

2016 / 17 Draft Annual Report

TSWELOPELE LOCAL  
MUNICIPALITY

# **TSWELOPELE LOCAL MUNICIPALITY**

## **OUR MOTTO**

"A municipality in progress"

## **OUR VISION**

To be an accountable, transparent, non-racial Municipality that promotes economic development and provides sustainable services and improves the quality of life in the Community.

## **OUR MISSION**

Tswelopele Local Municipality is committed to effective and transparent governance by:

- (a) Promoting economic development
- (b) Providing sustainable services , and
- (c) Improving the quality of life of all people

## **VALUES**

- Democratic values
- Good governance
- Transparency
- Honesty
- Equity
- Commitment
- Accountability
- Professionalism

## CONTENTS

1	CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY .....	6
1.1	COMPONENT A: MAYOR’S FOREWORD .....	6
1.2	COMPONENT B: EXECUTIVE SUMMARY .....	8
1.2.1	MUNICIPAL MANAGER’S OVERVIEW .....	8
1.2.2	MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW.....	10
1.2.3	MUNICIPAL FUNCTIONS .....	14
1.3	SERVICE DELIVERY OVERVIEW .....	14
1.3.1	ELECTRICITY SERVICES .....	14
1.3.2	ACCESS TO BASIC SERVICES .....	15
1.4	FINANCIAL HEALTH OVERVIEW.....	15
1.4.1	ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) .....	15
1.4.2	expenditure .....	17
1.5	ORGANISATIONAL DEVELOPMENT OVERVIEW.....	18
1.5.1	ORGANISATIONAL DEVELOPMENT PERFORMANCE .....	18
1.6	AUDITOR-GENERAL REPORT .....	18
	THE MUNICIPALITY OBTAINED AND uNQUALIFIED AUDIT OPINION IN THE 2016/ 2017 FINANCIAL YEAR THE FOLLOWING EMPHASIS OF MATERS WERE MADE BY THE aUDITOR gENERAL:.....	18
1.6.1	Irregular expenditure.....	18
<b>1.6.2</b>	Restatement of corresponding figures .....	18
1.6.3	Material losses.....	19
1.6.4	Material impairments.....	19
1.7	STATUTORY ANNUAL REPORT PROCESS .....	19
2	CHAPTER 2 – GOVERNANCE .....	21
2.1	COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE .....	21
2.1.1	POLITICAL GOVERNANCE .....	21
2.1.2	POLITICAL STRUCTURE.....	21
2.1.3	POLITICAL DECISION-MAKING .....	24
2.1.4	ADMINISTRATIVE GOVERNANCE .....	24

2.1.5	INTERGOVERNMENTAL RELATIONS.....	24
2.2	COMPONENT B: PUBLIC ACCOUNTABILITY AND PARTICIPATION.....	25
2.2.1	PUBLIC MEETINGS .....	25
2.2.2	IDP PARTICIPATION AND ALIGNMENT.....	25
2.3	COMPONENT C: CORPORATE GOVERNANCE.....	26
2.3.1	RISK MANAGEMENT .....	26
2.3.2	ANTI-CORRUPTION AND FRAUD.....	26
2.3.3	SUPPLY CHAIN MANAGEMENT.....	27
2.3.4	BY-LAWS .....	27
2.3.5	WEBSITE.....	28
2.3.6	PUBLIC SATISFACTION ON MUNICIPAL SERVICES.....	29
3	CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I) .....	30
3.1	COMPONENT A: BASIC SERVICES.....	30
3.1.1	WATER PROVISION .....	30
3.1.2	WATER (SANITATION) PROVISION.....	32
3.1.3	ELECTRICITY .....	33
3.1.4	WASTE MANAGEMENT.....	33
3.1.5	HOUSING .....	35
3.1.6	FREE BASIC SERVICES AND INDIGENT SUPPORT.....	39
3.2	COMPONENT B: ROAD TRANSPORT.....	41
3.2.1	ROADS.....	41
3.3	COMPONENT C: PLANNING AND DEVELOPMENT .....	42
3.3.1	PLANNING and development .....	42
3.3.2	LOCAL ECONOMIC DEVELOPMENT.....	43
3.4	COMPONENT D: COMMUNITY & SOCIAL SERVICES.....	44
3.4.1	Municipal FACILITIES.....	44
3.4.2	CEMETERIES AND CREMATORIUMS .....	45
3.5	COMPONENT E: SECURITY AND SAFETY .....	45
3.5.1	TRAFFIC MANAGEMENT .....	45

3.5.2	DISASTER MANAGEMENT .....	46
3.6	COMPONENT F: CORPORATE POLICY AND OTHER SERVICES .....	46
3.6.1	EXECUTIVE AND COUNCIL.....	46
3.6.2	FINANCIAL SERVICE.....	48
3.6.3	HUMAN RESOURCE SERVICES.....	49
3.6.4	INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES .....	51
3.6.5	RISK MANAGEMENT SERVICES .....	52
3.7	COMPONENT G: ORGANISATIONAL PERFORMANCE SCORECARD AS AT 30 JUNE 2017 .....	53
	<b>TLM NON-FINANCIAL PERFORMANCE REPORT (Q1 JULY 2016 TO Q4 JUNE 2017)</b> .....	54
	<b>REPORTING PERIOD: AS AT 30 JUNE 2017</b> .....	54
	<b>CONCLUSION</b> .....	66
4	CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE .....	105
4.1	COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL .....	105
4.1.1	EMPLOYEE TOTALS, TURNOVER AND VACANCIES.....	105
4.2	COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE.....	105
4.2.1	INJURIES, SICKNESS AND SUSPENSIONS .....	106
4.2.2	PERFORMANCE REWARDS.....	108
4.3	COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE.....	108
4.3.1	INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT .....	108
4.3.2	SKILLS DEVELOPMENT AND TRAINING .....	109
5	CHAPTER 5 – FINANCIAL PERFORMANCE .....	113
5.1	COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE .....	113
5.2	GRANTS .....	115
5.3	ASSET MANAGEMENT .....	116
5.4	SOURCES OF FINANCE.....	117
5.5	CASH FLOW MANAGEMENT AND INVESTMENTS .....	118
5.6	OTHER FINANCIAL MATTERS.....	120
5.6.1	SUPPLY CHAIN MANAGEMENT.....	120
5.6.2	MUNICIPAL SERVICE CHARGES ASSESSMENT AND OUTSTANDING DEBTORS. ....	122

<b>Report of the auditor-general to the Free State Legislature and the council on the Tswelopele Local Municipality</b> .....	123
<b>Report on the audit of the financial statements</b> .....	123
<b>Opinion</b> .....	123
<b>Basis for opinion</b> .....	123
<b>Material uncertainty related to going concern</b> .....	123
Restatement of corresponding figures.....	124
<b>Other matters</b> .....	124
<b>Responsibilities of the accounting officer for the financial statements</b> .....	125
<b>Auditor-general’s responsibilities for the audit of the financial statements</b> .....	125
<b>Report on the audit of the annual performance report</b> .....	125
<b>Introduction and scope</b> .....	125
<b>KPA 2 – basic service and infrastructure</b> .....	126
<b>Other matters</b> .....	127
<b>Report on audit of compliance with legislation</b> .....	127
<b>Introduction and scope</b> .....	127
<b>Other information</b> .....	129
<b>Internal control deficiencies</b> .....	129
<b>Annexure – Auditor-general’s responsibility for the audit</b> .....	131
<b>Financial statements</b> .....	131
6    CHAPTER 7: ANNUAL FINANCIAL STATEMENT WITH THE ANNUAL AUDIT COMMITTEE REPORT 2015 / 2016 FINANCIAL YEAR (Annexure A) .....	133
7    CHAPTER 8: AUDIT RECOVERY PLAN (Annexure B) .....	135
8    GLOSSARY .....	147
9    APPENDICES.....	149
9.1    APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES.....	149
9.2    APPENDIX C – FUNCTIONS OF MUNICIPALITY .....	150

---

## 1 CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### 1.1 COMPONENT A: MAYOR’S FOREWORD



The road to democracy was uptight with economic and racial discrimination and the resulting spatial and resource inequalities that infiltrated in our country. Today, we are proud as the Tswelopele Local Municipality, to acknowledge the collective efforts of the management team and our employees, service delivery partners, investors and all citizens to transform the municipality to be a better place for all.

We remain committed to improving the quality of life of our people, addressing the legacy of the past inequalities and ensuring all citizens including those on the margins of society have access to opportunities to earn and contribute to the economy. The municipality entered into an agreement with all the contractors for major projects to ensure that at least 25% of the total projects is subcontracted to the local emerging contractors to promote self- sustainability and social inclusivity.

We are not simply delivering services to our people but work as ‘servants of the people’. The council of the municipality through the office of the speaker has embarked on public participation to encourage the community to participate in the affairs of the municipality and stay abreast of the development in the respective areas.

The council of the municipality is grateful that through hard work we managed to maintain an unqualified audit opinion in the financial year under review as well as the prior years. This is a firm indication of the continuous improvement of our financial management and that we continue to strive towards clean administration and the highest standards of corporate governance. The municipality has adequate and effective fraud and corruption prevention and response strategies to eliminate the possibilities of such activities in the municipality, as well as to improve financial sustainability in the

I would like to take this opportunity to acknowledge the efforts of the municipal leadership and its officials in advancing municipal strategic and transformative plan during the reporting year and to thank them for their readiness and perseverance in implementing the IDP objectives.



---

CLLR T F MATSHOLO

MAYOR



---

## 1.2 COMPONENT B: EXECUTIVE SUMMARY

### 1.2.1 MUNICIPAL MANAGER'S OVERVIEW



It is with great pleasure that I present Tswelopele Local Municipality's 2016 / 17 Annual Report for the period 1 July 2016 to 30 June 2017. Through this report, we track our progress in terms of the goals we set in the municipal Integrated Development Plan, which in the long term will foster a physical and socio-economic environment that is liveable, sustainable and resilient for all our citizens.

Addressing historical challenges, the municipality has prioritised implementation plans that will eradicate the historical challenges associated with poverty, unemployment and inequality; and address resource scarcity with respect to water, energy and land space in an environmentally sustainable manner.

We developed implementation plans contained in the revised five-year Integrated Development Plan [IDP] and annual SDBIP. The IDP aims to develop a sustainable and resilient municipality by creating a sustainable environment, promoting the conservation of natural and scarce resources, and developing infrastructure to improve access to educational services, transport and employment. Currently, 95% of the community have access to the four basic services of water, electricity, sanitation, waste water and solid waste management.

The municipality is striving towards improved financial performance by embarking on a revenue enhancement strategy that will assist the municipality going forward to maintain financial viability. We, in the financial year under review, managed to pay creditors on time and ensure business continuity with the limited resources the municipality had.

Our commitment to providing services to all our residents is achieved through our greatest assets: our employees working across various operational disciplines. The municipality aims to foster a high-performance ethos by attracting and retaining skilled and qualified people. The vision of delivering professional, diverse and competent human capital is achieved through our Human Resources Policies, which is implemented across the municipality. I would like to express my appreciation for the support received from the political leadership in Council, the Mayor, and the Speaker, EXCO, MSA Section 80 Committees, Audit Committee, Performance Management Committee and Municipal Public Accounts Committee. Administratively I would like to thank the Management team and the entire staff of the Municipality for their continued support. Collectively we remain committed to efficient service delivery and the attainment of a liveable, sustainable and resilient municipality.

---

A handwritten signature in black ink, appearing to read 'Mre Mogopodi'. The signature is stylized with a large, circular initial 'M' and a long, sweeping underline.

---

MS. MRE MOGPODI  
MUNICIPAL MANAGER

---

## 1.2.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.2.2.1 BACKGROUND DATA

Tswelopele Local Municipality falls in the Lejweleputswa district area which is situated in the central Free State about a 100 km north west of Bloemfontein. It consists of Bullfontein, Phahameng, Hoopstad and Tikwana and their surrounding rural areas.

Tswelopele Local Municipality has a total population of 47 625 people, of which 91% are African Black, 7% are White, with the other population groups making up the remaining 2%. The Municipality is 6 506, 68 square kilometres in extent and with the surface area of 652 544, 3 Ha.

The municipal unemployment rate stands at 34, 8%. 14 868 people are economically active (employed or unemployed but looking for work), and of these 35% are unemployed. Of the 8145 economically active youth (15 – 34 years) in the area, 46% are unemployed.

The municipal council consists of fifteen members elected by mixed-member proportional representation. Eight councillors are elected by voting in eight wards, while the remaining seven are chosen from party lists so that the total number of party representatives is proportional to the number of votes received.

### 1.2.2.2 DEMOGRAPHIC PROFILE

All municipal demographic statistics as depicted by the different tables underneath relates to the census survey of 2011 that was conducted by the Statistics South Africa. The data is for statistical purpose only as it does not relate to the year reported herein.

Tswelopele Municipality is 6 506 68 square kilometres in extent. The demographic profile of the municipality according to the most recent information available is shown in the table below:

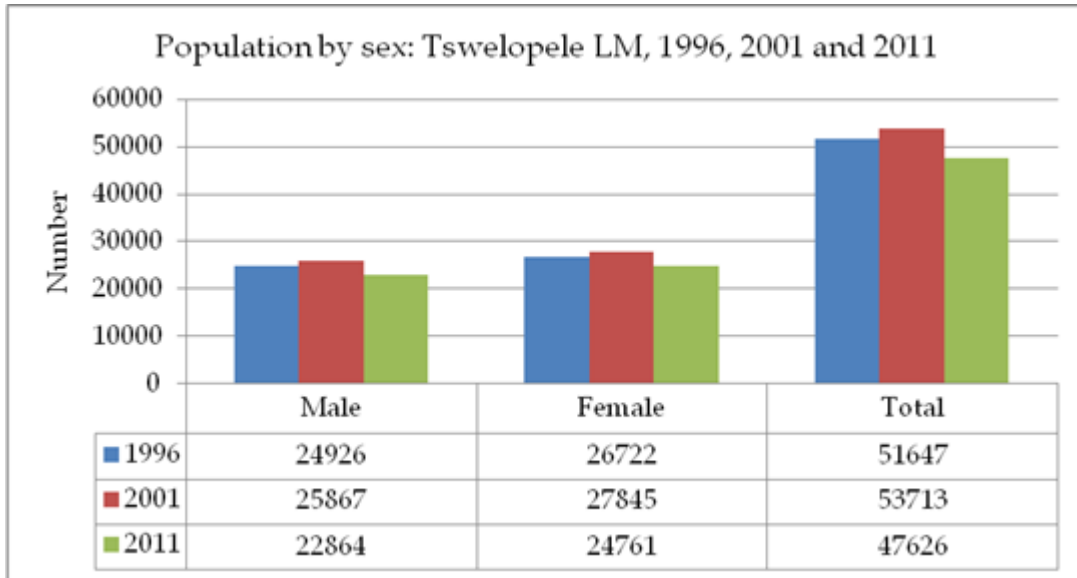
Description	1996 – Stats SA	2001 - Stats SA	2007– Community Survey	2011 - Stats SA	2016 – Stats SA
No. of households	12 623	12 624	12 987	11 992	13 705
Average people	4,40	4,2	8.18	4	3.5
Total population	58 858	55 591	53 713	47 625	47 373

The key statistics mentioned above as reflected in Census 2001 are shown to place the municipality's performance in the proper context.

According to the graph below, the population number in the municipality appears to decline, recording a marginal decline of 1.2% over 2001 to 2011. The number of households has declined from 12 624 in 2001 to 11 992 in 2011.

The number of households has declined from 12 430 in 2001 to 11 992 in 2011 and increased to 13 705 in 2016 community survey

**Figure 1: Distribution of population by sex: Tswelopele LM, 1996, 2001 and 2011**



Source: Statistics SA, Census, 1996, 2001 and 2011

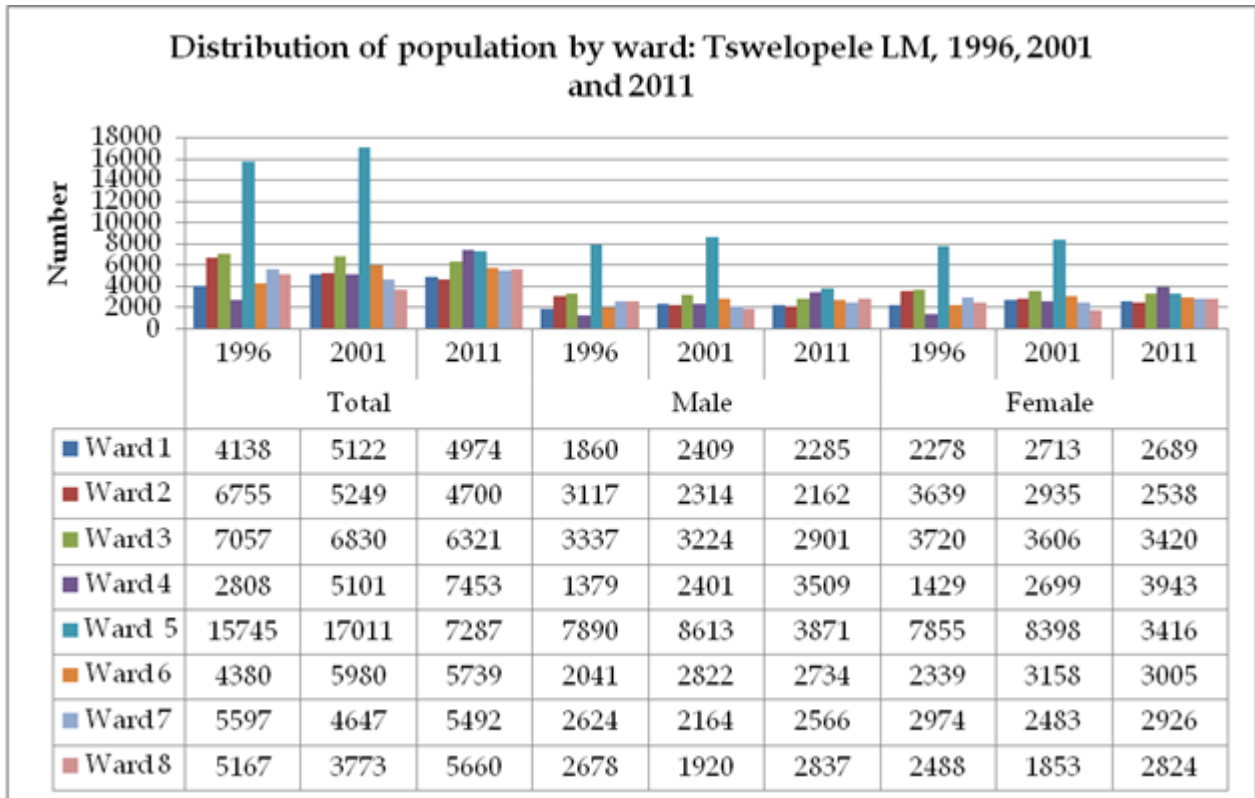
This graph shows that the population in terms of males increased by 3.8% from 1996 to 2001 and showed a decrease of 11.6% in 2011 the reasons for this decrease should be investigated as they might have a negative impact on the local economic development of the area. The population in terms of females showed an increase of 4.2% from 1996 to 2001 and showed a decrease of 11% which is more or less the same decrease of the males in 2011. The reasons for this decrease must be investigated.

The 2016 community survey shows a slight decrease in the total population of men as compared to 2011 sensors count from 22 864 to 22 858 which is a decrease of 6 men. The reasons to this slight decrease are not known and might be investigated.

The 2016 community survey also shows a slight decrease in the total population of women as compared to 2011 sensors count from 24 761 to 22 515 which is a decrease of 6 women. The reasons to this slight decrease are not known and might be investigated.

1.2.2.3 POPULATION BREAKDOWN PER WARD, AGE AND GENDER

Figure 3: Distribution of population by sex: Tswelopele LM, 1996, 2001 and 2011



Analysis are made in terms of population per ward and that the most popular ward and which shows high population vacillations is ward 5, as per the above table the ward had a population of 15 745 people in 1996 and increased to 17 011 people in 2001, the statistics showed an enormous to 7 287 people in 2011 and this is due to the demarcation processes that took out extension 7 & 8 and the ward thereafter consisted of the farms only. As a result of demarcation processes undertaken every 5 years the municipality cannot make a clear analysis of population vacillations per ward to the local economic development abroad.

#### 1.2.2.4 POPULATION PER MUNICIPAL AREA

Population Group	Sandveld		Hoopstad		Tikwana		Tswelopele NU		Bultfontein		Phahameng	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Black African	9	3	237	144	6744	7605	3711	3189	420	420	9615	11355
Coloured	-	-	12	12	156	144	90	57	3	6	39	57
Indian or Asian	-	-	12	6	39	3	-	3	15	3	78	18
White	-	-	405	450	9	15	609	537	567	702	6	3
Other	-	-	15	9	21	3	15	6	27	15	15	-
Sub-total	9	3	681	621	6969	7770	4425	3792	1032	1146	9753	11433
Total	12		1302		14739		8217		2178		21186	

Statistics South Africa: Census 2011

#### 1.2.2.5 SOCIO ECONOMIC STATUS INDIVIDUAL MONTHLY INCOME

Ward	R 1 - R 800	R 801 - R 3 200	R 3 201 - R 12 800	R 12 801 - R 51 200	R 51 201 - R 204 800	R 204 801 or more	No income	Unspecified	Not applicable
Ward 1	1923	813	105	30	3	-	2016	81	-
Ward 2	1653	747	147	21	-	3	2067	66	-
Ward 3	2121	1335	282	36	3	-	2430	111	-
Ward 4	2424	1263	528	159	15	3	2643	300	117
Ward 5	1842	2361	216	99	36	12	2268	423	30
Ward 6	2028	921	123	24	6	-	2460	177	-
Ward 7	1638	1098	267	57	-	-	2238	189	-
Ward 8	1572	978	363	135	18	15	1845	351	378

Statistics South Africa: Census 2011

#### 1.2.2.6 EMPLOYMENT STATUS

Ward	Employed		Unemployed		Discouraged work-seeker		Other not economically active		Age less than 15 years		Not applicable	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Ward 1	369	282	252	450	192	252	435	639	-	-	1038	1068
Ward 2	318	249	348	384	138	216	438	624	-	-	918	1068
Ward 3	480	393	330	405	66	141	792	1131	-	-	1233	1347
Ward 4	948	513	450	696	102	213	564	864	-	-	1446	1659
Ward 5	2130	849	75	192	18	150	387	1080	-	-	1260	1140
Ward 6	519	324	204	291	120	186	798	1017	-	-	1095	1185
Ward 7	543	441	246	330	171	243	603	831	-	-	1005	1086
Ward 8	882	453	204	315	57	99	651	870	-	-	1044	1083

Statistics South Africa: Census 2011

### 1.2.2.7 OVERVIEW OF NEIGHBOURING MUNICIPALITIES

Local Municipality	Black African		Coloured		Indian or Asian		White		Other		Grand Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Masilonyana	29250	28764	402	324	174	33	2004	2211	129	39	63330
Tokoloko	12135	12348	660	666	174	21	1380	1503	63	36	28986
Tswelopele	20733	22719	303	273	141	30	1596	1704	93	33	47625
Matjhabeng	176805	179544	4251	4482	1002	453	18915	20217	534	255	406458
Nala	36078	39573	237	264	162	45	2250	2424	138	45	81216
<b>Grand Total</b>	<b>275001</b>	<b>282948</b>	<b>5853</b>	<b>6009</b>	<b>1653</b>	<b>582</b>	<b>26145</b>	<b>28059</b>	<b>957</b>	<b>408</b>	<b>627615</b>

Statistics South Africa: Census 2011

### 1.2.3 MUNICIPAL FUNCTIONS

Tswelopele Local Municipality is dedicated to the provision of sustainable quality services to its residents. The municipality is responsible for the provision of basic services and constitutionally mandated to perform in terms of Schedule 4 (Part B) and Schedule 5 (Part B) of the Constitution of Republic of South Africa, 1996

## 1.3 SERVICE DELIVERY OVERVIEW

The municipality continued to ensure the sustainable provision of services to the community. Public members who have registered in the indigent register also continued to benefit from municipal services. Tswelopele had also experienced an increase in the number of households receiving subsidies from the municipality, as reflected by statistics. This can be attributed directly to the economic downturn in the area as most people are unemployed.

### 1.3.1 ELECTRICITY SERVICES

The municipality provides electricity in the towns. Applications for new connections in town are also done by the municipality while Eskom provides electricity in the townships. Each registered indigent household receives 50kW of electricity per month.

### 1.3.2 ACCESS TO BASIC SERVICES

The municipality provides water to all households in the residential areas. The municipality is currently facing challenges of water being wasted through leaking of toilets as residents normally do not fix leaking toilets. Due to the high demand for water, the municipality has started to interrupt the supply of water during the night to increase the levels of the reservoirs in order to provide water to all households during the day. The municipality has embarked on campaigns to fix toilets and to educate the community on saving water. The municipality has through the assistance of ACIP and RBIG managed to curb the water losses by upgrading the existing bulk water infrastructure.

## 1.4 FINANCIAL HEALTH OVERVIEW

### 1.4.1 ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)

Descriptions	2016/ 2017 Actual	2016/ 2017 Budget	2016/ 2017 Variance	2016/ 2017 Variance
	R	R	R	%
<b>REVENUE</b>				
<b>Property Rates</b>	15 853 885	20 120 000	(4 266 115)	-21%
<b>Fines</b>	273 700	-	273 700	100%
<b>Licences and permits</b>	28 088	60 000	(31 912)	100%
<b>Government Grants and subsidies</b>	96 362 797	62 464 000	33 898 797	54%
<b>Service Charges</b>	48 518 267	52 145 000	(3 626 733)	-7%
<b>Rental of facilities and equipment</b>	757 714	434 000	323 714	75%
<b>Interest earned – External</b>	619 576	610 000	9 576	2%



<b>Investments</b>				
<b>Interest earned – outstanding debtors</b>	702 438	790 000	(87 562)	-11%
<b>Dividends Received</b>	19 722	210 0000	(190 278)	-91%
<b>Other Income</b>	1 134 988	2 270 000	(1 135 012)	-50%
<b>Gains (loss) on Disposal of PPE</b>	(2 432 521)	2 077 000	(4 509 521)	-217
<b>TOTAL REVENUE</b>	<b>161 383 654</b>	<b>141 780 000</b>	<b>20 658 654</b>	<b>15%</b>
<b>EXPENDITURE</b>				
<b>Employee related costs</b>	58 385 186	56 597 000	1 788 186	3%
<b>Remuneration of councillors</b>	4 782 759	5 715 000	(932 241)	-16%
<b>Depreciation and amortisation</b>	26 782 988	19 669 000	7 113 988	36%
<b>Impairment losses</b>	13 115 260	2 501 000	10 614 260	424%
<b>Repairs and maintenance</b>	7 781 985	7 508 000	273 985	4%
<b>Interest paid</b>	3 932 486	2 088 000	1 844 486	88%
<b>Bulk purchases</b>	34 143 828	30 900 000	3 243 828	10%
<b>Contracted Services</b>	38 448	650 000	(611 552)	-94%
<b>General Expenses</b>	33 069 504	37 391 000	(4 321 436)	-12%
<b>TOTAL EXPENDITURE</b>	<b>182 032 504</b>	<b>163 019 000</b>	<b>1 645 150</b>	<b>12%</b>

<b>NET SURPLUS/ (DEFICIT) FOR THE YEAR</b>	<b>(20 193 850)</b>	<b>(21 839 000)</b>	<b>1 645 150</b>	<b>-8%</b>
--	---------------------	---------------------	------------------	------------

#### 1.4.2 EXPENDITURE

Figures in Rand	Note(s)	2017	2016 Restated*
<b>Expenditure</b>			
Employee related costs	28	58 385 186	57 697 441
Remuneration of councillors	29	4 782 759	4 663 463
Depreciation and amortisation		26 782 988	26 178 821
Finance costs	30	3 932 486	2 562 439
Debt Impairment	31	13 115 260	7 530 755
Repairs and maintenance	32	7 781 985	6 459 825
Bulk purchases	33	34 143 828	32 282 104
Contracted services	34	38 448	27 100
General Expenses	35	33 069 564	28 586 905
<b>Total expenditure</b>		<b>182 032 504</b>	<b>165 988 943</b>

---

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### 1.5.1 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The role of corporate services department within the institution is to provide administrative, legal and human resource management function to the Council, EXCO, the Municipal Manager and other employees of Council. The department also deals with issues such as training, recruitment and skills development of employees.

The position of the Municipal Manager and all the Directors have been filled for the financial year under review. The management had identified key vacant positions in the financial year under review and steps are been taken to fill the identified vacant position.

Employees participated in different learning programmes and interventions during the 2016 / 17 financial year in terms of the Workplace Skills Plan submitted to LGSETA. Graduates and experiential learners received training in various fields (on the job training).

## 1.6 AUDITOR-GENERAL REPORT

THE MUNICIPALITY OBTAINED AND UNQUALIFIED AUDIT OPINION IN THE 2016/ 2017 FINANCIAL YEAR THE FOLLOWING EMPHASIS OF MATERS WERE MADE BY THE AUDITOR GENERAL:

### 1.6.1 IRREGULAR EXPENDITURE

As disclosed in note 47 to the financial statements, irregular expenditure of R4 606 238 (2016: R4 698 122) was incurred mainly due to conditional grants not being used for the intended purposes.

### 1.6.2 RESTATEMENT OF CORRESPONDING FIGURES

As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2017.

### 1.6.3 MATERIAL LOSSES

As disclosed in note 33 to the financial statements, electricity distribution losses of 12, 88% (2016: 17, 79%) of total electricity purchased were incurred by the municipality mainly due to tampering and theft.

### 1.6.4 MATERIAL IMPAIRMENTS

As disclosed in notes 12 and 13 to the financial statements, receivables from exchange transactions were impaired by R28 921 857 (2016: R21 557 938) and receivables from non-exchange transactions were impaired by R12 141 296 (2016: R7 548 271).

## 1.7 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year	
4	Submit the 4 <sup>th</sup> quarter Report to council for noting	
5	Submit draft 16/17 Annual Report to Internal Audit for review.	August
6	Audit/Performance committee considers draft Annual Report of municipality.	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
8	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
9	Municipalities receive and start to address the Auditor General's comments	January
10	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
11	Audited Annual Report is made public and representation is invited	February
12	Oversight Committee assesses Annual Report	
13	Council adopts Oversight report	March
14	Oversight report is made public	
15	Oversight report is submitted to relevant provincial councils	

---

16	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	March
----	--	-------

---

## 2 CHAPTER 2 – GOVERNANCE

### 2.1 COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

---

#### 2.1.1 POLITICAL GOVERNANCE

##### INTRODUCTION TO POLITICAL GOVERNANCE

The mayor is the key figure in the municipality in terms of section 52 of the Municipal Finance Management Act, 2003, [Act 56 of 2003]. Mayor is the chairperson of the Executive Committee [EXCO] that is responsible for receiving reports from various Section 80 Committees of Council and makes recommendations to Council as determined by Section 49 of the Municipal Structures Act, Act 117 of 1998].

The speaker is the chairperson of Council and performs function as stipulated in section 37 of the Municipal Structures Act, 1998, [Act 117 of 1998]. The mayor's duties and functions include any ceremonial functions, and exercise powers delegated to the Mayor by Council or the Executive Committee. The speaker ensures that the council meets at least quarterly, ensuring compliance in the council and Council Committees with code of conduct.

The Audit Committee consists of four members and met as scheduled, four times per annum in terms of its approved terms of reference; however there were other special audit committee meetings conducted. The Audit Committee has reviewed and discussed with the Accounting Officer the Audited Financial Statements to be included in the annual report, reviewed the accounting policies and practices.

---

#### 2.1.2 POLITICAL STRUCTURE

##### MAYOR

The Mayor presides at the meetings of the Executive Committee. The Mayor performs duties and functions including any ceremonial functions, and exercise powers delegated to the Mayor by Council or the Executive Committee.

---

## SPEAKER

Presides at Council meetings and performs duties and exercises powers delegated to the Speaker in terms of section 59 of Local Government: Municipal Systems Act, 2000 [Act 32 of 2000]. Furthermore the Speaker has the following functions:

- To ensure that the council meets at least quarterly
- To maintain order during council meetings
- To ensure compliance in the council and council committees with the Code of Conduct
- To ensure that council meetings are conducted in accordance with rules and orders of the Council.

## EXECUTIVE COMMITTEE

The executive committee of the municipality consisted of the following councillors during the year under review:

- Mayor;
- Chief Whip of the ruling party; and
- One councillor of the opposition.

Tswelopele Local Municipality is a collective executive committee system and it consists of the council, which is the highest decision making body and it meets quarterly with the Executive Committee meeting once in every month.

Below is the names of councillors and constituencies:

## WARD COUNCILLORS

WARD	WARD COUNCILLORS
Ward 1	Bangani Petrus Eseu
Ward 2	Magojenyane Henry Segopolo
Ward 3	Mzonjani Johannes Mgcija
Ward 4	Molahlehi Andries Monei
Ward 5	Motshabinyana Welhemina Raseu
Ward 6	Moeketsi Brudiwicks

---

	Mohlabakoe
Ward 7	Teboho Thomas Taedi
Ward 8	Mzonakele Simon Baleni

PR COUNCILLORS

PR. COUNCILLORS
Frans Tankiso Matsholo
Dilahloane Agnes Njodina
Matebalo Suzan Bonokwane
Moshe Moses Snyer
Charles Horn
Elizabeth Catharina Joubert
Teboho Alec Soaisa



---

### 2.1.3 POLITICAL DECISION-MAKING

The Council of the Tswelopele Local Municipality is the highest decision-making authority in the institution. It guides and instructs the administrative component, which implements the decisions taken by the political component through resolution implementation process. The council resolution execution register is kept and maintained by the Office of the Municipal Manager, in order to track the implementation of all resolutions taken at different committees.

#### Other Council governance structures

##### Performance Audit Committee

The Municipality has a functional Performance Audit Committee in place, guided by an Audit Committee Charter. The members of the committee are all external individuals and advise council on matters relating to governance and compliance issues quarterly.

##### Municipal Public Accounts Committee

The municipal council has appointed Municipal Public Account Committee to handle matters of oversight and other municipal operations. For the period reporting, the committee conducted MPAC meetings to scrutinise and advice council on the annual report, public hearings were also scheduled and successfully attended by the community members in both towns of Hoopstad and Bultfontein.

---

### 2.1.4 ADMINISTRATIVE GOVERNANCE

The municipal manager is the head of the administration and accounting officer of the institution. The political leadership through the mayor and the administration through the municipal manager complement each other in implementing council resolutions and other municipal programmes that are promoting good governance and public participation.

---

### 2.1.5 INTERGOVERNMENTAL RELATIONS

Intergovernmental relations are intended to promote and facilitate cooperative decision making and to ensure that policies and activities across all spheres of government encourage service delivery and meet the needs of citizens in an effective way also to assist in curbing the duplication of various resources.

## 2.2 COMPONENT B: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The objective is achieved by holding public meetings, ward meetings, communication with and through non-governmental organisations and with the use of Community Development Workers. Political leaders of parties represented in council also give feedback to the community through meetings of those structures and the municipal website which is updated on the regular basis.

#### 2.2.1 PUBLIC MEETINGS

##### COMMUNICATION, PARTICIPATION AND FORUMS

The following mechanisms are used as tools to ensure public participation and communication with the community of Tswelopele: loud-hailers, ward councillor's meeting, Community Development Workers and ward committees hold their sectional meetings in their respective wards to enhance public participation.

The IDP and budget consultative meetings are held, as stipulated by law, through different forums and they are inclusive of steering committee, stakeholder's forum, sectional meetings, ward and mass meetings. All these meetings are held on scheduled dates and communicated to the public through local newspapers or municipal notice boards as prescribed by law. The efficiency and effectiveness of these forums is improved through taking members to workshop that provide them with relevant skills.

The municipality is committed to public engagement and participation in planning and decision-making processes. In this regard, it has established a broad spectrum of engagement and consultation programmes and platforms aimed at the various communities.

Ward committees have a crucial role of ensuring that community needs are reported to the municipality through the Office of the Speaker. The municipality is in full support of all ward committees and to sustain their existence as they serve as a point of contact between the municipality and the residents.

#### 2.2.2 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes

Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

## 2.3 COMPONENT C: CORPORATE GOVERNANCE

### 2.3.1 RISK MANAGEMENT

The Municipality have an approved risk management policy which outlines the municipality's commitment to managing risks events which might impact on the achievement of our objectives. Furthermore the Municipality have an approved risks management strategy which details our plan of action on how to effectively implement the risk management policy in day to day activities.

In executing the risk management strategy risk assessments were conducted and the risk register was compiled although not all high risk area business processes, i.e. amongst others Asset management and Fraud management.

The risk management risk status has been analysed and action plans that will be implemented by management to further mitigate keys risks will be monitored regularly to ensure that risks are effectively managed. Risk Management has workshopped officials on their roles and responsibilities in managing risks within their areas of responsibility.

The Municipality have Risk Management Committee chaired by an independent person. The Committee which provide oversight on risk management activities met (4) four times for 2016/17 financial period. All reports were shared with the Audit Committee.

### 2.3.2 ANTI-CORRUPTION AND FRAUD

To promote zero tolerance environment to fraudulent and corrupt activities, the Municipality Fraud and Corruption Policy and Fraud and Corruption Prevention Plan were approved by council for 2016/17 financial period which were also communicated to all officials

No fraud incidents were reported on record and fraud risks were not embedded in the Municipality's risk register which made it a challenge for management to proactively manage fraud and corruption key risks that were identified and documented in the approved fraud and corruption prevention plan.

---

### 2.3.3 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT UNIT

The Supply Chain Management unit operates under direct supervision of the CFO. The Manager: SCM & expenditure reports to the CFO.

The SCM regulations stipulate the following:

- a) SCM regulation 6(2) (a) (i) - that the council of a municipality must maintain oversight over the implementation of its SCM policy. For the purpose of such oversight the accounting officer must within 30 days of each financial year submit a report on the implementation of the SCM policy of the municipality to the Council.
- b) SCM regulation 6(2) (3) – the Accounting Officer shall within 10 days after the end of each quarter submit implementation reports on SCM to the mayor.

#### Adoption of SCM Policy

The SCM policy has been adopted by council, the management reports to council on quarterly basis on the implementation of the SCM policy as required by the regulations.

---

### 2.3.4 BY-LAWS

A by-law is a law that is passed by the council of a municipality to regulate the affairs and the services it provides within its area of jurisdiction.

As people have a right and duty to participate in government and civil society, public participation conducted included holding community meetings, joining civil and / or political organisations, public hearings and public consultation meetings.

New by-laws will be enforced by way of policies or municipal courts and notices in Provincial Gazette. Public hearings are held in all the towns falling under the jurisdiction of our Municipality. The inputs of the community are incorporated into the document, after completion of this process; the by-laws were been promulgated in the Provincial Gazette to have an effect of the law.

### 2.3.5 WEBSITE

Documents published on the Municipality's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual reports	Yes
The annual report (2015 / 16) published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2013 / 14) and resulting scorecards	Yes
All service delivery agreements	Yes
All long-term borrowing contracts	N/A
All supply chain management contracts above a prescribed value	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes
Contracts agreed in to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes
Public-private partnership agreements referred to in section 120	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during the year (The municipality also placed the section 72 reports-Mid Year Assessment)	Yes

#### MUNICIPAL WEBSITE CONTENT AND ACCESS

The municipal website has been updated with recent municipal information as guided by section 75 of the MFMA.

All the information relating to quotations, procurement advertisement is uploaded through Corporate Services department by the office of Information Technology. The IT division has also developed a procedure to be followed when uploading information: -

- Users complete a form when requesting the information to be uploaded
- Head of Corporate services authorises the form and acknowledges the information to be uploaded
- The information is then forwarded to the IT office in a soft copy format
- Thereafter the IT Officer will login as the administrator and upload the information on the website
- Upon successful uploading of information, it should be accessible within five minutes.

---

### 2.3.6 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality did not conduct any public satisfaction surveys on municipal services for the period under review. During the process of household profiling conducted by the Office of the Speaker, a questionnaire was completed by all households and an analysis report of the responses will be prepared to determine the level of satisfaction of municipal services provided to residents.

---

### 3 CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The municipality is committed to quality service delivery for residents of Tswelopele and to the extension of basic services to those who were previously denied access.

These sections of the report put focus on the service delivery related areas of the municipality, including performance highlights as they prevailed for the period reported herein.

#### 3.1 COMPONENT A: BASIC SERVICES

##### 3.1.1 WATER PROVISION

The municipal strategic approach to the provision of water services is contained in the Water Services Development Plan (WSDP) that has been developed and approved by the council. The municipality will continue to curb the water losses that is being experienced and unaccounted. Strict measures will be enforced to deal with water wastage.

The table below shows the level of distribution of water in cubic meters to various sectors and households in the municipality and also provide the water losses for the financial year under review.

Total Use of Water by Sector (cubic meters)					
Year	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2014 / 15	N/A	N/A	658 119	2 275 182	1 179 945
2015/ 16	N/A	N/A	577 264	2 051 410	892 367
2016/17	N/A	N/A	417 172	1 850 057	339 101

Description	2013 / 14	2014 / 15	2015 / 16	2016/ 2017
	Actual	Actual	Actual	Actual
	No.	No.	No.	
<u>Water: (above min level)</u>				
Piped water inside dwelling	3820	3820	3820	3820
Piped water inside yard (but not in dwelling)	8172	8172	8172	8172
Using public tap (within 200m from dwelling )	0			
Other water supply (within 200m)	3			
<i>Minimum Service Level and Above sub-total</i>	11992	11992	11992	11992
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%
<u>Water: (below min level)</u>				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	N/A	N/A	N/A	NA
No water supply				
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>	0%	0%	0%	0%
<b>Total number of households*</b>	<b>11992</b>	<b>11992</b>	<b>11992</b>	<b>11992</b>

The table above shows that all the households in the municipality have access to piped water services. The municipality with the assistance of RBIG funding from the Department of Water and Forestry has managed to curb to the water losses and improve sustainability of water provision to households and various sectors.

Description	2013 / 14	2015/ 16	2016 / 17		
	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	No.	No.
<b>FORMAL SETTLEMENTS</b>					
Total households	11992	11992	11992	-	11992
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0
<b>INFORMAL SETTLEMENTS</b>					
Total households	0	0	-	-	-
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0



### 3.1.2 WATER (SANITATION) PROVISION

The municipality strives to provide sanitation to all household. The municipality has engaged the Department of Human Settlement on numerous occasions in order to provide sanitation in extension 7 & 8 Phahameng. The municipality faces a big challenge with regard to constant blockages due to leaking of toilets and the stealing of copper taps and other cistern components.

The municipality attends to most blockages within 24 to 48 hours after reporting. The sanitation campaigns are held together with water as these services affect each other. The Hoopstad Waste Water Treatment Works has been upgraded and is completed during 2016 / 2017 financial year.

Description	2013 / 14	2014 / 15	2015 / 16	2016 / 17
	Outcome	Actual	Actual	Actual
	No.	No.	No.	No.
<b><u>Sanitation/sewerage:</u></b> (above minimum level)				
Flush toilet (connected to sewerage)	10 438	11 138	11 138	11 138
Flush toilet (with septic tank)	17	17	17	17
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	0	0	0	0
Other toilet provisions (above min.service level)				
<i>Minimum Service Level and Above sub-total</i>	10455	11155	11155	11155
<i>Percentage</i>				
<i>Minimum Service Level and Above</i>	100%	100%	100%	100%
<b><u>Sanitation/sewerage:</u></b> (below minimum level)				
Bucket toilet	0	0	0	0
Other toilet provisions (below min.service level)	1336	837	837	837
No toilet provisions	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	1336	837	837	837
<i>Below Minimum Service Level Percentage</i>	13%			
<b>Total households</b>	<b>11 791</b>	<b>11992</b>	<b>11992</b>	<b>11992</b>

---

### 3.1.3 ELECTRICITY

The basic level of access to electricity is defined as including connection of the household to the grid and basic level of service includes 10 AMP connection. Electricity generation and transmission is the sole responsibility of ESKOM. The municipality has been licensed by NERSA for distribution only.

---

### 3.1.4 WASTE MANAGEMENT

**The following are the achievements realised in the 2016 / 17 financial year.**

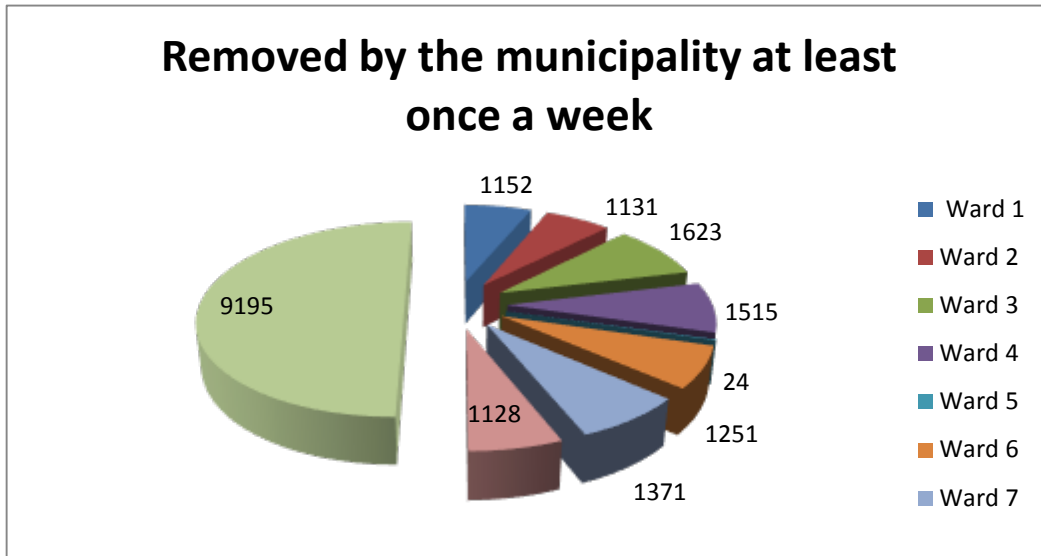
- The municipality ensured that each household within the formalised residential areas receives waste collection at least once a week in both towns, the services have been extended to new extension 7 and 8 in Bultfontein.
- Waste is disposed-off at the two landfill sites, one in each town;
- Both (Bultfontein and Hoopstad) Landfill sites have been licensed;
- Waste management By-Laws have been approved by council and gazetted;
- The Integrated Waste Management Plan was reviewed internally and approved by the council;
- Street cleaning was also conducted daily in the two towns including the townships due to shortage of personnel.
- The Municipality successfully managed to report on the National Waste Information System on a monthly basis.

**The following challenges have been encountered and noted by the municipality.**

- Waste collection fleet is old and as a result there are regular break downs, which in turn affect and delay service delivery.
- Shortage of manpower for waste collection
- Illegal dumping of refuse
- Lack of machinery (yellow fleet) to assist with the management of landfill sites

---

Number of houses with access to refuse removal



Statistics South Africa: Census 2011

### 3.1.5 HOUSING

Housing in the Free State Province is a provincial competency unless in instances where a municipality has been accredited by the provincial government to build government funded houses. The responsibility of Tswelopele Municipality with regards to housing is to allocate (sites), provide infrastructure and to maintain a waiting list of residents who qualify for RDP houses.

The municipality ensures the provision of land and use of municipal owned land in support of the housing programme as initiated by the Province. The municipality also conducts identification of well-located land suitable for social and other housing through Local Spatial Development Framework (LSDF) processes. The Municipality also allows for basic considerations, such as suitability and servicing, and applications are approved accordingly through Council resolutions.

Community Services department drafted an in-house Human Settlement Sector Plan and was approved by council in June 2017. The Human Settlement Sector Plan addresses all human settlement challenges and remedial action including informal settlement related issues.

The Municipality has to date an erven backlog of 7620 and housing backlog of 2558. There has not been any housing allocation from the Department of Human Settlement since 2010. The number of people entered on housing and erven waiting list increases daily. The municipality is in the process of allocation erven to beneficiaries on two newly developed and proclaimed township

#### SITE ALLOCATION – 2016/17 FINANCIAL YEAR

EXTENSION	NO. OF SITE	SITE ALLOCATED TO DATE
Ext. 4 Tikwana	499	360
Ext. 9 Phahameng	481	190
Ext. 10 Phahameng / Bultfontein	429	0
652 Erven Tikwana	652	0

#### ERVEN / SITE BREAKDOWN INCLUDING MIXED LAND USE

EXTENSION 10, PHAHAMENG, BULTFONTEIN	
Residential	395
Crèche	2
Churches	5
School	0
Parks	15
Business	3
Streets	9

---

EXTENSION 9, PHAHAMENG BULTFONTEIN	
Residential	462
Crèche	2
Churches	2
School	1
Parks	4
Business	3
Street	7

652 TOWNSHIP ESTABLISHMENT, TIKWANA HOOPSTAD	
Residential	599
Business	3
Education	1
Community facilities	3
Crèche	2
Church	1
Public Open Space	12
Municipal	2
Streets	29

499, TIKWANA HOOPSTAD	
Residential	468
Business	2
Primary School	1

Crèche	2
Church	2
Park	2
Municipal	2
Streets	17
Light Industrial	20

There are a number of title deed which are in the position of the Municipality. The title deeds are categorised per Ward, as indicated in the table below:

BULTFONTEIN / PHAHAMENG		
WARD NUMBER	ISSUED OUT	REMAINING TITLE DEEDS
Ward 1	17	25
Ward 2	31	23
Ward 3	45	45
Ward 4	15	21
Ward 5	0	0
TOTAL REMAINING WITHIN THE MUNICIPALITY : BULTFONTEIN		114
HOOPSTAD / TIKWANA		
WARD NUMBER	ISSUED OUT	REMAINING TITLE DEEDS
Ward 6	156	309

---

Ward 7	77	231
Ward 8	79	39
TOTAL REMAINING WITHIN THE MUNICIPALITY: HOOPSTAD		579

### 3.1.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipal council must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services in terms of section 152(1) (b) and 153(b) of the Constitution.

Basic services are generally regarded to be access to electricity, access to clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads. The key purpose of an indigent subsidy policy 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 grants are received and funds are available, the indigent subsidy policy should remain intact.

The Indigent Subsidy Scheme was introduced by the municipality in order to provide basic services to poor households (water, sanitation and energy). On an annual basis the indigent register is reviewed and residents who qualify are encouraged to apply. Entry level amount for the 2016 / 2017 financial year is determined as R 3 000 per month. Grants-in-aid may, within the financial ability of the municipality, be allocated to household owners or tenants of premises who receive electricity, refuse removal, water and sewer services as well as assessment rate services, in respect of charges payable to the municipality for such services.

#### Free Basic Services

Free Basic Services To Low Income Households										
Number Of Households										
Households Earning Less Than R 3 000.00 per Month										
	Total	Basic								
		Free Basic Water		Free Basic Sanitation		Free Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
2016 / 17	11992	11992	11992	100%	4409	37%	4409	37%	4409	37%





## 3.2 COMPONENT B: ROAD TRANSPORT

### 3.2.1 ROADS

The municipality is required to provide safe, affordable, sustainable and accessible road network services and infrastructure that promotes integrated land use development. The municipality is not responsible for any road transport.

Gravel Road Infrastructure				
Financial year	Kilometres			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to pave	Gravel graded/maintained roads
2011 / 12	98.8	500 m	0	180,5
2012 / 13	93.8	1 km	5 km	180.5
2013 / 14	92.3	1.5 km	0	120
2014 / 15	90.8	0	1.5 km	40 km
2015 / 16	90.8	0	0	50km
2016/ 17	90.8	0	0	36Km

Tarred Road Infrastructure					
Kilometres					
Financial year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2011 / 12	54 km	0	0	0	5 km
2012 / 13	61 km	5 km	0	0	6 km
2013 / 14	61 km	0	0	0	1.5 km
2014 / 15	61 km	0	0	0	5 km
2015 / 16	61km	0	0	0	10
2016/ 17	61Km	0	0	0	2 km

### 3.3 COMPONENT C: PLANNING AND DEVELOPMENT

#### 3.3.1 PLANNING AND DEVELOPMENT

The municipality's main aim is to ensure the physical, environmental, social and economic integration and sustainability of the municipal development, in order to overcome the inequality that currently characterises the different residential areas.

Tswelopele is geographic position as well as its limited scope of growth coupled with the large unemployed population provides very little opportunities for planning and development. The biggest activities currently include building plans; rezoning applications; applications for consolidation and consent use.

The legislative environment hampers speedy development and whilst the gazetting of the Spatial Planning and Land Use Management Act is indicative of planning legislation reform.

The municipality through the assistance of CoGTA has reviewed in the financial year under review the Spatial Development Framework to be in line with the SPLUMA provisions. The review has been finalised in the 2016/ 17 financial year. This will assist the municipality to have an accurate plan for future development in the local authority.

The municipality needs to ensure the enforcement and building control on numerous illegal land uses. The practice of erecting new houses and extension of existing housing units occurs without residents submitting building plans to the municipality for approval. A further challenge is that residents run businesses at their houses without applying for such properties to be rezoned. Although this is a serious problem, the municipality has to balance legal compliance with the need to stimulate small business development.

The municipal council has approved a By –Law to regulate the building of new houses and extension of existing houses, the use of municipal building inspector will assist to ensure implementation of the By –Law to minimize the illegal building of new houses and extension of existing houses in the municipal local Authority.

---

### 3.3.2 LOCAL ECONOMIC DEVELOPMENT

The vision, mission and the objectives of the local economic development unit is to support the following strategic focus areas in stimulating the local economy:

- Agriculture Sector
- Tourism Sector
- Manufacturing
- SMME's Promotion

The municipality has managed to develop internally the Local Economic Strategy in the financial year under review. Amongst others the objective of the strategy is to promote job creation in the local authority through assistance of the emerging farmers and cooperatives with the minimum resources directed to LED by the municipality and other sectors of government. The municipality is continuing to avail land to emerging farmers so that they can create sustainable jobs for themselves.

#### **SMMEE'S DEVELOPMENT**

Tswelopele local Municipality is a small municipality whereby most SMME's do not have the high CIDB Grading that enable local contractors to bid for larger contracts

As a form of uplifting emerging local contractors The Municipality has developed a policy that binds contractors who have a high CIDB Grading to subcontract emerging local contractors by allocating 25% of their work of scope to the emerging local contractors within the jurisdiction of Tswelopele Local Municipality.

A total number of twenty (20) SMME'S which included co-operatives were trained on how to tender.

In developing agriculture in the area, the municipality have partnered with the Department of Agriculture where there is a programme called "Re Kgaba Ka Diratswana" which seeks to support the small farmers so that they can be able to sustain themselves through vegetable production.

#### **TOURISM DEVELOPMENT**

Municipality has developed multimedia tourism brochure software which is aimed at assisting municipalities to market their tourism establishments and the municipality as a whole globally. The goal of this project is to make Tswelopele Municipality's Tourism Products information reach target market through travel agencies, embassies, tourism centers and tourism indaba to yield socio economic benefits to the provincial economy.

The benefit with this software is that it safe cost of producing tourism brochures which cost high amount of money so by using this method information is packaged on municipal website. The municipality has also developed a responsible tourism sector plan through the assistance of Lejweleputswa development agency which is a document that seek to drive tourism development in the area.

## 3.4 COMPONENT D: COMMUNITY & SOCIAL SERVICES

### 3.4.1 MUNICIPAL FACILITIES

Tswelopele Local Municipality has the following facilities which are managed within Community Services Department, namely

- Amanda Coetzer Hall (Lapa)
- Bultfontein Town Hall
- Bultfontein Stadium
- Hoopstad Town Hall
- Hoopstad Stadium
- Louis Botha Hall (Pan Palace)
- Phahameng Hall
- Phahameng Stadium
- Solomon Mahlangu Hall
- Sebokolodi Hall
- Tikwana Stadium

The municipality has upgraded the municipal sports facilities (Phahameng and Tikwana) with palisade facing. The project is funded by the municipal infrastructure grant.

---

### 3.4.2 CEMETERIES AND CREMATORIUMS

Tswelopele Local Municipality has a pauper burial policy where only the indigent and unknown deceased residents within the municipality are assisted with the burial process namely:

1. A free grave
2. Coffin (R1 000.00 for adult and R500.00 for children)

The applicants submit the required information to the municipality and the councillor / CDW (Community Development Workers) conduct a household study in order to determine the living conditions of the applicant. Community Services then verify whether the applicant is in the indigent registry. When all information meets all requirements then the municipality pays the funds to the undertaker on behalf of the family members.

The total number of pauper burials that were assisted in the financial year of 2016 / 17 were 65 households, with a total amount of R66 800.00

Tswelopele Municipality does not own or provide crematorium facilities and services. The municipality is committed to creating and maintaining landscaped cemeteries in a sustainable, clean and safe environment.

## 3.5 COMPONENT E: SECURITY AND SAFETY

---

### 3.5.1 TRAFFIC MANAGEMENT

Tswelopele Local Municipality has 3 traffic officers with a functional structure; three officers are servicing both towns. Their function also includes law enforcement and traffic management. The unit prepares weekly plans as well as reports which details all activities undertaken. Which also include awareness campaigns and road safety programs.

The unit ensures monthly reporting and consolidation of traffic fines which are submitted to internal audit and performance office. A total number of **1286** fines were issued during the 2016/ 2017 amounting to **R358 800.00**.

---

### 3.5.2 DISASTER MANAGEMENT

Tswelopele Local Municipality in the previous financial year did not experience any disaster incidents. Measures that are taken by the division are the following:

- Disaster Management Plan – address all disaster related incidents, activities and remedial actions
- Establish Local Disaster Management Forum as to address all local issues in relation with disaster and that affects community directly
- Recruitment of Disaster Management Volunteers and training are in place as the volunteers are assisting the Municipality in terms of compacting disaster incidents
- Disaster Management Division conducts awareness and for the community in all wards on:
  - Climate Change
  - Drought
  - Veld and Structural Fires.
  
- Participates in the District Disaster Management Forum meetings
- Conducts programmes in Disaster Risk Reduction and Response and Recovery
- Gather critical information about municipality's capacity to assist in disasters and access of resources
- Assess the conditions of vulnerability that might increase the chance of loss for environment, human and infrastructure.
- Determines the level of the risk for different situations and conditions
- Helps to set priorities for action.

## 3.6 COMPONENT F: CORPORATE POLICY AND OTHER SERVICES

---

### 3.6.1 EXECUTIVE AND COUNCIL

Tswelopele is a collective type municipality. Council structures are as follows: EXCO, Section 80 Committees, Ward Committees, etc. Committees are accountable to the Speaker. Staff is as follows: Office Manager, PPO and Driver.

The legislative and executive authority of a municipality is vested in its municipal council. Municipal council resolutions and recommendations are implemented. The municipal council exercise oversight authority over the executive actions of the mayor and the municipal manager in terms of delegated authority.

Sections 11 of MSA, directs a council to monitor municipal services, monitor the impact and effectiveness of services, policies, programmes and plans. Section 40 directs the council to monitor and review the council's performance management systems of specific responsibilities.

Section 80 Committees were established for the effective and efficient performance of any of its function's or the exercise of any of its powers. No vacancies existed in the Office of the Speaker for the financial year under

---

review. The Manager in the Office of the Speaker is responsible for public participation and managing the office and the staff. The Public Participation Officer is responsible to ensure the community becomes involved in the affairs of the municipality. In the Office of the Mayor we have PA to the Mayor who is responsible for day to day running of the mayor's office, Special Programmes Officer is responsible for transversal issues, Youth Development Officer is responsible for youth programmes.



---

### 3.6.2 FINANCIAL SERVICE

The Financial Department is primarily responsible for executing all the financial management of the municipality. The functions of one of the sections, namely the Budget and Treasury Office, may be broken into the following components:

1. Budget and Reporting: this function spearheads the preparations and monitoring of the budgeting process. This also include mandatory reporting to all external stakeholders like National Treasury, Provincial Treasury among others
2. Supply Chain Management: this function is responsible for managing the entire procurement process according to legislation and regulations. This is essential as all departments provisions within municipality are sourced through Supply Chain Processes.
3. Expenditure Management: this relates to all payments done within the municipality to service providers and salary of staff.
4. Revenue Management: this involves billing the customers for services provided by municipality and the collection process. This is key function as the municipality cannot function properly without funding. Consequently this function allows the municipality to continue to offer services to its customers.
5. Asset Management: This involves safeguarding of assets in accordance to legislation and council policies. Accounting for assets will enable the municipality to make some corrective measures and will result in efficient and effective service delivery to the community.

The financial administration is done together with all the departments within the municipality with the BTO taking the leading supportive role

---

### 3.6.3 HUMAN RESOURCE SERVICES

Human resources are the primary investment for the municipality and the municipality endeavours to maintain its investment in its staff hence the municipality is in the process of the recruitment of qualified individuals in line with the critical posts identified, organizational structure review, training of staff members as per the annual Workplace Skills Plan (WSP), comprehensive capacity building program for Councillors and a sound and conducive labour relations environment.

#### **INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

*Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.*

Tswelopele Local Municipality is conscious of a lack of both infrastructure and skilled workforce to meet the needs of delivery services to our communities.

In managing workforce capacity development the municipality has developed a strategy with the following goals:-

- The right people with the right skills will be in the right place at the right time
- Analysis of the existing workplace to determine expected and internal supply
- Analysis of the gap between existing and future needs.
- Predict workforce needs for the future
- Develop strategies to address the gaps
- Continuously evaluate the process

In order to fully achieve the goals listed above, the municipality is investing in training of our personnel to become highly skilled.

#### **CAPACITATION OF THE MUNICIPAL WORKFORCE:**

Workforce training and development learning interventions were implemented satisfactory as planned.

The municipality managed to send employees to participate on various learning interventions to up skill the current knowledge and competencies of staff through various methods such as skills programmes, short course, learnerships and apprenticeship. Learning also extended to the unemployed community through participation in internships, learnerships and Work Integrated Learning programmes.

Local Government Sector and Education Authorities disbursed grants to effect the implementation of planned learning interventions as per the municipal workplace skills plan. The other government institutions such as National Treasury, Department of Premier's Office (FS), Department of Higher Education and Training played a vital role in ensuring the success of learning culture is practiced.

---

Capacity building is an ongoing process that requires continuous engagements with stakeholders, improved planning and regular planning and evaluation of progress made. The relevant beneficiaries for the minimum competencies have achieved the desired end results, however the training is also continuous as per the new appointments are made.

A number of programmes are in place to assist the employees and the municipality and all initiative programmes are aimed at building capacity for acceleration of knowledge and competencies.

During 2016/17 financial year the municipality did not conduct skills audit of employees and management but Work Skills Plan was compiled and submitted to LGSETA on 30 April 2017. The municipality is intending to train five (5) councillors for Diploma or Certificate in Local Government Law & Administration with Fort Hare University. The course will start in due course.

The following training were conducted on employees;

1. Diploma in Auditing – 1 employee
2. MFMP – 3 employees
3. Excel Training – 9 employees
4. Project Management – 1 employee
5. Water Purification – 3 employees NQF LEVEL 3 & 4
6. Waste Water Process Controllers – 6 NQF Level 4
7. Health and Safety – Electricians – 3 employees
8. WAR ON LEAKS – 6 Unemployed learners
9. OPERATORS – 7 Employees
10. MOTHEO WASTE WATER- 4 Unemployed learners
11. LEAVE Module – 3 employees
12. MSCOA – 6 employees
13. PMS – 1 – employees

The municipality also provides for the health and welfare of all its employees. The municipality is having a dedicated Health and Safety Committee and regular workshops or awareness campaigns are conducted for all employees.

Lastly, Council approved the Study Assistance Policy which is meant to assist needy students within the jurisdiction of the municipality.

---

### 3.6.4 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The municipality has deployed Palo Alto Firewall and the demilitarized zone (DMZ) on its network to guard against cyber-crimes, to block certain websites that are not work related and spoofing e- mails. Furthermore, the municipality has renewed its ESAT Anti-virus protection also to guard municipality systems against viruses.

The municipality has gone out on the tender to upgrade its internet speed from 4Mbps to 10 Mbps and to host the e-mails and VIOP services, the municipality has also put on the Virtual private network (VPN) connection in place to connect the remote side to the main side for financial system purpose. The municipality has appointed Munsoft to run the financial system that is SCOA compliant hence they is a need to upgrade the internet speed and network infrastructure because the system has to run live at all times and for backup purpose too.

The municipality has developed the ICT Strategic plan the purpose of the Municipality IT strategic plan is to ensure that the municipality will allocate sufficient resources and establish priorities using the municipality's broader vision to enhance the business processes.

The municipality to gain a competitive advantage in the use of Information Technology has to ensure that the following are implemented as short-term, medium-term or long-term projects:

#### **Network Connectivity**

This will be done in phases

- 1.1 Upgraded and constant network connectivity.
- 1.2 Remote network connections for Heads of Departments.
- 1.3 Development of the server room

#### **Review the Financial Management Systems**

2.1 Financial Management Systems that complies with the Municipal Finance Management Act (MFMA) and MSCOA.

#### **Hardware and Software**

3.1 Standardised licensed hardware and software for the municipality.

This was just to name few projects and that the municipality should ensure that these projects are implemented within the timeframes

---

### 3.6.5 RISK MANAGEMENT SERVICES

#### RISK MANAGEMENT

The role of Risk Management in the municipality is to co-ordinate and offer guidance with regard to the process of managing risks in the municipality and the following were taken into consideration.

- By ensuring that there is regular updating of risks on quarterly basis in the risks registers in pursuit of set objectives and improved risk maturity level
- By ensuring that there is embedding of risk management culture in the municipality by the risk owners and other role players
- Ensure that there is functional and effective Risk Management Committee in place to play an oversight role over risk management matters.

In terms of the Risk Management Strategy, risk management is not a stand-alone function, but is part of the strategic planning, business process and operational activities.



**TSWELOPELE**  
LOCAL MUNICIPALITY  
A MUNICIPALITY IN PROGRESS

**TSWELOPELE LOCAL MUNICIPALITY**

**ANNUAL PERFORMANCE REPORT (QUARTER 1 - 4)**

---

## TLM NON-FINANCIAL PERFORMANCE REPORT (Q1 JULY 2016 TO Q4 JUNE 2017)

REPORTING PERIOD: AS AT 30 JUNE 2017

---

### 1. INTRODUCTION

---

Performance management is a process which measures the implementation of actions identified to achieve the organisation's strategy. It assists management to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality. According to the Local Government Municipal Finance Management Act, Act 56 of 2003, Section 52 (c) thereof, the Mayor must take all reasonable steps to ensure that the municipality performs its Constitutional and statutory functions within the limits of the municipality's approved budget.

Performance management is prescribed by chapter 6 of the Municipal Systems Act 2000 and the Municipal Planning and Performance Regulation of August 2001. Section 7 of the aforementioned regulation states that "A municipality's performance management systems 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 responsibilities of different role players" This framework should reflect the linkage between the IDP, Budget and SDBIP.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration,
- to be transparent by providing information,
- to be responsive to the needs of the community, and
- to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), no. 32 of 2000, requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA), no. 56 of 2003, requires the Integrated Development Plan (IDP) to be aligned with the municipal budget and be monitored for the performance of the budget against the IDP by using the Service Delivery and the Budget Implementation Plan (SDBIP).

---

## **2. LEGISLATIVE REQUIREMENTS**

---

In terms of section 46(1)(a) of the MSA, a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

## **3. TLM STRATEGIC PERFORMANCE**

---

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported during the financial year to various role-players so as to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas and an overall summary of performance at a functional level. Details regarding specific basic service delivery targets, achievements and challenges will be included in this report as well as the detailed Annual Report of the municipality.

Tswelopele Local Municipality compiled its consolidated performance report (Q1 to Q4) in line with the above mentioned legislation. The purpose of the report is to outline the achievements of the municipality in the period under review. The report further seeks to outline challenges and remedial actions that have been implored as corrective measures thereto.

The purpose of this performance report is as follows:

- To analyze the performance of the municipality for the entire financial year
- To track progress against the targets set in the SDBIP.
- Inform decision making and future goal setting
- To identify problems regarding performance of municipal programmes with a view to obtain solutions.
- To determine whether the objectives of various programmes have been met and whether is it appropriate to review and amend them given the changing circumstances.



---

For the financial year under review, the Municipality (TLM) comprised of five departments, namely; Municipal Manager's Office, Finance, Corporate Services, Community Services and Technical Services. All Heads of Department positions have been filled and there were no vacancies.

This report covers the performance information from 1 July 2016 to 30 June 2017 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the Integrated Development Plan (IDP). In addition, the report provides an overview of improvements made to the performance management system and shortcomings that still need to be addressed and progress made in the implementation.

#### **4. INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW**

---

At the commencement of the financial year, every attempt was made to ensure that the municipality complies with legislation concerning the development, operation, compliance and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP. Tswelopele Local Municipality continued to maintain the effective operation of the following mechanisms:

- The Strategic Services Division conducts individual meetings with the nominated PMS Champions.
- PMS Champions then coordinates the collection of data and supporting evidence within their respective departments.
- All objectives and targets as contained in the performance plan and SDBIP are reported.
- Upon receipt of documentation, the Strategic Services Division analyses the submitted information and prepares a performance report.
- Draft performance report gets presented to the PMS Champion with the view of reaching consensus.
- Thereafter submitted evidence together with the draft performance report is then submitted to the Internal Audit Division for auditing, verification and quality assurance. Thus quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager (MM). Quarterly performance reports were objectively and independently audited by the Internal Audit unit to verify and to confirm performance information as reflected in the reports; the unit also confirms the credibility of evidence that was submitted.
- Meetings take place between the Internal Audit and Strategic Services Division to deliberate intensively on the report.

#### **5. PERFORMANCE MANAGEMENT SYSTEM FOLLOWED FOR THE FINANCIAL YEAR 2016/17**

---

- Adoption of the Performance Management System Policy and Framework
- Performance management is prescribed by chapter 6 of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations of August 2001. Section 7 (1) of the aforementioned regulation 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 responsibilities of the different role players." This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and service provider performance. The municipality adopted a performance management policy framework which was followed in managing performance throughout the financial year. The policy and framework will be reviewed annually and inputs will be solicited from various stakeholders.

- **Municipal IDP and Budget**

The IDP was revised and updated for 2016/17 as well as the budget, the documents were approved by Council in June 2016. The municipality started with the process of aligning the IDP with the performance management requirements and has improved the alignment of the IDP, Budget and the SDBIP for the 2016/17 financial year.

- **The Service Delivery Budget Implementation Plan**

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The SDBIP was prepared, as prescribed by legislation and approved by the Mayor in July 2016 and later revised during January 2017.

### **MUNICIPAL SCORECARD (TOP LAYER SDBIP)**

The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council and provides the overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities.

Components of the Top Layer SDBIP included:

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected not billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial measurable performance objectives in the form of targets and indicators; and
- Detailed capital project plan broken down by ward over three years.

---

---

Top layer SDBIP gets operationalized into directorate scorecards (performance plans) it captures the performance of each directorate. Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the performance plan provides a comprehensive picture of the performance of that directorate.

## **6. ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM**

---

The organisational performance was monitored and evaluated within the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was approved by the Mayor and the information was loaded to municipal website.
- The actual results against monthly and quarterly targets set, were discussed in the monthly meetings (Dash-board and commitments) to determine early warning indicators and discuss corrective measures that were needed in cases of non-performance.
- The first and second quarterly report formed part of the section 72 report in terms of the Municipal Finance Management Act, which was submitted to the Mayor on 25 January 2016.
- The Quarterly SDBIP performance reports were also submitted to the Audit Committee.
- Internal Audit performed a statutory compliance review which included revision of the information contained in the budget, SDBIP, reviewed IDP and reported thereon. Continuous validation of reported performance has been maintained.

## **7. INDIVIDUAL PERFORMANCE MANAGEMENT**

---

### Municipal Manager and Managers Directly Accountable to the Municipal Manager

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). All Heads of Departments have signed the performance agreements and performance plans.

The appraisal of the actual performance in terms of the signed agreement did not take place twice per annum as regulated. A formal performance appraisal has been scheduled for September 2017 whereby the MM and Managers reporting directly to him will be assessed and evaluated.

### Other Municipal Personnel

The municipality has not yet initiated a process of implementing individual performance management to lower level staff, however a phased in approach will be implemented as encompassed by the policy and framework. Performance agreements/scorecard will be developed and signed between the staff on other post levels and immediate managers/ supervisors. Progress in this regard will be reported on in future.

---

## **8. SERVICE DELIVERY KEY MUNICIPAL PERFORMANCE FOR 2015/16 AND MEASURES TAKEN TO IMPROVE OVERALL MUNICIPAL PERFORMANCE**

---

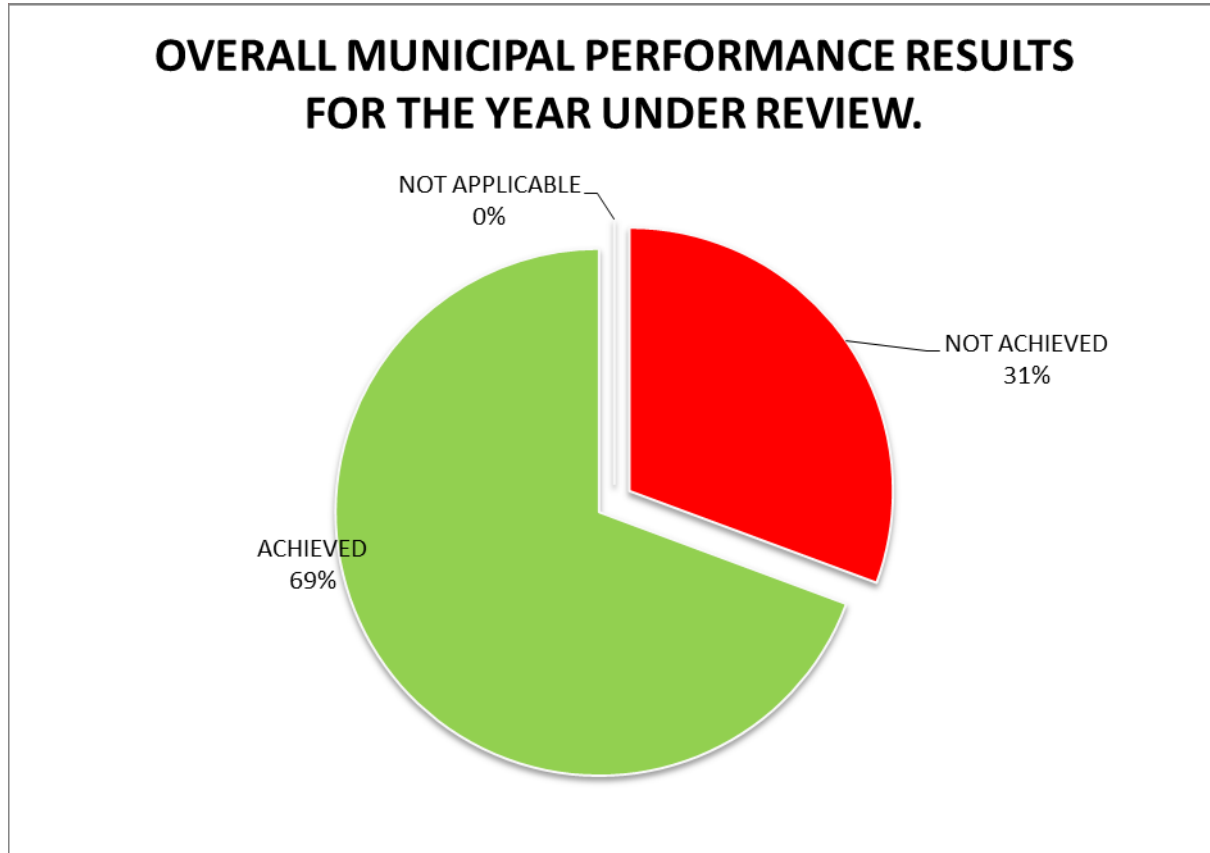
This section provides an overview on the strategic achievements of the municipality in terms of deliverables achieved. The Top Layer SDBIP and the municipality's strategic plan shows strategic alignment between the IDP, budget and the performance plans.

Strategic performance of the municipality was therefore measured in terms of the municipality's performance on its key performance indicators set in the Top Layer SDBIP. The section below illustrates the performance achieved according to the 5 National Key Performance Areas (KPA) linked to the IDP objectives.

The overall assessment of actual performance against targets set for the key performance indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology.

## SYNOPSIS OF MUNICIPAL PERFORMANCE RESULTS AT A STRATEGIC LEVEL

Following graphs illustrate the overall performance of the municipality measured in terms of the Top Layer (strategic) SDBIP and performance plans. The performance is measured and reported per National KPA.



### MUNICIPAL MANAGERS OFFICE

The Municipal Manager's Office had (36) targets set as per the key performance indicators; Attained (29), not achieved (7).

### FINANCE

The Finance Department had (41) targets set as per the key performance indicators; Attained (35), not achieved (6).

### CORPORATE SERVICES

The Corporate Services had (30) targets set as per the key performance indicators; Attained (24), not achieved (6).

---

### TECHNICAL SERVICES

The Technical Services had (46) targets set as per the key performance indicators; Attained (32), not achieved (14).

### COMMUNITY SERVICES

The Community Services had (57) targets set as per the key performance indicators; Attained (450), not achieved (12).



## PERFORMANCE DEFICIENCIES AND CORRECTIVE MEASURES

MM	FINANCE	CORPORATE	TECHNICAL	COMMUNITY
<ul style="list-style-type: none"> <li>▪ Approval of reviewed policy;</li> <li>▪ 4 progress reports on households (total 837 without access to a minimum standard of sanitation provision levels;</li> <li>▪ 2 Km road in Phahameng (pavement);</li> <li>▪ Aligning the SDF with the Spluma key objectives by 30 June 2017;</li> <li>▪ Reviewed Integrated waste management plan;</li> <li>▪ Reviewed Integrated Environmental Management plan</li> <li>▪ Appointment of service provider for VAT review.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Asset management workshop conducted;</li> <li>▪ Risk management E – learning by head of department;</li> <li>▪ 95% implementation of audit recovery plan;</li> <li>▪ Number of Technical committee on revenue and expenditure management;</li> <li>▪ 95% of issues raised and proposed corrective measures attended to;</li> <li>▪ 1 service provider appointed for VAT review by 30 June 2017;</li> <li>▪ 100% of the resolution resolutions implemented on time;</li> </ul>	<ul style="list-style-type: none"> <li>▪ Risk management E – learning by head of department;</li> <li>▪ 100% of the health and safety of the employees addressed/ resolved;</li> <li>▪ Appointment of the service provider to host VOIP and internet connections;</li> <li>▪ Proof of collection of the anticipated revenue enhancement strategy;</li> <li>▪ % of council resolutions implemented within the required time</li> </ul>	<ul style="list-style-type: none"> <li>▪ Risk management E – learning by head of department;</li> <li>▪ 12523 households with access to water services (monthly reports)</li> <li>▪ Review and approval of the WSDP by council;</li> <li>▪ 100% completion of the scope of the work for the upgrading of the WWTW at Hoopstad</li> <li>▪ 4 progress reports on households (total 837 without access to a minimum standard of sanitation provision levels;</li> <li>▪ 12523 households with access to sanitation services (monthly reports)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Risk management E – learning by head of department;</li> <li>▪ Third quarter report on revenue collection;</li> <li>▪ 95% implementation of audit recovery plan.</li> <li>▪ Development of fire management plan;</li> <li>▪ Review of the disaster management plan with the assistance of the district municipality;</li> <li>▪ Aligning the SDF with the SPLUMA key objectives by 30 June 2017;</li> <li>▪ Review of the human settlement sector plan;</li> <li>▪ Reviewed integrated environmental management plan;</li> <li>▪ Proof of collection of the anticipated revenue enhancement strategy;</li> <li>▪ 6 counts performed on municipal assets and submission to CFO;</li> </ul>



- frames;
- Attendance registers and minutes of the ICT steering committee meetings.
- 30% expenditure of the 2 km road in Phahameng by 30 June 2017;
- 12523 households with access to electricity services (monthly reports)
- Electricity losses limited to 10%
- Council resolution approving the EPWP plan;
- Proof of collection of the anticipated revenue as per the revenue enhancement strategy;
- 6 counts performed on municipal assets and submission to CFO;
- Performing of the Asset counts;
- 95% of issues raised by Auditor General and proposed corrective measures attended to;
- 2 Km road in Phahameng
- 95% implementation of audit recovery plan

---

(pavement);

- 90% of the council resolutions implemented on time.

## **CONCLUSION**

Thus, this report reflects the municipal performance as at 30 June 2017. This is a high level report based on the scores obtained through a process whereby Key Performance Indicators and targets are compared to the initial planning as contained in the 2016/17 SDBIP.

Where under-performance or zero achievement of indicators have been experienced the respective concerns or mitigating reasons are highlighted and detailed pertaining to the relevant measures being implemented or those that need to be implemented.

There has been an improvement in terms of achieving targets and this was closely observed during quarterly performance reporting. Emphasis on the submission of supporting evidence is encouraged at all times.

The municipality will continue improving on its performance management system, particularly, in the application of the SMART principle. Plans are underway to cascade PMS to all employees in order to promote accountability across all post levels.

DEPARTMENT: MUNICIPAL MANAGER										
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To enhance responsiveness to citizen's priorities and capabilities of delivery of quality services, quality management and administrative practices	Review organisational Performance Management policy and framework	Council resolution approving PMS policy	Operational Budget	1 PMS Policy & Framework reviewed and approved (June 2017)	1 PMS Policy & Framework	3%	The department has revised the PMS policy and the management has decided that the policy should be consulted before approval by council	The indicator needs to be addressed in the next financial year.	Not Achieved	Not Achieved
	Number of management meetings held	Attendance registers and minutes of the meetings	Operational Budget	Quarterly Management Meetings	Quarterly meetings	1%	The minutes of the quarterly management meetings held have been submitted.	None	Achieved	Achieved
	Percentage of External Service providers appointed within 60 days of the closing date of the tender	Percentage of external Service Providers appointed within 60 days of the closing date	Operational Budget	100% of appointments for external Service Providers appointed within 60 days of the closing date of the tender	None	4%	The signed service level agreement for regional bulk infrastructure has been submitted.	None	Achieved	Achieved
	Sign and conclude Performance Agreements (PA) with the Mayor; Chief Financial Officer and 3 directors	Signed PA between Mayor and Municipal Manager (MM) and between Municipal Manager and CFO and Directors	Operational Budget	5 signed PA by 29 July 2016 and sign revised PA by 10 March 2017	Signed performance agreements	4%	The performance agreements for the Municipal Manager and managers directly accountable to MM have been signed by 29 July 2017	None	Achieved	Achieved
	Number of quarterly Performance Evaluations for the MM; CFO; Director Technical; Director Community Service and Director Corporate Service for the 2016/17	Signed quarterly evaluations of the CFO; Director Technical; Director Community Service and Director Corporate Service	Operational Budget	4 quarterly performance evaluation reports	3 quarterly performance evaluation reports	4%	The 4 quarterly performance evaluations reports have been compiled	None	Achieved	Achieved
	Number of annual Performance Evaluations for the MM; CFO; Director Technical; Director Community Service and Director Corporate Service for the 2015/16 based on audited performance report	Report on the Performance Evaluations for the MM, CFO, Director Technical; Director Community Service and Director Corporate Service	Operational Budget	One annual Performance Evaluation performed for the MM, CFO, Director Technical; Director Community Service and Director Corporate Service by 15 December 2016	One annual performance evaluation performed	4%	The report for the annual performance evaluations have been submitted (signed Copy)	None	Achieved	Achieved

DEPARTMENT: MUNICIPAL MANAGER OFFICE KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
Promote effective and efficient sport and recreation development.	Rehabilitation and upgrade sporting facilities in Phahameng and Tikwana in terms of the approved capital budget.	% on the scope of the work for phase 4 of Phahameng sporting facility by 30 June	R 951 619,04	100% complete of the scope of the work for phase 4 by 30 June 2017	30% completion of phase 3 of the project.	2%	The project completion certificates for Phahameng sporting facility has been submitted indicating 100% of phase 4 of the project by 30 June 2017.	None	Achieved	Achieved
		% on the scope of the work for phase 3 of Tikwana sporting facility by 30 June	R 1 440 936,16	100% complete of the scope of the work for phase 3 by 30 June 2017	30% completion of phase 3 of the project	2%	The project completion certificates for Tikwana sporting facility has been submitted indicating 100% of phase 3 of the project by 30 June 2017	None	Achieved	Achieved
To ensure access to safe and sustainable sanitation services to households, public facilities and households.	Number of progress reports on Households (Total 837) with access to a minimum standard of sanitation provision levels	Signed progress reports.	Funded by the department of human settlement.	4 Progress report on the 837 Households backlog	4 Progress reports	2%	The 2 quarterly reports have been submitted indicating there has not been a progress on the project.	The report dated 30 December 2016 indicates that the construction of 837 new sewer house connection for Phahameng extension 7&8 has been on hold since February 2016 due to the delay in the approval of variation order by the Department of Human Settlement.	Not Achieved	Not Achieved
To ensure accessible road infrastructure and increased life span through proper construction and maintenance of roads and storm water drainages.	Rehabilitation and upgrading of roads and storm water in Phahameng in terms of the approved capital budget by 30 June 2017 (Actual expenditure divided by the total approved budget) x 100}	% budget spent on the rehabilitation and upgrading of roads and storm water in Phahameng.	R 6 865 201,44	30% expenditure for the upgrading of the 2km road in Phahameng by 30 June 2017	None	2%	The department submitted a letter indicating that the project was put on hold due to cash flow problems faced by the municipality	The project was put on hold due to cash flow and will be implemented in the next financial year.	Not Achieved	Not Achieved

To promote and improve effective linkage between the stakeholders and the municipality to ensure accountability and responsive governance structures.	Number of MIG reports submitted	Proof of acknowledgement of receipt	Operational budget	12 MIG reports prepared & submitted (3 per quarter)	12 Reports submitted	2%	The 12 monthly MIG reports have been prepared and submitted, the proof of submissions have been provided.	None	Achieved	Achieved
	Number of EPWP reports submitted	Proof of acknowledgement of receipt	Operational budget	12 EPWP reports prepared & submitted (3 per quarter)	12 Reports submitted	2%	The 12 monthly signed copies of the EPWP reports and proof of submission have been submitted.	None	Achieved	Achieved
Expansion, modernisation, access and affordability of our Information and communications infrastructure ensured.	% Installation of anti-virus in all municipal computers and IT infrastructure by November 2016	All municipal computers and IT infrastructure protected against the virus (proof of installation)	Operational budget	100% of anti-virus will be installed on municipal computers and IT infrastructure	100% of anti-virus was installed	2%	The anti virus has been installed 100% on all municipal computers and IT infrastructure. The supporting documentation has been submitted	None	Achieved	Achieved
To ensure Strong and efficient spatial planning system, well integrated across the spheres of government.	Aligning the SDF with the SPLUMA key objectives by 30 June 2017	Council resolution approving the spatial development plan.	Operational budget	Approved SPLUMA compliant SDF by 30 May 2017	Approved SDF	2%	The Spatial Development was developed and Aligned to SPLUMA key objectives and approved by council the 28 of June 2017.	The IDP and Budget were tabled council in May 2017 and the council took a resolution to approved the IDP, Sector Plans and Budgets in June 2017.	Not Achieved	Not Achieved
Ensure proper waste management through promotion of recycling schemes and adequate landfill management.	Reviewed Integrated Waste Management Plan	Reviewed integrated waste management plan	Operational budget	1 Annual Review of Integrated Waste Management Plan (May 17)	None	2%	The intergrated waste management plan has been reviewed and approved by council on 28 June 2017.	The IDP and Budget were tabled council in May 2017 and the council took a resolution to approved the IDP, Sector Plans and Budgets in June 2017.	Not Achieved	Not Achieved
To ensure the sustainable use of natural resource within municipal area while promoting social and economic development	Reviewed Integrated Environmental Management Plan	Reviewed environmental management plan	Operational budget	1 Annual Review of Integrated Environmental Management Plan (May 17)	None	2%	The integrated Environmental management plan has been reviewed and approved by council on the 28 June 2017.	The IDP and Budget were tabled council in May 2017 and the council took a resolution to approved the IDP, Sector Plans and Budgets in June 2017.	Not Achieved	Not Achieved

DEPARTMENT: MUNICIPAL MANAGER OFFICE										
KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
N	Percentage of the capital budget awarded to local service providers	The value of contracts awarded to local service providers divided total capital expenditure multiplied by 100 (appointment letters of sub-contractors)	Funded from MIG	25% of the 2016/17 capital budget awarded to local service providers	25% allocated to local service providers	10%	The report has been provided indicating the sub-contractors appointed in the financial year and allocated 25% of the capital projects awarded.	None	Achieved	Achieved
					TOTAL	10%				
DEPARTMENT: MUNICIPAL MANAGER OFFICE										
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
	Appointment of the service provider for VAT review	Appointment letter of the service provider	N/A	1 service provider appointed for VAT review by 30 June 2017	1 service provider appointed.	8%	The department submitted a signed letter indicating that there was no appointment of service provider.	The service provider was not appointed due to the financial constraints faced by the municipality. The indicator will be addressed in the next financial year.	Not Achieved	Not Achieved
	Maintain unqualified audit opinion on the financial statements	Unqualified audit opinion on the 2015/ 2016 Financial Statements	Operational budget.	Obtain Unqualified audit opinion on the 2015/ 2016 Financial Statements	Unqualified audit opinion.	8%	The municipality has obtained a unqualified audit opinion on the 2015/ 2016 financial statement.	None	Achieved	Achieved
	Number of financial reports (Schedule C) submitted to council on the implementation of the annual budget	Quarterly schedule C reports submitted to council	Operational budget.	4 quarterly reports submitted to council.	3 quarterly reports submitted	4%	The schedule C reports for the financial year have been submitted.	None	Achieved	Achieved

DEPARTMENT: MUNICIPAL MANAGER										
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures.	Annual calendar developed & adopted by Council, EXCO, Sec 80 Comm, Audit Committee, Risk Committee and MPAC	Approved annual calendar	Operational budget	Developed & approved annual calendar of council meetings (October 2016)	Approved annual calendar of council meetings	1%	The annual calendar approved by council has been approved.	None	Achieved	Achieved
	Number of ordinary Council meeting coordinated and convened per annum	Council agendas and minutes of the ordinary council meetings	Operational budget	4 ordinary council meeting held per annum	4 ordinary council meetings	1%	The Agendas and minutes of the 4 ordinary council meeting held have been submitted.	None	Achieved	Achieved
	Number of service delivery and budget implementation plans approved by the Mayor	Approved 2016/ 2017 SDBIP	Operational budget	Approved SDBIP by the Mayor in July 2016	Approved 2015/16 SDBIP	1%	The Approved SDBIP by the Mayor has been submitted by July 2016.	None	Achieved	Achieved
	Table the Annual report of 2015/2016 for adoption by council.	Council resolution adopting the annual report	Operational budget	1 tabled 2015/2016 Annual report by January 2017	1 Draft 2015/2016 Annual Report	3%	The council resolution adopting the annual report has been submitted by February 2017.	None	Achieved	Achieved
	Publish the draft Annual report for 21 days on the municipal website	Publication of the annual report	Operational budget	1 publication of the draft Annual report by January 2017	1 publication of the draft Annual report	1%	The publication of the annual report has been submitted by January 2017.	None	Achieved	Achieved
	Convene Oversight Committee to consider the Draft 2015/2016 Annual Report	Attendance register and the report	Operational budget	Convene the oversight committee for the evaluation of the annual report by March 2017	1 Oversight Report	1%	The attendance register and oversight report has been submitted by March 2017	None	Achieved	Achieved
	Number of approved Annual report for 2015/2016	Council resolution approving the oversight committee report and the annual report.	Operational budget	Table to council the oversight committee report for approval of the annual report by 30 March 2017	Approved 2015/2016 Annual report	3%	The council resolution approving the oversight report has been submitted by 30 March 2017.	None	Achieved	Achieved



	Number of integrated development plans developed for the new term of the council in consultation with the relevant stakeholders.	1 Approved IDP reviewed annually	Operational budget	Approved IDP for the new term of council by May 2017	Approved 2016/17 IDP	1%	The IDP reviewed and approved by council on the 28 June 2017 after consideration for approval in May 2017.	None	Achieved	Achieved
	Review the 3 year internal audit plan based on the risk assessment and submit to the audit committee by 30 June 2017	Minutes of the audit committee approving the plan	Operational budget	3 year risk based plan approved by 30 June 2017	Approved plan	1%	The minutes of the Audit committee approving the plan has been submitted. By 30 June 2017	None	Achieved	Achieved
	Report to the municipal manager and audit committee on the implementation of the annual internal audit plan and internal audit activities .	Quarterly reports on the implementation of the annual internal audit plan	Operational budget	4 quarterly reports submitted to the MM and the Audit committee	4 quarterly reports	1%	The 4 quarterly reports on the implementation of the annual internal audit plan has been submitted.	None	Achieved	Achieved
	Number of Municipal Public Account Committee meetings conducted	Attendance register and minutes of the meetings	Operational budget	Convene 3 quarterly Municipal Public Accounts Committee meetings	4 Meetings	1%	The attendance register and minutes of the 3 quarterly meetings have been submitted.	None	Achieved	Achieved
	Number of audit committee meetings held	Attendance registers and the minutes of the meeting	Operational budget	4 Meetings (1 per quarter)	4 Meetings	1%	The attendance register and minutes of the 4 audit committee meeting have been submitted.	None	Achieved	Achieved
	Submit quarterly risk management reports to the audit committee/ risk management committee on the implementation of measures in the actions plans.	Copy of minutes where the reports were discussed.	Operational budget	4 quarterly reports	None	1%	The 4 quarterly risk management reports to the committee have been submitted.	None	Achieved	Achieved
	Updated municipal risk management register	Monthly updated risk register	Operational budget	Monthly updated risk management register	12 Updates of the risk register	1%	The 12 monthly updated risk register has been submitted	None	Achieved	Achieved
	Number of ward committee reports submitted	Quarterly consolidated reports	Operational budget	4 Meetings per annum ( 1 Ward Committees consolidated report submitted per quarter)( Jan - June 2017)	Monthly reports have been submitted	1%	4 Quarterly consolidated reports have been submitted.	None	Achieved	Achieved

	Number of LLF Meetings conducted	Attendance register and minutes of the LLF meetings	Operational budget	4 Meetings per annum(1 per quarter)	4 Meetings held		1%	The minutes and attendance registers of 4 LLF meetings held have been submitted.	None	Achieved	Achieved
--	----------------------------------	---	--------------------	-------------------------------------	-----------------	--	----	--	------	----------	----------

DEPARTMENT: FINANCE										
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To enhance responsiveness to citizen's priorities and capabilities of delivery of quality services, quality management and administrative practices	Number of departmental meetings held	Attendance registers and minutes of the meetings	Operational Budget	Quarterly departmental meetings	4 Meetings	3%	The attendance register for the departmental meetings have been submitted.	None	Achieved	Achieved
	Submit monthly report to management on the actual performance against the SDBIP	Monthly report submitted to management	Operational Budget	12 Monthly performance report	12 monthly reports	3%	The management minutes where all the 12 monthly performance reports were submitted have been submitted	None	Achieved	Achieved
	Number of workshops provided to departments on Asset Management	Attendance registers of officials who attended the workshop	Operational Budget	1 workshop conducted on Asset Management by 30 June 2017	None	3%	No workshop on asset management has been conducted.	The municipality has appointed a service provider to review/ compile the asset register and the process was concluded late in the financial year therefore the workshop was rescheduled for the next financial year.	Not Achieved	Not Achieved
	Prepare the terms of reference and ensure conclusion of the service level agreement with the service providers appointed within the finance department.	Signed SLA with the appointed external Service Providers	Operational Budget	(As and when a service provider is appointed by the department) Monthly	1 service level agreement concluded.	2%	The signed service level agreements have been submitted.	None	Achieved	Achieved
	CFO to Complete the National Treasury Risk Management E-learning	Proof of completion of the E-learning/ Certificate	Operational Budget	Completed the National Treasury Risk Management E-learning by 30 June 2017	None	2%	No information submitted on this indicator.	The audit committee took a resolution that the training on risk management will be conducted internally with the assistance of the audit committee chairperson.	Not Achieved	Not Achieved
	Number of officials workshopped/trained on VAT	Officials trained on VAT	Operational Budget	1 official workshopped / trained on VAT by 31 December 2016	All identified officials trained as per the WSP	2%	Proof of training has been submitted for training on VAT by school of VAT	None	Achieved	Achieved

DEPARTMENT: FINANCE										
KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
Maintain and upgrade basic infrastructure at local level	Appropriate funds for repairs and maintenance of infrastructure assets	Approved budget for repairs and maintenance	Operational Budget	2017/18 budget to include allocation towards repairs and maintenance of assets by June 2017	Approved budget will allocation for repairs and maintenance for 2016/ 2017	3%	The approved budget for repairs and maintenance has been submitted indicating allocation of R7,35 million for 2017/ 18 financial year by 28 June 2017.	None	Achieved	Achieved
To ensure free access to clean, quality and sustainable water services to households	Provide registered indigent households with free basic water	System generated report showing amount for indigent households beneficiaries of FBW	Operational Budget	All registered indigents households to be provided with free access to water	None	3%	The system generated reports for free basic water have been submitted indicating an average of 4455 indigent beneficiaries been provided with free basic water monthly.	None	Achieved	Achieved
To ensure provision of free sustainable electricity services to indigent household.	Provision of free basic electricity to indigent households	Expenditure vouchers showing an amount paid to Eskom for FBE	Operational Budget	Subsidise all registered indigent households that claims the FBE	None	3%	The system generated reports for free basic electricity have been submitted indicating an average of 4455 indigent beneficiaries been provided with free basic electricity monthly.	None	Achieved	Achieved
To ensure free access to safe and sustainable sanitation services to indigent households.	Provision of free basic sanitation to indigent households	System generated report showing amount for indigent households beneficiaries of FBS	Operational Budget	All registered indigents provided with free access to sanitation services	None	3%	The system generated reports for free basic sanitation have been submitted indicating an average of 4455 indigent beneficiaries been provided with free basic sanitation monthly.	None	Achieved	Achieved
To ensure free access to regular and sustainable refuse removal services to indigent household	Provision of free basic refuse removal to indigent households	System generated report showing amount for indigent households beneficiaries of FBRR	Operational Budget	All registered indigents provided with free access to refuse removal services	None	3%	The system generated reports for free basic refuse removal have been submitted indicating an average of 4455 indigent beneficiaries been provided with free basic refuse removal monthly.	None	Achieved	Achieved

DEPARTMENT: FINANCE  
KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT

OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
Create an environment that promotes development of the local economy and facilitate job creation.	Ensure that 25% of MIG project is awarded/subcontracted to local companies.	25% of MIG projects awarded/subcontracted to local companies, (ongoing)	Funded from MIG	25% of MIG projects awarded/subcontracted to local companies, (ongoing)	25% MIG projected subcontracted by 30 June 2017	5%	Proof of appointment of subcontractors have been submitted indicating that 25% of the capital projects has been subcontracted to the local contractors	None	Achieved	Achieved
	Provide a budget for local economic development initiatives	Copy of the approved budget with allocation for LED.	Operational budget	2017/18 budget to include allocation to LED (June 2017)	LED budget allocation included in the approved 2017/2018 annual budget.	5%	N/A	N/A	N/A	N/A

DEPARTMENT: FINANCE										
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management.	Number of budget related policies approved by Council	Council resolution approving the budget	Operational Budget	10 Budget related policies (Virement, SCM, Debt collection, Rates, Indigent, tariffs, funds & reserve, investment, banking and writing off bad debts policy) submitted to the Municipal Manager by June 2017	10 Policies approved with the budget	2%	The department has submitted the council resolution approving the 10 budget related policies by 28 June 2017.	None	Achieved	Achieved
	Approved schedule of budget timelines & IDP Review Process Plan	Council resolution approving the budget time lines	Operational Budget	Approved budget schedule times & IDP process plan (August 2016)	Schedule prepared with the Process Plan	1%	The council resolution approving the budget schedule and IDP process plan has been submitted. (August 2016)	None	Achieved	Achieved
	Number of compiled, consolidated & approved municipal budget.	Approved municipal budget	Operational Budget	1 Final approved municipal budget (June 2017)	1 Approved budget	2%	The council resolution approving the 2017/ 2018 annual budget has been submitted by 30 June 2017.	None	Achieved	Achieved
	Submitted budget adjustment inline with the approved midyear budget and performance assessment report.	Council resolution approving the adjustment budget	Operational Budget	1 Council approved budget adjustment (February 2017)	1 Approved adjustment budget	2%	The council resolution approving the 2016/2017 adjustment budget has been submitted by February 2017	None	Achieved	Achieved

Developed and updated indigent register	Updated indigent register	Operational Budget	Updated indigent register (June 2017)	1 Updated register	2%	The updated indigent register has been submitted by 30 June 2017.	None	Achieved	Achieved
Number of certified General Valuation roll by 30 June 2017 for implementation in 2017/2018 financial year.	Certified valuation roll.	22-Jul-18	1 certified general valuation roll by 30 June 2017	Approved valuation roll.	2%	The certified valuation roll has been submitted by 30 June 2017	None	Achieved	Achieved
Number of Technical Committee on Revenue & Expenditure Management Meetings conducted	Attendance registers/ minutes of the meetings	Operational Budget	4 Meetings conducted by 30 June 2017	None	2%	No information on this indicator	The meetings have been held as part of the revenue enhancement committee meetings. The indicator should be reviewed in the next financial year.	Not achieved	Not Achieved
Number of reports on the implementation of the Revenue Enhancement Strategy tabled to Committee on Revenue and Expenditure	Signed reports on Revenue Enhancement Strategy	Operational Budget	3 reports tabled to Committee on Revenue and Expenditure	1 annual report on the implementation of the revenue enhancement strategy.	2%	The 3 reports on the implementation of the revenue enhancement strategy have been submitted	None	Achieved	Achieved
Number of reports on the MSCOA implementation plan submitted to implementation and steering committees.	Signed implementation reports submitted to the committees.	Operational Budget	4 quarterly reports on the MSCOA implementation plan.	None	2%	The 4 quarterly reports on the implementation of the MSCOA implementation plan have been submitted and the minutes of the audit committee.	None	Achieved	Achieved
Percentage of revenue collected on original budget for property rates	Singed report on revenue collection rate	Operational Budget	50% of the billed revenue on property rates	None	2%	The singed report on revenue collection rate has been submitted indicating over 50% average collection rate of billed revenue on property rates.	None	Achieved	Achieved
Number of consumer accounts issued to consumers for services	Singed billing report	Operational Budget	12 monthly bills issued to registered consumers	All consumers were billed	1%	The 12 monthly singed billing reports have been submitted indicating number of consumers and amount billed.	None	Achieved	Achieved
Submitted application form to NERSA for tariff increases	Proof of acknowledgement of receipt	Operational Budget	Submission of D-Forms to NERSA (October 2016)	Submitted D-Forms	2%	The acknowledgement of receipts have been submitted for the D-Forms to NERSA by October 2016	None	Achieved	Achieved

Number FMG activity plan submitted	Proof of acknowledgement of receipt	Operational Budget	1 FMG activity plan submitted (April 2017)	Activity plan submitted	2%	The acknowledgement of receipts have been submitted as proof of submission to National Treasury by April 2017	None	Achieved	Achieved
Number of updates conducted on conditional grants registers	Updated conditional grants registers.	Operational Budget	12 Updates conducted on the registers (Monthly)	Register updated monthly	2%	The 12 monthly updated conditional grants registers have been received	None	Achieved	Achieved
Number of section 71 reports submitted electronically to stakeholders (Mayor, Provincial and National Treasury)	Proof of submission/ acknowledgement of receipt	Operational Budget	12 Section 71 reports submitted (Monthly)	Reports submitted monthly	1%	The 12 monthly section 71 reports have been submitted and the proof of submissions	None	Achieved	Achieved
Compiled & submitted 2015/16 AFS	Copy of the signed AFS	11-Feb-64	1 Set of 2015/16 AFS submitted to AGSA by 31 August 2016	AFS submitted	2%	The copy of the signed 2015/16 AFS have been submitted by 31 August 2016.	None	Achieved	Achieved
Compiled MFMA Section 72 Report & submission to National & provincial Treasury (Financial)	Proof of acknowledgement of receipt	Operational Budget	1 Compiled Mid-Year Section 72 Report (January 2017)	Section 72 Report submitted	2%	The proof of acknowledgement to sector department for the Mid-Year section 72 has been submitted by end of January 2017	None	Achieved	Achieved
Number of Schedule C reports submitted to MM	Proof of submission/ acknowledgement of receipt	Operational Budget	11 Schedule C reports submitted to Finance Committee (Monthly)	Schedule C reports submitted	1%	The minutes of the council committees where 11 schedule C reports have been discussed are submitted.	None	Achieved	Achieved
Number of asset updates conducted	Proof of asset updates conducted	Operational Budget	12 Updates (Monthly)	12 Updates conducted	2%	The 12 asset updates have been submitted.	None	Achieved	Achieved
Attend to corrective measures as identified in internal and external audit reports and reduce risk areas within three months of receipt of reports.	Percentage of issues raised and proposed corrective measures attended to. (progress against the actions plans)	Operational Budget	95% of issues raised and proposed corrective measures attended to	90% of issues attended to.	2%	The department did not achieve 95% of the proposed corrective measures.	The outstanding issues on the recovery plans will be addressed with the compilation of the 2016/ 17 AFS and therefore will be reported as part of next year's reporting	Not achieved	Not Achieved

Percentage spent on FMG spend at year end	Signed reports on the expenditure of conditional grants	Operational Budget	100% Spending on FMG as per DoRA conditions (June 2017)	100% of FMG spent	2%	The signed report on the expenditure of FMG has been submitted indicating 100% expenditure of the FMG for 2016/17.	None	Achieved	Achieved
Percentage of creditors paid within 30 days	Signed report on the payment of creditors with 30 days	Operational Budget	70% of all creditors paid within 30 days (Monthly)	88% of creditors paid	2%	The 4 quarterly reports on the payment of creditors indicating average of 75% payment of creditors within 30 days are submitted	None	Achieved	Achieved
Appointment of the service provider for VAT review	Appointment letter of the service provider	N/A	1 service provider appointed for VAT review by 30 June 2017	1 service provider appointed.	2%	The department submitted a signed letter indicating that there was no appointment of service provider.	The service provider was not appointed due to the financial constraints faced by the municipality. The indicator will be addressed in the next financial year.	Not achieved	Not Achieved
Number of VAT returns submitted to SARS	Proof of submission/ acknowledgement of receipt	Operational Budget	12 VAT returns made (Monthly)	12 Returns made	1%	The department has submitted the proof of submission of 12 VAT returns	None	Achieved	Achieved
Number of EMP201 returns submitted to SARS	Proof of submission/ acknowledgement of receipt	Operational Budget	12 EMP201 returns made (Monthly)	12 Returns made	1%	The department has submitted the proof of submission of 12 monthly EMP201	None	Achieved	Achieved
Number of SCM implementation policy reports	Signed copies of the SCM implementation reports	Operational Budget	4 SCM Implementation reports (Quarter 4, 1, 2 and 3)	Reports submitted	1%	The 4 signed SCM implementations reports have been submitted.	None	Achieved	Achieved



DEPARTMENT: FINANCE										
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures.	Number of meeting for public consultation on the 2017/ 2018 annual Budget by 30 June 2017	Attendance register for the public consultations.	Operational Budget	4 Meetings for public consultation on the 2017/ 2018 annual Budget by 30 June 2017	All wards were consulted	4%	The attendance register for the public 4 consultations have been submitted.	None	Achieved	Achieved
	Percentage of resolutions (Council, Sec. 80, Management) implemented within the required time frames	Percentage of resolution implemented within the required time frame	Operational Budget	100% of the resolutions implemented on time	None	4%	The department has submitted the council resolution register. The council resolution register submitted does not indicate the percentage of resolutions implemented against the entire population of resolutions taken.	The department should submit 4 quarterly reports on the implementation of the council resolution registers with the percentage implementation	Not Achieved	Not Achieved
	Develop a compliance checklist pertaining to key legislation requirements for the department	Approved checklist for the department of finance.	Operational Budget	1 Compliance checklist developed by 31 August 2016	None	4%	The compliance checklist has been developed and submitted.	None	Achieved	Achieved

DEPARTMENT: TECHNICAL SERVICES										
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To enhance responsiveness to citizen's priorities and capabilities of delivery of quality services, quality management and administrative practices	Number of departmental/divisional meetings are held	Attendance registers and minutes of the meetings	Operational budget	4 Quarterly departmental meetings	Meetings held	2%	The attendance registers for the 4 departmental meetings have been submitted.	None	Achieved	Achieved
	Submit monthly report to management on the actual performance against the SDBIP	Monthly report submitted to management	Operational budget	12 Monthly performance report	12 monthly reports	3%	The management minutes where all the 12 monthly performance reports were submitted have been submitted	None	Achieved	Achieved
	DTS to Complete the National Treasury Risk Management E-learning	Proof of completion of the E-learning/ Certificate	Operational budget	Completed the National Treasury Risk Management E-learning by 30 June 2017	None	2%	No information provided for this indicator	The audit committee took a resolution that the training on risk management will be conducted internally with the assistance of the audit committee chairperson.	Not Achieved	Not Achieved
	Number of technical officials provided with skills development training / capacity development as directed/ identified by the Director Technical Services	Quarterly reports on the implementation of the works skills plan	Operational budget	All identified technical officials attends as per the Workplace Skills Plan (Quarterly) as directed by the Director Technical	None	3%	The quarterly reports on the implementation of the work skills plan have been submitted indicating that all the planned trainings have been conducted/ attended by officials.	None	Achieved	Achieved

DEPARTMENT: TECHNICAL SERVICES										
KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To ensure access to clean, quality and sustainable water services to households, public facilities and businesses.	Limit water network losses to less than 25% by 30 June 2017 (Difference between water supplied and water billed) ( number of kilolitres water purchased/ purified - number of kilolitres water sold) / number of kilolitres water purchased/ purified x 100) in both towns.	Water losses reduced to 25% and below.	Operational budget	Water losses limited to 25%	25% water losses.	3%	The reports indicating average of 13% water losses for the financial year 2016/17 has been submitted.	None	Achieved	Achieved
	Number of Households with access to a quality and sustainable water services.	Monthly signed reports.	Operational budget	12523 Households with access to water services (monthly reports)	12523 households	3%	The quarterly reports indicating an average of 11 372 number of households have access to water services have been submitted.	The 12 523 (13 705-837-343) households is as per the Stats SA supplementary count conducted in 2016 and it includes informal settlements in both towns . The 11 372 households is the actual connections to the households.	Not Achieved	Not Achieved
	% completion of phase 2 for the upgrading of bulk water supply in Hoopstad	Completion certificate	Funded from RBIG and ACIP	100 % completion of phase 02 by 30 June 2017	100% Completion of phase 01 of the project.	3%	The progress report dated June 2017 indicating the 100% completion of Phase 2 of the project has been submitted.	None	Achieved	Achieved
To ensure development/ regular review of a comprehensive management strategy including an investment programme for water resource development, bulk water supply and wastewater management	% completion of phase 2 for the upgrading of bulk water supply in Bultfontein	Payment certificate	Funded from RBIG and ACIP	30 % completion of phase 02 by 30 June 2017	100% Completion of phase 01 of the project.	3%	The progress report dated June 2017 indicating 48 percent completion has been submitted for the project.	None	Achieved	Achieved
	Improve on the recommendation made by Department of Water and Sanitation on the 2015 Blue and Green Drop Results	Improved status of Blue and Green Drop	Operational budget	2 water testing every month per town.	80% Blue drop and 60% Green drop. Attend to all recommendations from the previous report.	2%	The quarterly sampling reports have been submitted indicating the status of improvements made to drinking water and green water to achieve improved Blue drop and Green drop.	None	Achieved	Achieved
To ensure development/ regular review of a comprehensive management strategy including an investment programme for water resource development, bulk water supply and wastewater management	Number of reviewed and council approved Water service Development Plans	Council resolution approving the WSDP.	Operational budget	1 Reviewed and approved WSDP by 31 August 2016	Approved WSDP	3%	The WSDP was reviewed and approved by council in June 2017.	The plan was targeted to be approved in 31 August and due to lack of management oversight the target was never reviewed to be inline with the council plans on IDP, Budget and Sector plans.	Not Achieved	Not Achieved

Promote effective and efficient sport and recreation development.	Rehabilitation and upgrade sporting facilities in Phahameng and Tikwana in terms of the approved capital budget.	% on the scope of the work for phase 4 of Phahameng sporting facility by 30 June	R 951 619,04	100% complete of the scope of the work for phase 4 by 30 June 2017	30% completion of phase 3 of the project.	3%	The project completion certificates dated June 2017 for Phahameng sporting facility has been submitted indicating 100% of phase 4 of the project	None	Achieved	Achieved
		% on the scope of the work for phase 3 of Tikwana sporting facility by 30 June	R 1 440 936,16	100% complete of the scope of the work for phase 3 by 30 June 2017	30% completion of phase 3 of the project	3%	The project completion certificates for Tikwana sporting facility has been submitted indicating 100% of phase 3 of the project by 30 June 2017	None	Achieved	Achieved
To ensure access to safe and sustainable sanitation services to households, public facilities and households.	Upgrading of the waste water treatment in Tikwana in terms of the approved capital budget.	% on the scope of the work for the upgrading of waste water treatment works in Tikwana by 30 June 2017.	R 6 478 243,36	100% complete of the scope of the work for the Upgrading of the WWTW at Hoopstad (June 2017)	None	3%	The progress reports indicating 95% completion of waste water treatment works by 30 June 2017	The project was 95% complete as at June 2017. The engineer could not issue the completion certificate due outstanding training of the operators of the treatment plant.	Not Achieved	Not Achieved
	Number of progress reports on Households (Total 837) with access to a minimum standard of sanitation provision levels	Signed progress reports.	Funded by the Department of Human Settlement	4 Progress report on the 837 Households backlog	4 Progress reports	2%	The 1st and 2nd quarterly reports on the 837 households with access to a minimum standard of sanitation levels backlogs have been submitted.	The report dated 30 December 2016 indicates that the construction of 837 new sewer house connection for Phahameng extension 7&8 has been on hold since February 2016 due to the delay in the approval of variation order by the Department of Human Settlement.	Not Achieved	Not Achieved
	Number of reports for households with access to sanitation services	Signed monthly reports.	Operational budget	12523 Households with access to sanitation services (monthly reports)	4 Quarterly reports	2%	The quarterly reports indicating an average of 10 433 number of households have access to connection	The 12 523 (13 705-837-343) households is as per the Stats SA supplementary count conducted in 2016 and it includes informal settlements in both towns. The 10 433 households is the actual connections to the households.	Not Achieved	Not Achieved

To ensure accessible road infrastructure and increased life span through proper construction and maintenance of roads and storm water drainages.	Number of potholes repaired at Bullfontein and Hoopstad	Signed monthly reports.	Operational budget	600 Potholes (Annually)	130 Potholes repaired	2%	The reports have been provided indicating a total of 2361 number of potholes repaired for the financial year.	None	Achieved	Achieved
	Rehabilitation and upgrading of roads and storm water in Phahameng in terms of the approved capital budget by 30 June 2017 (Actual expenditure divided by the total approved budget) x 100)	% budget spent on the rehabilitation and upgrading of roads and storm water in Phahameng.	R 6 865 201.44	30% expenditure for the upgrading of the 2km road in Phahameng by 30 June 2017	None	3%	The department submitted a letter indicating that the project was put on hold due to cash flow problems faced by the municipality	The project was put on hold due to cash flow and will be implemented in the next financial year.	Not Achieved	Not Achieved
	Number of traffic & information signs maintained, i.e. replacing of traffic signs and painting of streets markings	Signed Quarterly reports	Operational budget	60 Traffic & information signs replaced and maintained (Quarterly)	None	2%	The quarterly reports a total of 349 number of traffic signs and information signs replaced and maintained has been submitted.	None	Achieved	Achieved
To ensure provision of sustainable electricity services to all household, public facilities and businesses.	Number of Households with access to electricity	Signed monthly reports.	Operational budget	12523 Households with access to electricity services (monthly reports)	None	2%	The quarterly reports indicating an average of 11 442 number of households have access to connection	The 12 523 (13 705-837-343) households is as per the Stats SA supplementary count conducted in 2016 and it includes informal settlements in both towns . The 11 442 households is the actual connections to the households.	Not Achieved	Not Achieved
	Limit electricity losses to less than 10% by 30 June 2017 (number of electricity units purchased - number of electricity units sold)/ number of electricity units purchased) x 100	Electricity losses by 30 June 2017 (number of electricity units purchased - number of electricity units sold)/ number of electricity units purchased) x 100	Operational budget	Electricity losses limited to 10%	None	2%	The reports indicating average of 12,88% electricity losses for the financial year 2016/ 17 has been submitted.	This was not achieved due to aging electricity infrastructure and electricity theft. The plan has been developed to reduce the losses	Not Achieved	Not Achieved
	Number of progress reports on energy efficiency demand site management submitted	Signed quarterly reports	Operational budget	4 Progress reports submitted (1 Per quarter)	None	2%	The report dated 30 December 2016 indicates that the project has been completed and all the energy efficiency lights have been connected with a surplus of 5 number of bulbs.	None	Achieved	Achieved

To promote effective EPWP with the aim of improved Job creation	Number of reviewed and approved EPWP Plan by Council	Council resolution approving the EPWP plan	Operational budget	1 Reviewed and approved Plan by 31 March 2017	Approved EPWP Plan	2%	Evidence provided inconsistent with actual achievement as planned date for approval was 31 March 2017, however attached council minutes dated 31 May 2016, this is due to lack of review.	The revised EPWP plan should be submitted to the council and be reported against in the next financial year.	Not Achieved	Not Achieved
						TOTAL	45%			
<b>DEPARTMENT: TECHNICAL SERVICES</b>										
<b>KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT</b>										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
	Percentage of MIG value awarded to local companies	25% of MIG projects awarded/subcontracted to local companies, (ongoing)	Funded from MIG	25% of MIG projects awarded/subcontracted to local companies, (ongoing)	25% MIG projected subcontracted by 30 June 2017	4%	The report has been provided indicating the sub-contractors appointed in the financial year and allocated 25% of the capital projects awarded by 30 June 2017	None	Achieved	Achieved
Create an environment that promotes development of the local economy and facilitate job creation.	Percentage of unskilled labour in all the capital projects of the department are from the local municipality area	100% local unskilled labour appointments is local based.	Operational budget	100% of unskilled labour (ongoing)	100% of unskilled labour (ongoing)	4%	The appointment letters of the skilled labours in projects have been submitted and the reports showing number of locally appointed unskilled labours.	None	Achieved	Achieved
	Create Full Time Equivalent (FTE) through government expenditure with EPWP grant by 30 June 2017	Signed appointment letters and statistics submitted to Province/National	Operational budget	# Full Time Equivalent created by 30 June 2017	None	2%	The appointment letters of the skilled labours in projects have been submitted and the reports showing number of locally appointed unskilled labours by 30 June 2017.	None	Achieved	Achieved

DEPARTMENT: TECHNICAL SERVICES										
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management.	Number of reports on the implementation of the revenue enhancement strategy for all the revenue sources applicable to the department	Proof of collection of the anticipated revenue as per the revenue enhancement strategy.	Operational budget	12 monthly reports on the implementation of the revenue enhancement strategy for the revenue source applicable to the department.	1 annual report on the implementation of the revenue enhancement strategy.	2%	Only the reports for the fourth quarter have been received on the implementation of the revenue enhancement strategy.	The department should submit the reports for the first, second and third quarter of the financial year.	Not Achieved	Not Achieved
	Number of reports on the MSCOA implementation plan submitted to implementation and steering committees.	Signed implementation reports submitted to the committees.	Operational budget	4 quarterly reports on the MSCOA implementation plan.	None	2%	The 4 quarterly reports on the implementation of the MSCOA implementation plan have been submitted and the minutes of the audit committee.	None	Achieved	Achieved
	Ensure timely preparation of the Directorate's budget for 2017/18 based on the approved IDP	Departmental budget submitted to finance department.	Operational budget	Departmental budget approved as part of the annual budget.	Budget inputs submitted to Finance	1%	The departmental budget was approved along with the consolidated annual budget of the municipality.	None	Achieved	Achieved
	Ensure timely preparation of the Directorate's adjustment budget for 2016/17 financial year based on the approved midyear budget and performance assessment.	Departmental adjustment budget submitted to finance department.	Operational budget	Department adjustment budget approved as part of the municipal adjustment budget by February 2017.	Budget inputs submitted to Finance	1%	The departmental adjustment budget was approved along with the consolidated adjustment budget of the municipality by February 2017.	None	Achieved	Achieved
	Reduce fruitless and wasteful expenditure on registration fee of unused and obsolete vehicles	D-registration certificates from the Traffic Department	Operational budget	All municipal vehicles that have been auction / obsolete / unused be de-registered with D.T	None	1%	The proof of the D-registration certificates from traffic department were submitted.	None	Achieved	Achieved

	Submitted application form to NERSA for tariff increases	Proof of acknowledgement of receipt	Operational budget	Submission of D-Forms to NERSA (October 2016)	Forms submitted	1%	The acknowledgement of receipts have been submitted for the D- Forms to NERSA. (October 2016)	None	Achieved	Achieved
	Number of assets counts perform on a municipal assets and submitted to CFO	Signed Assets count sheets	Operational budget	6 counts performed on municipal assets and submission to CFO	None	2%	No asset counts were performed by the department in the financial year.	The department due to incapacity and skills count not conduct the assets counts. The department is awaiting filling oc critical positions in the PMU to assist in conducting assets councts both infrastructure and movables.	Not Achieved	Not Achieved
	Perform condition assessment on fleet and infrastructure assets and submit a report to the CFO	Signed condition assessment s	Operational budget	Condition assessment performed on all vehicles and infrastructure assets by 30 June 2017	None	2%	The conditional assessment has been performed by the service provider by 30 June 2017.	None	Achieved	Achieved
	Number of inventory count conducted (Game, diesel, water, stores)	Singed copies of inventory counts sheets.	Operational budget	12 Inventory counts (Game, diesel, water, stores) (3 per quarter)	12 Counts conducted	2%	The 12 monthly signed copies of the inventory counts sheets have been submitted.	None	Achieved	Achieved
	Attend to corrective as identified in internal and external audit reports and reduce risk areas within three months of receipt of reports.	Percentage of issues raised and proposed corrective measures attended to.	Operational budget	95% of issues raised and proposed corrective measures attended to	90% of issues attended to.	2%	The department did not submit the updated audit recovery plan	The department should submit an updated audit recovery.	Not Achieved	Not Achieved
	Percentage of revenue collected by 30 June 2017 on service rendered to the community by the Department.	70% revenue collected from water; 70% revenue collected from Sanitation; 70% revenue collected from electricity; 100% revenue collected from Gravel; 100% revenue collected from rental of equipment	Operational budget	70% Revenue Collection rate for all applicable services rendered by the department to the community by 30 June 2017 Water Sanitation Electricity Gravel Rental of equipment	70% Revenue Collection rate.	2%	The department has submitted the quarterly reports indicating average of 70% revenue collection rate for all applicable services rendered by the department.	None	Achieved	Achieved



	Number of EPWP reports submitted	Proof of acknowledgement of receipt	Operational budget	12 EPWP reports prepared & submitted (3 per quarter)	12 Reports submitted	1%	The 12 monthly signed copies of the EPWP reports and proof of submission have been submitted.	None	Achieved	Achieved
	Number of MIG reports submitted to CoGTA	Proof of acknowledgement of receipt	Operational budget	12 MIG reports prepared & submitted (3 per quarter)	12 Reports submitted	2%	The 12 monthly MIG reports have been prepared and submitted, the proof of submissions have been provided.	None	Achieved	Achieved
	Report spending to National Treasury on infrastructure grant	Proof of acknowledgement of receipt	Operational budget	12 MIG reports submitted to National Treasury	12 reports submitted	2%	The 12 monthly MIG reports have been prepared and submitted, the proof of submissions have been provided.	None	Achieved	Achieved
	Number of reports/ reconciliations submitted on RBIG, ACIP, EPWP, EEDSM, INEP, MIG infrastructure grants	Proof of acknowledgement of receipt	Operational budget	12 Reports/ reconciliations submitted on infrastructure grants to the CFO	72 reports/ reconciliation submitted on infrastructure grants	2%	The 12 monthly reports have been prepared and submitted, the proof of submissions have been provided.	None	Achieved	Achieved
					TOTAL	25%				

DEPARTMENT: TECHNICAL SERVICES										
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures.	Number of meeting on public consultation on the 2017/ 2018 annual budget and tariffs	Attendance register for the public consultations.	Operational budget	4 Meetings for public consultation on the 2017/ 2018 annual Budget and tariffs by 30 June 2017	None	1%	The attendance registers for the 4 public consultations have been submitted on annual budget and tariffs have been provided.	None	Achieved	Achieved
	Number of reports published on the implementation of the approved municipal sector plans	Signed reports on the implementation of approved municipal sector plans published.	Operational budget	4 quarterly reports published on the implementation of the approved municipal sector plans	None	2%	The department has submitted the 4 quarterly reports on the implementation of the WSDP.	None	Achieved	Achieved
	Develop a compliance checklist pertaining to key legislation requirements for the department	Approved checklist for the department of Technical services.	Operational budget	1 Compliance checklist developed by 31 August 2016	None	2%	The department has submitted the approved compliance checklist	None	Achieved	Achieved
	Percentage of resolutions (Council, Sec. 80, Management) implemented within the required time frames	Percentage of resolution implemented within the required time frame	Operational budget	90% of the resolutions implemented on time	None	1%	The department has submitted the council resolution register, The council resolution register submitted does not indicate the percentage of resolutions implemented against the entire population of resolutions taken.	The department should submit 4 quarterly reports on the implementation of the council resolution registers with the percentage implementation	Not Achieved	Not Achieved
	Number of risk assessment and action plan reviews/ updates	Reports on the implementation of the risk management action	Operational budget	12 monthly risk assessment and action plan reviews/ updates	Monthly risk Assessments	2%	The 12 monthly updated risk assessment and action plans have been submitted.	None	Achieved	Achieved
	Ensure that the Technical Services develop all Service Level Agreements with the appointed service provider.	Copies of the signed service level agreements.	Operational budget	All SLA must be signed and completed within 14 working days after the appointment.	None	1%	The department has submitted a service level agreement for the 2 KM road in Phahameng.		Achieved	Achieved

DEPARTMENT: CORPORATE SERVICES										
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To promote equal job opportunities, inclusion and redress.	The number of people from employment equity target employed (newly appointed) in compliance with the municipality's approved employment equity plan by 30 June 2017	Employment equity reports approved and submitted.	Operational Budget	2 EE reports approved & submitted (30 March 2016)	2 Reports Submitted	3%	The 2 employment equity reports have been approved and submitted.	None	Achieved	Achieved
To enhance responsiveness to citizen's priorities and capabilities of delivery of quality services, quality management and administrative practices	Submit monthly report to management on the actual performance against the SDBIP	Monthly report submitted to management	Operational Budget	12 Monthly performance report	12 monthly reports	4%	The management minutes where all the 12 monthly performance reports were submitted have been submitted	None	Achieved	Achieved
	Number of OHASA awareness campaigns conducted to ensure protection of employees.	Number of reports submitted.	Operational Budget	OHASA Awareness Campaigns/ Reports conducted (Quarterly )	Campaigns/ Reports conducted	3%	The report on the OHASA awareness campaigns have been submitted	None	Achieved	Achieved
	Hold quarterly health and safety meetings to discuss all safety related issues of the employees	Number of reports submitted.	Operational Budget	4 quarterly health and safety meetings	None	3%	The 4 quarterly reports for health and safety meetings have been submitted.	None	Achieved	Achieved
	Number of health and safety reports submitted to the management to protect the municipality from legal actions	Reports on the health and safety issues of the employees	Operational Budget	100% of the health and safety issues of the employees addressed/ resolved	None	3%	The reports have been submitted on the health and safety issues of the employees addressed. Not all the issues have been addressed to arrive at 100%	The action plan for the health and safety issues should be revised in reported accordingly in the next financial year.	Not Achieved	Not Achieved
	Number of the Workplace Skills Plan developed	Approved workplace skills plan.	Operational Budget	1 Compliant WSP developed (April 2017)	Approved WSP	2%	The approved work skills plan has been submitted by April 2017	None	Achieved	Achieved
	DCS to Complete the National Treasury Risk Management E-learning	Proof of completion of the E-learning/ Certificate	Operational Budget	Completed the National Treasury Risk Management E-learning by 30 June 2017	None	2%	The audit committee took a resolution that the training on risk management will be conducted internally with the assistance of the audit committee chairperson.	None	Not Achieved	Not Achieved
	Number of officials & Councillors capacitated in terms of Workplace Skills Plan	Quarterly reports on the implementation of the works skills plan	Operational Budget	All identified officials & Councillors trained as per the WSP (Quarterly)	All officials and councillors trained	2%	The quarterly reports on the implementation of the work skills plan have been submitted indicating that all the planned trainings have been conducted/ attended by officials.	None	Achieved	Achieved

DEPARTMENT: CORPORATE SERVICES										
KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
Expansion, modernisation, access and affordability of our information and communications infrastructure ensured.	% Installation of anti-virus in all municipal computers and IT Infrastructure by November 2016	All municipal computers and IT Infrastructure protected against the virus (screen shots and proof of installation)	Operational Budget	100% of anti-virus will installed on all municipal computers and IT infrastructure	100% of anti-virus was installed	5%	The anti virus has been installed 100% on all municipal computers and IT infrastructure. The supporting documentation has been submitted by November 2016.	None	Achieved	Achieved
	Service provider appointed for hosting VOIP and Internet connection 30 June 2017	Effective VOIP and internet connection	Operational Budget	Appointment of the service provider to host VOIP & Internet connections	None	5%	The extension for the service provider to host VOIP and internet connections has been submitted	The municipality decided due to the financial constraints to give month to month contract service provider for VOIP. Currently there is an effective VOIP connection.	Not Achieved	Not Achieved
					TOTAL	10%				
DEPARTMENT: CORPORATE SERVICES										
KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
Create an environment that promotes development of the local economy and facilitate job creation.	Percentage of unskilled labour in all the capital projects of the Municipality are from the local municipality area	100% local unskilled labour appointments is local based.	Operational Budget	100% of unskilled labour (ongoing)	100% of unskilled labour (ongoing)	5%	The report has been provided indicating the sub-contractors appointed in the financial year and allocated 25% of the capital projects awarded.	None	Achieved	Achieved
	Create Full Time Equivalent (FTE) through government expenditure with EPWP grant by 30 June 2017	Signed appointment letters and statistics submitted to Province/National	Operational Budget	# Full Time Equivalent created by 30 June 2017	None	5%	The appointment letters of the skilled labours in projects have been submitted and the reports showing number of locally appointed unskilled labours by 30 June 2017.	None	Achieved	Achieved

DEPARTMENT: CORPORATE SERVICES										
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management.	Number of reports on the implementation of the revenue enhancement strategy for all the revenue sources applicable to the department	Proof of collection of the anticipated revenue as per the revenue enhancement strategy.	Operational Budget	12 monthly reports on the implementation of the revenue enhancement strategy for the revenue source applicable to the department.	1 annual report on the implementation of the revenue enhancement strategy.	3%	The department has only submitted the quarterly reports on the implementation of the revenue enhancement strategy. The reports do not have proof of collection of the anticipated revenue.	The department should submit monthly reports with proof of submission of the anticipated revenue.	Not Achieved	Not Achieved
	Percentage compliance with section 75 of MFMA (documents to be placed on the website)	1. The annual and adjustment budgets and all budget related documents. 2. All budget related policies. 3. All performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act. 4. All service delivery agreements. 5. All long term-borrowing contracts. 6. All supply chain management contracts above a prescribed value. 7. All annual report.	Operational Budget	100% compliance with section 75 of MFMA (document to be placed on the website) Monthly updates	Documents have been placed in the municipal website	3%	The department has submitted the signed website updates of the financial year for all the legislated documents placed on the website in line with section 75 of MFMA.	None	Achieved	Achieved
	Number of reports on the MSCOA implementation plan submitted to implementation and steering committees.	Signed implementation reports submitted to the committees.	Operational Budget	4 quarterly reports on the MSCOA implementation plan.	None	3%	The 4 quarterly reports on the implementation of the MSCOA implementation plan have been submitted and the minutes of the audit committee.	None	Achieved	Achieved
	Number of assets maintenance plans developed and implemented for assets under the control of the department	Approved assets maintenance plans	Operational Budget	Approved 1 consolidated departmental asset maintenance plans by 30 September 2016.	None	3%	The approved IT asset maintenance plan has been developed and submitted by 30 September 2016	None	Achieved	Achieved
	Number of assets counts performed on a municipal assets and submitted to CFO	Signed Assets count sheets	Operational Budget	12 counts performed on municipal assets and submission to CFO	None	2%	The 12 monthly assets counts sheet have been submitted.	None	Achieved	Achieved
	Perform condition assessment on fleet and Council properties and submit a report to the CFO	Signed condition assessment sheet	Operational Budget	Condition assessment performed on all vehicles and Council properties by 30 May 2017	None	2%	The conditional assessment was performed by the service provider and included in the municipal Asset register 30 May 2017	None	Achieved	Achieved

Percentage of a municipality budget actually spent on implementing its work skills plan.	100% budget spent by 30 June 2017	Operational Budget	Quarterly reports on the spending of budget for work skills plan.	None	2%	The report for the financial year has been submitted indicating 100% expenditure on budget of work skills plan.	None	Achieved	Achieved
Ensure timely preparation of the Directorate's budget for 2017/18 based on the approved IDP	Departmental budget submitted to finance department.	Operational Budget	Departmental budget approved as part of the annual budget by 30 June 2017	Budget inputs submitted to Finance	2%	The departmental budget was approved along with the consolidated annual budget of the municipality 28 June 2017	None	Achieved	Achieved
Ensure timely preparation of the Directorate's adjustment budget for 2016/17 financial year based on the approved midyear budget and performance assessment.	Departmental adjustment budget submitted to finance department.	Operational Budget	Department adjustment budget approved as part of the municipal adjustment budget by February 2017.	Budget inputs submitted to Finance	1%	The departmental adjustment budget was approved along with the consolidated adjustment budget of the municipality by February 2017	None	Achieved	Achieved
Attend to corrective as identified in internal and external audit reports and reduce risk areas within three months of receipt of reports.	Percentage of issues raised and proposed corrective measures attended to.	Operational Budget	95% of issues raised and proposed corrective measures attended to	90% of issues attended to.	3%	The department did not achieve 90% of the actions as planned	The department will revise the outstanding audit issues and include as part of the next financial year.	Achieved	Achieved

DEPARTMENT: CORPORATE SERVICES										
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures.	Annual calendar developed & adopted by Council, EXCO, Sec 80 Comm, Audit Committee, Risk Committee and MPAC	Approved annual calendar	Operational Budget	Developed & approved annual calendar of council meetings (October 2016)	Approved annual calendar of council meetings	1%	The annual calendar approved by council has been approved by October 2016	None	Achieved	Achieved
	Number of LLF Meetings conducted	Attendance register and minutes of the LLF meetings	Operational Budget	4 Meetings per annum(1 per quarter)	4 Meetings held	1%	The 4 minutes and attendance registers of LLF meetings have been submitted.	None	Achieved	Achieved
	Percentage of Council minutes dispatched to departments	Acknowledgement of receipt by relevant officials.	Operational Budget	100% of council minutes dispatched (quarter)	100% of council minutes circulated and dispatched	1%	The proof of the acknowledgement of council minutes have been submitted	None	Achieved	Achieved
	Develop a compliance checklist pertaining to key legislation requirements for the department	Approved checklist for the department of Corporate services.	Operational Budget	1 Compliance checklist developed by 31 August 2016	None	2%	The department has prepared and submitted the compliance checklist by 31 August 2016	None	Achieved	Achieved
	% distribution of the council resolution to all the relevant officials for implementation	100% distribution of the council resolutions to all relevant officials	Operational Budget	100% council resolutions distributed	None	1%	The proof of the acknowledgement of council minutes have been submitted	None	Achieved	Achieved
	Percentage of resolutions (Council, Sec. 80, Management) implemented within the required time frames	Percentage of resolution implemented within the required time frame	Operational Budget	100% of the resolutions implemented on time	None	1%	The department has submitted the council resolution register, The council resolution register submitted does not indicate the percentage of resolutions implemented against the entire population of resolutions taken.	The department should submit 4 quarterly reports on the implementation of the council resolution registers with the percentage implementation.	Not Achieved	Not Achieved
	Number of risk assessment and action plan reviews/ updates	Reports on the implementation of the risk management action	Operational Budget	12 monthly risk assessment and action plan reviews/ updates	Monthly risk Assessments	2%	The 12 monthly risk assessment and action plan reviews have been conducted and submitted.	None	Achieved	Achieved
Expansion, modernisation, access and affordability of our Information and communications infrastructure ensured.	Number of ICT steering committee meetings held	Attendance register and minutes of the ICT steering committee meeting	Operational Budget	4 Meetings per annum (1 per quarter)	4 Meetings held	1%	The minutes and attendance registers of ICT meeting have been submitted except for the third quarter.	The ICT steering committee was disbanded after the second quarter meeting. The committee was only re-elected in the fourth quarter of the financial year.	Not Achieved	Not Achieved

DEPARTMENT: COMMUNITY SERVICES										
KEY PERFORMANCE AREA 1 - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To enhance responsiveness to citizen's priorities and capabilities of delivery of quality services, quality management and administrative practices	Submit monthly report to management on the actual performance against the SDRIP	Monthly report submitted to management	Operational Budget	12 Monthly performance report	12 monthly reports	3%	The management minutes where all the 12 monthly performance reports were submitted have been submitted	None	Achieved	Achieved
	Number of community officials provided with skills development training / capacity development as directed/ identified by the Director Community Services	Quarterly reports on the implementation of the works skills plan	Operational Budget	All identified technical officials attends as per the Workplace Skills Plan (Quarterly) as directed by the Director Community Services	None	3%	The quarterly reports on the implementation of the work skills plan have been submitted indicating that all the planned trainings have been conducted/ attended by officials.	None	Achieved	Achieved
	DCS to Complete the National Treasury Risk Management E-learning	Proof of completion of the E-learning/ Certificate	Operational Budget	Completed the National Treasury Risk Management E-learning by 30 June 2017	None	2%	No information submitted on this indicator.	The audit committee took a resolution that the training on risk management will be conducted internally with the assistance of the audit committee chairperson.	Not Achieved	Not Achieved
	Number of departmental meetings are held	Attendance registers and minutes	Operational Budget	12 monthly departmental meetings	12 Meetings conducted	2%	The attendance registers of the 12 monthly departmental meetings have been submitted.	None	Achieved	Achieved



DEPARTMENT: COMMUNITY SERVICES										
KEY PERFORMANCE AREA 2 - INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To strengthen road traffic management (result indicator - accidents, deaths) and Improve public transport.	Number of road blocks to be conducted by 30 June 2017	Tickets issued and collected for revenue enhancement.	Operational Budget	8 Road blocks conducted by 30 June 2017	8 Road blocks	1%	The reports have been submitted for the 8 road blocks held indicating the number of tickets issued and the value of tickets with the supporting documentations (tickets) by 30 June 2017	None	Achieved	Achieved
	Number of joint operations with other traffic authorities within Lejweleputswa Districts by 30 June 2017	Tickets issues and collected for revenue enhancement.	Operational Budget	2 Joint operation by 30 June 2017	2 Joint operations	1%	The reports have been submitted for the 2 joint operations held indicating the number of tickets issued and the value of tickets with the supporting documentations (tickets) by 30 June 2017.	None	Achieved	Achieved
	Number of workshop for local transport forum by 30 June 2017	Attendance registers and minutes.	Operational Budget	2 workshop for local transport forum by 30 June 2017	2 workshops	1%	The reports with attendance registers for the 2 local transport forum held have been submitted by 30 June 2017	None	Achieved	Achieved
	Number of traffic report and reconciliation submitted to finance department	Signed traffic reports and reconciliations.	Operational Budget	12 monthly reports and traffic reconciliation	12 Monthly reports	1%	The 12 monthly signed traffic reports and reconciliations conducted have been submitted.	None	Achieved	Achieved
	Number of meetings conducted for Local Disaster Advisory Forum	Attendance register and minutes	Operational Budget	4 quarterly Meetings conducted	4 quarterly meetings	1%	The attendance register for the 4 quarterly local disaster advisory forums held have been submitted	None	Achieved	Achieved

To support the district municipality in Improving disaster preparedness for extreme climate events.	Number of disaster management awareness conducted by 30 June 2017	Attendance registers and signed reports.	Operational Budget	16 Awareness Campaigns conducted	16 Awareness campaigns	1%	The 16 awareness campaign's signed reports on the disaster awareness campaigns held have been submitted	None	Achieved	Achieved
	Development of Fire Management Plan	Council resolution approving the fire management plan	Operational Budget	1 plan developed and approved by 30 May 2017	None	1%	The fire management plan was developed and approved by council on the 28 June 2017	The IDP and Budget were tabled council in May 2017 and the council took a resolution to approved the IDP, Sector Plans and Budgets in June 2017.	Not Achieved	Not Achieved
	Review of the Disaster Management Plan with the assistance of the district municipality.	Council resolution approving disaster management plan.	Operational Budget	Reviewed and approved Disaster management plan by 30 May 2017	Approved disaster management plan	1%	The Disaster management plan has been revised and approved by council on 28 June 2017.	The IDP and Budget were tabled council in May 2017 and the council took a resolution to approved the IDP, Sector Plans and Budgets in June 2017.	Not Achieved	Not Achieved
Maintain and upgrade basic infrastructure at local level	Number of consolidated assets maintenance plans developed and implemented for assets under the control of the department	Approved assets maintenance plans	Operational Budget	Approved 1 consolidated departmental asset maintenance plans by 30 September 2016.	None	1%	The asset maintenance plan has been developed, approved and submitted by 30 September 2016.	None	Achieved	Achieved
To ensure proper maintenance and safeguarding of municipal fleet	Perform condition assessment on fleet and community assets and submit a report to the CFO	Signed conditional assessment sheets	Operational Budget	Condition assessment performed on all vehicles and Community assets by 30 May 2017	None	1%	The conditional assessment sheets have been submitted. The detailed conditional assessment was done by the service provider on all municipal assets 30 May 2017	None	Achieved	Achieved
To assess and review building plans	Number of updated building plan register	Completed building plan register	Operational Budget	1 Updated register	1 Updated registers	1%	The updated building plan register has been submitted.	None	Achieved	Achieved
To capacitate communities on building regulations through awareness campaigns	Number of building regulations awareness conducted by 30 June 2017.	Attendance register and signed reports	Operational Budget	4 Awareness campaigns conducted	7 Awareness campaigns	1%	The 4 quarterly reports on the 4 building awareness campaigns held have been submitted by 30 June 2017	None	Achieved	Achieved

To ensure strong and efficient spatial planning system, well integrated across the spheres of government.	Aligning the SDF with the SPLUMA key objectives by 30 June 2017	Council resolution approving the spatial development plan.	Operational Budget	Approved SPLUMA compliant SDF by 30 May 2017	Approved SDF	2%	The Spatial Development was developed and Aligned to SPLUMA key objectives and approved by council the 28 of June 2017.	The IDP and Budget were tabled council in May 2017 and the council took a resolution to approved the IDP, Sector Plans	Not Achieved	Not Achieved
Promote and support integrated, inclusive, sustainable human settlement development.	Updated & reviewed human settlement and erven waiting list to assist the provincial department of Human Settlement in allocating housing	Updated human settlement and erven waiting list.	Operational Budget	12 Updated waiting list	12 Updated waiting list	1%	The 12 monthly updated erven waiting lists has been submitted.	None	Achieved	Achieved
	Review of the Human Settlement Sector Plan	Council resolution approving the human settlement sector plan	Operational Budget	Reviewed and Approved Human Settlement Sector Plan by 30 May 2017	Approved Human Settlement sector plan	1%	The Human settlement sector plan has been developed and approved by council on the 28 June 2017.	The IDP and Budget were tabled council in May 2017 and the council took a resolution to approved the IDP, Sector Plans and Budgets in June 2017.	Not Achieved	Not Achieved
Accelerate and streamline township establishment processes and procedures to ensure sustainable settlement.	Number of awareness campaign pertaining change of ownership processes and land tenure	Attendance registers and signed reports	Operational Budget	1 Awareness campaigns conducted per ward by 30 May 2017	1 Awareness campaign conducted per ward	1%	The attendance register and reports for the awareness campaigns conducted on change of ownership processes and land tenure have been submitted by 30 May 2017.	None	Achieved	Achieved
To ensure the provision of facilities that are adequate to treat, recover & dispose waste in a manner consistent with applicable regulations	Building of waste storage facility in Hoopstad landfill site to store recyclable waste.	Complete waste storage facility in Hoopstad	Operational Budget	1 complete e-waste storage facility in Hoopstad landfill site. By 30 September 2017	licenced landfill site.	2%	The report dated December 2016 indicates that the project for building of waste storage facility is in progress as at 30 December 2016.	The project was completed by not yet handed over to the municipality as at December 2016. subsequently the project building was vandalised and the roof blown away by the wind therefore the contractor is expected to repair all the	Not Achieved	Not Achieved
	Number of reports sent to the National Waste Information System for Bultfontein landfill regarding quantities of waste handled at the site	Proof of submission of the reports to National Waste Information System.	Operational Budget	12 Reports submitted to the National Waste Information system (July 16- June17)	12 reports	1%	The 12 monthly reports sent to the National waste information systems have been submitted and the proof of submission thereof.	None	Achieved	Achieved
Ensure proper waste management through promotion of recycling schemes and adequate landfill management.	Reviewed Integrated Waste Management Plan	Reviewed integrated waste management plan	Operational Budget	1 Annual Review of Integrated Waste Management Plan (May 17)	None	1%	The intergrated waste management plan has been reviewed and approved by council on 28 June 2017.	The IDP and Budget were tabled council in May 2017 and the council took a resolution to approved the IDP, Sector Plans and Budgets in June 2017.	Not Achieved	Not Achieved

To ensure the sustainable use of natural resource within municipal area while promoting social and economic development	Reviewed Integrated Environmental Management Plan	Reviewed environmental management plan	Operational Budget	1 Annual Review of Integrated Environmental Management Plan (May 17)	None	1%	The integrated Environmental management plan has been reviewed and approved by council on the 28 June 2017.	The IDP and Budget were tabled council in May 2017 and the council took a resolution to approved the IDP, Sector Plans and Budgets in June 2017.	Not Achieved	Not Achieved
	Quarterly reports on Cleaning and maintenance of municipal recreational parks	Clean and maintained municipal recreational parks	Operational Budget	Clean 3 recreational parks (quarterly) in both towns	2 parks	1%	The detailed reports and pictures for the 3 recreational parks cleaned and maintained in the financial year have been submitted.	None	Achieved	Achieved
To ensure access to regular and sustainable refuse removal services to all household, public facilities and businesses	Biannual reports on the Cleaning and maintenance of municipal cemeteries	Clean and maintained municipal cemeteries	Operational Budget	2 Biannual reports on the Cleaning and maintenance of 4 municipal cemeteries in both towns	8 cemeteries	1%	The detailed reports and pictures for the 4 municipal cemeteries cleaned and maintained in the financial year have been received.	None	Achieved	Achieved
	Biannual reports on cleaning and maintenance of municipal Open Spaces	Clean and maintained municipal open spaces	Operational Budget	2 Biannual reports on cleaning and maintenance of municipal Open Spaces	5 open spaces	1%	The 2 biannual detailed reports and pictures for the cleaning and maintenance of municipal open spaces done in the financial year have been submitted.	None	Achieved	Achieved
	Quarterly report on Clean and maintained municipal Stadiums	Cleaned and maintained municipal stadiums	Operational Budget	4 Quarterly report on Clean and maintained of 4 municipal Stadiums	4 stadiums	1%	The 4 quarterly reports for the cleaned and maintained of 4 municipal stadiums have been submitted.	None	Achieved	Achieved
	Number of reports on weekly collection of domestic waste to all formalized residential areas	Weekly collection of domestic waste to all formalized residential areas	Operational Budget	Weekly refuse collection rendered to 12 523 Households	12 523 Households	2%	The 12 monthly reports for refuse collected to all formalised households (13 705 - 837-343 = 12 523) have been submitted.	None	Achieved	Achieved
	Number of environmental management awareness campaigns & activities conducted ( Quarterly)	Attendance registers and signed reports.	Operational Budget	4 reports awareness campaigns conducted (2 in 2nd quarter and 3rd quarter)	4 campaigns	1%	The attendance register of the 4 awareness campaigns conducted have been submitted.	None	Achieved	Achieved

Ensure proper waste management through promotion of recycling schemes.	Number of schools involved in waste separation at source pilot project (March 2017)	Attendance register and signed reports.	Operational Budget	2 schools involved in waste separation project (March 2017)	None	1%	2 schools have been involved in waste separation project (March 2017)	None	Achieved	Achieved
--	---	---	--------------------	---	------	----	---	------	----------	----------

DEPARTMENT: COMMUNITY SERVICES										
KEY PERFORMANCE AREA 3 - LOCAL ECONOMIC DEVELOPMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
Create an environment that promotes development of the local economy and facilitate job creation.	Number of SMME's empowered through supply of specialised equipment's.	4 gas stoves, 4 gas cylinders, 4 tents (gazebo's)	Operational Budget	4 Empowered SMME's	4 Empowered SMME's	2%	4 gas stoves, gas cylinders and tents (gazebo's) were procured and to be distributed to the relevant 4 SMME's.	None	Achieved	Achieved
	Number of trainings for SMME's on Income Tax conducted	Attendance register for the training conducted.	Operational Budget	2 trainings for SMME's on Income Tax conducted	None	2%	The 2 trainings were held in September 2016 and April 2017 for the SMME's on Income Tax conducted.	None	Achieved	Achieved
	Number of updated vendor databases	Complete updated database	Operational Budget	1 Updated vendor database	1 Updated vendor database	2%	The updated vendor database has been submitted	None	Achieved	Achieved
	Create Full Time Equivalent (FTE) through Community Works Programme 30 June 2017	Signed appointment letters and statistics submitted to Province/National	Operational Budget	Number of Full Time Equivalent created by 30 June 2017	None	2%	The appointment letters of the skilled labours in projects have been submitted and the reports showing number of locally appointed unskilled labours by 30 June 2017	None	Achieved	Achieved
	Number of LED Forum meetings facilitated at Bullfontein and Hoopstad	8 Led forum meeting held (attendance register and signed reports)	Operational Budget	8 LED Forum Meetings facilitated (2 per quarter)	8 LED Forum Meetings facilitated (1 per quarter)	3%	The reports and the attendance registers for the 8 LED forums held have been submitted	None	Achieved	Achieved

Number of Business Forum meetings facilitated at Bullfontein and Hoopstad.	8 Business forum meetings held (attendance register and signed reports)	Operational Budget	8 Business Forum Meetings facilitated (2 per quarter)	8 Business Forum Meetings facilitated (1 per quarter)	3%	The reports and the attendance registers for the 8 business forums held have been submitted.	None	Achieved	Achieved
Number of Hawkers Association meetings facilitated at Bullfontein and Hoopstad	8 Hawkers association meetings facilitated (attendance registers and signed reports)	Operational Budget	8 Hawkers Association Meetings facilitated(2 per quarter)	6 Hawkers Association Meetings facilitated(1 per quarter)	2%	The reports and the attendance registers for the 8 hawkers association meetings held have been submitted.	None	Achieved	Achieved
Number of Agri-Forum meetings facilitated at Bullfontein and Hoopstad	8 Agri-Forum meeting held (Attendance registers and signed reports)	Operational Budget	8 Agri-Forum Meetings facilitated(2 per quarter)	6 Agri-Forum Meetings facilitated(1 per quarter)	2%	The reports and the attendance registers for the 8 Agri - forum meetings held have been submitted.	None	Achieved	Achieved
Number of commonages fenced, boreholes resuscitated and animal handling facilities provided in Bullfontein	Fenced commonage, boreholes resuscitated and new animal handling facilities in Bullfontein (Completion certificate/ report)	Operational Budget	1 commonage fenced, boreholes resuscitated and new animal handling facilities provided in Bullfontein commonages.	None	2%	The signed reports for the fencing of the commonages and animal handling facilities have been submitted	None	Achieved	Achieved
Number of Commonage Committee meetings facilitated at Bullfontein and Hoopstad	3 commonage committee meeting (attendance registers and signed reports)	Operational Budget	3 Commonage Committee Meetings facilitated (Q2 & Q4)	4 Commonage Committee Meetings facilitated (Q2 & Q4)	3%	The reports and the attendance registers for the 3 commonage committee meetings held have been submitted.	None	Achieved	Achieved
Number of site visits conducted at Itshokolele Project	4 Site visits reports	Operational Budget	4 Site visits of the project (1 per quarter)	4 Site visits of the project (1 per quarter)	3%	The reports and attendance registers for the 3 site visits to Itshokolele project conducted have been submitted.	None	Achieved	Achieved
Number of site visits conducted at Tswaraganang Cooperative Project	4 site visit reports.	Operational Budget	4 Site visits of the project (1 per quarter)	4 Site visits of the project (1 per quarter)	3%	The reports and attendance registers for the 4 site visits to Tswaraganang project conducted have been submitted.	None	Achieved	Achieved

	Number of databases for Arts and Crafters updated	Complete updated database	Operational Budget	1 Detailed updated database of Arts and Crafters (September 2016)	1 Detailed updated database of Arts and Crafters (September 2016)	3%	The updated vendor database has been submitted	None	Achieved	Achieved
	Number of arts and crafters exposed and marketed at MACUFE.	13 Arts and crafters transported to MACUFE	Operational Budget	13 arts and crafters exposed and marketed (December 2016)	13 arts and crafters exposed and marketed (December 2016)	3%	The report and the attendance registers for the 13 Arts and crafters exposed to MACUFE exhibition has been submitted (December 2016)	None	Achieved	Achieved

DEPARTMENT: COMMUNITY SERVICES										
KEY PERFORMANCE AREA 4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To enhance the revenue base of the municipality, improved audit outcome, promote sound financial governance and management.	Number of reports on the implementation of the revenue enhancement strategy for all the revenue sources applicable to the department	Proof of collection of the anticipated revenue as per the revenue enhancement strategy.	Operational Budget	12 monthly reports on the implementation of the revenue enhancement strategy for the revenue source applicable to the department.	1 annual report on the implementation of the revenue enhancement strategy.	2%	The department has only submitted the quarterly reports on the implementation of the revenue enhancement strategy. The reports do not have proof of collection of the anticipated revenue.	The department should submit monthly reports with proof of submission of the anticipated revenue.	Not Achieved	Not Achieved
	Number of reports on the MSCOA implementation plan submitted to implementation and steering committees.	Signed implementation reports submitted to the committees.	Operational Budget	4 quarterly reports on the MSCOA implementation plan.	None	3%	The 4 quarterly reports on the implementation of the MSCOA implementation plan have been submitted and the minutes of the audit committee.	None	Achieved	Achieved

	Number of consolidated assets maintenance plans developed and implemented for assets under the control of the department	Approved assets maintenance plans	Operational Budget	Approved 1 consolidated departmental asset maintenance plans by 30 September 2016.	None	3%	The approved assets maintenance plan for the assets under the control of the departmental has been submitted by 30 September 2016	None	Achieved	Achieved
	Number of assets counts performed on a municipal assets and submitted to CFO	Signed Assets count sheets	Operational Budget	6 counts performed on municipal assets and submission to CFO	None	2%	The assets counts for the third quarter have been submitted	The assets counts should be submitted to the CFO.	Not Achieved	Not Achieved
	Ensure timely preparation of the Directorate's budget for 2017/18 based on the approved IDP	Departmental budget submitted to finance department.	Operational Budget	Departmental budget approved as part of the annual budget by 30 June 2017	Budget inputs submitted to Finance	2%	The departmental budget was approved along with the consolidated annual budget of the municipality by 30 June 2017	None	Achieved	Achieved
	Ensure timely preparation of the Directorate's adjustment budget for 2016/17 financial year based on the approved midyear budget and performance assessment.	Departmental adjustment budget submitted to finance department.	Operational Budget	Department adjustment budget approved as part of the municipal adjustment budget by February 2017.	Budget inputs submitted to Finance	2%	The departmental adjustment budget was approved along with the consolidated adjustment budget of the municipality by February 2017	None	Achieved	Achieved
	Percentage of revenue collected by 30 June 2016 on service rendered to the community by the Department.	55% revenue collected from refuse removal; 50% collected from traffic fines; 70% collected from business licences.	Operational Budget	Revenue Collection rate for applicable services rendered by the department to the community by 30 June 2017. Refuse removal:40% Traffic fines: 50% business licences: 70%	40% Revenue collected.	5%	The reports on the revenue collection rate have been submitted except the third quarter report.	The department should submit the third quarter report.	Not Achieved	Not Achieved
	Attend to corrective as identified in internal and external audit reports and reduce risk areas within three months of receipt of reports.	Percentage of issues raised and proposed corrective measures attended to.	Operational Budget	95% of issues raised and proposed corrective measures attended to	90% of issues attended to.	1%	The department did not achieve 95% of the proposed corrective measures.	The department will revise the outstanding audit issues and include as part of the next financial year.	Not achieved	Not Achieved



DEPARTMENT: COMMUNITY SERVICES										
KEY PERFORMANCE AREA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	UNIT OF MEASUREMENT	ANNUAL BUDGET	ANNUAL TARGETS 2016/17	COMPARISON WITH 2015/16 TARGETS	WEIGHT	ACTUAL PERFORMANCE	CORRECTIVE MEASURES TAKEN OR REASONS FOR VARIANCE	INTERNAL AUDITORS COMMENTS	ACHIEVEMENT STATUS
To promote and improve effective linkage between the community, stakeholders and the municipality to ensure accountability and responsive governance structures.	Number of reports published on the implementation of the approved municipal sector plans	Signed reports on the implementation of approved municipal sector plans published.	Operational Budget	4 quarterly reports published on the implementation of the approved municipal sector plans	None	4%	The department has submitted the 4 quarterly signed reports on the implementation of the sector plan	None	Achieved	Achieved
	Develop a compliance checklist pertaining to key legislation requirements for the department	Approved checklist for the department of Community services.	Operational Budget	1 Compliance checklist developed by 31 August 2016	None	2%	The department has developed a compliance checklist.	None	Achieved	Achieved
	Percentage of resolutions (Council, Sec. 80, Management) implemented within the required time frames	Percentage of resolution implemented within the required time frame	Operational Budget	90% of the resolutions implemented on time	None	2%	The council resolution register submitted indicating progress on the implementation of the resolutions taken.	None	Achieved	Achieved
	Number of risk assessment and action plan reviews/ updates	Reports on the implementation of the risk management action	Operational Budget	12 monthly risk assessment and action plan reviews/ updates	Monthly risk Assessments	2%	The 12 monthly updated risk assessment and action plans have been submitted.	None	Achieved	Achieved

## 4 CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.1 COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Relevant Department	Approved posts	Employees No	Vacancies No	Vacancies %
<b>30 JUNE 2015</b>				
TECHNICAL SERVICES	120	102	18	15.00
COMMUNITY SERVICES	118	110	8	6.78
FINANCIAL SERVICES	32	27	5	15.60
CORPORATE SERVICES	27	25	2	7.40
MUNICIPAL MANAGER	7	6	1	14
<b>30 JUNE 2016</b>				
TECHNICAL SERVICES	120	94	26	21.67%
COMMUNITY SERVICES	118	105	13	11.02%
FINANCIAL SERVICES	33	26	7	21.21%
CORPORATE SERVICES	26	22	4	15.38%
MUNICIPAL MANAGER	7	6	1	14%

### 4.2 COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

#### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The municipality has developed and adopted number of policies that are intended to create a fair, efficient and transparent system on matters affecting the employees. The municipality reviews these policies regularly to ensure that they are on par with best practices, new and amended legislation.

The Municipality has approved policies and procedures used to govern the institution, and these policies and procedures are communicated to the staff. As the municipality we do have the Employment Equity Plan however we do not meet the provincial equity targets. We have introduced disclosure of interest and related parties form and confidentiality and non-disclosure declaration. Municipality complies with BCEA and other labour related legislation at workplace.

#### 4.2.1 INJURIES, SICKNESS AND SUSPENSIONS

The report covers the progress of Health and Safety Division and includes the following reports:

- ◆ IOD investigations and the response from the Department of Labour.
- ◆ IOD'S attended to during 2016/ 2017.

Employees injured on duty:

- ◆ Hoopstad and Bullfontein : 22

TYPES	CAUSE OF INJURY	NUMBER OF AFFECTED EMPLOYEES
Trailers	Falling from trailer behind the tractor and causing injuries.	3
Tools	Not handling tools accordingly can injure a person.	0
Negligence	Not paying attention when performing duties.	0
Hit by an objects	Flying object from mowing machines.	4
Object lifting	Employees lift heavy object and strain themselves [they don't ask for help].	0
Slipped / fell	Employees don't pay attention to slippery places or floors. They don't check steps.	4
Others	Some employees were stung by bees and bitten by spiders. Foreign particle in the eye.	0
<b>Total number of injured employees</b>		<b>11</b>

TYPE OF INJURY		INJURY LEAVE DAYS TAKEN	EMPLOYEE USING INJURY LEAVE DAYS	AVERAGE INJURY LEAVE PER EMPLOYEE DAYS
Need basic medical attention	2	124	31	3
Temporary disablement	1	0	0	66
Permanent disablement	0	0	0	0
Fatal	0	0	0	0
<b>Total</b>	<b>3</b>	<b>124</b>	<b>31</b>	<b>69</b>

The total number of IOD leave days taken by injured employees was 124 days.

**NB:** From the total number of injured employees recorded only one were placed on light duty and the others are doing their normal duties.

When the Hoopstad cases were investigated it was found that the injuries on duty were caused by un-roadworthy vehicles which were used by employees.

The cases in Bultfontein range from employees being injured by tools and by objects falling on them or being struck by objects and employees lifting heavy objects and straining themselves.

Health and Safety officer follow-up all cases with doctors who examined the injured employees and submit all documentation [i.e. first, progress and final reports] to the Department of Labour.

### Awareness Campaign

An awareness campaign was held on Health and Safety in the work place.

The campaign outlined the following:

- ◆ Employees responsibility

All employees should take responsibility for occupational health, safety and the environment. During the awareness campaign employees were told to take responsibility and to check risky areas at their work place.

- ◆ Incident prevention

**Hazard:** A hazard is a condition, activity, object or substance that is a source of potential harm.

**RISK:** A risk is the chance or likelihood that a hazard will cause harm or damage to a person, property or equipment or environment.

**Incident:** An incident is an undesired event that takes place because the necessary SHE controls were not in place or they failed for some reason.

Other awareness campaigns conducted were on:

- Training of fire management and equipment
- Hepatitis and treatment
- Handling and service of pressure equipment
- Handling of tools and observation of hazards in the workplace
- Handling of welding and cutting equipment.

#### 4.2.2 PERFORMANCE REWARDS

The municipality has in the financial year under review planned to conduct the annual performance assessment in September 2017 for the Municipal Manager and the Managers directly reporting to the Municipal Manager in line with the Municipal Performance Management Regulation of 2006. The report has been compiled recording the results of the assessment and the recommendations of the evaluation committees.

The management has in the 2016/ 2017 performed quarterly individual assessment of Managers directly reporting to the Municipal Manager in line with the performance regulations. This assessment will assist in compiling the annual performance assessment to be presented to the evaluation committees.

### 4.3 COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

#### 4.3.1 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Work Skills Plan drawn in terms of the Skills Development Act. Assessment of skills levels of employees and gaps are regularly identified and external interventions sought and implemented in line with the Plan.

The municipality has developed / updated the Human Resource Policy - policy, which gives directives for appointment of sufficiently experienced and skilled personnel. We have conducted skills audit as part of skills intervention to determine how many employees need training intervention as part of capacity building. In terms of our WSP we have identified which employees need capacity development.

There has been improvement in terms of training and capacitating our employees. Numbers of skills programmes have been conducted and employees trained to be efficient in performing their duties, however the challenge is that the level of education of certain employees prohibits them from furthering their qualifications.

#### CAPACITATION OF THE MUNICIPAL WORKFORCE

#### 4.3.2 SKILLS DEVELOPMENT AND TRAINING

LGSETA STRATEGIC FOCUS AREA	MUNICIPAL KEY PERFORMANCE AREA	MAIN IDP PRIORITY LINKED TO KEY PERFORMANCE AREA	TOTAL NUMBER TRAINED					
			EMPLOYED		TOTAL	UNEMPLOYED		TOTAL
			FEMALE	MALE	54	FEMALE	MALE	10
Infrastructure and Service Delivery	Basic Service Delivery and Infrastructure Development	To ensure access to basic service delivery	10	8	18	0	0	36
Community Based Participation and Planning	Good Governance and the Deepening of Democracy	To build and enhance the governance system	8	11	19	0	0	38
Management and Leadership	Municipal Transformation and Institutional Development	To enhance public participation	0	0	0	0	0	0
Financial Viability	Municipal Financial Viability and Management	To strengthen the financial management system	1	3	4	0	0	8
Community Based Participation and Planning	Sustainable Local Economic Development	To enhance public participation	1	0	1	0	0	2
SUB-TOTAL			21	25	46	0	0	92

**NUMBER OF BENEFICIARIES WHO COMPLETED TRAINING BY TYPE OF LEARNING INTERVENTION**

TYPE OF LEARNING INTERVENTION	NUMBER OF BENEFICIARIES BY OCCUPATION CATEGORY									TOTAL
	Legislators	Managers	Professionals	Technicians and Trade Workers	Community and Personal Services Workers	Clerical and Administrative Workers	Sales and Service Workers	Machine ry Operators and Drivers	Elementary Workers	
Apprenticeship	0	0	0	0	0	0	0	0	0	0
Bursary	0	0	0	0	0	0	0	0	0	0
Learnership	0	7	1	0	0	16	0	0	0	24
RPL	0	0	0	0	0	0	0	0	0	0
Skills Programme	4	2	0	0	0	8	0	0	25	33
Short Course: Non-credit	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>		4	1	0	0	16	0	0	25	61

TYPE OF LEARNING INTERVENTION BY NQF LEVEL											
TYPE OF LEARNING INTERVENTION	NQF LEVEL OF LEARNING INTERVENTIONS										TOTAL
	1	2	3	4	5	6	7	8	9	10	57
Apprenticeship	0	0	0	0	0	0	0	0	0	0	0
Bursary	0	0	0	0	0	0	0	0	0	0	0
Learnership	0	0	0	3	5	24	0	0	0	0	32
RPL	0	0	0	0	0	0	0	0	0	0	0
Skills Programme	0	0	25	4	8	0	0	0	0	0	37
Short Course: Non-credit	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>7</b>	<b>13</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>69</b>





## 5 CHAPTER 5 – FINANCIAL PERFORMANCE

This chapter comprises of three components:

- Component A: Statements of Financial Performance
- Component B: Cash Flow Management and Investments
- Component C: Other Financial Matters

### 5.1 COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The information will be included after the final audited set of the 2016/ 2017 Financial Statements.

Tswelopele Local Municipality

(Registration number FS183)

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Performance

Figures in Rand	2017	2016
		Restated*
<b>Revenue</b>		
<b>Revenue from exchange transactions</b>		
Service Charges	48 518 267	43 199 192
Rental of facilities and equipment	757 714	747 718
Interest received – trading	702 438	1 604 096
Licences and permits	28 088	65 500
Recoveries	225 675	-
Other income	909 313	1 050 789
Interest received – investment	619 576	1 133 161
Dividends received	19 722	49 420
<b>Total revenue from exchange transactions</b>	<b>51 780 793</b>	<b>47 849 876</b>

## Revenue from non-exchange transactions

### Taxation revenue

Property rates	15 853 885	15 085 482
----------------	------------	------------

### Transfer revenue

Government grants & subsidies	96 362 797	101 788 322
Fines, Penalties and Forfeits	273 700	300 900

Total revenue from non-exchange transactions	112 490 382	117 174 704
--	-------------	-------------

---

<b>Total revenue</b>	<b>164 271 175</b>	<b>165 024 580</b>
----------------------	--------------------	--------------------

---

### Expenditure

Employee related costs	58 385 186	57 697 441
------------------------	------------	------------

Remuneration of councillors	4 782 759	4 663 463
-----------------------------	-----------	-----------

Depreciation and amortisation	26 782 988	26 178 821
-------------------------------	------------	------------

Finance costs	3 932 486	2 562 439
---------------	-----------	-----------

Debt Impairment	13 115 260	7 530 755
-----------------	------------	-----------

Repairs and maintenance	7 781 985	6 459 825
-------------------------	-----------	-----------

Bulk purchases	34 143 828	32 282 104
----------------	------------	------------

Contracted services	38 448	27 190
---------------------	--------	--------

General Expenses	33 069 564	28 586 905
------------------	------------	------------

---

<b>Total expenditure</b>	<b>182 032 504</b>	<b>165 988 943</b>
--------------------------	--------------------	--------------------

---

Operating deficit	(17 761 329)	(964 363)
-------------------	--------------	-----------

Gain (loss) on disposal of assets and liabilities	(134 090)	(829 938)
---	-----------	-----------

Fair value adjustments	4 607	(23 540)
------------------------	-------	----------

Gain on biological assets and agricultural produce	2 303 038	919 928
--	-----------	---------

---

	(2 432 521)	1 726 326
--	-------------	-----------

---

Deficit for the year	(20 193 850)	761 963
----------------------	--------------	---------

## 5.2 GRANTS

<b>Government grants and subsidies</b>	<b>2017</b>	<b>2016</b>
<b>Capital and operating grants</b>		
Equitable share	59 589 000	62 570 000
Municipal Infrastructure Grant	9 492 115	16 554 305
Municipal Systems Improvement Grant	-	930 000
Skills Development Grant	-	77 449
Financial Management Grant	1 825 000	1 800 000
EPWP Government Grant (operating)	1 000 000	1 073 000
INEP Grant	-	917 528
ACIP	-	5 000 000
Regional Bulk Infrastructure Grant	22 703 642	10 879 080
Lejweleputswa Grant	113 600	126 400
EEDSM Grant	1 639 440	1 360 560
Provincial Treasury Support Grant	-	500 000
	<b>96 362 797</b>	<b>101 788 322</b>

### 5.3 ASSET MANAGEMENT

The municipality developed an asset management policy which was approved along with the budget related policies in June 2016.

The municipality is using the IMQS as the asset management system for both movable and immovable assets of the municipality which assists the municipality to improve the effectiveness for accounting of the municipal assets. The asset management system is compliant to the applicable GRAP standards.

Monthly monitoring and preparation of reconciliations of votes for assets acquired is conducted and newly acquired assets can also be detected if they were not reported in advance by the SCM Unit. Assets are then registered and dispatched to the relevant user after all asset management processes have been exhausted i.e. classification, coding, etc.

## 5.4 SOURCES OF FINANCE

Figures in Rand	2017	2016
<b>Revenue</b>		
Service charges	48 518 267	43 199 192
Rental of facilities and equipment	757 714	747 718
Interest received (trading)	702 438	1 604 096
Business licence applications	28 088	65 000
Recoveries	225 675	-
Other income - (rollup)	909 313	1 050 789
Interest received - investment	619 576	1 133 161
Dividends received	19 722	49 420
Property rates	15 853 885	15 085 482
Government grants & subsidies	96 362 797	101 788 322
Fines, Penalties and Forfeits	273 700	300 900
	<b>164 271 175</b>	<b>165 024 580</b>

## 5.5 CASH FLOW MANAGEMENT AND INVESTMENTS

### Cash Flow Statement

Figures in Rand	2017	2016
		Restated*
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Sale of goods and services	47 208 902	52 428 707
Grants	95 727 922	99 717 168
Interest income	1 322 014	2 737 257
Dividends received	19 722	49 420
Other receipts	2 231 327	2 062 696
	<b>146 509 887</b>	<b>156 995 248</b>
<b>Payments</b>		
Employee costs	(62 586 809)	(60 645 290)
Suppliers	(47 546 527)	(69 458 337)
Finance costs	(3 838 040)	(2 416 809)
Other payments	(184 780)	(38 961)
	<b>(114 156 156)</b>	<b>(132 559 397)</b>
<b>Net cash flows from operating activities</b>	<b>32 353 731</b>	<b>24 435 851</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(33 331 179)	(32 305 534)
Proceeds from sale of property, plant and equipment	568 565	1 091 199
Movements in provision for landfill sites	(26 391)	4 495 199
<b>Net cash flows from investing activities</b>	<b>(32 789 005)</b>	<b>(26 718 376)</b>

**Cash flows from financing activities**

Finance lease payments	(486 420)	149 127
<hr/>		
Net increase/(decrease) in cash and cash equivalents	(921 694)	(2 133 398)
Cash and cash equivalents at the beginning of the year	4 222 032	6 355 430
Cash and cash equivalents at the end of the year	3 300 338	4 222 032
<hr/>		



## 5.6 OTHER FINANCIAL MATTERS

The information will be included after the final audited set of the 2016/ 2017 Financial Statements.

### 5.6.1 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT UNIT

The functions of the SCM unit involve:

1. Managing demand procedures and acquisitions including policies, procedures, database, compliance and adherence to prescribed procurement practices
2. Ensuring tender evaluation and contract prescript are adhered to
3. Managing compliance, risks, performance and reporting in the supply chain management system
4. Coordinating, controlling and applying logistics management practices and procedures in order to administer and manage the receipt, safeguarding and issuing of store items.

Tswelopele Supply Chain Management is a unit within the Finance Section. It is comprised of:

- The Chief Financial Officer (Head of SCM Unit)
- Manager: SCM & Expenditure
- SCM Practitioner
- 2 x Principle Procurement Clerks

The SCM regulations stipulate the following:

- a) SCM regulation 6(2) (a) (i) - that the council of a municipality must maintain oversight over the implementation of its SCM policy. For the purpose of such oversight the accounting officer must within 30 days of each financial year submit a report on the implementation of the SCM policy of the municipality to the Council.
- b) SCM regulation 6(2) (3) – the Accounting Officer shall within 10 days after the end of each quarter submit implementation reports on SCM to the Mayor.

#### INTERNAL SCM PROCEDURES AND PROCESSES

##### Threshold values

The threshold values have been determined as follows:

- 1) Petty cash – R100
- 2) Up to R1 000 (vat included) – One written price quotation
- 3) R1 001 - R2,000 (vat included) – Two written price quotations
- 4) R2 001 – R30,000 (vat included) – Three written price quotations
- 5) R30 001 – R200,000 (vat included) – Three written formal price quotations
- 6) Above R200 000 (vat included) – Competitive bidding process

### **SCM Process for acquisitions up to R200 000.00**

The SCM process of Tswelopele Local Municipality operates as follows;

- Demand Form – The requesting department completes a demand form which is approved by the Head of Department or any delegated official. The demand form is submitted to SCM practitioner who sources quotations.
- A requisition is raised by the SCM Practitioner and approved by the CFO and the Municipal Manager.
- Purchase Order – Based on the above thresholds, quotations are sourced from potential suppliers. A purchase order is raised for the awarded quotation. The orders are done in triplicate of which one copy is sent to the supplier, one copy for filing and one copy is sent to creditors for processing. The order numbers are sequentially numbered from the system. The purchase orders are approved by the CFO and in his absence by a Senior Official delegated by the CFO.

The SCM processes are monitored monthly by use of irregular expenditure registers and deviations registers.

### **SCM Process for acquisition above R200 000.00**

#### **Bid Documents**

The bids documents are as prescribed by the National Treasury include the General Conditions of Contract.

#### **Bid Committee Structures**

The following committees have been established:

- i) The bid specification committee
- ii) The bid evaluation committee
- iii) The adjudication committee

The Accounting Officer appoints members for each committee.

According to the SCM policy the composition of the above committees should be as follows:

i) Bid Specification committee – must be composed of:

- a) One or more officials of the municipality, preferably from user departments requiring the goods or services.
- b) SCM practitioners
- c) And when appropriate, include external technical specialists.

ii) Bid evaluation committee – must as far as possible be composed of:

- a) Officials from departments requiring the goods and services
- b) At least one SCM practitioner of the municipality

- iii) Bid adjudication committee – must consist of
  - a) at least four senior managers of the municipality (including the CFO)
  - b) At least one SCM practitioner who is an official of the municipality
  - c) A technical expert in the relevant field who is an official of the municipality

**Compliance** – The bid committees meet the requirements of the SCM policy and SCM regulations.

---

**5.6.2 MUNICIPAL SERVICE CHARGES ASSESSMENT AND OUTSTANDING DEBTORS.**

	2017	2016
<b>Consumer debtors</b>		
<b>Gross balances</b>		
Electricity	31 318 621	26 360 677
Water	5 842 554	6 127 340
Sewerage	6 830 603	6 426 819
Refuse	4 526 489	4 284 356
	<hr/> <b>48 518 267</b>	<hr/> <b>43 199 192</b>

---

# Report of the auditor-general to the Free State Legislature and the council on the Tswelopele Local Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Tswelopele Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2017, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Tswelopele Local Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended 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 of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Material uncertainty related to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter:
7. Note 44 in the financial statements indicates that the municipality incurred a net loss of R20 193 850 during the year ended 30 June 2017 and, as of that date, the municipality's current liabilities exceeded its current assets by R39 658 304. In addition, the municipality owed Eskom R18 809 407 (2016: R4 021 472) as at 30 June 2017, which

was long overdue and the municipality has requested financial intervention from the province. This matter was still in progress as at reporting date. These conditions, along with other matters as set forth in note 44, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern and to meet its service delivery objectives.

### **Emphasis of matters**

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

#### Irregular expenditure

9. As disclosed in note 47 to the financial statements, irregular expenditure of R4 606 238 (2016: R4 698 122) was incurred mainly due to conditional grants not being used for the intended purposes.

#### Restatement of corresponding figures

10. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2017.

#### Material losses

11. As disclosed in note 33 to the financial statements, electricity distribution losses of 12, 88% (2016: 17, 79%) of total electricity purchased were incurred by the municipality mainly due to tampering and theft.

#### Material impairments

12. As disclosed in notes 12 and 13 to the financial statements, receivables from exchange transactions were impaired by R28 921 857 (2016: R21 557 938) and receivables from non-exchange transactions were impaired by R12 141 296 (2016: R7 548 271).

### **Other matters**

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

#### Unaudited disclosure notes

14. 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, as contained in the note 48 to the financial statements, did not form part of the audit the financial statements and, accordingly, I do not express opinion on it.

## Unaudited supplementary information

15. The appropriation statement set out on pages 15 to 16 does not form part of the financial statements and is presented as additional information. I have not audited this statement and, accordingly, I do not express an opinion on it Responsibilities of the accounting officer for the financial statements.

### **Responsibilities of the accounting officer for the financial statements**

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and 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.
17. In preparing the financial statements, the accounting officer is responsible for assessing the Tswelopele Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the municipality or cease operations, or there is no realistic alternative but to do so.

### **Auditor-general's responsibilities for the audit of the financial statements**

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

## **Report on the audit of the annual performance report**

### **Introduction and scope**

20. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas (KPAs) presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPAs presented in the annual performance report of the municipality for the year ended 30 June 2017:

KPAs	Pages in the annual performance report
KPA 2 – Basic service and infrastructure	x – x

23. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

24. The material findings in respect of the usefulness and reliability of the selected KPA are as follows:

**KPA 2 – basic service and infrastructure**

Improve on the recommendation made by the Department of Water and Sanitation on the 2015 blue and green drop results

25. The method of calculation of the planned indicator was not clearly defined, as required by the Framework for Managing Programme Performance Information (FMPPPI).

Various indicators

26. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the indicators listed below. This was due to the unavailability of supporting documentation. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements.

Indicator	Reported achievement
Number of households with access to a quality and sustainable water services.	11 372

Number of reports for households with access to sanitation services	10 433
Number of households with access to electricity	11 442

## Other matters

27. I draw attention to the matters below.

### Achievement of planned targets

28. Refer to the annual performance report on pages x to x and x to x for information on the achievement of planned targets for the year and explanations provided for the underachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 25 to 26 of this report.

### Adjustment of material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 2 – basic service and infrastructure. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information.

## Report on audit of compliance with legislation

### Introduction and scope

30. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

31. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

### Expenditure management

32. Effective steps were not taken to prevent irregular expenditure amounting to R4 606 238 as disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by contravention of the applicable grant framework.

33. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 150 175, as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on late payments made.



34. Money owed by the municipality was not always paid within 30 days, as required by section 65(2) (e) of the MFMA.

#### Annual financial statements

35. 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 and the disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided, resulting in the financial statements receiving an unqualified audit opinion.

#### Revenue management

36. Interest was not charged on all accounts in arrears, as required by section 64(2) (g) of the MFMA.

#### Utilisation of conditional grants

37. The municipal infrastructure grant was not spent in accordance with the applicable grant framework, in contravention of section 17(1) of the DoRA.

#### Budgets

38. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R3 165 890 as disclosed in note 45 to the annual financial statements, in contravention of section 62(1) (d) of the MFMA. The majority of the unauthorised expenditure was caused by actual expenditure per vote exceeding the budgeted figures.

#### Consequence management

39. 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.

#### Procurement and contract management

40. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.

41. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.

## Other information

42. The Tswelopele Local Municipality's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected KPAs presented in the annual performance report that have been specifically reported on in the auditor's report.
43. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
44. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPAs presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
45. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate, however, if it is corrected this will not be necessary.

## Internal control deficiencies

46. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. 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.
47. Management did not implement adequate controls over the preparation of the annual financial statements and the annual performance report, due to vacancies identified within the finance department, internal audit and the strategic management unit, resulting in proper reviews not being effected on the annual financial statements and the annual performance report. This resulted in material misstatements being identified in the annual financial statements and performance report submitted for auditing.
48. The leadership did not adequately exercise oversight responsibility of the implementation of the action plan to address material weaknesses identified in the previous year in performance reporting and compliance with legislation, resulting in material findings being reported in the year under review. This was because management has not implemented adequate monitoring processes on compliance with legislation.

# Auditor-General

Bloemfontein

30 November 2017



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected key performance areas and on the municipality’s compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
  - Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit 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 municipality’s internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - Conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Tswelopele Local Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a municipality to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements

represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

**6 CHAPTER 7: ANNUAL FINANCIAL STATEMENT WITH THE ANNUAL AUDIT  
COMMITTEE REPORT 2015 / 2016 FINANCIAL YEAR (ANNEXURE A)**



## 7 CHAPTER 8: AUDIT RECOVERY PLAN (ANNEXURE B)

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
PMS	Employee related costs: Performance evaluation have not been performed	Perform formal assessment for each director for the quarter ending 30 September 2016 based on the SDBIP targets	MUNICIPAL MANAGER	30 October 2017	Assessment report/results for quarter ending 30 September 2017
PMS		Perform formal assessment for each director for the quarter ending 31 December 2016 based on the SDBIP targets	MUNICIPAL MANAGER	31 January 2018	Assessment report/results for quarter ending 31 December 2017
PMS		Perform mid-year assessment (financial and non-financial indicators)	MUNICIPAL MANAGER	30 January 2018	(1) Mid-year assessment report AND (2) Council resolution on the mid-year assessment



<b>PMS</b>		Review the SDBIP and Performance Contracts of the Municipal Manager and directors	MUNICIPAL MANAGER	2018-02-29	(1) Reviewed 2017/18 SDBIP; (2) reviewed Performance Contracts for the Municipal Manager; (3) reviewed performance contract for the CFO and (4) reviewed performance agreement for all Directors
<b>PMS</b>		Perform formal assessment for each director for the quarter ending 31 March 2017 based on the revised SDBIP	MUNICIPAL MANAGER	29 April 2018	Assessment report/results for each director for quarter ending 30 April 2018
<b>PMS</b>	AOPO: Performance Management System Policy was adopted late	Review the PMS Policy for consistency with the legislation and regulations governing PMS	MUNICIPAL MANAGER	2018-02-29	The revised PMS
<b>PMS</b>		Submit the revised draft PMS Policy to Council for noting and public participation process	MUNICIPAL MANAGER	31 March 2018	Minutes of the Council meeting where PMS policy was considered and resolution calling for public participation on the policy.
<b>PMS</b>		Submit the revised draft PMS Policy to council for adoption and implementation with effect from 01 July 2017	MUNICIPAL MANAGER	30 May 2018	Council resolution adopting the revised policy

<b>PMS</b>	Relevance of the reported target to the indicator identified that the reported performance is not on the provision of the service but the number of reports submitted (74)	Review the SDBIP to ensure that the unit of measurement is relevant to the key performance indicator.	MUNICIPAL MANAGER	30-Apr-18	Council resolution adopting the revised policy
<b>PMS</b>		Quarterly evaluation of the supporting documentation to ensure relevance to the key performance indicators and the reliability thereof.	MUNICIPAL MANAGER	30 April 2018	Singed quarterly performance reports.
<b>PMS</b>	The performance was not reported on the planned indicators/targets; and instances where reported results were not approved on planning. (71)	Prepare quarterly performance reports in line with the approved SDBIP.	MUNICIPAL MANAGER	Quarterly	Singed quarterly performance reports.
<b>PMS</b>		Submit the quarterly, Mid-year and Annual performance reports to Internal Audit and Management for review before approval.	MUNICIPAL MANAGER	Quarterly	Internal Audit reports on Performance Information; and Management minutes.

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
<b>Cash and Cash equivalent</b>	CAF 37: Cash and Bank: Weaknesses identified in relation to controls over petty cash	1. bi-Weekly reconciliation of Petty Cash, and reviewed by Senior Manager in the Finance Department	Finance	From 01/02/2018	Reconciliation with a signature of Snr. Manager in finance attached
		2. Utilise Petty Cash Module in Munsoft to do Reconciliations	Finance	From 28 February 2018 (after the installation of the new version of Munsoft)	Confirmation from Munsoft signed by our IT officer to confirm that the system has been upgraded
<b>Cash and Cash equivalent</b>	CAF 35: Cash and Bank: Outstanding items on the reconciling items not cleared	Engaged MUNSOFT to fix our Bank reconciliation module, it was found that the set up of the system was incorrect	Finance	Thursday, 25 January 2018	Sign off from Munsoft to confirm that the setup has been done correctly
		Investigate all the uncleared items and document reasons why they have not been cleared	Finance	Ongoing	Report detailing reasons why some items have not been cleared
		Start using MUNSOFT to prepared bank reconciliations	Finance	Sunday, 25 February 2018	System generated bank reconciliations

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
<b>Compliance</b>	CAF 42: Unauthorised Expenditure: Issues identified in relation to the amount written off -	1. Submit an item to council to condone unauthorised expenditure of previous financial year, this item must be tabled in a council meeting were annual report is going to be discussed	Finance	Wednesday, 31 January 2018	Council Minutes were the unauthorised expenditure was tabled
<b>Compliance</b>	CAF 12: Planning: Midyear report not prepared in accordance with the Municipal Budget and Reporting Regulations	prepare 2017/2018 Mid-Year assessment in line with MBRR (Use Schedule C for Financial Information)	Finance	Thursday, 25 January 2018	2017/2018 Mid-Year Assessment Report
<b>Compliance</b>	CAF 14: Planning: No evidence obtained that adjustments budget was submitted to Provincial Treasury within required timeframe	Keep all the "acknowledgement of receipts as received either PT or NT in a safe plan, keep all the copies of courier statements to show that the budget and all related documents were submitted on time, keep all the email to proof that soft copies were submitted on time	Finance	10 April 2018 and 10 July 2018	Emails, Courier statement, and acknowledgement of receipt (if available)

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
<b>Compliance</b>	CAF 15: Planning: Shortcomings identified with preparation and publication of Annual Budget	1. Format - Municipality will use MBRR format, Municipality had use a format on the MBRR dummy budget as issued by National Treasury which is only different on few issues as compared to the MBRR format	Finance	Saturday, 31 March 2018	Tabled Budget to Council
		2. Ratio - Municipality used SA8 for ratios, however, MBRR mention other ratios which are not part of the SA8 table, this ratios will be included in 2018/2019 budget	Finance	Saturday, 31 March 2018	Tabled Budget to Council
		3. Property Rates - Include all the rebates given to consumer for 2018/2019 financial year (REASON WHY THEY WERE NOT INCLUDED IS BECAUSE FOR PROPERTY RATES WE GIVE REBATES AND NOT SUBSIDIES)	Finance	Saturday, 31 March 2018	Tabled Budget to Council

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
<b>Revenue</b>	CAF 32: Revenue: Services not disconnected for accounts who have not paid accounts on the due date	Disconnect services for long overdue accounts	Finance	Ongoing	Disconnection list
<b>Revenue</b>	CAF 25: Revenue: Issues identified in relation to the interest from trading	Item was submitted to council not to charge any interest on consumer accounts as we are experiencing challenges with our Financial Management System (MUNSOFT), Service Accounts have been submitted late since we acquired MUNSOFT System	Finance	Item has served in Council, no interest is currently being charged on service accounts	Council Minutes were the item was approved

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
<b>INTERNAL AUDIT</b>	Planning: Deficiencies identified with the Internal Audit Function (ISS.15)	1. The municipality to fill the vacancies within the internal audit unit.	MM	Aligned to the council resolution	Appointment letters of: 1.Senior Internal Auditor; 2. Internal Auditor.
		2. Internal audit function to execute all the audits as planned in accordance with the approved internal audit plan.		20-Aug-18	Fourth quarter Internal Audit progress report.
		3. Management to put plans in place to absorb the intern when his contract comes to an end in December 2017.		Aligned to the council resolution	Appointment letter of the Finance Intern.
		4. Submit the Quality assurance and improvement plan to the Audit Committee for approval.		30-Jun-18	Minutes of the Audit committee.

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
<b>PROCUREMENT</b>	Non-compliance with Regulation 16(a) of the Municipal Supply Chain Management Regulations (GNR.868 of 30 May 2005). Written or verbal quotations from at least three prospective suppliers were not obtained and no evidence that the deviation process was followed. (Iss.40 & Iss.46)	Perform PPPFA on all relevant procurement as required by the regulations and ensure the deviation is approved at the time of procurements of the goods or services)	FINANCIAL SERVICES	CONTINUOUSLY	<p><b>Procurement R30,000-R200,000</b> file the evaluation schedule with all relevant documentation attached</p> <p><b>Procurement more than R200,000</b> evidence of bid evaluation minutes</p> <hr/> <p>Irregular expenditure register</p> <hr/> <p>Deviation register</p>
				QUARTERLY	



FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
<b>PROCUREMENT</b>	Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). ( Iss.54	Declarations of interests to be attached to all winning suppliers of written price quotations	FINANCIAL SERVICES	CONTINUOUSLY	Declaration of interest and CSD registration
<b>PROCUREMENT</b>	The acceptance form of a service provider for a project was not signed by the Municipal Manager. Iss.60)	All acceptance forms to be signed by the Municipal Manager	TECHNICAL SERVICES/ FINANCIAL SERVICES	CONTINUOUSLY	All new project procurement acceptance forms
<b>EXPENDITURE</b>	Noncompliance with Section 62(5) of the MFMA. Payment were not made within 30 days. (Iss.25)	Maintain a monthly register of all payments detailing the invoice/statement date and the payment date and the reasons for non-compliance with Section 65(2) of the MFMA where applicable.	FINANCIAL SERVICES	MONTHLY	Monthly register

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
<b>EXPENDITURE</b>	VAT 201s not submitted within the require time frame. (Iss.61)	Engage MUNSOFT regarding the system challenges and training (where relevant)	FINANCIAL SERVICES	MONTHLY	Copy of Submitted VAT 201 Returns and Monthly Reconciliation
	SARS payments not made within the required timeframe. (Iss.21)	Update SARS payment register of all payments made and indicate with reasons the late payments	FINANCIAL SERVICES	CONTINUOUSLY	Copy of Submitted EMP201 Returns and Monthly Reconciliation(PAYE, SDL and UIF)
<b>EXPENDITURE</b>	No regular reconciliations are performed between the cash on hand and the records of petty cash. Iss.1)	Spot Checks to be performed of the cash on hand to the petty cash records	FINANCIAL SERVICES	CONTINUOUSLY	Petty Cash count sheet
<b>ASSET MANAGEMENT</b>	Asset not found during the physical verification by auditors (Iss.45)	Movements (including missing/stolen assets) of all assets to be recorded appropriately by all departments and submitted to the Asset Management Practitioner for update of the Asset Register	ALL DEPARTMENTS	MONTHLY	Report from each department

FUNCTIONAL AREA	DESCRIPTION / AUDIT FINDING	REMEDIAL ACTION TO ADDRESS THE AUDIT FINDING	RESPONSIBLE DEPARTMENT	DUE DATE	EVIDENCE (SUPPORTING DOCUMENT) REQUIRED TO CLEAR THE AUDIT EXCEPTION
	Assets with incorrect descriptions (Iss.45)	Asset descriptions to be reviewed and amended where applicable			Record of amendments done on the asset register
<b>ASSET MANAGEMENT</b>	Work In Progress not properly disclosed in the annual financial statements (GRAP 17) (Iss.31)	WIP to be disclosed in line with GRAP 17	FINANCIAL SERVICES	Friday, 31 August 2018	Annual Financial Statements
<b>ASSET MANAGEMENT</b>	No reasons stated in the disclosure of Work In Progress for projects with no movements. (Iss.51)	Reasons for delays on projects should be disclosed in the financial statements Work In Progress note	TECHNICAL SERVICES/ FINANCIAL SERVICES	Friday, 31 August 2018	Annual Financial Statements

## 8 GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give <i>“full and regular”</i> reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>“what we do”</i> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are <i>“what we use to do the work”</i> . They include finances, personnel, equipment and buildings.
Integrated Development Plan [IDP]	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are <i>“what we wish to achieve”</i> .
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as <i>“what we produce or deliver”</i> . An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally

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

## 9 APPENDICES

### 9.1 APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

COMMITTEES AND THEIR PURPOSE	
MUNICIPAL COMMITTEES	PURPOSE OF COMMITTEE
Finance Committee	Deals with municipal financial management.
Audit Committee	It is independent advisory body to council, municipal manager and management staff on financial controls, risk management, accounting policies, performance management.
Housing & erven	Deals with housing & erven matters within the municipality.
Local Labour Forum [LLF]	Platform were organised labour and the employer negotiates and bargains on issues affecting labour at local level.
Education	Deals with local educational matters.
Sports	Deals with issues affecting all sporting codes.
Agriculture & Rural Development	Deals with all matters pertaining to agriculture and rural development.
Economic Development	Deals with local economic development issues.
Social Development	Deals with social & welfare issues affecting the community.

## 9.2 APPENDIX C – FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS	FUNCTION APPLICABLE TO MUNICIPALITY (YES / NO)
<b>CONSTITUTION SCHEDULE 4, PART B FUNCTIONS</b>	
Air pollution	Yes
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Firefighting services	No
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	No
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	No
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

