1 report	1 report	1 report	Provide quarterly report on the status of the aerial lighting to Council	Target not achieved 22.33% progress on site	Centlec was on strike as it fall under Metro	-	Quarterly reports	H13
Basic Service Delivery and Infrastructure development	Eradication of 48 buckets in Rouxville by June 2017	Site establishment	-	-	20 buckets eradicated	28 buckets eradicated	Eradication of 48 buckets in Rouxville by June 2017	Target not achieved	-	-	Progress report	H14
Basic Service Delivery and Infrastructure development	All occupied households with tap in yard	All households have tap in yard.	-	-	All applications for new water connection to be addressed as per the register book	All applications for new water connection to be addressed as per the register book	All occupied households with tap in yard	Target achieved	New connection were made	N/A	List of households and the register	H15
Basic Service Delivery and Infrastructure development	Length of access road constructed or maintained		-	-	1km	1km	2 km Road constructed or maintained in smithfield	Target achieved	-	-	Progress report from the Engineer	H16
Refuse removal	Frequency of removal of household refuse	No proper records on collection of refuse	10 793 HH refuse to be remove once a week	10 793 HH refuse to be remove once a week	Household refuse to be remove once a week	10 793 HH refuse to be remove once a week	Household refuse to be remove once a week	Target achieved	-		Signed report from Unit Managers	H17

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KPA 1	Good governance and Administration											
Strategic objective (SO1)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Electricity	Number of new connections	No proper record on connection of electricity	-	-	All qualifying applicant on the register to be connected	All qualifying applicant on the register to be connected	Connection of electricity to all qualifying applicants	Target not achieved	Centlec was on strike as it fall under Metro Municipality (Mangaung)	-	List of connected household and the register	H18
Provide clean and portable drinking water	Water resources management and Risk management	Dam safety report of Rouxville , Smithfield and Zastron	-	-	Preparation of advert and appointment of the services provider	100% implementation of dam safety reports	Implementation of dam safety Recommendations as per dams safety reports	Target not achieved	Budget allocation was used for other services	N/A	Report from services provider	H19
Provide clean and portable drinking water	Quantity of purified water versus daily demand	Inflow and outflow meters	246,375,102,2 Purified water for Zastron ,Smithfield	246,375,102,2 and 118,625 Purified water for Zastron ,Smithfield respectively	246,375,102,2 and 118,625 Purified water for Zastron ,Smithfield respectively	246,375,102,2 and 118,625 Purified water for Zastron ,Smithfield respectively	1635 ML of purified water	Target over Achieved 1668.03ML	-	-	Water mass balance report and water meters readings	H20
Provide clean and portable drinking water	Drinking water quality Management	Monthly water quality tests results	100% of clean ware compliance and data submission	100% of clean ware compliance and data	100% of clean ware compliance and data submission	100% of clean ware compliance and data submission at blue	100% compliance of physical , chemical and biological water quality	Target achieved	No water quality results but samples were submitted and results held due to the account status not paid, refer to the	-	Records of water quality results and proof of data submitted on BDS	H21

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KPA 1	Good governance and Administration											
Strategic objective (SO1)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
			n at blue drop system	submissi on at blue drop system	n at blue drop system	drop system			attached list of dates of water & waste water samples submission to the laboratory-			
Provide clean and portable drinking water	No drop compliance	Inflow and outflow meters	Less than 10% reduction of water loss at water treatment plant	Less than 10% reduction of water loss at water treatment plant	Less than 10% reduction of water loss at water treatment plant	Less than 10% reduction of water loss at water treatment plant	10% reduction of water loss to entire systems	Target Achieved	-	-	Reports and water Nass respire	H22
Provide dignified sanitation	Wastewater Quality Risk Management	Wastewater risk abatement per supply system	Review of risk abetment plans	Sign off acceptance of the RAP	50 % implementation of risk matrix reduction	50 % implementation of risk matrix reduction	100% implementation on wastewater risk abetment plans	Target not Achieved	-	-	RAP registers per supply system and reports	H23
Basic Service Delivery and Infrastructure development	Deliver sustainable services that are on or above RDP level	Two samples per month against waste water quality standards	Two(2) set of samples submitted laboratory and data to be loaded on GDS	Two(2) set of samples submitted laboratory and data to be loaded on GDS	Two(2) set of samples submitted laboratory and data to be loaded on GDS	Two(2) set of samples submitted laboratory and data to be loaded on GDS	Submission of 24 wastewater effluent samples	Target over achieved 24 samples submitted	-	-	Evidence from GDS system and	H24

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KPA 1	Good governance and Administration											
Strategic objective (SO1)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	20 Identified risks, mitigated	New KPI	Identification of risks submitted to risk officer by Sept 2016	Updated risk register report submitted to risk officer by Dec 2016	10 Identified risks, mitigated March 2017	10 Identified risks, mitigated June 2017	20 Identified risks, mitigated by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 st June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	H25
	Monitoring B2B Report monthly	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	3 monthly updated B2B Diagnostic Report by March 2017	3 monthly updated B2B Diagnostic Report by June 2017	12 monthly Updated B2B report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	H26
	Summary 6 of AG action plan queries resolved and implemented.	New KPI	Departmental summary of audit matters attended	Departmental summary of audit matters attended	Departmental summary of 6 audit matters attended	Departmental summary of 6 audit matters attended	6 AG action plan queries resolved to achieve clean audit on previous years queries	Target not achieved	-	-	Summary of AG action plans resolved and implemented.	H27

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CORPORATE SERVICES

KPA 2	Public Participation											
Strategic objective (SO6)	Participate in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Coordination of ordinary council meetings	4 distributed notices and agenda for 4 ordinary meetings	Distribution of 1 notice and agenda by Aug 16	Distribution of 1 notice and agenda by Nov 16	Distribution of 1 notice and agenda by Feb 17	Distribution of 1 notice and agenda by May 17	4 Ordinary Council meeting	Target achieved	-	-	Copy of notices and agendas distributed and acknowledgement of receipts	J1
	Coordination of LLF meetings	12 LLF notices and agenda distributed	Distribution of 3 notices and agendas	Distribution of 3 notices and agendas	Distribution of 3 notices and agendas	Distribution of 3 notices and agendas	12 LLF notices and agenda distributed	Target not achieved 6 notices and agendas were distributed	Council removed the quarter one forum meetings as they were unable to take place due to local government elections and election of the new council	-	Copy of notices and agendas distributed and acknowledgement of receipts	J2
	Reviewed and adopted Employment Equity Policy by June 2017	15/16 EE Policy	-	-	-	Submit final policy to Council for adoption by June 2017	Reviewed and adopted EE Policy	Target achieved	-	-	Council resolution and adopted policy	J3

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KPA 2	Public Participation											
Strategic objective (SO6)	Participate in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Agenda and notices of section 79 committees distributed quarterly	15/16 Sec 79 notices and agenda	5 notices and agendas distributed by July 2016	5 notices and agendas distributed by Nov 2016	5 notices and agendas distributed by Feb 2017	5 notices and agendas distributed by May 2017	20 notices and agenda of Section 79 distributed quarterly	Target not achieved 15 notices and agendas were distributed	Council removed the quarter one Committee meetings as they were unable to take place due to local government elections and election of the new council	-	Notices and agenda	J4
Mitigating of departmental risk register	3 risks identified and mitigated by June 2017	15/16 Risks register report	-	-	1 risk mitigated by March 2017	2 risk mitigated by June 2017	3 risks mitigated by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 st June 2017	Risk report on the updated risk register (Acknowledgment of receipt)	J5

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KPA 2	Public Participation											
Strategic objective (SO6)	Participate in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Monitoring B2B Report quarterly	15/16 B2B Report	Quarterly updated B2B Diagnostic Report submitted to the IDP Manager by Sept 2016	Quarterly updated B2B Diagnostic Report submitted to the IDP Manager by Dec 2016	Quarterly updated B2B Diagnostic Report submitted to the IDP Manager by March 2017	Quarterly updated B2B Diagnostic Report submitted to the IDP Manager by June 2017	12 monthly reports Updated B2B quarterly report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	J6
Review, and implement all relevant departmental policies	5 reviewed policies by June 2017 (Public participation, Communication, HR and Training, Social media policies)	5 reviewed policies	-	-	-	5 reviewed policies by June 2017	5 reviewed policies by June 2017 (Public participation, Communication, HR and Training, Social media policies)	Target over achieved The department reviewed 6 policies	-	-	Policies Council resolution	J7
Strategies developed and reviewed	Annual Reviewed delegation system adopted by Council by June 2017	2015/2016 reviewed delegation system	-	-	-	Reviewed and adopted Delegation System by June 17	Annual Reviewed delegation system adopted by Council by June 2017	Target achieved	-	-	Council Resolution and Adopted Delegation System	J8

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KPA 2	Public Participation											
Strategic objective (SO6)	Participate in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Organizational development	10 officials capacitated in terms of the workplace skills	New KPI	-	-	5 officials capacitated	5 officials capacitated	10 officials capacitated by June 2017	Target achieved	-	-	Skills development report	J9
Councillor development	2 councillors capacitated in terms of skills	New KPI	-	-	-	2 councillors	2 councillors capacitated	Target not achieved	Due to Councillors commitments and meetings with SALGA	Councillors will be capacitated in the next financial year	Skills development Report	J10
Recruitment and selection	1 filled budgeted post	New KPI		1 official appointed	-	-	1 filled budgeted post	Target not achieved	Municipal Financial Constraints	An Official will be appointed in the next financial year	Appointment letter	J11
Enhance institutional development and good governance	Development and submission of the (17/18) workplace skills plan by 30 April 2016 to LGSETA	14/15 submitted WSP	-	-	-	Developed and submitted WSP to LGSETA by April 2017	15/16 WSP submitted by April 17	Target achieved	-	-	Acknowledgement of receipt from LGSETA and WSP Document	J12
Enhance institutional development and good governance	3% of budget actually spent on implementing WSP bi-annually	New KPI	-	1% of budget actually spent on implementing WSP	-	2% of budget actually spent on implementing WSP	3% of budget actually spent on implementing WSP	Target over achieved	-	-	Proof of amounts spent	J13
To ensure provision of secretaries support to council	Quarterly updated resolution register	Register updated	Resolution register updated by Dec 2016	Resolution register updated by April 2017	Resolution register updated by April 2017	Resolution register updated by June 2017	Updated resolution register by June 2017	Target achieved	-	-	Updated register	J14

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FINANCE SERVICES

KPA 4	Financial Management											
Strategic objective (SO3)	Financial Viability											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Review, and implement all relevant departmental policies	6 budget related policies reviewed by June 2017 (Assets, SCM, Revenue, bank and investment, Credit Control and Expenditure)	2015/16 Reviewed budget related policies	-	-	To submit 6 draft policies to Section 79 and Council for adoption by March 2017	To submit 6 Final policies to Section 79 and Council for adoption by March 2017	6 budget related policies reviewed by June 2017 (Assets, SCM, Revenue, bank and investment, Credit Control and Expenditure)	Target achieved 12 budget related policies have been approved	-	-	Policies Council resolutions Attendance register	K1
Implementation of Mohokare Financial Management Plan	Developed Compliant municipal budget by June 2017	2015/2016 adopted budget	-	-	Submit the draft compliant budget to Budget Steering Committee and Council by March 2017	Submit the Final budget to Budget Steering Committee and Council for adoption by May 2017	Developed Compliant municipal budget by June 2017	Target achieved	-	Compliant budget	Compliant budget	K2
	Developed adjustment budget by Feb 2016	Adopted adjustment budget in by Feb 2016	-	-	Submit the adjusted budget to Budget Steering Committee and Council by March 2017	-	Adopted adjustment budget by Feb 2016	Target achieved	-	-	Adjusted Budget Council Resolution	K3

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					Council for Adoption by Feb 2017							
Implementatio n of the Procurement Plan	Development of Procurement Management Plan by August 2016	New KPI	Submit develope d Plan to Council by August 2016 for adoption	-	-	-	Developed and adopted Procurement Management Plan by August 2016	Target achieved	-	-	Council Resolution and adopted copy	K4
Development of operationalizat ion of SCM Plans	Implementation and monitor of the procurement plan	New KPI	Progress report on the procure ment plan	Progress report on the procure ment plan	Progress report on the procure ment plan	Progress report on the procure ment plan	Procurement Plan implemented by June 2017	Target achieved	-	-	Progress report	K5
Promotion and maintenance SCM	Irregular, fruitless and wasteful expenditure reduced by June 2017	New KPI	Progress report on irregular, fruitless and wasteful expendit ure	Progress report on irregular , fruitless and wasteful expendit ure	Progress report on irregular, fruitless and wasteful expendit ure	Progress report on irregular, fruitless and wasteful expendit ure	Irregular, fruitless and wasteful expenditure reduced by June 2017	Target achieved	-	-	Progress report	K6
Implementa tion of the Supply Chain Policy	Quarterly SCM reports submitted to the Mayor and Accounting Officer	New KPI	Quarterly SCM report	Quarterl y SCM report	Quarterly SCM report	Quarterly SCM report	Quarterly SCM reports submitted to the Mayor and Accounting Officer	Target achieved	-	-	Quarterly SCM report	K7

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DRAFT ANNUAL REPORT 2016/2017

MOHOKARE LOCAL MUNICIPALITY

Grow Mohokare	12 local businesses awarded by June 2017	New KPI	3 local businesses awarded	3 local businesses awarded	3 local businesses awarded	3 local businesses awarded	12 local businesses awarded by June 2017	Target over achieved 17 local businesses were awarded	-	-	Report on LED	K8
Grow Mohokare	80 % creditors paid within 30 days	New KPI	20 % of creditors paid within 30 days	20 % of creditors paid within 30 days	20 % of creditors paid within 30 days	20 % of creditors paid within 30 days	80 % creditors paid within 30 days	Target not achieved	Due to the municipality' cash flow constraints, only critical creditors that are related to service delivery as well as third party were prioritised and paid within 30 days.	Cash flow management plan to be implemented	Invoices and expenditure forms	K9
Grow Mohokare	30% of outstanding debt collected over 90 days by June 2017	New KPI	7.5 % of debt collected	7.5 % of debt collected	7.5 % of debt collected	7.5 % of debt collected	30% of outstanding debt collected over 90 days by June 2017	Target not achieved	The system has not yet closed due to the conversion from SEBATA to Munsoft, therefore no report can be provided at the moment	report will be provided by end 30 th July 2017	Quarterly revenue report	K10
Ensure sound financial management and financial sustainability of MLM	Prepare a MSCOA compliant budget by 30 June 2017	New KPI	-	-	-	MSCOA compliant budget	100% MSCOA Budget compiled by June 2017	Target Achieved	-	-	Copy of approved Budget	K11

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DRAFT ANNUAL REPORT 2016/2017

MOHOKARE LOCAL MUNICIPALITY

Fully effective asset management unit	Quarterly verifying physical assets against assets register by June 2017	New KPI	Quarterly report on verification of physical assets	Quarterly report on verification of physical assets	Quarterly report on verification of physical assets	Quarterly report on verification of physical assets	Updated GRAP compliant assets register by June 2017	Target achieved	-	-	Assets register Quarterly report on verification of physical assets	K12
Implementing effective internal controls and monitoring compliance	Timely submission of compliance reports to Council, NT and PT (Section 71, 52, and 72)	New KPI	Quarterly budget statement (Section 52 & 71)	Quarterly budget statement	Quarterly budget statement	Quarterly budget statement	Compliance reports as per MFMA	Target achieved	-	-	Quarterly reports	K13
Compilation of compliant AFS	Submission of Draft compliant Financial Statements to AG, National and Provincial Treasury by 31 st August 2016	Submitted AFS by Aug 2015	Submission of compliant Draft Financial Statements to AG and National and Provincial Treasury by 31 st August 2016	-	-	-	Submitted AFS by 31 st August 2016	Target achieved	-	-	Proof of submission to AG, NT and PT	K14
Submission of Compliant AFS	Submission of Final compliant Financial Statements to Council, NT and PT by 25 January 2017	AFS submitted to Council by 29 Jan 2016	-	-	Submission of Final compliant Financial Statements to Council, NT and PT by 25 January 2017	-	Submitted final AFS to Council	Target achieved	-	-	Proof of submission to AG, NT and PT	K15

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DRAFT ANNUAL REPORT 2016/2017

MOHOKARE LOCAL MUNICIPALITY

To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Summary of 75% of 42 AG action plans resolved and implemented.	New KPI	-	-	Departmental summary 25% of 42 audit matters attended	Departmental summary 50% of 42 audit matters attended	75% of 42 audit queries attended	Target achieved	-	-	Summary report and action plan	K16
	32 mitigated risks against identified risks by June 2017	15/16 Risks register report	8 risks mitigated	8 risks mitigated	8 risks mitigated	8 risks mitigated	32 mitigated risks against identified risks by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 st June 2017	Risk register and proof of submission	K17
	Monitoring B2B Report K quarterly	New KPI	Quarterly updated B2B Report by Sept 2016	Quarterly updated B2B Report by Dec 2016	3 monthly updated B2B Report by March 2017	3 monthly updated B2B Report by June 2017	12 monthly Updated B2B report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	K18

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COMMUNITY SERVICES

KPA 6	Environmental Management (basic services)											
Strategic objective (SO5)	Keep Mohokare safe and clean											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Provision of sustainable Human Settlements in all the three towns by 30 June 2017	Review of Human Settlement Sector Plan by June 2017	Human Settlement Sector Plan 2015/16	-	-	Submission of draft plan to Council by March 2017	Submit the final reviewed Plan to Council by May 2017	Review of Human Settlement Sector Plan by June 2017	Target achieved	-	-	Council resolution and Copy of the Plan	L1
	Developed Land Disposal Policy by June 2017	New KPI	-	-	Submission of draft policy to council by March 2017	Submission of final policy to Council for approval by June 2017	Land Disposal Policy developed by June 2017	Target achieved	-	-	Council resolution copy of the plan	L2
	Reviewed of Municipal Housing Rental Policy by June 2017	Municipal rental housing policy in place by 2015/16	-	-	Submission of draft policy to council by March 2017	Submission of final policy to Council for approval by June 2017	Reviewed of Municipal Housing Rental Policy by June 2017	Target not achieved	The draft policy was developed but never submitted to Council, awaiting for other inputs from stakeholders	The plan will be submitted in the next financial year after stakeholder consultations	Council resolution copy of the plan	L3
	Reviewed Municipal sites allocation Policy by June 2017	2015/2016 Policy	-	-	Submission of draft Policy to Council by March 2017	Submission of final Policy to Council for approval by June 2017	Reviewed Municipal sites allocation Policy by June 2017	Target achieved	-	-	Council resolution Copy of the Policy	L4

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KPA 6	Environmental Management (basic services)											
Strategic objective (SO5)	Keep Mohokare safe and clean											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Management of Local Disaster as per incident	Review of local disaster management plan by June 2017	Local Disaster Management Plan in place 2015/16	-	-	Submission of draft plan to Council by March 2017	Submit the final reviewed Plan to Council by May 2017	Reviewed Disaster Management Plan by June 2017	Target achieved	-	-	Council resolution and Copy of the Plan	L5
Keep Mohokare safe and clean	Management of Local Disaster as per incident	New KPI	-	-	2 disaster incidents attended	2 disaster incidents attended	No of disaster incident attended	Target Achieved	-	-	Quarterly report	L6
	Reviewed Extended Public Works Policy by August 2017	EPWP in place	Submit the final reviewed Plan to Council by August 2016	-	-	Submit the final reviewed Plan to Council by May 2017	Reviewed Extended Public Works Policy by August 2017	Target achieved	-	-	Council resolution and Copy of the Policy	L7
	Reviewed Commonage Management plan by June 2017	Commonage management plan in place	-	-	Submission of draft plan to Council by March 2017	Submit final plan to Council by May 2017	Reviewed Commonage Management Plan by June 2017	Target achieved	-	-	Council resolution and Copy of the Plan	L8
	Developed Sports and Facilities Management policy by June 2017	New KPI	-	-	Submission of draft plan to Council by March 2017	Submit final draft to Council by May 2017	Developed Sports and Facilities Management policy by June 2017	Target achieved	-	-	Council resolution and Copy of the Policy	L9
	Reviewed Cemetery Management Policy by June 2017	Cemetery Management policy in place	-	-	Submission of draft policy to council by March 2017	Submission of final policy to Council for approval by June	Review of Cemetery management Policy by June 2017	Target achieved	-	-	Council resolution copy of the plan	L10

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KPA 6	Environmental Management (basic services)											
Strategic objective (SO5)	Keep Mohokare safe and clean											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
						2017						
Keep Mohokare Safe & Clean	Develop the draft operations and maintenance Plan	New KPI	-	-	-	Draft Operations and Maintenance Plan approved by Council by May 2017	Developed draft operations and maintenance Plan by May 2017	Target not achieved	The draft plan was developed but never submitted to Council, awaiting for other inputs from stakeholders	The plan will be submitted in the next financial year after stakeholder consultations	Council resolution Approved draft plan	L11
Keep Mohokare Safe & Clean	Implementation of the Operations and Maintenance Plan	New KPI	-	-	Quarterly maintenance report of the municipal council buildings	Quarterly maintenance report of the municipal council buildings	Maintained Council buildings	Target not achieved	The account for Municipality was on hold due to non-payment to service providers	Payment of Municipal accounts by Finance Department	Quarterly maintenance report	L12
Keep Mohokare Safe & Clean	Develop draft traffic Operations Plan	New KPI	-	-	-	Draft traffic operations plan approved by Council by May 2017	Developed draft traffic operations Plan by May 2017	Target not achieved	The draft plan was developed but never submitted to Council, awaiting for other inputs from stakeholders	The plan will be submitted in the next financial year after stakeholder consultations	Council Resolution Approved plan	L13
Keep Mohokare Safe & Clean	Implementation of traffic management plan	New KPI	-	-	1 quarterly report	1 quarterly report	2 quarterly consolidate municipal vehicle inspections report	Target achieved	-	-	Quarterly report	L14

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KPA 6	Environmental Management (basic services)											
Strategic objective (SO5)	Keep Mohokare safe and clean											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	13 risks identified and mitigated quarterly	New KPI	Identification of risks and submission of the report to the risk register by Sept 2016	Risk report on the updated risk register (Mitigation of risk) submitted to the Risk Officer by Dec 2016	6 risks identified and mitigated quarterly	7 risks identified and mitigated quarterly	13 risks identified and mitigated quarterly by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 st June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	L15
	Monitoring B2B Report monthly	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by March 2017	Quarterly updated B2B Diagnostic Report by June 2017	12 Updated B2B report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	L16

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This AR and APR is drafted in terms of Section 46 of the Municipal Systems Act, 32 of 2000. The 2016/2017 APR is based on reported information only and un-audited. The report is subject change during and after the audit from the Auditor General of South Africa.

CHAPTER 4**ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)****COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL****4.1 EMPLOYEE TOTALS**

Mohokare Local Municipality employs 376 (including non-permanent positions) officials, who individually and collectively contribute to the Municipality's strategic objectives. The primary objective of Human Resource Management is to render innovative HR services that address both skills development and administrative function.

TOTAL EMPLOYEES				
Description	Ending 31st June 2017			
	Number of Posts	Number of Employees	Vacancies	% Variance
Water	47	48	2	4.3%
Sanitation	70	49	23	30%
Electricity	4	1	3	75%
Roads & Storm-water	25	19	6	24%
Technical Services (exc the above)	11	7	4	36%
Waste Management	44	25	19	43%
Human Settlement	4	4	0	0%
Traffic Safety & Management	7	3	4	57%
Community Services (exc Waste, Human Settlement & Traffic)	51	46	8	16%
Planning	2	1	1	25%
Local Economic Development	2	1	1	50%
Office of the MM (exc Planning & LED)	31	16	13	46%
Finance	49	36	9	20%
Corporate Services	16	10	5	27%
TOTALS	364	266	98	27%

VACANCIES

Vacancy Rate: 2016/17			
Designations	Total Approved Posts	Vacancies	Vacancies %
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S56 Managers (excluding Finance Posts)	2	1	50.00
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	0	0	0.00
Fire fighters	0	0	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	17	3	17.60
Senior management: Levels 13-15 (Finance posts)	3	2	66.67
Highly skilled supervision: levels 9-12 (excluding Finance posts)	31	14	45.16
Highly skilled supervision: levels 9-12 (Finance posts)	10	4	40.00
Total	65	24	36.92

TURNOVER

Turn-over Rate 2015/16			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
Year -2	21	19	90.48%
Year -1	14	19	135.71%
Year 0	1	10	1000.00%

Appointment of Senior Managers

All section 54A and 56 positions have been successfully filled except for the position of Director: Community Services (which has been vacant for five years) due to the financial constraints that municipality is currently facing. However, the municipality is receiving assistance from the Premier's Office by appointing an Acting Community Services Director – Mr Danie Marais.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

Policies and plans provide guidance for fair and consistent staff treatment and approach to managing staff.

All policies relevant to Human Resources have been reviewed and implemented in the years under review.

Human Resource policies road shows have been embarked upon to train and share information of the policies to all staff members.

The table below shows the HR Policies and Plans that are approved:

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council
1	HRD Strategy	100	100	26 May 2016
2	Organogram	100	100	June 2016
3	Organizational Design Policy	100	100	June 2016
4	Employment Policy	100	100	June 2016
5	Leave Policy	100	100	June 2016
6	Occupational Health and Safety Policy	100	100	June 2016
7	Overtime Policy	100	100	June 2016
8	Overtime Policy	100	100	June 2016
9	Relocation Policy	100	100	June 2016
10	Councilor Remuneration Policy	100	100	June 2016
11	Staff Retention Policy	100	100	June 2016
12	Draft Employment Equity policy	100	100	26 May 2016
13	Communications Policy	100	100	26 May 2016
14	Public Participation Policy	100	100	26 May 2016
15	Youth Development Policy	100	100	June 2016
16	Delegation Systems	100	100	26 May 2016
17	ICT Strategy	100	100	26 May 2016
18	IT Security Policy	100	100	26 May 2016
19	IT Assets Control & Disposal Policy	100	100	26 May 2016
20	Internet Usage Policy	100	100	26 May 2016
21	Change Management Policy	100	100	26 May 2016

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council
22	Password Policy	100	100	26 May 2016
23	IT Backup Policy	100	100	26 May 2016
24	Disaster Recovery Policy	100	100	26 May 2016
25	Network Policy	100	100	26 May 2016
26	Email Usage Policy	100	100	26 May 2016
27	Telephone Policy	100	100	26 May 2016
28	Mobile and Gadgets Policy	100	100	26 May 2016
29	Disaster Recovery and Business Plan	100	100	June 2016
30	Integrated Development Plan	100	100	26 May 2016
31	LED Strategy	100	100	26 May 2016
32	SMME Policy	100	100	26 May 2016
33	Agricultural Strategy	100	100	26 May 2016
34	Risk Management Strategy	50	50	12 February 2016
35	Fraud and Anti –corruption Strategy	50	50	12 February 2016
36	SPLUM Policy	100	100	26 May 2016
37	SDF Policy	100	100	26 May 2016
38	Human Settlements Plan	100	100	26 May 2016
39	Rental Housing Policy	100	100	30 June 2016
40	Sites Allocation Policy	100	100	26 May 2016
41	Disaster Management Policy	100	100	26 May 2016
42	Integrated Waste Management Plan	100	100	26 May 2016
43	Commonage Management Policy	100	100	26 May 2016
44	Sports and facilities Management Policy	100	100	26 May 2016
45	Cemetery Policy	100	100	30 June 2016
46	Revenue Strategy	100	100	30 June 2016
47	Credit Control Policy	100	100	30 June 2016
48	Annual Budget	100	100	26 May 2016
49	Assets Management Policy	100	100	26 May 2016
50	SCM Policy	100	100	30 June 2016

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee Days	Total Estimated Cost
Required basic medical attention	3	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	3	0	0	0	0

Injuries, sickness and suspensions excl. injuries on duty:

Salary band	Total sick leave	Proportion of sick leave without medical certification %	Employees using sick leave	Total employees in post*	Average sick leave per employees
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled(Levels 3-5)	1499	0	117	139	10.8
Highly skilled production(levels 6-8)	714	0	56	67	10.9
Highly skilled supervision(levels 9-12)	475	0	44	49	9.7
Senior management(Levels 13-15)	94	0	9	17	5.5
MM and S57	17	0	2	4	4.2
Total	2799	0	228	276	10.1

SUSPENSIONS

Number and period of suspension				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of case and reasons why not finalized	Date Finalized
NONE				

CASES OF FINANCIAL MISCONDUCT

Disciplinary Action Taken On Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
NO CASES REPORTED			

Workplace discipline within the municipality is guided by the Labour Relations Act and SALGBC disciplinary procedure and code collective agreement. In the financial year 2016/2017 workplace discipline cases were recorded at 11 of which 8 were concluded and 3 outstanding as 2 cases are now handled at the Labour Court level and 1 case handled internally. The figure of recorded cases decreased year on year, this decrease is attributed to the workshops conducted with employees on code of ethics and disciplinary and code collective agreement which impacts on behavioral change and the fact that supervisors and Managers are taking ownership of discipline within their directorates.

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 Senior Managers appointed in terms of Section 56 of the MSA are on fixed-term performance contracts. The Individual Performance Management System has not been fully cascaded down to all institutional levels within the municipality. Currently there is no performance bonus system non-section 56 employees, only a notch progression methodology is currently utilized.

This will be put in place once the organization achieves the necessary performance management maturity level. The table below sets out the total number and cost of annual bonuses paid out to senior managers and fixed term contract employees for the 2016/17 financial year:

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within
Lower skilled (Levels 1-2)	Female	0	0	0	0
	Male	0	0	0	0
Skilled (Levels 3-5)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled production (levels 6-8)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled supervision (levels 9-12)	Female	0	0	0	0
	Male	0	0	0	0
Senior management (Levels 13-15)	Female	0	0	0	0
	Male	0	0	0	0
MM and S56	Female	1	1	0	0
	Male	3	3	0	0
Total		4	4	0	0

Despite gradual improvement of financial and performance position of the municipality over the last financial years, the municipal manager and senior managers have never been paid any performance bonuses due to the financial difficulties faced by the institution.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68 of the Municipal Systems Act states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, and efficient and accountable way and for this purpose must comply with Skills Development Act and Skills Development Levies Act.

Mohokare Local Municipality had an approved and adopted workplace skills Plan detailing the trainings planned by the municipality for 2016/2017.

Training plan was developed with time frames and approved by management for implementation. Further to that the municipality applied for Discretionary grant from LGSETA.

Challenges: Municipality depends most on the LGSETA grants in order to implement most of the programmes due to financial constraints. The Municipality experienced challenges on the implementation of the programmes in the financial year 2016/2017 hence in attempt to rescue the situation by submitting applications for Discretionary grants. Funds being diverted from capacity building to other functions.

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2017	Number of skilled employees required and actual as at 30 June 2016											
			Learner ships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: 2015/2016	Actual: 2016/2017	2016/17	Actual: 2015/2016	Actual: 2016/2017	2016/17	Actual: 2015/2016	Actual: 2016/2017	2016/17	Actual: 2015/2016	Actual: 2016/2017	2016/17
MM and s57	Female	1	0	0	0	0	0	0	1	0	1	1	0	1
	Male	3	1	0	1	0	0	0	2	2	3	3	2	4
Councillors, senior officials and managers	Female	9	1	2	6	0	0	0	1		1	2	2	7
	Male	15	6	5	4	0	0	0	0	0	5	6	5	10
Technicians and associate professionals*	Female	1	0	0	1	0	0	0	1	1	1	1	1	2
	Male	2	0	0	1	0	0	0	0	0	2	0	0	3
Professionals	Female	3	3	2	3	0	3	3	0	0	3	3	5	9
	Male	6	6	6	6	0	2	5	1	0	3	7	8	14
Sub total	Female	14	4	4	10	0	3	3	3	1	6	7	8	19
	Male	26	5	11	12	0	2	5	3	2	13	16	15	30
Total		40	9	15	22	0	5	8	6	3	19	23	23	51

Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a))	Consolidat ed: Total of A and B	Consolidat ed: Competen cy assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation	Consolidat ed: Total number of officials that meet prescribe d competenc y levels (Regulation
Accounting officer	1	0	1	1	1	1
Chief financial	1	0	1	1	1	1
Senior managers	2	0	2	1	2	1
Any other financial officials	11	0	11	11	0	9
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	1	1
Supply chain management senior	0	0	0	0	0	0
TOTAL	16	0	16	15	5	13

This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)

Regulation R493 of the National Treasury requires that all identified officials in the municipality should have achieved minimum competencies by June 2017.

Skills Development Expenditure										
Management level	Gender	Employees 2016/17	Original Budget and Actual Expenditure on skills development							
			Learner ships		Skills programs & other short courses		Other forms of training		Total	
		No.	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
MM and S57	Female	1	0	0	0	0	0	0	0	0
	Male	3	0	0	0	0	0	0	0	0
Legislators, senior officials and Professionals	Female	9	0	0	0	0	0	0	0	0
	Male	15	0	0	0	0	0	0	0	0
	Female	7	0	0	R3480.	R3480	0	0	R3480.7	R3480.7
	Male		0	0	0	0	0	0	0	0
	Female	1	0	0	0	0	0	0	0	0
	Male	2	0	0	0	0	0	0	0	0
Clerks	Female		0	0	R2 290	R2	0	0	R2 290	R2 290
	Male		0	0		R1	0	0	R1 145	R1 145
Service and sales workers	Female	0	0	0	0	0	0	0	0	0
	Male		0	0	0	0	0	0	0	0
Plant and machine	Female	7	0	0	0	0	0	0	0	0
	Male	31	0	0	0	0	0	0	0	0
Elementary occupations	Female	37	0	0	R3 435	R3	0	0	R3	R3 435
	Male		0	0	R16	R16	0	0	R16	R16
Sub total	Female		0	0	0	0	0	0	0	0
	Male		0	0	0	0	0	0	0	0
Total			0	0		R22	0	0	R26 38	R26 38

SKILLS DEVELOPMENT

The Skills Development Act aims to develop the skills of the South African workforce and to improve the quality of life of workers and their prospects of work. To improve productivity in the workplace and the competitiveness of employers and to promote self-employment

The workplace skills plan is the key strategic planning document relating to workplace training, career pathing and employment equity, the plan details the training planned for the financial year and it is informed by the IDP, Skills audit results and the MFMA in terms of Section 83(1).

The municipality endeavours to provide training as planned in the WSP due to financial constraints not all trainings are implemented however there is a significant progress to ensure that in a financial year employees receive quality training to acquire new skills and improve performance.

Accomplishments

- 2 Section 56 employees have completed the Municipal Finance Management Programme in compliance with the National Treasury Minimum Competency levels regulations.
- Supply chain employees and the interns from the finance department have completed the Municipal Finance Management Programme.
- 30 Plant operators completed water and waste water treatment works on various qualifications.
- 20 lower level employees completed a First aid programme.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

Section 66 of the Municipal Systems Act states that the Accounting Officer of the municipality must report to the Council on all expenditure incurred by the municipality on staff salaries wages, allowances and benefits. This is line with the requirements of the Public Services Regulations, 2002 as well as National Treasury Budget and Reporting Regulations

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	None
	Male	None
Skilled (Levels 3-5)	Female	None
	Male	None
Highly skilled production (Levels 6-8)	Female	None
	Male	None
Highly skilled supervision (Levels 9-12)	Female	None
	Male	None
Senior management (Levels 13-16)	Female	None
	Male	None
MM and S 57	Female	None
	Male	None
Total		0

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None				

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
None				

CHAPTER 5

FINANCIAL PERFORMANCE

The overall operating results achieved for the past financial year closed off with a surplus of R34.4 million compared to a budgeted surplus of R47.9 million. Operating revenue for the year is R224.2 million (2015: R167.9 million) which reflects an increase of 33, 5%. The operating expenditure for the year is R188.9 million (2015: R166.3 million) which reflects an increase of 13.6%.

The total capital expenditure capitalized for the year in respect of property, plant and equipment amounted to R71.3-million which includes R 71.3-million from government grants and Rnil from own cash resources. Cash and short term investments increased by 569, 6% to R 6, 3-million (2015: R 945-thousand).

COMPONENT B: STATEMENTS OF FINANCIAL PERFORMANCE

Operating revenue excluding capital grants and subsidies but including equitable share for the year is R137, 7 million (2015: R113,8 million) which reflects an increase of 21%. Included in the above figure is equitable share to the amount of 54.8 million 24% of the total revenue.

Electricity remains the largest source of income and contributes 11.05% to operating revenue. Property rates constitute 3% of revenue.

Interest received has increased from R7.7 million to R8.4 million. This is due to the use of the TMT system.

The operating expenditure for the year is R188.9 million (2015: R166.3 million) which reflects an increase of 13.6% from the previous financial year. The main expenditures are employee related costs at R58, 7 million, debt impairment at R36.3 million, bulk purchases at R 26, 2-million and depreciation at R26.8 million. Repair and maintenance increased from R2.2 million to R3.3 million.

COMPONENT A: STATEMENTS OF FINANCIAL POSITION

The current assets increased from R23.8 million to R33.9 million. This is an increase of 42.4%. This is an increase of R10.1 million.

The current liabilities increased from R73.7 million to R88.8 million. This is an increase of R15.1 Million.

The non-current assets increased from R494.1 million to R534.1 million. This is an increase of R40 million or 8%. This was largely due to capital grants from MIG and MWIG.

The non-current liabilities decreased by R0.4 million.

5.1 STATEMENTS OF FINANCIAL POSITION

Financial Performance of Operational Services - Expenditure excludes grants for Capital Infrastructure						
Description	Year 2014-15	Year 2015 - 16			Year 2015 - 16	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Water	13,463,236	19,397,402	23,391,743	13,352,025	-45%	-175%
Waste Water (Sanitation)	5,060,628	11,948,590	12,410,850	4,850,187	-146%	-256%
Electricity	50,815,106	40,406,564	30,329,795	57,758,613	30%	-53%
Waste Management	5,060,628	11,948,590	12,410,850	4,850,187	-146%	-256%
Housing	678,387	610,301	909,074	814,837	25%	-112%
Component A: sub-total	75,077,985	84,311,447	79,452,312	81,625,849	-3%	-97%
Roads	5,060,628	11,948,590	12,410,850	4,850,187	-146%	-256%
Component B: sub-total	5,060,628	11,948,590	12,410,850	4,850,187	-146%	-256%
Planning (Strategic & Regulatory)	2,273,356	3,209,612	4,309,321	3,561,471	10%	-121%
Component B: sub-total	2,273,356	3,209,612	4,309,321	3,561,471	10%	-121%
Community & Social Services	6,770,856	6,857,319	6,694,184	6,268,535	-9%	-107%
Security and Safety	1,248,351	1,624,856	1,393,782	1,240,706	-31%	-112%
Sport and Recreation	1,260,417	1,000,889	824,120	520,280	-92%	-158%
Corporate Policy Offices and Other	54,907,076	43,803,337	45,838,787	67,049,692	35%	-68%
Component C: sub-total	64,186,701	53,286,400	54,750,874	75,079,213	29%	-73%
Total Expenditure	141,538,042	140,807,459	138,512,506	160,266,533	12%	-86%
						T5.1.2

COMMENTS

The amounts budgeted do not realise when compared to actual expenditure. The lowest variance is 53%.

(It would appear that capital expenditure may still need to be recognised)

5.2 GRANTS

OPERATING GRANT PERFORMANCE - Excludes grants for Capital Infrastructure R '000						
Description	Year 2014-15	Year 2015 - 16			Year 2015 - 16	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Transfers and Grants						
National Government:	-56,733,000	-58,742,000	-58,600,000	-58,600,000	0%	-100%
Equitable share	-52,966,000	-54,825,000	-54,870,000	-54,870,000	0%	-100%
Municipal Systems Improvement	-934,000	-967,000	-930,000	-930,000	-4%	-100%
Finance Management Grant	-1,800,000	-1,950,000	-1,800,000	-1,800,000	-8%	-100%
Expanded Public Works Programme	-1,033,000	-1,000,000	-1,000,000	-1,000,000	0%	-100%
INEPG	0	0	0	0		
Provincial Government:	-19,010	-2,429,948	-3,367,859	0		
Support of 56 Managers	-19,010	-2,429,948	-3,367,859	0		
Total Operating Transfers and Grants	-56,752,010	-61,171,948	-61,967,859	-58,600,000	-4%	-106%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.						T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The equitable share grant is not increasing in line with inflation. This resulted as a result of the depopulation of the rural areas.

All transfers and grants received for the year have been spent for the purposes they were received for where conditions were attached.

All conditional grants were received except for the Provincial Grants

5.3. ASSET MANAGEMENT

Asset management remains a concerning area in Mohokare Local Municipality due to reliance on consultants on infrastructure assets and lack of capacity that would ensure the transfer of skills by consultants. Only one person is working in the division and is fully responsible for the immovable assets. Illustrations of asset management approach in relation to the new assets set out below.

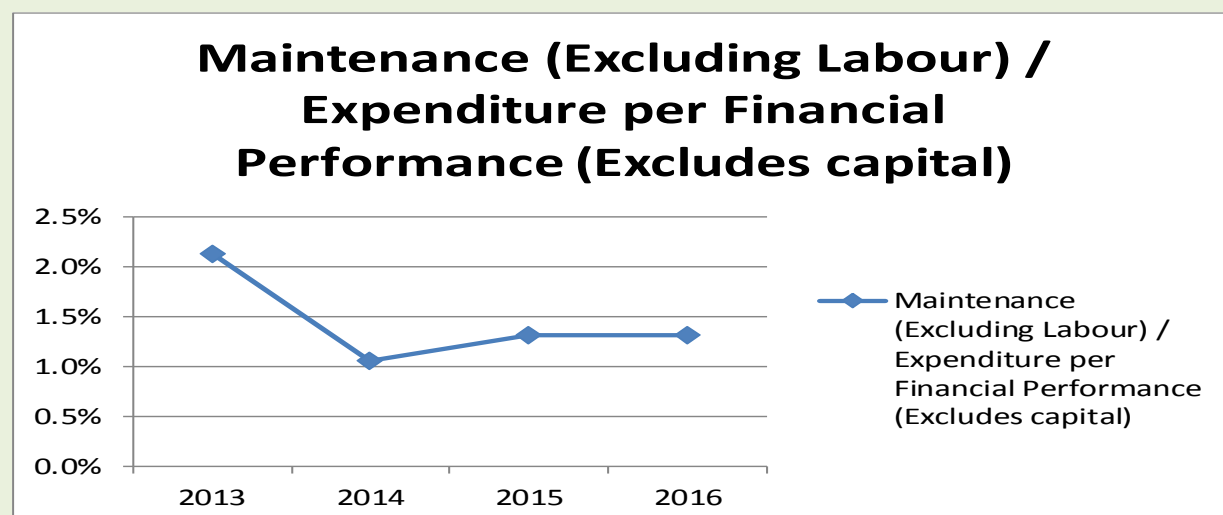
TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2015/16				
Asset 1				
Name	Upgrading of internal streets in Matlakeng			
Description	Internal streets upgrade			
Asset Type	Internal streets			
Key Staff Involved	Acting PMU	Manager	Skhumbuso	Shamase
Staff Responsibilities	Project	Manager		
Asset Value	Year -3	Year -2	Year -1	Year 0
				R
Capital Implications	The project was completed on the 4 August 2015			
Future Purpose of Asset	Easy access and transport of residents			
Describe Key Issues	Delayed due to late employment of employees and strikes.			
Policies in Place to Manage Asset	Yes, refer to asset management policy			
Asset 2				
Name	Upgrading of 15km Pipeline Montague dam			
Description	Upgrade to existing 15km pipeline			
Asset Type	Pipeline			
Key Staff Involved	Acting PMU	Manager	Skhumbuso	Shamase
Staff Responsibilities	Project	Manager		
Asset Value	Year -3	Year -2	Year -1	Year 0
		R	R	R
Capital Implications	The project was completed on the 4 April 2016			
Future Purpose of Asset	Water supply to residence Zastron			
Describe Key Issues	Delayed due to late employment of employees and strikes.			
Policies in Place to Manage Asset	Yes, refer to asset management policy			
Asset 3				
Name	Smithfield 14 high mast lights			
Description	High mast lights			
Asset Type	High mast lights			
Key Staff Involved	Acting PMU	Manager	Skhumbuso	Shamase
Staff Responsibilities	Project	Manager		
Asset Value	Year -3	Year -2	Year -1	Year 0
			R	R
Capital Implications	The project was completed on the 15 May 2015			
Future Purpose of Asset	To provide lighting to residence at night			
Describe Key Issues	Appointment of subcontractor by Centlec was delayed.			
Policies in Place to Manage Asset	Yes, refer to asset management policy			

Repair and Maintenance Expenditure: Year 2016				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	11,136,159	7,230,819	3,329,518	70%
				T 5.3.4

The figure above does not include labour, transport and overheads.

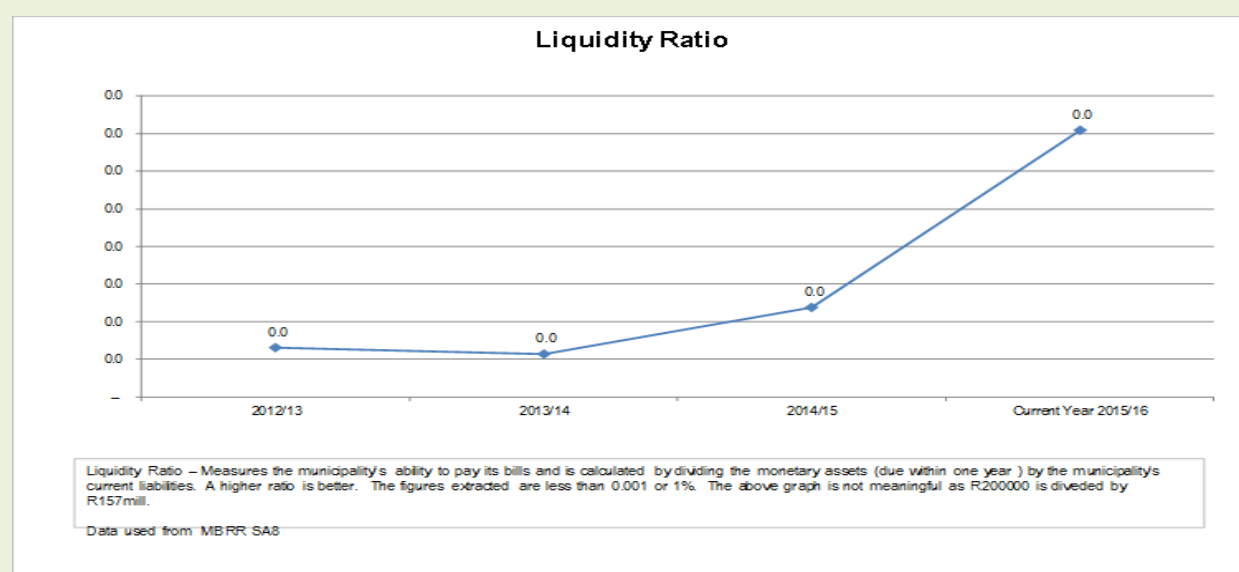
70% of the budgeted amount for the purchase of materials was not spent.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

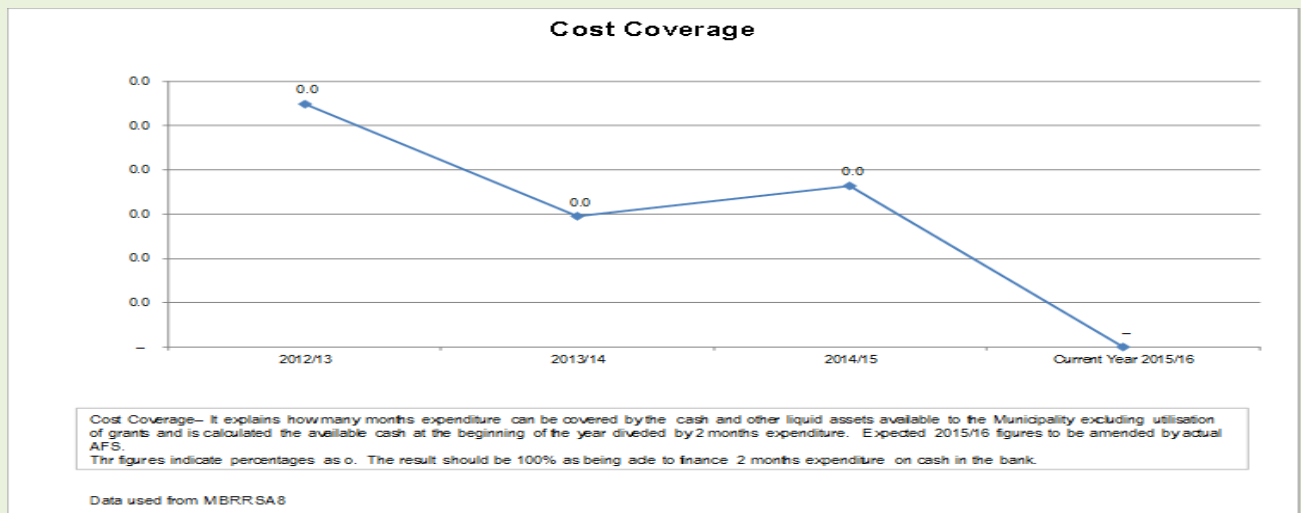


The actual expenditure in respect of maintenance is expressed against operating expenditure (excluding capital from grants)

The graph indicates that there is a relative decrease in material used to do maintenance.

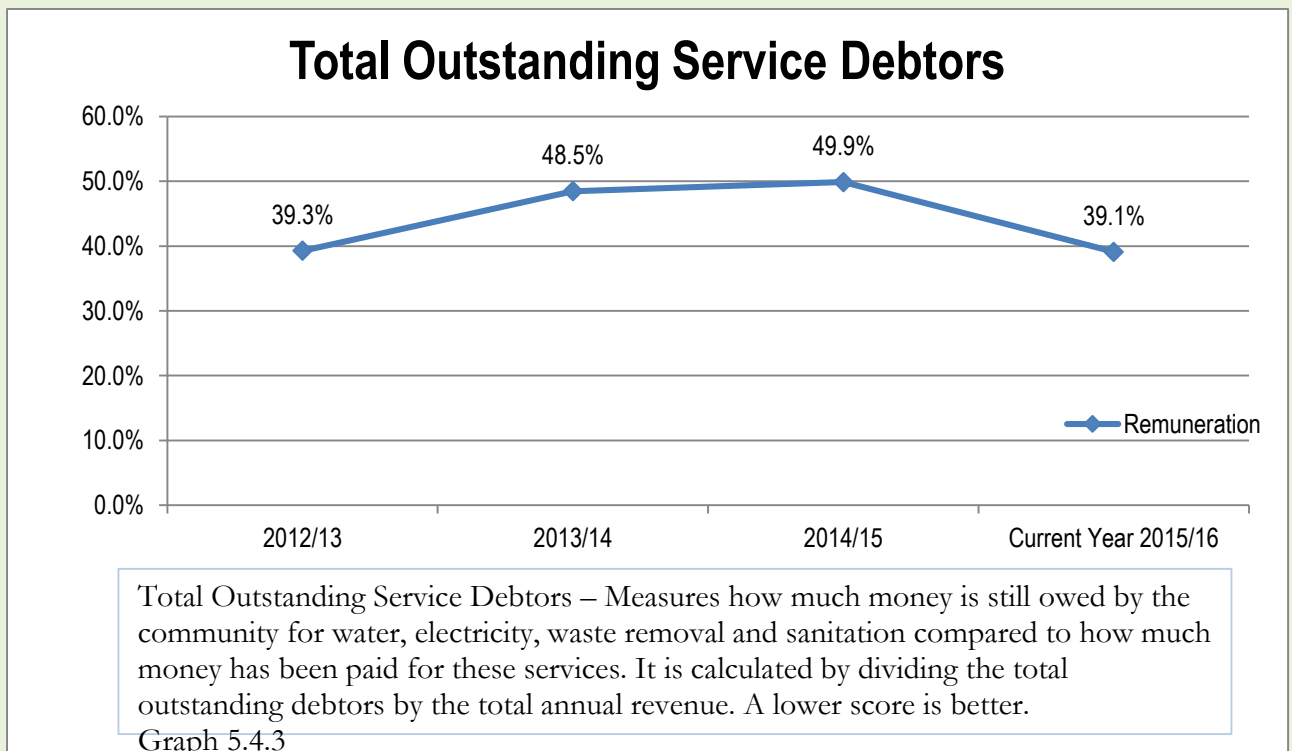


The above indicates that the municipality does not have sufficient liquid assets to pay the service debtors.

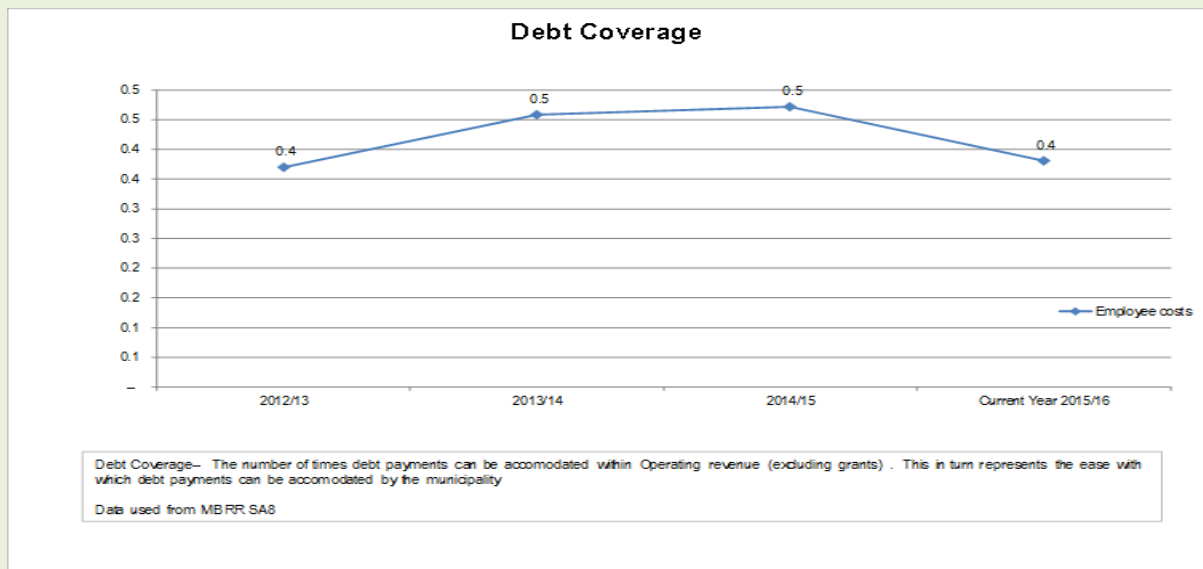


The parameters are that at the end of each year sufficient funds be available to pay 2 months average expenditure.

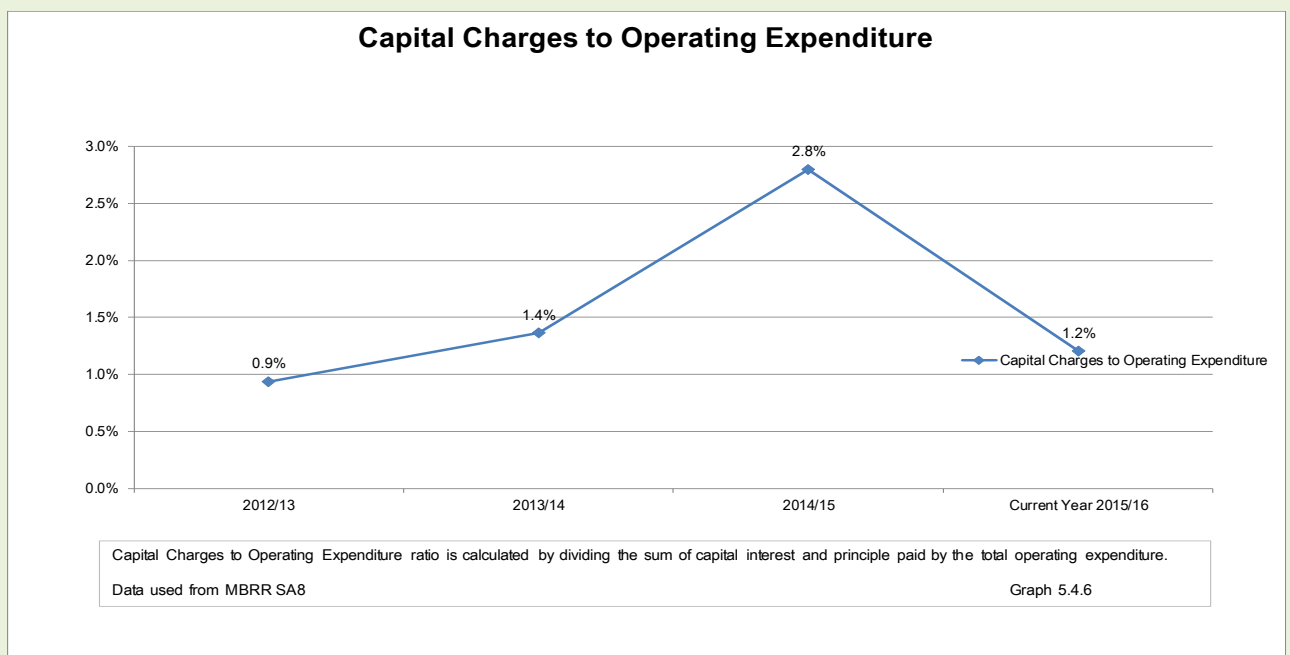
The operative percentage should be 100%, whereas it is less than 1%.



The Improvement for 2016 is a result of the increase in capital conditional grants.

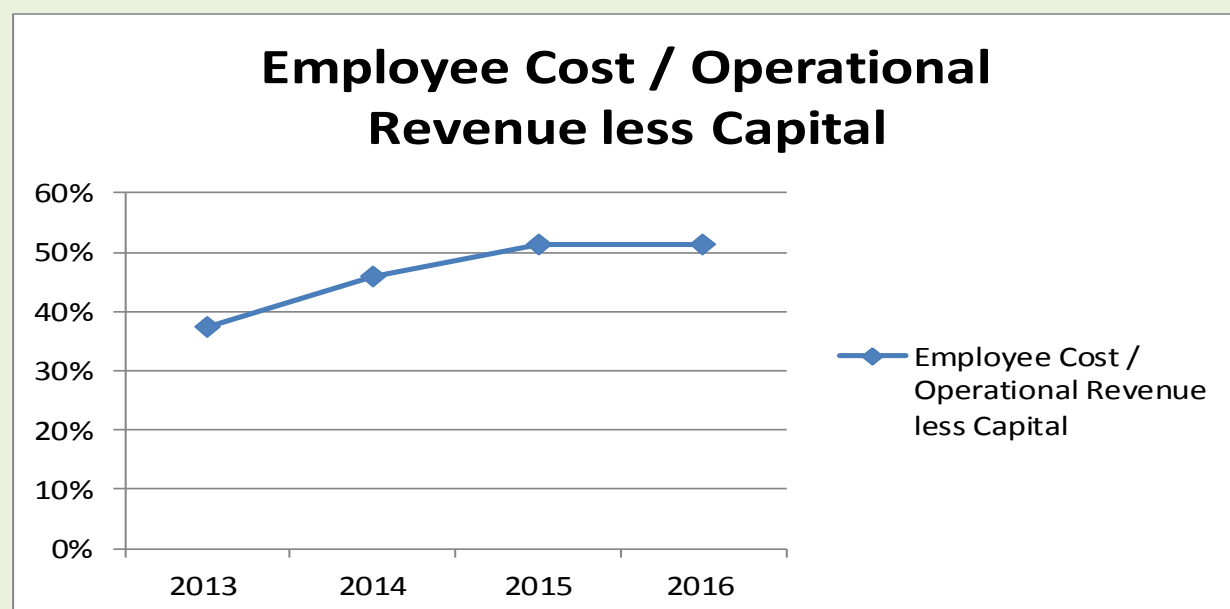


The graph indicates that the outstanding debtors are greater than the own income generated by the municipality and that such debtors may not be realised.

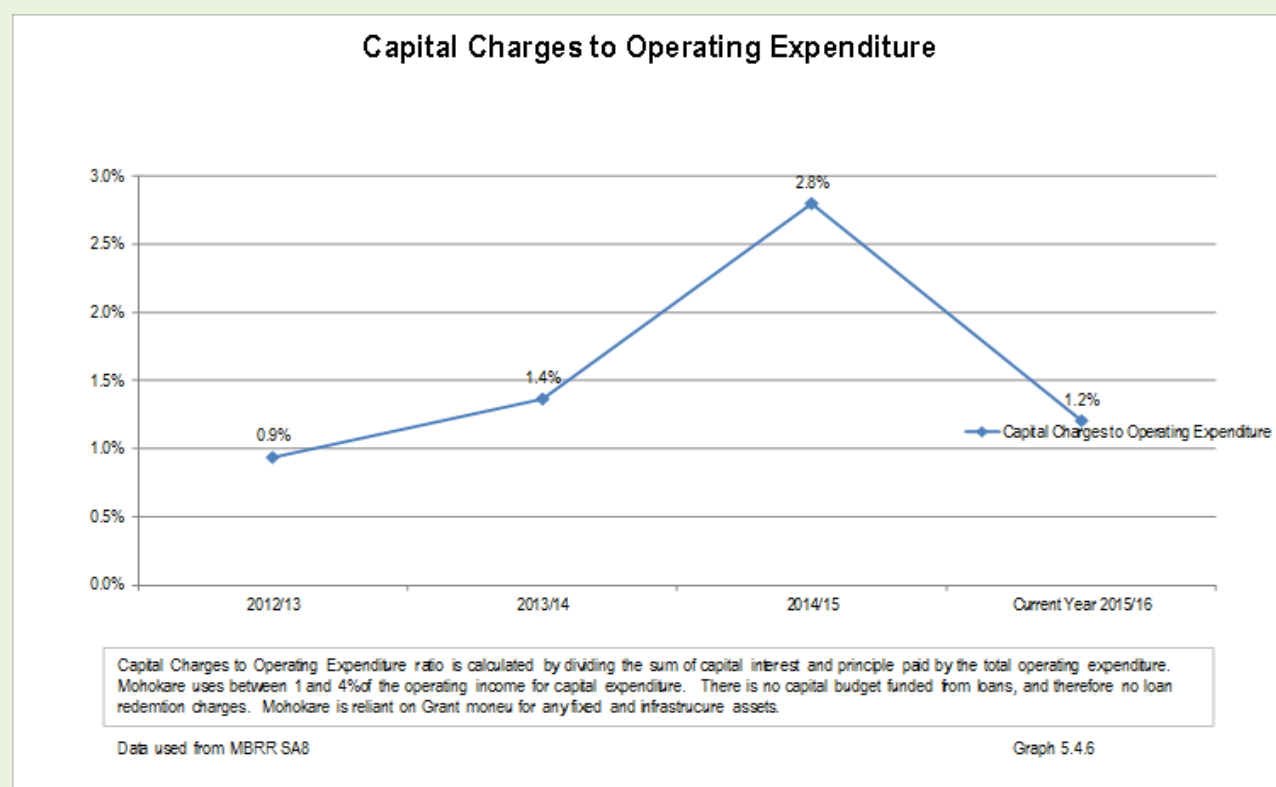


The council does not raise any loans for capital expenditure.

The capital charges should be between 10% and 20% of the operating expenditure.



The above indicates that relative to the income (excluding grants); the growth in employee cost has increased from 38% to above 50%.



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**5.5 CAPITAL EXPENDITURE (The figures are captured manually)**

R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	88	77	80	8.4%	-4.3%
	88	77	80	8.4%	-4.3%
Operating Expenditure	168	178	182	-8.3%	-2.6%
	168	178	182	-8.3%	-2.6%
Total expenditure	256	255	262	-2.6%	-3.1%
Water and sanitation	69	61	74	-6.8%	-21.2%
Electricity	2	2	0	86.8%	86.8%
Housing	—	—	—		
Roads, Pavements, Bridges and storm water	13	10	4	68.3%	61.6%
Other	4	4	2	45.6%	42.3%
	88	77	80	8.4%	-4.3%
External Loans	—	—	—		
Internal contributions	—	—	—		
Grants and subsidies	85	75	80	6.7%	-5.7%
Other	2	1	0	78.0%	68.4%
	88	77	80	8.4%	-4.3%
External Loans	—	—	—		
Grants and subsidies	148	138	141	4.6%	-2.5%
Investments Redeemed	—	—	—		
Statutory Receipts (including VAT)	—	—	—		
Other Receipts	19	19	—	100.0%	100.0%
	167	157	141	15.3%	9.8%
Salaries, wages and allowances	61	58	59	3.2%	-1.8%
Cash and creditor payments	58	62	70	-21.8%	-13.3%
Capital payments	88	77	80	8.4%	-4.3%
Investments made	—	—	—		
External loans repaid	0	0	0	-7.5%	-7.5%
Statutory Payments (including VAT)	—	—	—		
Other payments	—	—	—		
	206	197	209	-1.6%	-6.4%
	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Property rates	12	7	7	39.8%	3.3%
Service charges	61	61	57	6.2%	6.2%
Other own revenue	19	19	14	24.6%	26.4%
	91	87	78	14.2%	10.3%
Employee related costs	57	59	59	-2.9%	0.6%
Provision for working capital	—	—	—		
Repairs and maintenance	7	7	3	50.3%	54.0%
Bulk purchases	21	21	26	-27.9%	-27.9%
Other expenditure	80	87	90	-11.7%	-3.1%
	165	174	178	-8.2%	-2.4%
Service charges: Electricity	32	32	25	23.5%	23.5%
Grants & subsidies: Electricity	14	14	6	57.3%	57.3%
Other revenue: Electricity	0	0	0	-18.6%	-18.6%
	47	47	31	33.3%	33.3%
Employee related costs: Electricity	1	0	0	37.9%	9.9%
Provision for working capital: Electricity	—	—	—		
Repairs and maintenance: Electricity	0	0	1	-121.8%	-121.8%
Bulk purchases: Electricity	21	21	26	-28.0%	-28.0%
Other expenditure: Electricity	9	8	30	-228.8%	-257.9%
	31	30	58	-87.5%	-93.5%
Service charges: Water	11	11	18	-63.5%	-63.5%
Grants & subsidies: Water	74	66	69	6.8%	-4.5%
Other revenue: Water	—	—	0		
	85	77	87	-2.2%	-12.8%
Employee related costs: Water	7	12	12	-68.4%	2.6%
Provision for working capital: Water	—	—	—		
Repairs and maintenance: Water	2	2	2	-4.6%	13.5%
Bulk purchases: Water	—	—	—		
Other expenditure: Water	15	14	7	57.4%	53.2%
	24	28	20	16.9%	28.8%
Txxx					

5.6 SOURCES OF FINANCES (captured manually)

Capital Expenditure - Funding Sources: Year -1 to Year 0						
R' 000						
Details	Year -1	Year 0				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	0	0	0	0	0.00%	0.00%
Public contributions and donations	0	0	0	0	0.00%	0.00%
Grants and subsidies	51328	85365	75365	79681	-11.71%	-6.66%
Other	2660	2143	1495	473	-30.24%	-77.93%
Total	53988	87508	76860	80154	-41.95%	-84.59%
Percentage of finance						
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	95.1%	97.6%	98.1%	99.4%	27.9%	7.9%
Other	4.9%	2.4%	1.9%	0.6%	72.1%	92.1%
Capital expenditure						
Water and sanitation	32795	69057	60840	73738	-11.90%	6.78%
Electricity	0	1865	1865	247	0.00%	-86.76%
Housing	0	0	0	0	0.00%	0.00%
Roads and storm water	16328	12562	10362	3980	-17.51%	-68.32%
Other	4865	4024	3793	2189	-5.74%	-45.60%
Total	53988	87508	76860	80154	-35.15%	-193.90%
Percentage of expenditure						
Water and sanitation	60.7%	78.9%	79.2%	92.0%	33.8%	-3.5%
Electricity	0.0%	2.1%	2.4%	0.3%	0.0%	44.7%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roads and storm water	30.2%	14.4%	13.5%	5.0%	49.8%	35.2%
Other	9.0%	4.6%	4.9%	2.7%	16.3%	23.5%
T 5.6.1						

5.7 CAPITAL SPENDING ON THREE LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current: Year			Variance: Current Year	
	Original Budget	Adjustment	Actual Expenditure	Original Variance	Adjustment
Construction of a 27km bulk water pipeline from the Orange River to Paisley dam in	30,145	0	30,145	0	0
Construction of a 15km bulk water pipeline from Montague dam to Kloof dam and the	4,987	0	4,987	0	0
Upgrading of the Zastron	9,50	0	9,505	0	0
Construction of 3km access	2,06	736	2,80	3%	2%
Mofulatshepe upgrading of	2,18	-544	1,64	2%	4%
Construction of a 27km bulk water pipeline from the Orange River to Paisley dam in Rouxville					
Objective of Project	Increase of raw bulk water supply to Rouxville				
Delays	Poor performance form the consultant resulting in the contract				
Future Challenges	Additional funding for remedial works				
Anticipated citizen benefits	Sustainable water supply for future demands				
Construction of a 15km bulk water pipeline from Montague dam to Kloof dam and the Zastron Water					
Objective of Project	Increase of raw bulk water supply to Zastron				
Delays	Slow delivery of pipe material by suppliers & labour unrest				
Future Challenges	Over abstraction of raw water from Montague dam				
Anticipated citizen benefits	Sustainable water supply for future demands				
Upgrading of the Zastron WWTW					
Objective of Project	Discharging of acceptable effluent into natural resources &				
Delays	Delay in approval of the budget maintenance				
Future Challenges	Maintenance of the plant				
Anticipated citizen benefits	Environmental health				
Construction of 3km access					
Objective of Project	Upgrading of access roads in Mofulatshepe				
Delays	None				
Future Challenges	Maintenance				
Anticipated citizen benefits	Good trafficable roads				
Mofulatshepe upgrading of					
Objective of Project	Upgrading of sport facility in Mofulatshepe				
Delays	Poor performance by the contractor				
Future Challenges	Vandalism				
Anticipated citizen benefits					

5.8 CASH FLOW (Captured manually)

Cash Flow Outcomes				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	113 081	71 127	69 829	130 499
Government - operating		61 968	61 668	
Government - capital		86 254	76 254	
Interest	129	5 765	5 843	525
Dividends	7	11	11	10
Payments				
Suppliers and employees	(67 764)	(115 573)	(121 216)	(53 211)
Finance charges	(189)	(2 703)	(1 994)	(149)
Transfers and Grants		(7 365)	(7 365)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	45 265	99 484	83 030	77 674
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	(42 232)			(71 797)
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets		(87 508)	(76 860)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(42 232)	(87 508)	(76 860)	(71 797)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(340)	(272)	(272)	(494)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(340)	(272)	(272)	(494)
NET INCREASE/ (DECREASE) IN CASH HELD	2 693	11 704	5 898	5 384
Cash/cash equivalents at the year begin:	(1 748)	359	359	945
Cash/cash equivalents at the year end:	945	12 062	6 256	6 329
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

The municipality closed the 2015/2016 financial year with a positive balance of R6 million.

5.9 BORROWINGS AND INVESTMENT

No new borrowings facilities were concluded during the financial year.

Actual Borrowings: Year -2 to Year 0			
	R' 000		
Instrument	Year -2	Year -1	Year 0
Municipality			
Long-Term Loans (annuity/reducing balance)	12502	22467	25222
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	462	263	201
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	12 964	22 730	25 423

Investments are made with different financial institutions.

Municipal and Entity Investments			
	R' 000		
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	163	169	202
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	163	169	202
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	163	169	202
			<i>T 5.10.4</i>

Municipal and Entity Investments			
	R' 000		
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	163	169	202
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	163	169	202
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	163	169	202
			<i>T 5.10.4</i>

5.10 PUBLIC PRIVATE PARTNERS

Mohokare Local municipality is not involved in any Public Private Partnership agreements at present.

5.11 SUPPLY CHAIN MANAGEMENT

Progress made by MLM in developing and implementing policies and procedures. The current SCM Policy has been approved by Council and by the Provincial Treasury.

All SCM officials are competent and they all meet the minimum requirements and this enables them to carry out their duties effectively

No	Name	Qualification
1	Lesibo Sebatane	B.Com (Accounting) + MFMP
2	Pule Lesenyeho	B.Com (General) + MFMP
3	Thabiso Lebetse	National Diploma (Internal Auditing) + MFMP
4	Dideka Mazwi	B.Tech (Cost & Management Accounting) + MFMP
5	Asavela Sigoxo	B.Com (General)

AGSA recommended that an SCM Manager be appointed. The Municipality did not have this vacancy previously in the organogram and it is now included.

5.12 GRAP COMPLIANCE

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

CHAPTER 6 - REPORTS OF THE AUDITOR GENERAL TO THE FREE STATE LEGISLATURE AND COUNCIL ON MOHOKARE LOCAL MUNICIPALITY

Report of the auditor-general to the Free State Legislature and 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 2016, the statement of financial performance, statement of changes in net assets, cash flow statement, the statement of comparison of budget and actual amounts 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 the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), and the Division of Revenue Act, 2015 (Act No. 1 of 2015) (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 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 audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mohokare Local Municipality as at 30 June 2016 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

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

Restatement of corresponding figures

8. As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during 2015-16 in the financial statements of the municipality at, and for the year ended, 30 June 2015.

Material losses

9. As disclosed in note 11 to the financial statements, material losses to the amount of R9 568 711 (2015: R18 048 068) were incurred as a result of a write-off of irrecoverable trade debts.
10. As disclosed in note 51 to the financial statements, electricity distribution losses of R6 255 536 (2015: R5 364 000) and water distribution losses of R4 024 892 (2015: R6 492 980) were incurred as a result of leakages, tampering with meters, faulty meters, illegal connections and the drought.

Material impairments

11. As disclosed in note 11 to the financial statements, receivables from exchange transactions were impaired by R99 120 609 (2015: R76 199 137) and, as disclosed in note 12 to the financial statements, receivables from non-exchange transactions were impaired by R22 929 543 (2015: R15 604 627).

Irregular expenditure

12. As disclosed in note 50 to the financial statements, the municipality incurred irregular expenditure of R13 513 256 (2015: R15 985 572) during the year mainly due to non-compliance with supply chain management regulations. In addition, the full extent of irregular expenditure incurred during the year is still in the process of being determined.

Unauthorised expenditure

13. As disclosed in note 48 to the financial statements, non-budgeted expenditure of R32 633 469 (2015: R3 585 484) was incurred during the current and previous financial year, which is regarded as unauthorised expenditure.

Going concern

14. The financial statements indicate that the municipality's current liabilities significantly exceeded its current assets by R54 825 142 (2015: R49 953 043). In addition, as disclosed in note 41 to the financial statements, notices of motion were issued against the municipality as a result of long-outstanding members and council contributions to the pension and provident funds. The municipality has been deducting pension and provident fund contributions from employee's salaries, but has been unable to pay over R27 244 731 (2015: R19 923 190) of the contributions to the relevant third parties. These conditions, along with other matters as set forth in note 46, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to meet its financial obligations as they fall due and to achieve service delivery as outlined in the annual performance plan.

Additional matters

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

Unaudited disclosure notes

16. 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.

Unaudited supplementary information

17. The supplementary information set out on pages x to x does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

18. In accordance with the Public Audit Act, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected key performance areas presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to raise 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 them.

Predetermined objectives

19. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected key performance area presented in the annual performance report of the municipality for the year ended 30 June 2016:
 - KPA 1: Basic service delivery and infrastructure development on pages x to x

20. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned key performance area. 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).
21. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
22. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following key performance area:
 - KPA 1: Basic service delivery and infrastructure development on pages x to x.

Additional matters

23. I draw attention to the following matters:

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1: basic service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not identify any material findings on the usefulness and reliability of the reported performance information.

Unaudited supplementary schedules

25. The supplementary information set out on pages x to x does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report on them.

Compliance with legislation

26. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on 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

27. The KPIs set by the municipality did not include indicators on percentage of households with access to a basic level of water, sanitation and electricity, as required by section 43(2) of the Municipal Systems Act and the municipal planning and performance management regulation 10(a).

Annual financial statements, performance and annual report

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, non-current liabilities, current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial

statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

29. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, as required by SCM regulation 17(a) and (c).

Expenditure management

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

Revenue management

34. A credit control and debt collection policy was not implemented, as required by section 96(b) of the Municipal Systems Act and section 62(1)(f)(iii) of the MFMA.
35. An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA.
36. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

Consequence management

37. Unauthorised 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) of the MFMA.

Internal control

38. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

39. Although the leadership established a formal code of conduct that addresses appropriate ethical and moral behaviour, continuous monitoring of adherence to such policies needs to be improved as several instances of non-compliance with legislation and municipal policies and procedures were noted.

40. 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 comply with legislation and did not implement municipal policies and procedures.

Financial and performance management

41. Management overly relied on work performed by service providers in the preparation and administration of information for consumer billing purposes. Information prepared by consultants was also not thoroughly reviewed by management to assess the accuracy and completeness thereof for financial reporting purposes.
42. Review functions performed by heads of user departments were not adequate to ensure that information provided to the finance directorate and the performance management directorate was credible. Different departments worked in silos, resulting in a breakdown in communication between the different units.
43. Independent reviews performed on the financial statements and the annual performance report was not adequate to detect material errors made in the preparation thereof and to correct misstatements before submission thereof for audit purposes.

Governance

44. Due to a lack of capacity, the risk management unit did not conclude on the yearly risk assessment process in good time for internal audit to prepare a risk-based internal audit plan before the start of the 2015-16 financial year. This contributed to the internal audit division not being in a position to complete all audits as per the annual plan.
45. The risk management unit also did not closely monitor management's responses to the municipality's strategic and operational risks. The risk management committee was also not fully functional during the 2015-16 financial year.
46. Management did not timeously and adequately address concerns raised by the internal audit unit and the audit committee. This impacted on the effectiveness of the internal audit unit and the audit committee, with the result that they were unable to influence an improvement in the control environment of the municipality. Furthermore, steps taken by management to address internal control deficiencies and emerging audit risks identified in the previous audit were not adequately monitored.

Other reports

47. I draw attention to the following engagements that could potentially impact on the municipality's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are either in progress or have been completed.

Investigations

48. Three investigations were 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.



Bloemfontein

30 November 2016



6.1.1 AUDIT ACTION PLAN FOR 2014/2015 ADDRESSING AUDIT FINDINGS:

Auditor-General Report on Financial Performance: 2015/2016	
Audit Report Status*:	Unqualified Audit Opinion
Issues raised	Remedial Action Taken
Late Third Party Payments	Detailed cash flow projections to assist the municipality in meeting our financial obligations.
Municipal Regulations on Minimum Competency Levels	A section of Minimum competency Levels for senior managers and supply chain accountants will be reflected in the Final Annual Report to be tabled to the Municipal Council
No processes in place to, on a continuous basis throughout the year, investigate instances of fruitless and wasteful-, irregular- and/or unauthorized expenditure.	-Set out a timeline for monthly section 32 meetings, - Formally document all discussions held at meetings, - Perform all investigations as requested by the Section 32 committees.
Non-compliances with supply chain management were identified	-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 documents - 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 SCM on a weekly basis - All tenders awarded should be published on the municipal website - Minutes of the meetings of the bid specification committees should safeguarded - Ensure that compliance to all relevant laws and regulations as stipulated are maintained.

Auditor-General Report on Financial Performance: 2015/2016	
Audit Report Status*:	Unqualified Audit Opinion
Issues raised	Remedial Action Taken
Management did not establish proper controls over record keeping of procurement and contract.	Ensure better record keeping and safeguarding of the documents
Council did not adequately assess and monitor the effectiveness of the audit committee in performing its duties as stipulated in section 166(2)(a) and (b) of the MFMA .	A new Audit Committee was appointed for MLM. The Committee convenes on a quarterly basis to discuss compliance and other matters as per the AC Charter
Vacancies and lack of capacity within the internal audit unit.	An internal auditor was appointed in August 2015. In addition two (2) interns joined the team. Internal Audit reports on a quarterly basis to the Audit Committee.
The non-payment of creditors within 30 days is as a result of serious cash flow problems that the municipality is facing.	Detailed cash flow projections to assist the municipality in meeting our financial obligations.
The municipal's Integrated Development Plan (IDP) was reviewed on the 28 May 2014 by council and the Performance management System (PMS) was first adopted on the 28 August 2014	It shall be ensured that Performance Management Systems is reviewed in line with the municipal's IDP.
Management does not monitor The implementation of the Performance Management System policy.	It shall be ensured that the PMS policy going forward is reviewed in line with the prescribed Regulations
Prior year findings relating to revenue and receivables were not satisfactorily addressed by management.	-Design and implement controls over the review of processing of information on a monthly basis.
The municipality is not adhering to its own credit control policy.	- Revise the credit control policy to be in line with the day to day operations of Mohokare LM

Auditor-General Report on Financial Performance: 2015/2016	
Audit Report Status*:	Unqualified Audit Opinion
Issues raised	Remedial Action Taken
Reliability of supporting documentation received to confirm the reported performance in the annual audit report was not adequate.	-To be ensured that during the quarterly report phase relevant sufficient supporting documentation is maintained for every key performance indicator listed in the SDBIP and Annual Report
AOPO: Majority of the targets were not realized for basic service delivery and community	In preparation of the 2016/2017 SDBIP it shall be ensured that basic needs targets are realized in the SDBIP and adequate and reliable POEs are maintained to substantiate targets which have been indicated as achieved.
The municipality did not include the indicators for which the services are provided by Centlec; and did not compare the current period performance results to previous period results.	Providing Electricity is the core function of the municipality, however the services have been outsourced to Centlec. Currently the municipality is liaising with the electricity provider on developing and signing a Service Level Agreement. And to also provide financial and performance information.

6.1.2. AUDIT ACTION PLAN FOR 2015/2016 ADDRESSING AUDIT FINDINGS:

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	<u>Completion date</u>	<u>Responsible Unit / department as well as Officials:</u>
Irregular, Fruitless and wasteful and Unauthorised expenditure	Proof that the section 32(4) reports with regards to irregular, fruitless and wasteful and unauthorised expenditure have been submitted to the MEC, the mayor and / or the Auditor-General could not be obtained.	We believe the issue occurred due to the fact that management has not yet developed nor implemented effective processes to monitor compliance to laws and regulations.	Management will be able to resolve this matter by conducting the following steps: - Ensure that section 32 reports are compiled and submitted to the MEC, Mayor and AGSA	31 January 2017 and on-going	SCM Accountant/ Expenditure Accountant/ Budget & Reporting Accountant
Irregular, Fruitless and wasteful and Unauthorised expenditure	The performance of audit procedures on the 2015-16 financial statements had confirmed that reasonable steps were not taken to prevent unauthorised-, irregular- and fruitless and wasteful expenditure, as required by section 62(1)(d) of the Municipal Finance Management Act.	Management did not in all instances develop and monitor the implementation of action plans to address internal control deficiencies.	Management will be able to resolve this matter by conducting the following steps: - Implement steps to ensure that unauthorised, irregular, fruitless and wasteful expenditure are prevented	31 January 2017 and on-going	CFO/SCM Accountant/ Expenditure Accountant/ Budget & Reporting Accountant

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Annual Financial Statements	Material misstatements identified in the AFS (ISS.66) The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA, as several material misstatements were identified throughout the audit which were communicated to management through communication of audit findings.	This was caused due to the fact that the draft financial statements were not adequately reviewed before it was submitted to the AGSA for auditing.	Management will be able to resolve this matter by conducting the following steps: - Adequate and timeous review of the AFS by the Chief Financial Officer	15-Jul-17	CFO

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Operating Expenditure	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 non-payment of creditors within 30 days is as a result of serious cash flow problems that the municipality is facing.	Management will be able to resolve this matter by conducting 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. - ensure that better cash flow planning are done	30-Jun-17	Chief Financial Officer/ Expenditure Accountant
Procurement and Contract Management (SCM)	Several findings on awards between R30 000 and R200 000 (ISS. 150)	This matter occurred due to the fact that: (a) the review processes by management were inadequate to ensure that all disclosures are correctly recognised in the AFS; (b) the municipality did not make the effort to obtain three quotations when only one quotation was submitted by a	Management will be able to resolve this matter by conducting the following steps: - Ensure that the correct amount of supplier quotations are obtained - where only one quotation is obtained, consider whether to re-advertise/obtain additional quotations to ensure that the quote is in line with market prices (especially if the quotation is close to the upper threshold) - Ensure that each deviation is	28-Feb-17	Supply Chain Management Accountant

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
		prospective supplier; and (c) the municipality had not provide adequate reasons when deviations had occurred.	aplicable to the area in which it is applied. Do not use a standardised deviation and attempt to make use of it in every situation		
Receivables	Interest charged on overdue accounts not in line with Council policy	Incorrect interpretation of the policy vs system formula	A submission was made to Council for approval in Nov 2016 which corrected the policy to be in line with the system with effect from 01 July 2015	30-Nov-16	Revenue

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Revenue and Receivables	Compliance - revenue management (ISS. 177)	This is due to weaknesses identified in the controls of the billing system application, the electronic meter device application and a lack of monitoring of manual controls.	Management will be able to resolve this matter by conducting the following steps: - Review the current financial system and consider changing to a more reliable financial system - Adequate management of the Revenue and Receivables department through stricter oversight from the Chief Financial Officer - Ensure timeous monthly reconciliations by the Revenue Accountant, reviewed by the Revenue Manager and the CFO - Strengthen internal controls in the revenue division through clearly outlining the responsibilities of the Manager, Accountant, Clerk and officer.	28-Feb-17	CFO/Revenue Manager/Revenue Accountant

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
AOPO: Predetermined objectives	6. AOPO - KPI set not including percentage of households having access to water and sanitation (ISS.51)	This resulted due to the fact that management did not consider prior year audit findings during the drafting process for the IDP.	Management should ensure that the IDP is prepared in compliance with the Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) regulation 10(a) during the drafting process of the IDP in future. Management should revise the 2016/17 IDP and SDBIP accordingly.	IDP - 31 January 2017 SDBIP - 25 February 2017	PMS Manager
Expenditure	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	The non-payment of creditors within 30 days is as a result of serious cash flow problems that the municipality is facing.	Management will be able to resolve this matter by conducting 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.	30-Jun-17	Chief Financial Officer/ Expenditure Accountant

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
	categories of expenditure, as required by legislation.		- ensure that better cash flow planning are done		
Payables	Difference between suppliers statements' and creditors listing	the cause of the above is due to the lack of monthly reconciliations between the creditors listing and the creditors' statements.	Management will be able to resolve this matter by conducting the following steps: - Perform monthly creditors reconciliations - Ensure that the year-end statements for all creditors are requested timeously	31-May-17	Senior Finance Manager/ Expenditure Accountant

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Commitments	Contract register and commitment register not compared and reviewed (ISS.4)	This is due to weak internal controls over the contract register and a lack of independent review by a senior official, to ensure that the contract register is in line with the commitment register.	Management will be able to resolve the matter by taking the following steps: - Monthly meetings between the Finance and PMU departments to ensure the correctness of information reported - Monthly comparison and review of the contract and commitments register by a senior official	28-Feb-17	Chief Financial Officer/Senior Finance Manager/ PMU Manager/ SCM Accountant
Commitments	Commitment Register details (ISS. 67)	A proper review was not performed on the commitment register. This matter also occurred due to the fact that the layout of the commitment register does not make provision for additional increases or decreases to the contract values.	Management will be able to resolve the matter by taking the following steps: - Include the required columns in the commitments register as requested by the AGSA - Monthly meetings between the Finance and PMU departments to ensure the correctness of information reported - Monthly review of the	28-Feb-17	Chief Financial Officer/Senior Finance Manager/ PMU Manager/ SCM Accountant

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
			commitments register by a senior official		
Budget management compliance	It was noted that the section 71 reports were not submitted to council by the legislated due dates	Non-compliance occurred because management does not adequately monitor the requirements of the applicable laws and regulations to ensure that compliance is adhered to.	Council Meetings schedule should cater for the due dates of section 52(d) reports	31-Jul-17	Budget & Reporting Accountant
Budget management compliance	The accounting officer did not present to council a report indicating any impending overspending of the municipality's budget.	Non-compliance occurred because management does not adequately monitor the requirements of the applicable laws and regulations to ensure that compliance is adhered to.	Unauthorised register should be presented to council after the end of each financial year	31-Aug-17	Budget & Reporting Accountant

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Receivables from exchange and non-exchange transactions	Receivables from non-exchange transactions: Presentation and disclosure (ISS.173)	This matter occurred due to the fact that inadequate review was performed by management on the adjusted notes prior to submitting it for audit.	Ensure that information required to compile the AFS are received from the respective user department no later than 15 July 2017. This will enable the Chief Financial Officer to perform a thorough review of the Annual Financial Statements.	05-Aug-17	Chief Financial Officer/ Senior Finance Manager
Related Parties	Insufficient disclosure (ISS. 159)	This is due to the fact that management did not perform a proper review of the annual financial statements before submitting it for audit.	<i>Obtain the information regarding all related parties from Council, S 56 Managers and other members of Management.</i>	31-May-17	<i>Senior Finance Manager</i>
Inventory	Inventory Accounting policy per the AFS not in line with GRAP requirements (ISS. 102)	We believe that the cause of the above is due to an incorrect interpretation of the GRAP 12.18 (a) standard on inventory.	Compare the Accounting Policy per the AFS to the requirements of GRAP and adjust the policy in the AFS to agree to GRAP.	30-Apr-17	Senior Finance Manager

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Journals	Journal recording process (ISS. 52)	The matter occurred as a human error where the respective officials forgot to put in the dates and the individual who reviewed the journal vouchers for signatures and dates missed this error.	Proper review of all journal vouchers to ensure that the dates on which it is signed off is completed on the vouchers.	30-Jun-17	Senior Finance Manager
VAT Returns	Late submission of VAT Returns (ISS. 21)	This occurred due to the fact that the municipality was under an investigation by SARS and the submission of the VAT returns was postponed until the investigation was completed.	Management will be able to resolve this matter by conducting the following steps: - Ensure the timeous submission of VAT returns	31 Jan 2017 and ongoing	Senior Finance Manager

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Centlec	No signed agreement between Mohokare LM and Centlec SOC	From the evidence and representations made we are uncertain whether the lack of a signed agreement is due to the parties disputing the terms of the draft or due to management not sufficiently prioritising the establishment of a valid agreement.	Management will be able to resolve this matter by conducting the following steps: - With the intervention of FSPT, obtain a signed agreement between Centlec and MLM	30-Jun-17	Municipal Manager/Chief Financial Officer
Journals	Journal recording process (ISS. 52)	The matter occurred as a human error where the respective officials forgot to put in the dates and the individual who reviewed the journal vouchers for signatures and dates missed this error.	Proper review of all journal vouchers to ensure that the dates on which it is signed off is completed on the vouchers.	30-Jun-17	Senior Finance Manager

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
VAT Returns	Late submission of VAT Returns (ISS. 21)	This occurred due to the fact that the municipality was under an investigation by SARS and the submission of the VAT returns was postponed until the investigation was completed.	Management will be able to resolve this matter by conducting the following steps: - Ensure the timeous submission of VAT returns	31 Jan 2017 and ongoing	Senior Finance Manager
Centlec	No signed agreement between Mohokare LM and Centlec SOC	From the evidence and representations made we are uncertain whether the lack of a signed agreement is due to the parties disputing the terms of the draft or due to management not sufficiently prioritising the establishment of a valid agreement.	Management will be able to resolve this matter by conducting the following steps: - With the intervention of FSPT, obtain a signed agreement between Centlec and MLM	30-Jun-17	Municipal Manager/Chief Financial Officer

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	<u>Completion date</u>	<u>Responsible Unit / department as well as Officials:</u>
Journals	Journal recording process (ISS. 52)	The matter occurred as a human error where the respective officials forgot to put in the dates and the individual who reviewed the journal vouchers for signatures and dates missed this error.	Proper review of all journal vouchers to ensure that the dates on which it is signed off is completed on the vouchers.	30-Jun-17	Senior Finance Manager
Service Charges (prior year)	Interim billing overstated	Unavailability of water meters	Installation of new water meters on all properties with damaged/faulty/broken meters to avoid interim billing	30-Apr-17	Revenue & Technical Services
Property rates	Property rates reconciliation differences	No adequate reviews	A rates reconciliation be signed as proof of review	31-Dec-16	Revenue

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
	Transfers not updated on the billing system	No regular updates on the consbill system	Consbill system be updated with information of the new owner received from lawyers transferring the property and/or water be disconnected from the property transferred to force the new owner to fill in a connection form so that his/her information can be updated	28-Feb-17	Revenue & Technical Services
	Valuation roll	Financial constraints	Non-preparation of the supplementary valuation roll & displaying of the farms roll on the website	28-Feb-17	Revenue
Compliance	Revenue management	Interface between two systems / Meterman vs SEBATA	Change to a new Financial System that will comply with the requirements of Sec 64 of MFMA	28-Feb-17	Finance

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	<u>Completion date</u>	<u>Responsible Unit / department as well as Officials:</u>
Irregular, Fruitless and wasteful and Unauthorised expenditure	Proof that the section 32(4) reports with regards to irregular, fruitless and wasteful and unauthorised expenditure have been submitted to the MEC, the mayor and / or the Auditor-General could not be obtained.	We believe the issue occurred due to the fact that management has not yet developed nor implemented effective processes to monitor compliance to laws and regulations.	Management will be able to resolve this matter by conducting the following steps: - Ensure that section 32 reports are compiled and submitted to the MEC, Mayor and AGSA	31 January 2017 and on-going	SCM Accountant/ Expenditure Accountant/ Budget & Reporting Accountant
Irregular, Fruitless and wasteful and Unauthorised expenditure	The performance of audit procedures on the 2015-16 financial statements had confirmed that reasonable steps were not taken to prevent unauthorised-, irregular- and fruitless and wasteful expenditure, as required by section 62(1)(d) of the Municipal Finance Management Act.	Management did not in all instances develop and monitor the implementation of action plans to address internal control deficiencies.	Management will be able to resolve this matter by conducting the following steps: - Implement steps to ensure that unauthorised, irregular, fruitless and wasteful expenditure are prevented	31 January 2017 and on-going	CFO/SCM Accountant/ Expenditure Accountant/ Budget & Reporting Accountant

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Internal control deficiencies (Policy on appointment of consultants)	The municipality does have formally documented standard policies and procedures to monitor the work of appointed consultants of the municipality and also not a policy guiding such an evaluation process. (ISS. 25)	The prior year recommendation on the drafting and obtaining approval of a policy for the monitoring of the work of consultants has not yet been implemented.	Draft a policy regarding the monitoring of the work of appointed consultants.	31-Jan-17	Chief Financial Officer PM Dyonase/ SCM / PMU Manager S Shamase
			Workshop the policy	28-Feb-17	
			Take the policy to Council for adoption	31-Mar-17	
Supply Chain Management	The policy does not include conditions which limit the number of petty cash purchases or the maximum amounts per months for each manager. The policy does not mention the limit and the number of petty cash purchases or the maximum amounts per month for each manager	Lack of review of the policy by the Senior Managers	Include the limit in the SCM policy	31-Mar-17	Chief Financial Officer/SCM

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Supply Chain Management	The policy does not mention details of what constitute proper record keeping with regards to documenting the compliance when procuring goods or services through written / verbal quotations and formal written price quotations	Lack of review of the policy by the Senior Managers	Include details of what constitute proper record keeping in the policy	31-Mar-17	Chief Financial Officer/SCM
Supply Chain Management	The policy does not mention details of what constitute proper record keeping with regards to documenting the compliance when procuring goods or services through written / verbal quotations and formal written price quotations	Lack of review of the policy by the Senior Managers	Include details of what constitute proper record keeping in the policy	31-Mar-17	Chief Financial Officer/SCM

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Supply Chain Management	Not evident that the committee did in fact evaluate the bidders' ability and capacity to execute the contract.	Committee members not adequately capacitated with skills and training	All tender which are not straight supply and delivery must include functionality	On going	Chief Financial Officer/SCM
Supply Chain Management	The auditor was unable to obtain evidence that the invitation was advertised on the CIDB website	Staff unable to perform the function effectively	Official have been capacitated with enough training and are now able to perform the function	Ongoing	Chief Financial Officer/SCM
Supply Chain Management	No evidence could be obtained that consideration of the reasonability of the price of the winning bidder was given.	Improper documentation of the evaluation report	Reasonability of price to be included in all evaluation reports	Ongoing	Chief Financial Officer/SCM

APPENDIX A – COUNCILORS, COMMITTEE ALLOCATION AND, COUNCIL ATTENDANCE

Council Members	Full Time/ Part Time FT / PT	Committees Allocated	Ward /Party Representative	Percentage council meetings attendance	Percentage Apologies for non- attendance
Councillor N.I Mehlomakulu (Mayor)	FT		Proportional ANC	80	20
Councillor T. S Khasake	PT	Community Services/ Technical Services/ Finance/ IDP planning LED	Ward 1 ANC	90	10
Councillor T.D Mochechepa	PT	Corp/Technical Services	Ward 2 ANC	70	30
Councillor L. Lekhula	PT	Corporate services / Community Services / IDP planning and LED	Ward 3 ANC	50	50
Councillor B.M Valashiya	PT	Finance/ Corporate Services	Ward 4 ANC	100	0
Councillor T.I Phatsoane	PT	Technical Services/ Community Services/ Planning & LED	Ward 5 ANC	90	10
Councillor M.I Morapela	P/T	Finance / Corporate Services	Proportional ANC	90	10
Councillor M. L Lephuthing	P/T	Corporate Service/ Planning and LED	Proportional ANC	90	10
Councillor I.S Riddle	P/T	Finance/Technical Service/ Community Services	Proportional ANC	70	30
Councillor L.J Lipholo	P/T	Technical Services/ Planning & LED	Proportional DA	50	50

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Municipal Committees	Purpose of Committee
Section 79 Finance Committee	Revenue, Expenditure, Budget Office, Supply Chain Management, Insurance, Payroll
Section 79 Planning Committee	IDP, IT, Town Planning, LED, PMS
Section 79 Corporate Committee	Institutional, Corporate, Legal, Human Resources, Records, Administration, Council Committee and Council support, Public Participation, Customer Care
Section 79 Community Services Committee	Fire and Rescue, Disaster Management, Traffic Management, Park, Recreation, Libraries, Social Services, Sport Development, Refuse collection
Section 79 Technical Services Committee	Water Services, Sewer, Project Management, Storm Water, Roads, Electricity
Municipal Public Accounts Committee	To conduct oversight on the execution performance of the municipality
Audit Performance Committee	To conduct oversight on the performance of the municipality

APPENDIX C: THIRD TIER ADMINISTRATION

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office Of the Municipal Manager	
Municipal Manager	L.V. Nqoko-Rametse (acting)
Integrated Development Planning	Z March
Local Economic Development	S.N. Buyeye
Performance Management Services	T.L. Ravele
Human Resource Management	V.M. Ramotsabi
Internal Audit	T.P. Macala
Risk Management	N Ntoyi
Information Technology	K Rampheng
Security Services	S Kaibe
Town Planning	E Meades
Finance Department	
Chief Financial Officer	P.M. Dyonase
Acting Senior Manager	E Wilken
Revenue Manager	S Moorosi
Corporate Department	
Director Corporate	L.V. Nqoko-Rametse
Senior Manager Administration	M.M. van Pletzen
Technical Department	
Director Technical	M.N. Tsoamotse
Water Quality Manager	T.E Fobane
Acting Project Manager	S.L Shamase
Community Department	
Acting Community Services Director	Vacant
Community Services Manager	T.A. Lekwala

APPENDIX D – FUNCTIONS OF THE MUNICIPALITY/ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	NO	NO
Building regulations	YES	NO
Child care facilities	NO	NO
Electricity and gas reticulation	YES (outsourced to CENTLEC)	NO
Fire fighting services	NO	NO
Local tourism	YES	NO
Municipal airports	NO	NO
Municipal planning	YES	NO
Municipal health services	YES (District EHP)	NO

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Municipal public transport	NO	NO
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	NO	NO
Storm water management systems in built-up areas	YES	NO
Trading regulations	YES	NO
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	YES	NO
Beaches and amusement facilities	NO	NO
Billboards and the display of advertisements in public places	YES	NO
Cemeteries, funeral parlours and crematoria	YES	NO
Cleansing	YES	NO
Control of public nuisances	YES	NO
Control of undertakings that sell liquor to the public	YES	NO
Facilities for the accommodation, care and burial of animals	YES	NO
Fencing and fences	YES	NO
Licensing of dogs	NO	NO
Licensing and control of undertakings that sell food to the public	YES	NO
Local amenities	YES	NO
Local sport facilities	YES	NO
Markets	?	NO
Municipal abattoirs	NO	NO
Municipal parks and recreation	YES	NO
Municipal roads	YES	NO
Noise pollution	NO	NO
Pounds	YES	NO
Public places	YES	NO
Refuse removal, refuse dumps and solid waste disposal	YES	NO
Street trading	NO	NO
Street lighting	YES	NO
Traffic and parking	YES	NO

APPENDIX E : WARD REPORTING

Ward Name(Number)	Name of Ward Councillor and elected ward committee member	Committee Established(Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to the Speakers office on time	Number of quarterly public ward meetings held during the year
Ward 1	Councillor T. S Khasake	Yes	04	07	03
Ward 2	Councillor T.D Mochechepa	Yes	02	09	04
Ward 3	Councillor L. Lekhula	Yes	06	07	None
Ward 4	Cllr. B. M. Valashiya	Yes	08	10	05
Ward 5	Councillor T. I Phatsoane	Yes	03	04	None
Ward 6	Councillor M. I. Morapela	Yes	Disestablished	06	03

APPENDIX F**POLICIES AND DOCUMENTS CURRENTLY WITHIN MOHOKARE LOCAL MUNICIPALITY****MOHOKARE
POLICIES**

30-Jun-17

Name of Department	Policy Name	
Finance	Fruitless & Wasteful Expenditure Policy	
Finance	Paupers Burial Policy	
Finance	Loans Policy	
Finance	Indigent Policy	
Finance	Rates Policy	
Finance	Credit control & debt Collection Policy	
Finance	Tariff Policy	
Finance	Banking & Investment Policy	
Finance	Supply Chain Management Policy	
Finance	Accounting Policies	
Finance	Fixed Asset Policy	
Finance	Budget Policy	
Finance	Debt Write-off Policy	
Finance	Debt Management Policy	
Finance	Virement Policy	
Finance	Methodology & Impairment of Debtors Policy	
Finance	Fleet Management Policy	

Finance	Traveling & Subsistence Policy	
Finance	Contingent Liability Policy	
Finance	Inventory Management Policy	
Finance	Consultants Monitoring & Management Policy	
Finance	Service Providers Perform Management Policy	
Finance	Draft Policy on Proof of Residence	
	Cellular and 3G Policy	
	Revenue Enhancement Policy	
Name of Department	Policy Name	
Corporate and MM's	Placement Policy	
Corporate and MM's	Organizational Design Policy	
Corporate and MM's	Employment Policy incl Benefits, Working hours & Smoking	
Corporate and MM's	Leave Policy	
Corporate and MM's	Relocation Policy	
Corporate and MM	Legal Aid /Employees Assistance Policy	
Corporate and MM's	Occupational Health & Safety Policy	
Corporate and MM's	Overtime Policy	
Corporate and MM's	Councillor Remuneration Policy	
Corporate and MM's	Labour relations & Harassment Policy	
Corporate and MM's	Staff Retention Policy	
Corporate and MM's	Notch Progression Policy	
Corporate and MM	Leave Encashment Policy	
	Employment Equity Policy	
Corporate and MM's	Core Records Management Policy	
Corporate and MM's	Guidelines on Civic Funerals (Cllrs)	
Corporate and MM's	Communications Policy	
Corporate and MM's	Public Participation Policy	
Corporate and MM	Social Media Policy	
Corporate and MM's	Language Policy	

Corporate and MM	HR Training & Development Policy	
Corporate and MM	Bursary Agreement Policy	
Corporate and MM	Internship Policy	
	Bereavement Policy	
	ISO Procedural Policies	
Name of Department	Policy Name	
MM and IT	ICT Security Policy	
MM and IT	ICT Assets Control & Disposal Policy	
MM and IT	ICT Internet Usage Policy	
MM and IT	ICT Change management Policy	
MM and IT	ICT Password Policy	
MM and IT	ICT Disaster Recovery Policy	
MM and IT	ICT Backup Policy	
	ICT Network Policy	
	Telephone Usage Policy	
	ICT Mobile Devices Policy	
	IT User Account Management Policy	
	ICT Patch Management Policy	
	ICT Governance Framework Policy	
	ICT Email Policy	
MM and PMS	Performance Management Policy	
	Service Providers Policy	
MM and Risk	Anti-Fraud and Corruption Policy	
MM and Risk	Risk Management Policy (ISO)	
MM and Town Planning	Town Planning Policy	
	Building Control Policy (ISO)	
MM and LED	SMMEs Development Policy	
	SMME's Support Policy	
MM and Security	Security Policy (ISO)	
Name of Department	Policy Name	
Community Services	EPWP Policy	
	Municipal Land Disposal Policy	
	Rental Policy (ISO)	
	Cemetery Management Policy	
	Use & Management Sports Facilities Policy	
	Commonage Management Policy	
	Sale/lease of fixed municipal property	
	Operation & Main of Initiation Schools	
	Sale/Lease of Land for Religious Purposes	

Name of Department	Policy Name	
Technical Services	ISO Policies	
MOHOKARE DOCUMENTS		
Finance	Debt Management Plan	
	Revenue Enhancement Strategy	
	Valuation Roll	
	Budget 2015/2016	
	Budget 2016/2017	
	Procurement Plan 2016/2017	
Corporate and MM	Organisational Structure 2015/2016	
	Organisational Structure 2016/2017	
	Declaration of Interest	
	Access to Information PAIA Manual	
	Collective Agreement Cond of Serve	
	Collective Agreement Disciple Proceed	
	Sal & Wage Collective Agreement	
	Delegation of Powers	
	Code of Ethics	
	Workplace Skills Plan 2017/2018	
	Employment Equity Plan 2016/2021	
	HIV Aids Wellness plan	
	Records Management File Plan	
	ISO QMS	
	ISO PPM	
	ISO Documents Control Manual	
	HR Management & Developmnt Strategy	
	Council meeting schedules 2016/17	
	Youth Development Plan	
	Standing Rules and Orders	
Mayoral Programmes	Special Programmes	
	Public Participation Programme	
	Youth Development Programme	
MM and PMS	PMS Policy Framework	
MM and IT	Disaster Recovery & Business Continuity Plan	
	ICT Strategy 2015 - 2019	
MM and Risk	Risk Charter	
	Fraud Prevention Strategy	
MM and Town Planning	Building Plan Control Manual	
	Spatial Development Framework	
MM and LED		

	Mohokare Agriculture Strategy 2015/16	
	Mohokare Agriculture Strategy 2016/17	
	Mohokare Agriculture Strategy 2017/2018	
MM and IDP	IDP 2015/2016	
	IDP 2016/2017	
	IDP 2017/2018	
	IDP & Budget Process Plan 2017/2018	
Community Services	Disaster Management Plan	
	Fire Maintenance Plan Draft	
	Integrated Waste Management Plan	
	Housing Sector Plan	
	Commonage Management Plan	
Technical Services	Master Plan Roads & Storm water	
	Master Plan Water & Sanitation	
	Waste Water Risk Abatement Plans	
	MIG Recovery Plan	
	Water Services Development Plan	
	Infrastructure Project Plans	
Mohokare By-Laws		
Corporate Services	Rules and Orders, 2017	
Corporate Services	Ward Committee By-Law, 2012	
Finance	Credit Control & Debt Collection, 2008	
Finance	Property Rates By-Law, 2009	
Finance	Tariff Policy By-Law, 2012	
Finance	Indigent Support By-Law, 2012	
Community Services	Impoundment of Animals, 2008	
Community Services	Dumping & Littering, 2008	
Community Services	Keeping of Animals, 2009	
Community Services	Informal Settlements, 2012	
Community Services	Refuse Removal By-Law, 2012	
Community Services	Control of Street Vendors, etc., 2012	
Community Services	Advertising By-Law, 2012	
Technical Services	Water Services By-Law, 2012	
Town Planning	Land Use Planning By-Law, 2015	

APPENDIX G – AUDIT COMMITTEE’S REPORT**REPORT OF THE MOHOKARE LOCAL MUNICIPALITY AUDIT & PERFORMANCE COMMITTEE FOR THE YEAR 2015/2016****1. Background**

- 1.1 The purpose of the Audit and Performance Committee is to exercise oversight over the municipality’s:
 - 1.1.1 financial and non-financial performance to the extent that it affects the municipality’s exposure to risk and weakens the control environment;
 - 1.1.2 financial reporting process; and
 - 1.1.3 governance, risk management and internal control processes, and provide independent assurance on the adequacy thereof.
- 1.2 The importance of the Audit and Performance Committee can be sighted as follows:
 - 1.2.1 increasing public confidence in the objectivity and fairness of financial and other reporting;
 - 1.2.2 reinforcing the importance and independence of internal and external audit and similar review processes;
 - 1.2.3 providing additional assurance through a process of independent review; and
 - 1.2.4 raising awareness of the need for adequate internal controls, effective performance and the implementation of audit recommendationsmajem and compliance with laws and regulations.
- 1.3 The Terms of Reference for the Audit and Performance Committee were compiled in accordance with section 166 of the MFMA and the King III Report on Corporate Governance, and are enshrined in the Audit and Performance Committee Charter.

2. Audit Committee Members and Attendance

- 2.1 During the financial year under review, the Audit and Performance Committee consisted of four (4) non-executive members, including the Chairperson.
- 2.2 Meetings were scheduled to sit on a quarterly basis as stipulated in the approved Audit and Performance Committee Charter.

- 2.3 During the 2015/16 financial year, four (4) meetings were held and attendance of members were as follows:

Member	28 August 2015	12 February 2016	20 May 2016	24 June 2016
Ms. K. Mackerduth (chairperson)	A	A	a	a
Ms. MP. Koatla (member)	A	A	a	a
Mr. VW. Vapi (member)	A	A	a	a
Mr. TA. Shabalala (member)	A	Resigned.		
Ms. Z Chonco (member)	Appointed 31 May 2016			R

Legends:

a – attended meeting

r – apology was received

3. Audit and Performance Committee Responsibility

- 3.1 The Audit and Performance Committee was established to assist in improving management reporting by overseeing internal and external audit functions, internal controls, and the financial reporting process, compliance with accounting policies, legal requirements, internal controls and other policies within the Municipality.
- 3.2 The Committee interacts with and evaluates the effectiveness of the external and internal audit processes and reviews compliance with the code of ethics.
- 3.3 The Audit and Performance Committee complied reports aligned with its responsibilities arising out of Section 166 of the MFMA and Treasury Regulation 27.1.8 and 27.1.10.
- 3.4 The Audit and Performance Committee adopted formal terms of reference as its Audit and Performance Committee Charter and has subsequently regulated its affairs in compliance with the said charter, discharging its responsibilities as contained therein.

4. The adequacy and effectiveness of governance, risk management and control

- 4.1 The internal audit unit of the Municipality has furnished the audit committee with reports of its evaluation of the adequacy and effectiveness of governance, risk management and internal control processes within the Municipality.
- 4.2 **Governance**
- 4.2.1 During interaction with the members of management, the Committee noted that leadership provided within the Municipality is effective and

efficient. The management style adopted by Leadership of the Municipality enhances a sense of accountability and responsibility.

- 4.2.2 The Committee noted that Management is providing internal audit with the support necessary to ensure effectiveness of their operations.

4.3 Risk Management

- 4.3.1 The Committee is concerned that the Municipality has identified significant risks that may impact on the achievement of its objectives.
- 4.3.2 It was also noted that the Risk Management Committee was non-functional for two (2) quarters during the current financial year.
- 4.3.3 The Committee advised that the Risk Management component should be viewed as a fundamental unit for Internal Audit Unit to operate effectively.

4.4 Internal Controls

- 4.4.1 Based on the reports presented to the Committee by the Internal Audit Unit, the Committee noted that significant progress was being made to improve the internal control system within the Municipality.

5. The quality of management and monthly / quarterly reports submitted in terms of the Act

- 5.1 The quality of monthly / quarterly reports submitted in terms of MFMA and the Division of Revenue Act requires improvement. The Committee has indicated such areas as well as the nature of reports that can supplement S71 reports.

6. Evaluation of Annual Financial Statements

- 6.1 The Committee reviewed the 2015/16 Annual Financial Statements (AFS) and were not satisfied with the quality presented.
- 6.2 Recommendations with regard to presentation and disclosure, completeness and accuracy of Assets, Liabilities, Revenue and Expenditure was made.
- 6.3 Sufficient review over these statements must be conducted prior to submission to the Committee.

7. Performance Management

- 7.1 The 2015/2016 financial year was the first year of operation of the Audit and Performance Committee (APC) which serves as a sub-committee of the Audit Committee.

- 7.2 The Committee assessed all three (3) quarterly performance of the year i.e. 1st, 2nd and 3rd, which were audited by the Internal Audit Section.
- 7.3 The Performance Management System is experiencing teething challenges with respect to the assessment methodology and adherence to the SMART criteria for targets set; however there has been some improvement in terms of instructional awareness of performance related service delivery approach.
- 7.4 The APC has contributed in assisting Mohokare Local Municipality Performance Plan to raise the bar and it is hoped that further gains would be attained in the next financial year.
- 7.5 The Audit and Performance Committee is satisfied that the Municipality has implemented an effective system of monitoring progress with the achievement of performance targets.
- 7.6 More can be done to improve on areas related to the non-achievement of targets, specifically service delivery related.

8. Conclusion

- 8.1 The Committee is grateful for the co-operation, dedication and support displayed by Management, under the sound leadership of the Municipal Manager, Mr. TC. Panyani, as they strive to improve the financial and non-financial performance of the Municipality.



Ms Kaveshka Mackerduth CA (SA)
Chairperson: Audit and Performance Committee
Mohokare Local Municipality

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

Long Term Contracts (2 Largest Contracts Entered into during 2015/2016)					
Name of Service	Description of Services	Start	Expiry	Project	Contract
AON SA	Insurance: 3 Years	30/09/15	28/09/18	E Wilken	807
Altech Netstar	Fleet Management System	21/01/15	19/01/19	J Yeko	345

The municipality does not have any Public Private Partnership agreements at present.

APPENDIX I - MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule							
Name of Entity & Purpose	Service Indicators Service Targets	Amount	Year 0		Year 1		Satisfaction Rating 1 – Very Good Rating 2 – Good Rating 3 - Average Rating 4 - Bad
			Target (Amount)	Actual (Amount)	Target (Amount)	Actual (Amount)	
			Previous Year (iv)	(v)	Previous Year (vi)	(vii)	
Improchem (Pty) Ltd	Supply and delivery of water treatment chemicals	R 552 254,67	R 92 042,45	R 92 042,45	0	0	3
EMS Advisory (Pty) Ltd	Preparation of fixed assets register - infrastructure	R 938 680,00	R 938 680,00	R 938 680,00	0	0	3
AON South Africa	Insurance: 3 years	R 804 805,77	R 223 557,16	R 223 557,16	0	0	4
Altech Netstar	Fleet Management System	R 345 146,40	R 230 097,60	R 230 097,60	R 115 048,80	R 115 048,80	4

		Municipal Entity/Service Provider Performance Schedule					
Uniqueco Property (Pty) Ltd	Valuation Roll	R 1 800 000,00	See SLA	See SLA	See SLA	See SLA	3
Traffic Management Solutions	Traffic Management	See SLA	See SLA	See SLA	See SLA	See SLA	4
ABSA	Provision of banking and related services	See SLA	See SLA	See SLA	See SLA	See SLA	3
Centlec	Electricity	TBA	TBA	TBA	TBA	TBA	3

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2015/2016		
Position	Name	Description of Financial Interests Nil / Or details
Mayor	Clr. N.I Mehlomakulu	Nil
Councillors		
	Clr. B.M Valashiya	Nil
	Clr. B.J Lobi	Nil
	Clr. T.S Khasake	Nil
	Clr. L.J Lipholo	Nil
	Clr. L. Lekhula	Phuthuma Nathi Investments Multichoice Lekhula Construction 20%
	Clr. T.I Phatsoane	Votyo Bakers – 1% Lemax Trading – 10%
	Clr. M.I Morapela	Peya Ikemela Company – 100%
	Clr. M.L Lephuthing	Nil
	Clr. T. Mochechepa	Nil
	Clr. I.S Riddle	Dummer Family Trustee Nick's Place Guest House - 50% Erf 337 Smithfield Old Mutual Pension Benefits
Municipal Manager	C.T. Panyani	PC Training&Busnn College –no income Uhlosi Trading Transport Uhlosi Guest House Residential House Zastron – Rent R4000pm Vacant site Jeffreysbay – no income
Chief Financial Officer	P.M. Dyonase	Apex Engineering – No income Trueworth Consulting – No income
Director Corporate Services	L.V Nqoko-Rametse	Sabbath Business Consultancy – no income

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2015/2016		
Director Technical Services	M.N. Tsoamotse	Residential property Smithfield –no income
Director Community Services	Vacant	-

APPENDIX K- REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i) : REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
R' 000						
Vote Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Executive and Council	6	5 372	5 372	1 853	-190%	-190%
Finance and Admin	64 949	46 982	42 429	51 583	9%	18%
Planning and Development	–	995	995	470	-112%	-112%
Health	–	–	–	–	0%	0%
Community and Social Services	115	4 246	4 246	2 058	-106%	-106%
Housing	811	704	1 060	902	22%	-18%
Public Safety	2 800	2 328	2 328	11 930	80%	80%
Sport and Recreation	0	1 163	1 163	513	-127%	-127%
Environmental Protection	–	–	–	–	0%	0%
Waste Water Management	13 235	26 113	26 350	18 452	-42%	-43%
Road Transport	1 033	3 852	3 856	2 295	-68%	-68%
Water Distribution	12 432	16 849	16 849	20 515	18%	18%
Electricity Distribution	22 364	44 746	44 746	30 616	-46%	-46%
Other	–	–	–	–	0%	0%
Total Revenue by Vote	117 745	153 349	149 394	141 188	-9%	-6%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						T K.1

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	6 515	11 627	7 232	6 994	-66%	-3%
Property rates - penalties & collection charges	–	–	–	–	0%	0%
Service Charges - electricity revenue	22 364	32 420	32 420	24 788	-31%	-31%
Service Charges - water revenue	12 403	10 890	10 890	17 803	39%	39%
Service Charges - sanitation revenue	8 024	10 832	10 832	8 802	-23%	-23%
Service Charges - refuse revenue	5 205	6 750	6 750	5 841	-16%	-16%
Service Charges - other	–	238	238	127	-87%	-87%
Rentals of facilities and equipment	1 064	663	1 018	1 072	38%	5%
Interest earned - external investments	935	7	85	813	99%	90%
Interest earned - outstanding debtors	–	5 758	5 758	–	#DIV/0!	#DIV/0!
Dividends received	7	11	11	10	-10%	-10%
Fines	1 639	1 400	1 400	11 504	88%	88%
Licences and permits	4	–	3	2	100%	-28%
Agency services	–	–	–	–	0%	0%
Transfers recognised - operational	56 765	61 968	61 968	58 762	-5%	-5%
Other revenue	2 764	10 786	10 790	4 646	-132%	-132%
Gains on disposal of PPE	55	–	–	24	100%	100%
Environmental Protection	–	–	–	–	0%	0%
Total Revenue (excluding capital transfers and contributions)	117 745	153 349	149 394	141 188	-8.61%	-5.81%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						T K.2

APPENDIX L – CONDITIONAL GRANTS RECEIVED EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant	–	–	–	0%	0%	
Public Transport Infrastructure and Systems Grant	–	–	–	0%	0%	
<i>Other Specify:</i>						
Regional Bulk Infrastructure Grant	53 000	45 000	55 927	5%	20%	To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries.
Municipal Water Infrastructure Grant	15 000	15 000	15 000	0%	0%	To facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a water supply service
Municipal Systems Improvement Grant	930	930	930	0%	0%	To assist municipalities in building in house capacity to perform their functions and stabilise institutional and governance systems as required in the Local Government Municipal Systems Act, 2000 and related legislation and policies
Finance Management Grant	1 800	1 800	1 800	0%	0%	To promote and support reforms in financial management by building the capacity in municipalities to implement the MFMA Act
Integrated National Electrification Programme Grant	474	474		#DIV/0!	#DIV/0!	To implement the INEP by providing capital subsidies to Eskom or its subsidiaries to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.
Expanded Public Works Programme	1 000	1 000	1 000	0%	0%	To incentivise municipalities to increase labour intensive employment through programmes that maximise job creation and skills development in line with the EPWP guidelines
Total	72 204	64 204	74 657	3%	14%	
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.						T L

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINIC

SERVICE BACKLOGS: SCHOOLS AND CLINICS				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools	None	None	None	None
Clinics	None	None	None	None

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

The municipality is an Electricity Service provider; however, the services have been outsourced to Centlec.

The table below will show the backlogs the municipality has with regard to services provided by another government entity:

Town	No. of HH	No. of HH connected to the grid	No. of HH without electricity
Zastron	4649	4637	12
Rouxville	2088	2086	2
Smithfield	1635	1635	0
Total	8372	8358	0

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

The municipality did not make any loans in the current financial year.

Appendix L refers to all conditional grants made by the municipality.

**VOLUME II – ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDING
31 JUNE 2016.**