



The **GTM**
GREATER TUBATSE
MUNICIPALITY

South Africa's first democratic platinum city

2015/16

ANNUAL REPORT

General Information

1. Executive Committee

No.	Surname & Initials	Designation
1.	Cllr. Mamekoa R.S	Mayor
2.	Cllr. Mohlala P.A	Portfolio Head: Finance Services
3.	Cllr. Sekgobela P.C	Portfolio Head: Technical Services
4.	Cllr. Mabilu M.L	Portfolio Head: Economic and Land Development
5.	Cllr. Mogofe M.E	Portfolio Head: Corporate Services
6.	Cllr. Moropane N.M	Portfolio Head: Community Services
7.	Cllr. Kgwedi J.L	Deputy Portfolio Head: Community services
8.	Cllr. Makgoga M.E	Deputy Portfolio Head: Economic and Land Development
9.	Cllr. Mphethi N.D	Deputy Portfolio Head: Technical Services
10.	Cllr. Moraba L.D	Deputy Portfolio Head: Finance Services

2. Address

Greater Tubatse Municipality
01 Kastania Street
P.O.Box 206
Burgersfort
1150
Tel: (013) 231 1000
Fax: (013) 231 7467
Website: <http://www.tubatse.gov.za>

3. Contacts

JNT Mohlala
Municipal Manager
Email: jntmohlala@tubatse.gov.za

Acronyms

No	Abbreviations	Abbreviations in full
1	AFS	Annual Financial Statement
2	A.G.	Auditor General
3	AGSA	Auditor General of South Africa
4	AIDS	Acquired immune Deficiency Syndrome
5	ANC	African National Congress
6	APC	African People convention
7	APR	Annual Performance Report
8	AR	Annual Report
9	CAC	Child Advisory Council
10	CDW	Community Development Worker
11	CFO	Chief Finance Officer
12	Cllr	Councillor
13	COGHSTA	Co – operative Governance, Human Settlement & Traditional Affairs
14	COPE	Congress of the people
15	CPMD	Certificate Programme in Management Development
16	DA	Democratic Alliance
17	DD	Due Diligences
18	Dev	Development
19	Dir	Director
20	DOE	Department of Energy
21	DSAC	Department of Sport, Art and Culture
22	ELD	Economic and Land Development
23	ELP	Executive Leadership Programme
24	EPWP	Extended Public work programme
25	ESKOM	Electricity Supply Commission
26	EXCO	Executive Committee
27	FBE	Free Basic Electricity
28	GRAP	General Recognised Accounting Practice
29	GTM	Greater Tubatse Municipality
30	HAST	HIV/AIDS STI and Tuberculosis
31	HIV	Human Immune Virus
32	ICT	Information Communication Technology
33	IDP	Integrated Development Plan
34	IGR	Intergovernmental Relations
35	INEP	Integrated National Electricity Programme
36	Km	Kilometre
37	KPA	Key Performance Area
38	KPI	Key Performance Indicator
39	LED	Local Economic Development
40	LEDET	Limpopo Economic Development

		Environment Tourism
41	LGSETA	Local Government Sector Education and Training Authority
42	LUMS	Land Use Management Scheme
43	MEC	Member of Executive Committee
44	MFMA	Municipal Finance Management Act
45	MIG BP	Municipal Infrastructure Grants Business Plan
46	MM	Municipal Manager
47	MPAC	Municipal Public Account Committee
48	MPCC	Multi Purpose community Centre
49	MSA	Municipal System Act
50	MTREF	Medium Term Revenue and Expenditure Framework
51	NDPG	Neighbourhood Development programme Grant
52	N/A	Not Applicable
53	No	Number
54	PAC	Pan African congress
55	PMS	Performance Management System
56	PMU	Project Management Unit
57	PPP	Public Private Partnership
58	PR	Proportional Representation
59	OHS	Occupational Health and Safety
60	R	Rand
61	RDP	Reconstruction and Development plan
62	RSA	Republic of South Africa
63	SCM	Supply Chain Management
64	SDBIP	Service Delivery and Budget Implementation Plan
65	SDM	Sekhukhune District Municipality
66	SETA	Sector Education and Training Authority
67	SLIMP	Senior Management Induction Programme
68	SOLMA	State of Local Municipal Address
69	STATSA	Statistic South Africa
70	STI	Sexually transmitted Infection
71	TAS	Technical Assistant Specialist
72	TB	Tuberculosis
73	TOR	Terms of Reference
74	TSC	Thusong Service Centre
75	TVR	Treasury Views and Recommendation
76	WSP	Work skill plan
77	UDM	United Democratic Movement
78	VIP	Ventilated improved pit

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Chapter: 01

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1. Mayor's foreword



His Worship the Mayor

Cllr. Phokane MJ

The report serves as the last report presented under the Greater Tubatse Local Municipality; this is informed by the fact that Greater Tubatse Local Municipality has been amalgamated with Fetakgomo local municipality to form a new Local Municipality **(LIM 476)**. I therefore want to welcome the good performed by my predecessors Cllrs Mamekoa R.S and Sefala K.R. E the former Mayors of both Greater Tubatse and Fetakgomo local municipalities respectively; and Mayors who came before them.

This report is prepared to provide record of activities performed by the Municipality in the 2015/16 financial year; provide report on performance against the budget of the Municipality; and to promote accountability of the municipality to the local community for the decision made through the financial year under review as required by section 121 (2) of Municipal Finance Management Act (MFMA) 56, 2003.

It is equally important that as and when we report our achievements and challenges annually to our communities we should keep in our mind our history and destiny. We should not forget that we are coming from an epoch of darker days of separate development, days of oppression and gross violation of human rights and days of apartheid leading to the miracle elections of the April 27, 1994, which finally restored the dignity of all people of South Africa.

2016 marks 16 years of democratic developmental local government celebration. It is also a year of local Government Elections. Emanating from April 27, 1994 breakthrough, on 3rd August 2016 our country went into local Government election, of which we are its product. We appreciate the trust and confidence our community shown to us by electing us to lead the new Municipality (LIM 476). The report that we are presenting below is for the former Greater Tubatse Municipality of which as indicated above its Mayor was Cllr. Mamekoa R.S.

a. Vision

The vision of Greater Tubatse Municipality is ***a developed Platinum city for the benefit of all***. Greater Tubatse Municipality is one of the fast growing municipalities in the Limpopo province. According to 2016 community survey Greater Tubatse Municipality has 102 531 households and 393 713 people. 44 490 of the 102 531 households have access to pipe water; 11 486 have access to sanitation and 85 352 have access to electricity. The municipality has developed and adopted its 2030 vision.

b. Key policy developments

The following developmental policies were tabled and adopted by Council in the financial year under review: Local Economic Development strategy (LED) and Vision 2013 blue print. Development of Investment Promotion and Mining beneficiation studies were still at Term of reference (TOR) stage when the financial year ended.

c. **Key Service Delivery Improvements made**

Key Service delivery improvements made by the Greater Tubatse Municipality in 2015/16 financial year are depicted in the table below.

Table/Figure 01: Service delivery improvement

NO	Service provided	Improvement made
1.	Electricity provisioning	5889 new households electrified in the year under review, 4805 electrified by the Municipality through Operation Mabone project and 1084 by Eskom.
2.	High mast lights	40 high mast lights installed in strategic areas in rural areas, but are awaiting commissioning by ESKOM
3.	Provision Free Basic Electricity (FBE)	5788 indigent households benefited from FBE in the financial year under review.

NO	Service provided	Improvement made
4.	Construction of Storm water drainages	5km of storm water drainage constructed and completed at Burgersfort.
5.	Road maintenance	1925km of rural roads were graded during funerals arrangements and through municipal road maintenance program
6.	Fencing of Rural Cemeteries	16/31 rural cemeteries fenced in the financial year under review.
7.	Waste Removal	4949 households in proclaimed areas in the municipality benefitted from weekly refuse removal in the financial year under review.
8.	Acquisition of land for development	107.23 Hectares of land (Mooifontein farm) transferred to the Municipality; 639.17 Hectares of Aapiesdooringdraai farm is at conveyance stage

d. Public Participation

It is a legislative mandate for municipalities to regularly consult their communities on matters of their interest and give them an opportunity to participate in the affairs of the municipalities (Section 152 (e) of the Constitution of the Republic of South Africa). The municipality has established four main fora through which it consult and allow its constituency to participate in its affairs, namely IDP/PMS/Budget forum, Exco – Outreach; SOLMA and MPAC consultation on Annual report.

e. Future Actions

The municipality could not conclude most of its 2015/16 financial year projects and most of them were rolled over to the 2016/17 and other financial years. The following projects were affected, some were because of their nature of being multi-year projects.

(i) Access bridges

The following access bridge projects are due for completion in 2016/17 financial year: Bothashoek, Mabocho, Diphala/Makhwaya, Leboeng, Mafarafara, Mpuru, Legoleng, Madithongwana, Tjate, Morokadieta, Ga-Mawela, Dithamaga and Lefahla.

(ii) Application of additional Powers and functions

As means of improving service delivery in the municipality, the municipality is envisaging applying for additional powers and functions which will enable it to provide water and electricity to its citizen. The council will soon in the 2016/17 financial year past resolution to give administration power to start with the applications. We hope that should the applications be successful lives of our people will improve as the municipality will be able to generate more revenue than it does now.

(iii) Construction of Animal and Vehicle pounds

Plans to construct Vehicle and Animal pounds are at advance stage. A site for the Construction of Vehicle pound is identified at Praktiseer while Animal pound is identified at Ohrigstad. The animal pound will commenced once our department of Planning has correctly located the suitable land in Ohrigstad

(iv) Construction of sport complex

Plans to construct phase II of Mapodile sport complex and commencing with the construction of Motodi sport complex are at an advance stage. Designs are concluded and municipality has made financial allocations to see the two projects through.

g. Conclusion

Local government is widely recognized as a strategic site for service delivery as well as socio-economic development and transformation. Lives of our people are better today than they were 22 years ago. Although massive of good work is performed, it is not enough unemployment; inequality and poverty is still reigning supreme in our everyday life as articulated both in the National Development Plan (NDP) and Limpopo Development Plan (LDP) respectively.

Comparison of the Municipal performance since 2013/14 to date

N0	Key Performance Indicators	2013/14	2014/15	2015/16
1.	KPA 01: Spatial Rational	51%	67%	23%
	KPA 02: Institutional Development and Organizational Transformation	52%	42%	37.5%
3.	KPA 03: Basic Service	54%	16%	41.8%

N0	Key Performance Indicators	2013/14	2014/15	2015/16
	Delivery and Infrastructure Development			
4.	KPA 04: Local Economic Development	54%	30%	27.3%
5.	KPA 05: Financial Viability and Management	58%	38%	44.4%
6.	KPA 06: Good Governance and Public Participation	69%	57%	42.4%
7	Total	55%	40.5%	35.6%

Lastly, we like to thank rate payers for the support they have shown to the municipality in 2015/16 financial year. We hope they will still support us in the 2016/17 financial year in a new Municipality.

Thanks

Cllr. Phokane M.J
Mayor

1.2. Municipal Manager's overview

1.2.1. Introduction

Municipalities are required by section 121 of the Municipal Finance management Act, 56 of 2003 to prepare each financial year an annual report which provides a record of the activities of the municipality during the financial year which the report relates; report on performance against the budget of the municipality for that financial year and promote accountability to the local community for the decisions made throughout the year by the municipality. In compliance to the above mentioned legislation the municipality has generated an annual report comprising six chapters as required by National Treasury guidelines.

1.2.2. Recruitments

The Municipality has recruited 23 new employees in the financial year under review. This brought the total number of the municipal employees in 2015/16 financial year to 246 including the four (4) section 54/56 managers/Directors. 98.8% (242) of the municipal employees comprise of black people and 1.2% (3) are white people. 139 of the municipal staff members are male and 107 are female.

1.2.3. Labour turn over

23 new employees joined the municipality in the financial year under review; three (3) resigned; four (4) were deceased and three (3) left the municipality through retirement.

1.2.4. Training

Thirty one (31) municipal employees including councillors were trained in different courses in the financial year under review. The number of trained municipal employees has declined by 24 compared to fifty five (55) municipal staff trained in 2014/15 financial year, which is call for a concern to the management of the Municipality. Employees were trained in the following courses: Certificate programme in Management (CPMD); Municipal finance Management programme (MFMA); project management; Risk management and auditing. A more detailed report is provided for in *chapter 04* of this report.

1.2.5. Performance management

The municipality is conducting Performance management at senior management and institutional levels only. In the year under review the municipality has conducted four management review and four Exco – Makgotla sessions. Management reviews and Exco – makgotla are used to assess the

performance of the municipality and of its departments. Four quarterly performance reports were produced; served in council and were subjected to public scrutiny through MPAC.

Due to high vacancy level at senior management positions the Municipality could not conduct individual performance assessments, instead the assessments are scheduled for the 2016/17 financial year.

1.2.6. Capital projects

1.2.6.1. Electrification of Households

5889 new households in the municipality are electrified in the 2015/16 financial year. 4805 households are electrified by the Municipality through Operation Mabone programme and 1084 by ESKOM. When the financial year ended the following villages were awaiting energization: Buffelshoek, Mareseleng and Kampeng; 26 and 16 households were awaiting energization at Dithamaga and France respectively.

1.2.6.2. Storm water drainage

The construction of 5km of storm water drainage in Burgersfort was concluded by the end of the 2015/16 financial year. The construction of Praktiseer storm water project could not commence pending the registration of the project with MIG.

1.2.6.3. Sport complex

The construction of Mapodile phase II and Motodi sport complexes were at design stage when the 2015/16 financial year ended. Their constructions were envisaged to commence in the 2017/18 financial year.

1.2.8. Implementation of A.G. Action plan

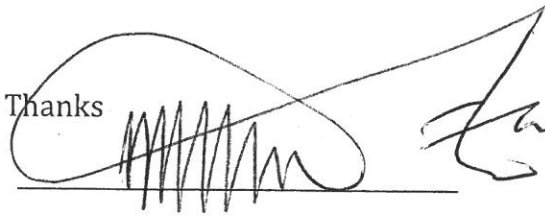
The municipality had a disclaimer audit opinion in 2014/2015 financial year from AG South Africa. 74 findings were raised against the municipality by the Auditor General of South Africa. An action plan was developed to address them. When the 2014/2015 financial year ended 68.9% of the findings were addressed; 31.1% were in progress. In 2015/16 financial year the municipality has obtained qualified audit opinion from AGSA. Action plan to address the findings will be developed once the AGSA has tabled the report in Council.

1.2.9. Conclusion

I think is proper for me on behalf of the leadership (senior management) of the municipality to thank the commitments and efforts demonstrated by the Municipal officials in the financial year under review. It is through that commitment that the municipality has improved Audit opinion from AGSA. We are looking forward for double efforts in the coming financial year, which may lead us into unqualified Audit opinion.

Lastly, I want to welcome our brothers and sisters from former Fetakgomo Local Municipality who have just joined us when our Municipality was amalgamated with theirs.

Thanks

A handwritten signature in black ink, consisting of a large, stylized loop on the left and a more complex, scribbled structure on the right, all resting on a horizontal line.

Mr. Mohlala JNT

Municipal Manager

1.3. Municipal Functions, Population and Environmental Overview

1.3.1. Powers and Functions of the Municipal

Powers and functions of the Greater Tubatse Municipality are listed in the table /figure 02 below.

Table/Figure 02: Powers and Functions of Greater Tubatse Municipality

<ul style="list-style-type: none">❖ Municipal Roads;❖ Building Regulations;❖ Local Tourism;❖ Street lighting;❖ Traffic and Parking;❖ Trading regulations;❖ Local sports facilities;❖ Municipal planning;❖ Municipal public transport;❖ Municipal Airport;❖ Billboard and advertisement;❖ Control of liquor, food outlets and street trading;❖ Local amenities; and❖ Waste and cleansing
--

1.3.2. Municipal Population

According to 2011 statistic results, Greater Tubatse municipality has population of 335 767 and 83 199 households. It has the highest population statistics in Sekhukhune District Municipality compared to the other four local Municipalities, namely Fetakgomo (93 794); Elias Motswaledi (249 363), Makhuduthamaga (274 357) and Ephraim Mogale Municipalities (123 649). The municipality is female dominated. 175 355 of its population are females and 160 320 are males.

In terms of race representation, 98% of the population (329 810) is black people; white comprise 1% (4409) and the remaining 1% is shared among the coloured, Indians or Asians and the others.

In terms of age, 76.8% (257 637) of the population comprises of people between zero and 35 years and the remaining 23.2% comprises people above 35 years.

By 2011 49 522(14.7%) of the population in the municipality were employed which comprise of 16 632 female and 32 840 male. 50 220 (50%) of the

population were at active age but without work, 58.9% of them were females and 41.1% were male.

1.3.3. Environmental Overview

The Greater Tubatse Municipality is situated on the eastern side of the Bushveld Igneous Complex and is therefore underlain by both sedimentary and volcanic rock formations. The area is characterized by steep rising mountains, which are linked by undulating river valleys.

Minerals are found in abundance in the Bushveld Igneous Complex, which has seen the establishment of several mines in the area. The most fertile soils in the region are found in the lower lying areas of Burgersfort and Steelpoort, which are deep, well-drained and characteristic of deep sandy/loamy soils of exceptional quality. These soils are suitable for most agricultural purposes.

1.4. Service delivery Overview

Service delivery overview of the Municipality is depicted table/figure 03 below.

Table/Figure 03: Service delivery Overview

NO	KPAs	Achievements
1.	KPA1: Spatial Rationale	1.1. The municipality has prepared and sent to the owners an Offer to purchase(OTP) agreements in acquisition of 24.5 hectares land for Burgersfort by – pass /western ring road 1.2. 107.23 Hectares of land (Mooifontein farm) transferred from Department of Rural Development to the Municipality; 1.3. The transfer of 639.17 Hectares of Aapiesdaoringdraai farm from the Department of Rural Development and Land Reform to the Municipality is at conveyance stage 1.4. 69 building plans greater than 500m ³ received and 21 approved; 20 building plans less than 500m ³ received and 4 approved 1.5. Development of Burgersfort Extension 10 social housing project was at advertisement stage when the financial year ended.
2.	KPA2: Municipal Transformation	2.1. The municipality has total of 246 employees. 107 of the employees are female and 139 are male. 243 employees are black

NO	KPAs	Achievements
	and Organizational Development	<p>and 3 are whites and 2 are living with disabilities;</p> <p>2.2. The municipality has recruited 23 new employees and 10 employees have left the municipality on various reasons including resignation(3), retirements(3) and deceased(4)</p> <p>2.2. 31 employees including councillors are trained in different courses varying from Certificate programme management development(CPMD)(7); municipal finance management programme (MFMP)(9); project management (4); Risk management (1); Audit (1); Information technology course(2) and executive leadership (7);</p> <p>2.3. The municipality has developed and adopted placement policy and LED strategy; and established placement committee;</p> <p>2.4. On 06/11/ 2015 the municipality celebrated its Wellness day at Tubatse chrome club;</p>
3.	KPA3: Basic Service Delivery and Infrastructure Development	<p>3.1. 5889 new households electrified in the year under review, 4805 electrified by the Municipality through Operation Mabone project and 1084 by Eskom.</p> <p>3.2. 5788 indigent households benefited from FBE in the financial year under review.</p> <p>3.3. 40 high mast lights installed in strategic areas in rural areas, but awaiting commissioning by Eskom;</p> <p>3.4. The municipality has identified a new site for a park at Burgersfort; when the financial year ended the site was fenced , borehole drilled and trenches for irrigation dug;</p> <p>3.5. Construction of Ga-Motodi and Mapodile phase 2 sport complex was at procurement stage and designs developed respectively;</p> <p>3.6. Construction of Burgersfort storm water drainage was completed at end of the financial year, while the construction of Praktiseer storm water could not commence pending MIG approval ;</p> <p>3.7. Construction of eight access bridges was at different construction stages when the financial year ended: Bothashoek access</p>

NO	KPAs	Achievements
		<p>bridge (49%); Motshana, Mpuru, Diphale/Makhwaya and Madithongwana access bridges are at (0%); Mabocho access bridge (36%); Mafarafara access bridge (35%) and Legoleng (67%).</p> <p>3.8. Five Access bridges were at different planning stages when the financial year ended. One project, Tjate Access Bridge was at design stage while four namely: Lefahla, Morokadieta, Ga- Malwane and Dithamaga were at development of terms of reference stage. Their terms of reference were developed.</p> <p>3.9. Construction Bothashoek access road was at 0% progress when 2015/16 financial year ended in June 2016;</p> <p>3.10. 16/31 rural cemeteries fenced ;</p> <p>3.11. 4949 households in proclaimed areas of the municipality benefitted from weekly refuse removal ;</p> <p>3.12. 1925km of rural roads are graded out of 1500km set target.</p> <p>3.13. Construction Burgersfort Flea market project was at foundation stage when the financial year ended;</p> <p>3.14. Development of Ohrigstad Development plan completed.</p>
4.	KPA4: Local Economic Development	2956 jobs created in the municipality in the financial year under review as follows: 238 through MIG projects; 212 through EPWP; 2506 through CPW;

NO	KPAs	Achievements
5.	KPA5: Financial Viability	5.1. The municipality tabled its 2016/17 budget on 27 May 2016; 2015/16 mid –year budget adjustment on 28Febraury 2016; 5.2. submitted all legislative financial reports on time; 5.3. Conducted a successful Data cleansing; 5.4. completed both valuation rolls , the ordinary and the supplementary valuation rolls; 5.5. collected 75% of its billed revenue
6.	KPA6: Good Governance and Public Participation	6.1. All municipal capital projects had project steering committees; 6.2. 34/55(61%) of qualifying disaster/incident victims provided with relief materials; 6.3. Held four public participation meetings; 6.4. purchased 61 Ipads as tools of trade to municipal councillors; 6.5. Conducted four successful Exco – Makgotla; 6.6. The municipality successfully reviewed its anti – fraud and corruption strategy; and 6.7. The municipality conducted its State of the Municipality (SOLMA) on 18th June 2016

1.5. Financial Health Overview

1.5.1. Municipal revenue and Expenditure

Table/Figure 04: Municipal revenue and Expenditure

NO	Details	Original Budget(R)	Adjusted Budget(R)	Actual(R)
1.	Grants	552 383 000	378 145 000	376 793 760
2.	Taxes, Levies and Tariffs	73 700 000	72 200 000	81 788 853
3.	Others	34 751 500	34 672 500	32 051 047
4.	Sub - Total	660 834 500	485 017 500	501 295 698
5.	Less Expenditure	528 522 000	301 374 000	484 338 063
6.	Net Total	132 312 500	183 643 500	16 957 635

1.5.2. Financial ratios

Table/Figure 05: Financial ratios

N0	Details	2013/14	2014/15	2015/16
1.	Employee costs	39%	27%	25.5%
2.	Repair and Maintenance	2.5%	2%	2.09%
3.	Finance charges and Depreciation	35.7%	26.7%	21.8%

1.5.3. Capital Expenditure

Table/figure 06: Capital Expenditure

N0	Detail	2013/14	2014/15	2015/16
1.	Original Budget	262 977 140	125 575 200	132 311 000
2.	Adjusted Budget	262 977 140	125 726 797	372 200 000
3.	Actual	211 942 000	59 653 231	195 801 399

1.6. Organizational Development Overview

1.6.1. Organizational Development Performance

1.6.1.1. Staff establishment

The Municipality had 246 employees in the 2015/16 financial year. The number includes eleven (11) financial management interns, seventeen (11) Traffic wardens and four (4) section 54/56 managers. 107 employees are women and 139 are men. The municipality had two (2) people living with disability and three (3) whites.

1.6.1.2. Labour turn over

In the financial year under review the municipality appointed twenty three (23) new employees; three (3) resigned; four (4) deceased; and three (3) retired from work.

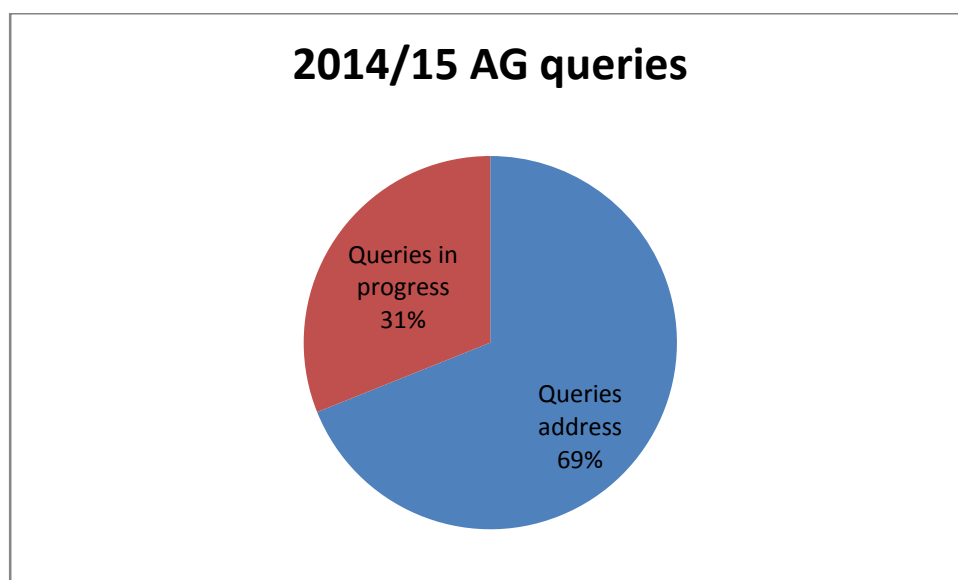
1.6.1.3. Local labour forum

The municipality has established its Local labour forum as required by the Labour relation Act; it has both Politicians and Administration components as part of management and two labour unions IMATU and SAMWU as part of organized labour. In the financial year under review the forum met eight (8) times instead of 12 planned meetings. Key issues discussed in the forum were placement of staff, paying employee benefits and Amalgamation of Greater Tubatse local Municipality with Fetakgomo Local Municipality.

1.7. 2014/15 Auditor General Report

The municipality got disclaimer opinion in the 2014/15 financial year from Auditor General of South Africa. 74 issues were raised against the municipality. When the financial year ended 51 issues were cleared and 23 were progress. The chart below depicts the Municipal performance with regard to addressing AG queries.

Chart 01: 2014/15 AG findings



1.8. Statutory Annual Report Processes

The table below depicts the municipal statutory processes towards the adoption of the Annual Report.

Table/Figure 14: Statutory Annual Report Processes

No.	Activity	Time frame
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	August
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	July - June
3	Finalise 4 th quarter Report for previous financial year	July
4	Submit draft Annual Performance Report to Audit Committee and Auditor-General	August

No.	Activity	Time frame
5	Audit/Performance committee considers draft Annual Performance Report of municipality	August
6	Auditor General releases audit opinions to Municipalities	November - December
7	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report and A.G. action plan	31 January
8	Council subject the Annual Report to public scrutiny through MPAC	February – 31 March
9	Accounting Officer make the Annual report public	February
10	Council adopts Oversight report	31 March
11	Oversight report is made public	April
12	Oversight report is submitted to relevant provincial councils	April
13	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	April
14	Adoption of final Budget and IDP	May
15	Approval of SDBIP by Mayor	June

CHAPTER TWO

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2.1. COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1.1. Political Governance

2.1.1.1. Introductions

The municipal council has 62 seats. The seats are allocated to different political parties as follows: ANC (54), DA (3), COPE (2), PAC (2), APC (1) and UDM (1). 31 seats are occupied by ward councillors and the other 31 seats by Proportional Representative (PR) councillors. 38 councillors (61%) are male and 24 councillors (39%) are female. 3 councillors (5%) are male councillors living with disabilities.

2.1.1.2. Council committees

2.1.1.2.1. Executive committee

Executive Committee comprises ten (10) councillors including the Mayor. The Mayor presides over all Executive committee meetings. Executive committee members are political heads and deputy political heads of Municipal Departments. Four (4) Executive committee members namely, Heads of Corporate services, Technical services, financial services and Economic and Land Development were fulltime councillors and the remaining six (6) were part – time councillors.

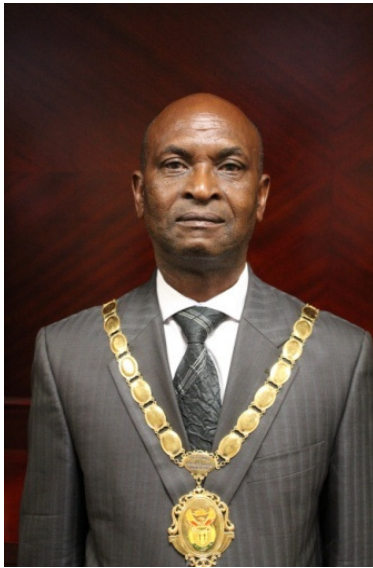
In the financial year under review the municipality had ten (10) ordinary executive committee meetings and four (4) special executive committee meetings. On average more than fifty (50) percent plus one of the executive committee members attended all the executive committee meetings. There were better turnover of executive committee members in special executive committee meetings than were in ordinary Executive committee meetings. A detailed record of number of executive meetings arranged and the attendance of councillor is depicted in table/figure 15 below.

Table/Figure 15: Executive committee meetings

Ordinary Executive committee meetings		Special Executive committee meetings	
Date	Number of members attended	Date	Number of members attended
10 July 2015	6	22 March 2016	8
10 August 2015	6	23 May 2016	8
12 October 2015	7	06 June 2016	6
23 October 2015	6	30 June 2016	6
19 November 2015	7		

Ordinary Executive committee meetings		Special Executive committee meetings	
Date	Number of members attended	Date	Number of members attended
03 December 2015	6		
25 January 2016	6		
22 February 2016	7		
18 April 2016	6		
26 May 2016	6		

2.1.2.3. The Mayor



Cllr. Mamekoa R.S

The Mayor

Duties of the Mayor

- Presides over the meetings of the Executive committee;
- Decides date, time and venue for executive committee meets;
- Ensure that meetings of Executive committee are conducted in accordance with its rules and procedure;
- Coordinates the annual review of IDP;
- Provides general political guidance over the fiscal and financial affairs of the municipality;
- Provides general political guidance over the budget process and priorities that must guide the preparation of a budget;
- Enters into a performance agreement with the municipal manager on behalf of the municipality;
- Represent the municipality at IGR fora; and
- Performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by the council or executive committee as reflected in the delegation policy of the GTM

2.1.1.2.2. Executive Committee Members

2.1.1.2.2.1. Heads of Departments

Below are pictures of political heads of the municipal departments. The first four in the list namely; Cllrs. Mohlala P.A; Mogofe M.E; Sekgobela P.C and Mabilu M.L were full – time councillors; while the last one cllr. Moropane M.N was part – time councillor



Cllr. Mohlala P.A

Head – Finance



Cllr. Mogofe M.E

Head – Corporate service



Cllr. Sekgobela P.C

Head – Technical Services



Cllr. Mabilu M.L

Head – ELD



Cllr. Moropane M.N

Head - Community service

2.1.1.2.2.2. Deputy Departmental Heads

The Councillors below were deputy departmental Heads in the Municipality in the 2015/16 financial year. Councillor Makgopa M.E was the deputy portfolio head for Economic and Land Development; Councillor Moraba L.D deputy portfolio head for Finance Department; Councillor Mphethi N.D deputy portfolio head for Technical Services Department and Councillor Kgwedi J.L deputy portfolio head for Community service Department.



Cllr Makgoga M.E

D/Head – ELD



Cllr Moraba L.D

D/Head – Finance



Cllr. Mphethi N.D

D/Head – Technical services



Cllr. Kgwedi J.L

D/Head – Community services

2.1.1.2.3. Portfolio committees

In 2015/16 financial year the Municipality had five (5) portfolio committees, namely corporate, Finance, Community, technical services and Economic and land development. Each portfolio committee had a political head and a chairperson. According to the new arrangement /system of the municipality portfolio committees receive reports from executive committee to consider them and process them to council. In the financial year under review the minimum portfolio committee meetings held are four which are from corporate services; Technical and Economic and Land development. Finance and Community service departments had six portfolio committee meetings. Towards the end of the financial year on 08 April and 25 May 2016 the municipality held two joint portfolio committee meetings. Joint portfolio committee meetings are meetings where all five portfolio committees meet together to process reports to council. The table below depicts number of portfolio committee meetings held, their dates and number of councillors who attended these portfolio committee meetings.

Table/figure 16: Portfolio committee meetings

Corporate services		Finance		Community services		Technical services		Economic and land development	
Date	Number of attendances	Date	Number of attendances	Date	Number of attendances	Date	Number of attendances	Date	Number of attendances
31/08/2015	09	07 /08/2015	07	21/07/2015	06	21/07/2015	10	12/08/2015	06
28/10/2015	10	04/09/2015	09	26/08/2015	06	07/09/2015	08	10/09/2015	08
10/12/ 2015	06	22/10/2015	07	22/10/2015	06	22/10/2015	08	02/11/2015	06
22/04/2016	08	25 /01/2016	08	11/12/2015	05	22/04/2016	08	21/04/2016	09

Corporate services		Finance		Community services		Technical services		Economic and land development	
Date	Number of attendances	Date	Number of attendances	Date	Number of attendances	Date	Number of attendances	Date	Number of attendances
		21/04/2016	08	21/04/2016	05				
		03/06/2016	06	25/06/2016	04				

2.1.1.2.4. Speaker



Cllr. Moeng Q.M

The Speaker

Duties of the Speaker

- Presides over Council meetings;
- Decides when and where the Council meets;
- Grants leave of absence to councillors for Council meeting;
- Signs the minutes of Council meetings;
- Performs the duties and exercise the powers delegated to the speaker in terms of section 59 of the MSA;
- Ensures that council meets at least quarterly;
- Maintain order during Council meetings;
- Ensures compliance in the council and council committees with code of conducts set out in schedule 1 of MSA;
- Ensures that council meetings are conducted in accordance with rules and orders of the council; and
- Any function as per delegation policy of GTM

2.1.1.2.5. Council meetings

In the financial year under review council had eleven (11) sittings compared to twenty (20) held in 2014/15 financial year. 7 sittings were special and 4 ordinary. The table below reflect on number council meetings (both ordinary and special) held and number of councillors attended. In most of the meetings more than 50% plus one councillors attended the meeting.

Table/Figure 18: Council meetings

Ordinary council		Special Council	
Date	Number of attendees	Date	Number of attendees
		22/09/2015	45
19/10/2015	43	23/09/2015	45
22/01/2016	39	23/10/2015	45
28/04/2016	38	11/12/2015	40
		26/02/2016	32
		27/05/2016	36
		08/06/2016	40

2.1.1.2.6. Councillors workshops

Council had two capacitate building workshops for councillors. The first workshop was on Communication policy and the second one was on rules of order. On average 48 councillors attended the workshops.

Table/Figure 19: Councillor Workshops

Date	Workshop topic	Attendees	Venue
23 May 2016	Communication Policy	47	Blyde canyon
06 – 10 June 2016	Rules of Order	49	Blyde canyon

2.1.1.2.7. Municipal Public Account Committee (MPAC)

MPAC plays an oversight role on reports submitted to council. Reports are scrutinised and reported back to council with recommendations. In the financial year under review MPAC had seven (6) meetings; four (4) were ordinary and three (2) were special meetings. The committee had the total number of nine members. On average 6/9 members attended the MPAC meetings.

Table/Figure 20: MPAC meetings

Ordinary MPAC meeting		Special MPAC meetings	
Date	Number of attendees	Date	Number of attendees
04/09/2015	07	26/02/2016	06
18/01/2016	06	09/03/2016	07
29/03/2016	07		
21/04/2016	06		

2.1.1.2.8. The chip whip



Cllr. Nkosi S.M
Chip whip

Duties of Chief whip

- Informs councillors of Council and Executive committee of meetings called by the Speaker and Mayor respectively;
- Ensure that the meetings of the council and committees of the council quorate;
- Informs councillors of the Council and Executive committee of the important items on the relevant agenda;
- Advise the speaker on the amount of time allocated to speakers and the order of such the Speakers in addressing Council;
- Ensures that councillors' motions are prepared and timeously tabled in council in terms of Rules of order;
- Advises the Speaker and the Mayor on how to deal with important items not disposed of at a Council meeting pending its resolution;
- Advises the Speaker and Mayor on the agenda of Council meetings;
- Advises the Speaker and Mayor of urgent motions in writing prior to the commencement of the meeting;
- Assists the speaker with accounting of votes; and
- Prepare for special debates on the state of the municipality address or budget address

2.2. ADMINISTRATIVE GOVERNANCE

2.2.1. TOP ADMINISTRATIVE STRUCTURE

2.2.1.1. MUNICIPAL MANAGER



Mr. Mohlala JNT
Municipal Manager

Duties of Municipal Manager

- Advises the structures and functionaries of the Municipality;
- Carries out decisions of the structures and functionaries of the Municipality;
- Administers and implements the Municipality's by – laws, resolutions and policies;
- Ensures that the municipality complies with applicable municipal finance management legislations;
- Implements national and provincial legislation applicable to the Municipality

2.2.1.2. CHIEF FINANCE OFFICER

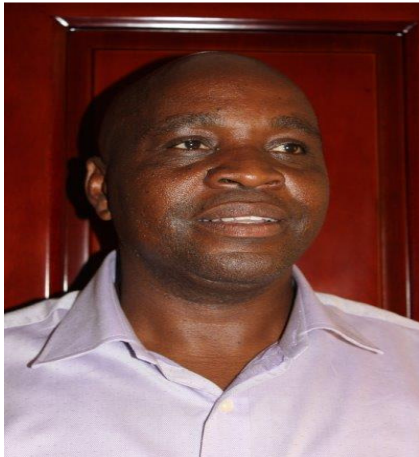


Mr. Ratau
CFO

Duties of CFO

- Manage Revenue collections;
- Manage Expenditure controls;
- Manage Budget services;
- Manage Supply chain;
- Asset management; and
- ICT management

2.2.1.3. Director Corporate Service



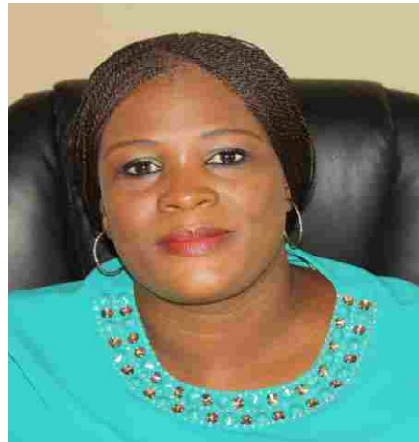
Mr. Shayi N.P
Acting Director Corporate services

Mr. Shayi was seconded to the Municipality from Sekhukhune District Municipality after it took the municipality longer time to attract suitable candidate for the position of the Director Corporate Service Department.

Duties of Corporate Services Director

- Render HR management;
- Render secretariat services to council and council committees;
- Provide administrative support to departments and Areas offices; and
- Provide legal advisory services

2.2.1.4. Director Community Services



Mrs. Busane N.P
Director Community Services

Duties of Community services Director

- Renders environmental health services to the community;
- Renders social services including Library, sport, art & recreation , Disaster management, parks sand cemeteries services;
- Render Traffic/protection services

2.2.1.5. Director ELD



Mrs. Monyepao M.A
Director ELD

Duties of Director ELD

- Develop and maintain land use management scheme;
- Render land use administration;
- Render land surveying and demarcation services;
- Planned and orderly development; and
- Random inspection of land use.

2.2.1.6. Director Technical Services



Mr. Skosana Vusi
Director Technical Services

Duties of Technical Services Director

- Ensure adherence to Civil engineering standard
- Render waste management services;
- Provide project management for implementation of infrastructure development

2.3. COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3.1. Intergovernmental Relations

The municipality has established intergovernmental relations unit to deal with intergovernmental issues. The unit is located in corporate service department. Key programmes for the unit are customer care, Batho Pele, follow up and responding to presidential and Premier hotline matters, addressing walk in and Suggestion box queries. When the financial year ended the following achievement were recorded: one Batho pele campaigns conducted and attended to all Presidential and Premiere hotline queries addressed to the municipality.

2.4. COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4.1. Introduction

Section 152(1) (b) of the constitution of the republic of South Africa (RSA), 1996 mandates municipalities to involve communities and community organizations in its matters. In the financial year under review the municipality has consulted its communities and community organizations through the following forums: IDP/PMS/Budget forum; Exco- Outreaches; quarterly ward management meetings; quarterly/Half – yearly and Annual performance reporting sessions through MPAC and State of local Municipality address by the Mayor. The table below depicts a detailed record of public consultation forums held in the financial year under review.

Table/Figure 21: Public participation forum

Nature of the Meeting	Purpose of the meeting	Date of the meeting	No. of councillors attended	No. Administrators	No. of community members	No. Issues raised by community	No. Issues addressed	manner of feedback given to community
IDP/PMS/ Budget forum	IDP status quo analysis	26/11/2015	40	4	34	None	None	SOLMA
	IDP forum for presentation of IDP	23/04/2015	42	11	25	7	7	SOLMA
	Public consultation on IDP	02 – 03/05/2015	45	62	1345	6	4	SOLMA
Exco- Outreaches	To attend to concerns and inputs from community	27/07/2015 ;28/08/2015; 27/11/2015; 08/06/2016	99	35	1500	3	1	Council and quarterly mass meetings in the wards
Quarterly ward management	To report and collect inputs from communities	Community Quarterly meetings	31	N/A	8 996	11	01	Quarterly mass meetings

Nature of the Meeting	Purpose of the meeting	Date of the meeting	No. of councillors attended	No. Administrators	No. of community members	No. Issues raised by community	No. Issues addressed	manner of feedback given to community
meetings								
Annual Report	Review of the Annual Report by MPAC	29/03/2016	07	02	08	05	N/A	NA
State of local Municipality address	To report last year performance and announce new projects to the public	18/06/2016	47	15	971	None – the session was in the way that the Mayor make announcement to the communities and the meeting dispersed	None	None

2.4.2. IDP PARTICIPATION AND ALIGNMENT

Compilation of IDP and SDBIP documents is regulated by chapters five (5) and six (6) of the municipal system act, act 32 of 2000 respectively. The table below respond to the alignment of the IDP and SDBIP documents to their required criteria.

Figure/Table 22: 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

2.5. COMPONENT D: CORPORATE GOVERNANCE

2.5.1. OVERVIEW OF CORPORATE GOVERNANCE

Municipalities are required by sections 165 and 166 of Municipal Finance Management Act, no 56 of 2003 to establish internal audit unit and Audit committee. The internal audit unit advises the accounting officer; report to audit committee; prepare a risk based audit plan and audit program for each financial year.

In the financial year under review different from 2014/15 financial year the municipality appointed its own audit committee. Committee comprised of four members. The municipality also appointed Performance audit committee which was constituted by the same members of the Audit committee. A risk management committee was also established and chaired by one member of Audit committee.

Apart from the Audit committee the municipality has also established Municipal Public Account committee (MPAC). MPAC reviews quarterly, half yearly and annual reports as and when submitted to them by Council. Politically there are oversight structures which oversee the work of the administration and report directly to council.

2.5.2. Risk management

2.5.2.1. Risk management committee

As mentioned above the municipality had a risk management committee. The committee consists of one member from the each municipal department and chaired by one member from Audit committee. Unlike in the 2014/15 financial year the committee was functional and effective in the 2015/16 financial year.

The committee adopted both strategic and Operational risk registers and recommended them to Audit committee for approval. Top ten risks of the municipality were also identified and approved by the Audit committee. A risk mitigation tool was developed, monitored and reported on it quarterly. Below is a list of top ten Municipal risks, mitigation made to address them, outputs and impacts of the mitigations.

2.5.2.2. Top ten risks for 2015/16 financial year

Table/Figure 23: Top ten risks for 2015/16 financial year

Item No.	Risk name	Root cause	Action plan	Output/achievements	Impact of the action plan
1.	Ineffective implementation of the LED strategy	High rate of unemployment. Shortage of staff	Monitor the implementation of the LED and Tourism strategy	LED strategy has been finalized and adopted by Council	No yet as the actual implementation of the strategy commences in 2016/17
2.	Lack of accountability	Inadequate feedback mechanism	Develop governance framework to guide the affairs of the municipality	Policies developed and work shopped Council to guide affairs of the municipality	Placement of employee in progress
		Lack of commitment to the cause of service provision	Exercise caution in decision making Conduct all affairs of the municipality ethnically	Code of conduct revised, circular and memos are issued out to cautionise employee	Employees report to work on time and adhere to relevant to policies
3.	Fraud and corruption	Conflict of interest. (employees/Service providers – suppliers collusions)	Vetting /Screening of all municipal employees and suppliers	New employees are vetted by the SAPS and state security agency before final appointments are made	No employee vetted
4.	Under spending on MIG	*Poor planning *Delays in appointment of	*Develop projects implementation plan; *Early advertisement	*Project implementation plan developed;	MIG spending has improved

Item No.	Risk name	Root cause	Action plan	Output/achievements	Impact of the action plan
		service providers due to prolonged SCM Processes	of upcoming projects; *Quarterly reporting ; Develop maintenance plan for roads	*No progress Monthly MIG reports send to COGHSTA *No progress	
5.	None compliance to legislative framework and GTM policies.	*ineffective and inefficient internal control system	Review and implement GTM financial and other policies	All finance related policies are reviewed	Financial performance has improved
6.	Loss of information due to poor IT system	*ICT control acceded to external third party *Lack of ICT committee; *Non availability of Business continuity management plan; *Lack of ICT User manual; *Existence of Hard copy document; *Decentralized record keeping; Non adherence to the National Archive Act prescripts (None	*Establishment of ICT committee; *Development of Bus con plan; *Conduct awareness campaigns on ICT to staff and council	*External ICT service provider gain access into GTM network only through permission from Technical support as per the SLA; *GTM fully manages its data and information (perform daily data backup); *ICT steering committee charter revised and submitted to council for approval;	None yet

Item No.	Risk name	Root cause	Action plan	Output/achievements	Impact of the action plan
		classification of information)		<p>*The municipality confirms to the approved Disaster recovery plan;</p> <p>*Payday Data backup and disaster recovery plan in place;</p> <p>*Briefing session on Bid for enterprise;</p> <p>*Electronic Documents and Records management was held on 16 September 2015.</p>	
7.	Poor Asset Management	Inadequate monitoring of Assets. Lack of capacity in terms of GRAP standards	Asset Register Annually updated	The municipality has compiled a comprehensive Asset register (GRAP compliant) for AFS of 30 June 2015	None compliance to asset policy and disregard of section 63 of MFMA by staff members
8.	Ineffective implementation of the SCM processes	Poor procurement planning. Lack of capacity. None adherence to procurement plan	<p>Review the SCM policy and procedure manuals</p> <p>The SCM unit is capacitated the only remaining matter is</p>	<p>*The SCM policy is going through review with all finance policies for next financial year;</p> <p>*Municipality has requested Provincial</p>	SCM work has improved

Item No.	Risk name	Root cause	Action plan	Output/achievements	Impact of the action plan
			the training	treasury for the training of SCM officials and Bid committee	
9.	Land invasions/invasion of strategic developable land (owned by Government)	Lack of land ownership by municipality; Poor inter - governmental cooperation on land management	Negotiate land donation/transfer and catertakership of properties with the Department of Rural Development	Request made to DRDLR for the extension of catertakership	Catertakership not executed and as the results the risk is still high
10.	Insufficient monitoring of consultancy projects	Lack of monitoring and evaluation tool for projects management; *Ineffective contract management	Develop monitoring and evaluation tool for projects management	Schedule for site meeting and Technical meeting has been developed	None

2.4.3.2.2.3. FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality has introduced Whistle blower hotline services as a measure to curb fraud and corruption. The hotline was publicized on local newspaper, municipal vehicles and all strategic areas in the municipal building. Suspected alleged fraud activities are reported and investigated. In the 2015/16 financial year one fraud related matter was reported and investigated. One major challenge faced this system is fear of Community to report fraud related matters.

2.6.4. SUPPLY CHAIN MANAGEMENT

The municipality has a functional supply chain management (SCM) unit. It has established all relevant SCM committees and the committees are reviewed by the municipal manager quarterly. Towards the end of the financial year the municipality had backlog on tenders to be considered by these committees. The municipality then appointed two pre – evaluation committees to fast track the SCM work. The measure produced very positive results as the backlog was alleviated.

In the financial year under review the municipality submitted two SCM reports to council. A procurement plan was developed and by the end of the financial year 96% of procurement that need three quotations were done within 30 working days. These are procurement of service/goods that worth less than R200 000.

On the Capital projects which take 90 days route, 82.35% of all municipal tenders were concluded within 90 working days. There were tenders that could go beyond 90 working days which were normally re- advertised.

CHAPTER THREE

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

3.1. COMPONENT A: Basic services

3.1.1. Introduction

Greater Tubatse municipality does not have authority to provide most of the basic services like water, housing, sanitation and electricity. Water and sanitations are provided by Sekhukhune District municipality. Housing is the competency of department of cooperative Government, Human settlement and traditional affairs (COGHSTA) and electricity is provided by ESKOM and Department of Energy. The municipality plays facilitation role in most of the above mentioned functions. The municipality provides refuse removal services at proclaimed townships.

3.1.2. Electricity

Greater Tubatse Municipality is known to have the high electricity backlog in all five local municipalities in Sekhukhune District Municipality. According to 2011 STATSA records, Greater Tubatse Municipality had electricity backlog of 20 215 households in 2011/12 financial year. Numerous interventions were made since then to date. In 2013/14 financial year ESKOM electrified 1953 households and the municipality introduced an Operation Mabone electricity project to 21 villages (13 325 households). The Operation Mabone project could not be concluded in 2013/14 hence it was rolled over to 2014/ 15 and 2015/16 financial year. The project had its challenges where sites were sometimes abounded by the service provider due to payment disputes.

By the end of the 2015/16 financial year, 5889 new households were connected to electricity in the Municipality; 4805 by the Municipality through Operation Mabone and 1084 by ESKOM.

The table below gives a detailed progress of Operation Mabone when the financial year ended.

Table/Figure 24: Electrification of Households

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
Koppie	# of households connected to electricity in Koppe	0	210 of households connected to electricity in Koppe	Target not achieved: 0 household connected to electricity	R 5 942 857	2 139 589	slow progress by contractor	Service provider to take initiatives to improve the low progress
Dithamaga	# of households connected to electricity in Dithamaga	0	120 of households connected to electricity in Dithamaga	Target achieved: 120 households connected to electricity awaiting energization	R 3 941 857	1 500 000	None	None
Makofane	# of households connected to electricity in Ga - Makofane	0	1020 of households connected to electricity in Ga - Makofane	Target not achieved: 940 Households are connected to electricity and energized	R 12 092 397	7 139 589	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target
Sekopung	# of households connected to electricity in Sekopung	0	350 of households connected to electricity in Sekopung	Target achieved: 365 Households connected to electricity and energised	R 7 196 857	5 600 000	None	None
Taung	# of households	0	560 of households	Target not achieved:	R 5 864 657	5 864 657	Continuous distribution	Development of catch up plans

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
	connected to electricity in Taung		connected to electricity in Taung	0 household connected to electricity			of the Project	
Makotaseng	# of households connected to electricity in Makotaseng	0	60 of households connected to electricity in Makotaseng	Target not achieved: 36 households connected to electricity and energised	R 3 170 057	960 000	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target
Matokomane	# of households connected to electricity in Matokomane	0	200 of households connected to electricity in Matokomane	Target not achieved: 147 households connected to electricity and energised	R 3 273 657	3 000 000	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target
Leboeng	# of households connected to electricity in Leboeng	0	700 of households connected to electricity in Leboeng	Target not achieved: 611 households connected to electricity and energised	R 11 717 857	11 200 000	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target
Mapareng	# of households connected to electricity in Mapareng	0	400 of households connected to electricity in Mapareng	Target not achieved: 353 households connected to electricity and energised	R 7 771 057	6 400 000	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
Mandela Park	# of households connected to electricity in Mandela Park	0	1300 of households connected to electricity in Mandela Park	Target not achieved: 0 household connected to electricity	R 8 971 857	8 971 857	Shortage of manpower	To increase manpower
France	# of households connected to electricity in France	0	1250 of households connected to electricity in France	Target not achieved: 1180 households connected to electricity	R 5 660 457	5 660 457	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target
Barcelona	# of households connected to electricity in Barcelona	0	600 of households connected to electricity in Barcelona	Target not achieved: 0 household connected to electricity	R 5 553 698	4 156 896	Shortage of manpower	To increase manpower
Dibakwane	# of households connected to electricity in Dibakwane	0	210 of households connected to electricity in Dibakwane	Target not achieved: 0 household connected to electricity	R 5 867 657	3 800 000	slow progress by contractor	to speed up progress
Maputle	# of households connected to electricity in Maputle	0	400 of households connected to electricity in Maputle	Target not achieved: 0 household connected to electricity	R 5 603 177	5 603 177	Shortage of manpower	To increase manpower

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
				electricity				
Kampeng	# of households connected to electricity in Kampeng	0	200 of households connected to electricity in Kampeng	Target not achieved: 0 household connected to electricity	R 5 195 057	3 080 000	slow progress by contractor	to speed up progress
Buffelshoek	# of households connected to electricity in Buffelshoek	0	40 of households connected to electricity in Buffelshoek	Target not achieved: 0 household connected to electricity	R 3 282 857	416 000	slow progress by contractor	to speed up progress
Kutullo	# of households connected to electricity in Kutullo	0	1370 of households connected to electricity in Kutullo	Target not achieved: 0 household connected to electricity	R 11 142 857	9 139 589	slow progress by contractor	to speed up progress
Pidima	# of households connected to electricity in Pidima	0	160 of households connected to electricity in Pidima	Target achieved: 255 households connected to electricity and energised	R 4 062 857	2 560 000	None	None
Malaeneng	# of households connected to electricity in Malaeneng	0	350 of households connected to electricity in Malaeneng	Target not achieved: 329 households connected to electricity and energised	R 6 062 857	5 600 000	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
Mareseleng	# of households connected to electricity in Mareseleng	0	1000 of households connected to electricity in Mareseleng	Target not achieved: 0 household connected to electricity	R 5 932 857	139 519	slow progress by contractor	to speed up progress
Praktiseer	# of households connected to electricity in Praktiseer	0	2825 of households connected to electricity in Praktiseer	Target not achieved: 0 household connected to electricity	R 7 692 357	4 130 563	slow progress by contractor	to speed up progress

3.1.3. Electricity provision for the past three financial years

Since 2013/2014 financial year to 2015/16 financial year 7842 households were connected to electricity by both DOE and Eskom. The table below depicts the picture.

Figure/Table 25: Records on Electricity connections

Financial year	2013/14	2014/15	2015/16
Number of households electrified through DOE	None	None	4805
Households electrified by ESKOM	1953	None	1084
Total	1953	None	5889

3.1.4. Free basic Electricity (FBE)

Provision of free basic electricity is done through ESKOM. In 2014/15 financial year 1347 households in the municipality benefited from free basic electricity. The number had increased to 5788 households in 2015/16 financial year.

The municipality is concerned about the low number of households benefiting from the FBE programme compared to the indigent households in the municipality as identified by STATSA in 2011. It was recommended in the Executive committee Lekgotla that the municipality should utilize the service of ward committees and community Development workers (CDW) to lobby more indigent households in the programme.

3.1.5. WASTE MANAGEMENT (REFUSE COLLECTIONS)

The municipality collects refuse only in the proclaimed townships, namely: Burgersfort, Steelpoort, Ga- Mapodile, Praktiseer and Ohrigstad. The service is rendered weekly. 4949 households benefited from this service in 2015/16 financial year. The table below shows a clear picture of households receiving weekly refuse removal in the municipality.

Table/Figure 26: Waste removal records

Town/Township	2013/14	2014/15	2015/16
Burgersfort	1595	1595	1584
Mapodile	691	691	688
Praktiseer	2331	2331	2326
Ohrigstad	179	179	164
Steelpoort	191	191	187
Total	4987	4987	4949

Table/Figure 27: Waste Management

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
Waste Removal	# of households receiving weekly waste collection	4 847	5467 household receiving weekly waste collection	Target achieved: 5467 households benefitted	-R 9 600 000.00	R 11,136,796	None	None
Rehabilitation of 03 waste facilities	% progress in the rehabilitations of Tubatse waste facilities (Ohrigstad waste disposal site)	15% work done (MIG BP and ToR Consultant done)	100% progress in the rehabilitation of Tubatse waste facilities (Ohrigstad waste disposal site): *5% Site hand-over, * 20% Site Establishment, *20% Layer works & rehabilitation, * 10% Compaction, *10% Park establishment, * 10% Flood lights, * 10% Drilling, borehole *10% finishing, *5% Close out	Target not achieved: Appointment could not be finalised due bidders not meeting requirements.	R 10 000	R -	Appointment could not be finalised due bidders' not meeting requirements.	Tender to be re - advertised

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
Echo school	# of school Echo programme conducted	new indicator	4 - school Echo programme conducted	Target not achieved: MoU signed for programme to kick start in 2016/17	R 200 000	R200 000 payment to Echo School Programme (WESSA)	Programme MoU delayed	Implementati on plan and beneficiary schools approval by dept of education
Training of Recyclers	# of recyclers trained	new indicator	5 - recyclers trained	Target achieved: 18 recyclers trained	R 100 000	R 74 300	None	None

3.1.6. HOUSING

Provision of Housing is the competency of Department cooperative Government Human Settlement and Traditional Affairs (COGHSTA), the municipality only identifies needy people who qualify for the RDP houses and submit the list to COGHSTA for approval and appointment of contractors to build the houses. In 2014/15 financial year COGHSTA allocated 1099 RDP houses to Municipality. When the financial year ended 915 RDP houses were completed and 184 were on wall plate. In 2015/16 financial year 2000 RDP houses were allocated to the municipality by end of the financial year 2616 houses were completed.

Figure/Table 28: Housing records

Financial year	2013/14	2014/15	2015/16
Number of houses	None	1099	2000

3.2. COMPONENT B: Roads and Transport

3.2.1. Introduction

The municipality is responsible for maintenance of the internal streets. Maintenance of D roads is the responsibility of the district Municipality. RAL is responsible for provincial roads while SANRAL responsible for National roads. In the financial year under review the municipality had a programme to grade two roads in each ward. By the end of the financial year 1925km of the municipal roads were graded. This figure includes also kilometre of roads grade during funerals and other request made to the municipality by different stakeholders.

3.2.2. Emergence requests for road grading

The municipality had 596 emergence requests for road grading in the financial year under review. By the end of the financial year 429 emergence requests were addressed, which constitute 71.9% of the request made. The target was not achieved due to insufficient machinery and constant breaking down of the machineries. To alleviate this problem the municipality has planned to purchase the following Equipment: 1x10m³tipper truck; 2x graders; 2x15kl water tanker; 2xbakkers(4x4); 1x low bed truck; and roller in 2016/17 financial year.

3.2.3. Storm water drainage

In the financial year under review the Municipality planned to construct two storm water drainages at Burgersfort (5km) and Praktiseer (0.5km). By the end of the financial year the Burgersfort storm water drainage was concluded and there was a delay in registering Praktiseer one with MIG, hence the project could not commenced.

3.2.4. Internal streets and Access bridges

In 2015/16 financial year the municipality scheduled construction of nine (9) access bridges; planning of five (5) new access bridges and one access road. Late appointment of contractors delayed the commencement of the abovementioned projects. When financial year ended some projects were above 50% and some were still at procurement stage. The table below depicts the picture.

3.2.5. Traffic law enforcement

The Municipality conducted seven (7) Road safety campaigns in 2015/16 financial year. Three (3) campaigns were arrive alive and four (4) were pedestrian road safety ones. Lastly, the municipality conducted 12 joint operations with provincial traffic officers and South African police service (SAPS).

3.2.6. Maintains of Streetlights and traffic lights

Turnaround time in fixing faulty traffic and street lights in the Municipality from the day the faulty is identified or reported is 36 days. 19% and 30% of reported/identified traffic and street lights respectively were fixed within the set turnaround time. To improve the situation the Municipality is envisaging the appointment of contractor who will deal with the maintenance of the traffic and street lights. The contractor will be engaged as and when the service is needed.

Table/Figure 29: Roads and Transport

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
Construction of Praktiseer storm water drainage	#km of Praktiseer storm water drainage constructed (Multi-year project)	TOR for consultant concluded	0.5km of Praktiseer storm water drainage constructed	Target not achieved: The project could not started because was not registered on MIG	R 1 500 000	R -	Delayed finalisation of registration with MIG	To speed up progress on the registration of project
Construction of Burgersfort storm water drainage	#km of Burgersfort storm water drainage constructed (Multi-year project)	35% work done (Laying pipes + culverts done)	5km of Burgersfort storm water drainage constructed	Target achieved: 5km of Burgersfort storm water drainage constructed	R 4 500 000	4 786 388	None	None
Bothashoek access bridge	% progress in the construction of Bothashoek access bridge	15% work done (MIG BP and ToR Consultant)	100% progress in the construction of Bothashoek access bridge: * 10% Site hand-over, * 10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts,	Target not achieved: 49% progress in the construction of Bothashoek access bridge: * Site hand over(10%); * Site Establishment(10%); * Excavation(9%); * Base slab(10%);and * Culverts are completed(10%)	R 8 000 000	3 562 037	Access to borrow-pit was the main cause of delay, layer works were laid	A formal agreement has been signed for borrow-pit

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
			10% Road approaches, *10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out					
Community Roads	% Progress in upgrading of Bothashoek road (Multi-year project)	new indicator	100% Progress in upgrading of Bothashoek road: Site handover 15%, Site Establishment 15%, Base repair 30%, Surfacing 30%, Closeout 10%	Target not achieved. 0% progress achieved in the upgrading of Bothashoek road	R 1 101 339	1 363 564	Delay in project registration	Project has been captured on MIS for further registration at Coghsta
Motshana access Bridge	% progress in the construction Motshana access Bridge	30% work done (MIG BP , ToR Consultant ; Designs)	100% progress in the construction of Motshana access bridge:* 10% Site hand-over, *10%	Target not achieved: 0% progress in construction of Motshana Access bridge	R 586 732	1 624 798	Delay in appointment of contractor	Fastrack the appointment of contractor

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
			Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, *10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out					
Mabocha access bridge	% progress in the construction of Mabocha access bridge (Multi-year project)	15% work done (MIG BP and ToR Consultant)	100% progress in the construction of Mabocha access bridge:* 10% Site hand-over, *10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10%	Target not achieved: 36% progress in the construction of Mabocha access bridge: * Site hand-over(10%); , * Site Establishment(8%), * Excavation (10%), * Base slab(8%),	R 8 877 350	5 252 152	Contractor's mechanical breakdown machinery	Submission of recovery plan by the contractor

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
			Culverts, *10% Road approaches, *10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out					
Mpuru access bridge	% progress in the construction of Mpuru access bridge (Multi-year)	15% work done (MIG BP and ToR Consultant)	40% progress in the construction of Mpuru access bridge:* 10% Site hand-over, *10% Site Establishment, * 10% Excavation, * 10% Base slab	Target not achieved: 0% progress in the construction of Mpuru access bridge.	R 982 943	1 145 431	Delay in the appointment of the contractor	Fastrack the appointment of contractor
Diphale/Mak hwaya access bridge	% progress in the construction of Diphale/Makhwaya access bridge (Multi-year project)	15% work done (MIG BP and ToR Consultant)	50% progress in the construction of Diphale/Mak hwaya access bridge:* 10%	Target not achieved: 0% progress in the construction of Diphale/Makhwaya access bridge: site hand-over, site	R 770 000	2 210 372	Delay in the appointment of the contractor	Tender awarded

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
			Site hand-over, *10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts	establishment				
Mafarafara access bridge	% progress in the construction of Mafarafara access bridge (Multi-year project)	15% work done (MIG BP and ToR Consultant)	40% progress in the construction of Mafarafara access bridge:* 10% Site hand-over, *10% Site Establishment, * 10% Excavation, * 10% Base slab	Target not achieved: 35 % progress in the construction of Mafarafara Access Bridge : *Site hand-over(10%); *Site Establishment(10%); * Excavation(10%); and * Base slab(5%)	R 7 000 000	7 875 169	Delay in the procurement of material on site	Contractor to multitask activities on site
Leboeng access bridge	% progress in the construction of Leboeng access bridge (Multi-year project)	15% work done (MIG BP and ToR Consultant)	40% progress in the construction of Leboeng access bridge:* 10% Site hand-over, *10% Site	Target achieved: 67% progress in the construction of Leboeng Access Bridge: *Site hand – over 10%); *Site establishment(10%);	R 13 500 000	4 791 928	None	None

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
			Establishment, * 10% Excavation, * 10% Base slab	* Excavation(10%); * Base slab(10%); * Culvert(8%); * Drains and Kerbs(9%); * Accommodation of traffic(10%)				
Legoleng access bridge	% progress in the construction of Legoleng access bridge (Multi-year project)	15% work done (MIG BP and ToR Consultant)	50% progress in the construction of Legoleng access bridge:* 10% Site hand-over, *10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts	Target not achieved: 7% Busy on site establishment	R 858 014	2 149 882	Delay in the appointment of the contractor	Site handed over 13/06/2016
Madithongwana Access bridge	% progress in the construction of Madithongwana access bridge (Multi-year project)	15% work done (MIG BP and ToR Consultant)	50% progress in the construction of Madithongwana access bridge:* 10% Site hand-over, *10% Site	Target not achieved: 0% progress in the construction of Madithongwana access bridge	R 668 569	765 395	Delay in the appointment of the contractor	Fastrack the appointment of contractor

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
			Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts					
Tjate Access Bridge	% progress in the planning of Tjate Access bridge (Forward planning)	0%	30% progress in the planning of Tjate Access Bridge: *MIG BP 5%; *ToR Consultant 10%; *Designs 15%	Target achieved: 30% progress in the planning of Tjate Access Bridge: *MIG BP 5%; *ToR Consultant 10%; and *Designs 15%	R 100 000	R 1 012 804	None	None
Lefahla Access Bridge	% progress in the planning of Lefahla Access bridge (Forward planning)	new indicator	30% progress in the planning of Lefahla Access Bridge: *MIG BP (5%); *ToR Consultant (10%); *Designs (15%)	Target not achieved: 15% progress in the planning of Lefahla Access Bridge: *MIG BP (5%); and *ToR Consultant (10%)	R 100 000	R -	Delay in appointment of Consultant	Fastrack the appointment of consultant
Morokadieta Access Bridge	% progress in the planning of Morokadieta Access bridge	new indicator	30% progress in the planning of	Target not achieved: 15% progress in the planning of	R 100 000	R -	Delay in appointment of Consultant	Fastrack the appointment of

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
	(Forward planning)		Morokadieta Access Bridge: *MIG BP 5%; *ToR Consultant 10%; *Designs 15%	Morokadieta Access Bridge: *MIG BP (5%); and *ToR Consultant (10%)				Consultant
Ga - Malwane Access Bridge	% progress in the planning of Ga - Malwane Access bridge (Forward planning)	new indicator	30% progress in the planning of Ga - Malwane Access Bridge: MIG BP 5%; ToR Consultant 10%; Designs 15%	Target not achieved: 15% progress in the planning of Ga - Malwane Access Bridge: *MIG BP (5%); and *ToR Consultant (10%)	R 100 000	R -	Delay in appointment of Consultant	Fastrack the appointment of Consultant
Dithamaga Access Bridge	% progress in the planning of Dithamaga Access bridge (Forward planning)	new indicator	30% progress in the planning of Dithamaga Access Bridge: *MIG BP 5%; *ToR Consultant 10%; *Designs 15%	Target not achieved: 15% progress in the planning of Dithamaga Access Bridge: *MIG BP (5%); and *ToR Consultant (10%)	R 100 000	R -	Delay in appointment of Consultant	Fastrack the appointment of consultant
Road maintenance	% of identified potholes patched within	33%	100% of identified potholes	Target achieved: The situation has improved in the	R 9 000 000	R 4 626 078	None	None

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
	36 days		patched within 36 days	fourth quarter where on average the turnaround time of fixing potholes was 18 days.				
	Total km of roads graded against total km of gravel roads	575.40 km roads graded	1500km	Target achieved: 1925.8km graded			regular breakdown of machinery	Fast track the delivery of new machinery
	% of emergencies requested within submission timelines and responded to	63% progress achieved in responding emergency requests made to the municipality.	100% of emergency requests received within submission timelines and responded to	Target not achieved: 429/596 (71.9%) of emergency requests received and responded to			regular breakdown of machinery	contractor to deliver in time & schedule
Robots Maintenance	% of faulty Traffic lights(robots) fixed within 36 days	0% achieved in fixing traffic lights within 36 days.	100% of faulty Traffic lights(robots) fixed within 36 days	Target not achieved: 19% of faulty streetlight order issued at the end of June 2016, completion estimated mid July	R50 0000	R 1 553 916	schedule of work requested in May 2016 & order issued towards the end of June 2016 for maintenance of streetlight	contractor to deliver in time & schedule
Streetlights maintenance	% of faulty Streetlights fixed within 36	48% progress achieved in fixing	100% of streetlights fixed within	Target not achieved: 30% of faulty streetlights	R1 000 000	R 1 553 916	schedule of work requested in	Work to be delivered on time

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
	days	streetlights within 36 days	36 days	order issued end June 2016 & implemented on July 2016.			May 2016 & order issued towards the end of June 2016 for maintenance of streetlight	and schedule

3.3. COMPONENT C: Planning and Development

3.3.1. Integrated Development Plan (IDP)

The 2015/16 IDP was adopted by Council on 27 May 2015. The document went through Public participation where community members were given opportunities to make inputs on the draft IDP before was adopted by council. After adoption the summary of the IDP especially the projects were presented to the community by the Mayor through the State of Local Municipality address. The assessment team from the premiers' office grade the GTM IDP as high.

3.3.2. Spatial Rational

The municipality has limited land for development. Most of the land in the municipality is in the private hands, state and tribal authorities. Various engagements were made with department of rural development and land reform to allocate land for municipal development and 107.23 hectares of Mooifontein farm transferred to the Municipality and 639.17 hectares of Appiesdoorndraai was at conveyance stage when the financial year ended.

3.3.2.1. Burgersfort by-pass/ western ring road

Western ring road is a proposed by – pass which will pass behind Burgersfort town and join R555 and R37 after the town. The Municipality want to purchase pieces of land on which it will construct this road. When concluded the road will reduce traffic congestion in town. Motorist who are travelling to Lydenburg from Polokwane areas and do not want to via town may use the road. Offer to purchase agreement is developed and sent to land owners to sign. The process is going very slow due lack of buy in to the process by the land owner and second challenge is the land claim of Witgatboom 316 KT. The Municipality had to wait for the finalisations of the claim so that it may the correct know the owner of the piece of Land with whom it may to engage for the land.

3.3.2.2. Development of Ohrigstad development plan

When the previous financial year (2014/15) ended the project was at 78% completion. Now when the 2015/16 financial year ended, the project was concluded and awaiting public participation and promulgation.

3.3.2.3. Applications for Land use development

The table below depicts number of various Land Use applications received, determined, withdrawn and outstanding in 2014/15 and 2015/16 financial years.

Table/figure 30: Applications for land use development

Details	Formalization of townships		Rezoning		Building environment	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Planning applications received	0	2	8	9	99	128
Determination made in year of receipt	0	0	6	3	56	86
Determinations made in the year following	0	1	1	4	43	42
Application withdrawn	0	0	0	0	0	0
Application outstanding at year end	0	1	2	6	0	0

3.3.2.4. Job created through municipal initiatives

Table/Figure 31: Number of jobs created in 2015/16 financial year

N0	Source	Target	Job created	Comment/Variations
1.	MIG Projects	238	238	None
2.	NDPG projects	10	0	Fund withdrawn due to low spending
3.	INEP projects	210	0	Service provider could not provide figures
4.	EPWP jobs	212	212	None
5.	CPW jobs	2506	2506	None
	Total jobs created	3176	2956	220

Table/Figure 32: Planning and Development

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
Develop LUMS	% progress in the development of LUMS	90% progress made in development of municipal wide LUMS	20% progress in the development of LUMS: *10% Stakeholder engagement(Councillors; Traditional Authorities; and Land Owner); 5% Publication of Notice; 3% Final Adoption of the LUMS; 2%Promulgation	Target not achieved: draft LUMS is developed	R 1 000 000	R 245 236.71	Delays in arranging the consultation sessions due to insufficient personnel.	Project to be carried over to 2016/17 financial year
Acquire land for development	% progress in the acquisition of Hectares of land for development	New indicator	100% progress in the acquisition of 150 Hectares of land for development: * 20% Subdivision of	Target not achieved: 107.23 Hectares of land (Mooifontein farm) transferred to the Municipality. 639,17ha of Appiesdoorndraai farm at conveyance	R -	R -	Waiting for Department of Rural Development to transfer the Appiesdooring portions of land to	Make follow up with the Department of Rural Development and Land Affairs.

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations	
			affected land parcels; *20% Land valuation;*20% Negotiation and signing of agreements with affected land owners; *40% Registration and transfer of land to municipality	stage.			the municipality		
Acquire land for road servitudes	% progress in the acquisition of 24.5 hectare of land for Burgersfort by-pass/ western ring road	50% progress made in the acquisition of 24.5 hectare of land for Burgersfort by-pass/ western ring road	40% progress in the acquisition of 24.5 hectare of land for Burgersfort by-pass/ western ring road : *10% negotiations; *5% preparation & Signing off OTP Agreements; *5% Payment of funds;	Target not achieved: 10% (Negotiations done; Offer To Purchase (OTP) agreements prepared and sent to land owners)	R	-	R -	None of the landowners has signed the OTP despite their earlier promises. Land Claim on Witgatboom 316 KT awaiting Land Claims Court process and affecting signing of 3	To seek permission of the Accounting Officer to commence with expropriation of the servitude. Await conclusion of court dispute on Witgatboom land claim.

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
			*10% Registration with Survey General; *10% Transfer of subdivided land to Municipality				OTP.	
Develop land acquisition and disposal policy	% progress in development of land acquisition and disposal policy	New indicator	40% progress in development of land acquisition and disposal policy;* 20% TOR developed ;* 20% Presentation of the draft policy to management;	Target not achieved: Terms of reference developed	R 300 000	R -	Project to be re - advertised	Appointment to be done in the 2016/17 financial year
Land invasion response strategy	% progress in the development of land invasion response strategy	New indicator	40% progress in the development of land invasion response strategy: * 20% TOR developed ;*	Target not achieved: The project was adjudicated and no suitable bidder was identified	R 400 000	R -	No suitable bidder was identified	Project to be readvertised

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
			20% Presentation of the draft policy to management					
Ohrigstad Development plan	% progress in the development of Ohrigstad development plan	78% progress made in the development of Ohrigstad development plan	20% progress in the development of Ohrigstad development plan:*10% Stakeholder engagement(Councillors; Traditional Authorities; and Land Owner); 5% Publication of Notice; 3% Final Adoption of the Ohrigstad development plan; 2%Promulgation	Target not achieved: Ohrigstad development plan developed	R 300 000	R 84 859.65	Consultation processes delayed	Project to be finalised in the 2016/17
Development of Corridor strategy	% progress in the development of Corridor strategy	New indicator	10% progress in the development of Corridor strategy: *	Target Achieved: 10%- TOR developed	R 700 000	R -	None	None

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
			10% TOR developed					
Burgersfort Extension 10 social housing	% progress establishment of Burgersfort Extension 10 social housing	90% achieved in co-ordinating the Burgersfort EXT 10 social housing project:	30% progress establishment of Burgersfort Extension 10 social housing: *5%- co-ordinate the appointment of service provider;* 15% Stakeholder consultation; *10% Approved rezoning & park closure	Target not achieved: TOR developed and the project was advertised in January 2016	R -	R -	The project is still within procurement turnaround circle	The project will be concluded in 2016/17 financial year
Housing Sector Plan	% progress in the development of Housing Sector Plan	New indicator	100% progress in the development of Housing Sector Plan: *40% Development of TOR; *40% Stakeholder consultation;* 20%	Target not achieved: TOR developed	R 400 000	R -	Fund withdrawn due to none spending of the fund	Reapplication of the fund in 2016/17 financial year

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
			Submission to council					
Spatial Development Framework Review	# of SPLUM Reports submitted to Council	New indicator	2 - SPLUM Reports submitted to Council	Target not achieved. 1 reports submitted to council; SPLUMA by-law developed and adopted by council and the by-law was workshopped to councillors from 9 - 10 June 2016	R -	R -	The process to finalise the bylaw has been put on hold pending the establishment of the new municipality from amalgamation with FTLM	The processes will commence when the two municipalities are amalgamated
	% of Building plan less than 500m ² approved/disapproved within 30 days	New indicator	100% of Building plan less than 500m ² approved/disapproved within 30 days	Target achieved. 69 plans received. 41 plans approved and 28 plans disapproved within 60 days	R -525 000	Collected revenue= R84 284,17	None compliance with the National Building Regulation Act	Provision of the check list.
	% of Building plan greater than 500m ² approved/disapproved within 60 days	New indicator	100% of Building plan greater than 500m ² approved/disapproved within 60 days	Target achieved: 20 plans received. 04 plan approved and 16 plans disapproved within 60 days			None compliance with the National Building Regulation Act	Provision of the check list.

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
Revitalization of Tubatse Township	# progress report generated on the revitalization of Praktiseer Township (NPDG)	0	1 - construction progress report generated on the revitalization of Praktiseer Township(NPDG)	Target not achieved: * no report generated	R 1 000 000	R 6 512 312.29	The project withdrawn	Reapplication of the fund in 2016/17 financial year

3.3.2.5. Employees of the Department of Economic and Land Development

The department had 18 posts in the financial year under review. 14 posts were filled. The table below show a clear picture.

Table/Figure 33: Employees of ELD department

Job levels	2014/15	2015/16			
	No. Of employees	No. Of posts	No. Of employees	Vacancy	Vacancy rate
0 – 3	8	9	5	4	44%
4 – 6	8	8	8	0	0
7 – 9	0	1	1	0	0
10 – 12	0	0	0	0	0
Total	16	18	14	4	28%

3.3.2.6. Financial performance of Economic and Land Development Department

Table/figure 34: ELD expenditure

Details	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to budget
Expenditure:					
Employee cost	8 540 231	10 622 904	10 622 904	10 651 858	28 954
Repair and Maintenance	N/A	1 300 000	1 300 000	632 853	667 146
Other	5 998 692	29 602 527	29 602 527	37 264 388	7 661 861
Total operational expenditure	14 538 923	41 535 431	41 535 431	48 549 101	7 023 670

3.4. COMPONENT D: Community and Social Services

3.4.1. Maintenance of Community facilities

In the financial year under review the Municipality had six (6) of its facilities namely: Leboeng Telecentre, Kgopaneng and Mapodile MPCC, Mokgotho, Driekop and Moeng community halls to maintain. By the end of the financial year all six facilities were maintained even though not all of them were maintained by the municipality. The municipality maintained four of them namely: Kgopaneng and Mapodile MPCCs, Driekop and Moeng community halls. Leboeng Telecentre and Mokgotho community were maintained by the sector departments' ground men and Mabulane Phafogang project respectively.

3.4.2. Library programmes

The municipality planned two library related programmes for the financial year under review namely: Library week and world book. By the end of the financial year the following achievements were recorded:

- ❖ Library outreaches at Maelebe primary school (16/09/2015); EL - Shaddai (17/09/2025 and Imbita school and Ngwanatheko crèche (02/10/2015);
- ❖ Literacy day held at Mohlophe School on 14/10/2015;
- ❖ Story reading at Ngwanatheko crèche (02 /06/ 2016);
- ❖ Literacy week at Mapodile (30/03/2016 & 27/06/2016)

3.5. COMPONENT E: Environmental Protection

3.5.1. Maintenance of open space and Arborday

The municipality had three (3) open space identified to take care of in the 2015/16 financial year in the following towns: Steelpoort, Burgersfort and Ohrigstad. By the end of the financial year the identified open space were debushed. The Municipality debushed Burgersfort and Ohrigstad areas and department of Road and Transport debushed area along R555 between Burgersfort and Steelpoort.

Regarding Arborday, the Municipality targeted to plant 250 trees in the 2015/16 financial year. But when the Arborday arrived 300 tree were ordered and 225 were donated to different stakeholders like schools and crèches.

3.5.2. Establishment of Municipal park

As indicated in the 2014/15 financial year, the Municipality could not have sufficient funds to establish three (3) parks as planned before. The decision was taken to establish one which was sponsored by DEA. The Municipality could not complete the project in 2014/15 financial year and hence rolled over to 2015/16 financial year. By the end of the 2015/16 financial year the following progress was reported:

- ❖ Site clearing done;
- ❖ Site fenced;
- ❖ Borehole drilled;
- ❖ Quotation for electrification acquired;
- ❖ Irrigation trenches dug;
- ❖ Paving materials delivered and
- ❖ Now busy on the construction of ablution facilities.

3.5.3. Disaster Management

As indicated in 2014/15 financial year Annual report Disaster management is the competency of Sekhukhune District Municipality. Greater Tubatse Municipality plays facilitation role and assist addressing disaster incidents by providing relief materials like foods and clothes. To be effective and efficient the Municipality has development a turnaround time for responding to such request. The turnaround time set is 12hours for responding to report and seven days for ensuring that qualifying victims are provided with relief materials. In the financial year under review 55 disaster incidents were reported and responded to within 12 hours. All the victims qualified for relief material and the municipality could only provide relief materials to 34 victims due to shortage of the relief materials. The matter was elevated to the District to assist.

3.5.4. Combating HIV/AIDS in the municipal area.

In the financial year under review the municipality scheduled to conduct two HIV/AIDS related events/activities namely: AIDS day and Condom week. Local AIDS day was held on 02/12/2015 at Maakubu and condom week was held on 26/02/2016 at Taung village.

3.6. COMPONENT F: SPORT AND RECREATION

3.6.1. Arts and Cultural Activities

In 2014/15 financial year the municipality hosted four (04) Arts and Culture events; namely two (2) Art indabas; Cultural festival and participation in Miss Limpopo. The number of Art and Cultural activities/events has decreased to three (3) in the 2015/16 financial year. Activities scheduled for the 2015/16 financial year were Pageantry, cultural show and Art and culture indaba. The events were held as follows: cultural show (12/09/2015); Pageantry (25/06/2016) and Indaba (27/06/2016).

3.6.2. Sports activities

The following sport events were hosted by the municipality in the financial year under review: Chess and cricket tournament at Nakgwadi (29/08/2015); Indigenous games at Leboeng (28/11/2015); Rugby tournament at Ohrigstad (16/04/2016); Farm tournament at Solomon Joubert farm (14/05/2016) and Mayor cup at Sekhukhune TVET (21/05/2016).

3.6.3. Staff component of Community Service Department

Community service department has 78 budgeted posts in the 2015/16 financial year and when the financial year ended 70 posts were filled. The table below depicts detailed staff components of Community services department.

Figure/Table 35: Employees of Community Services Department

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	4	6	6	0	0
4 - 6	11	14	13	1	7%
7 - 9	32	41	36	5	12%
10 - 12	25	17	15	2	11%
Total	72	78	70	8	10%

3.6.4. Financial Performance of Community service department

The table below depicts the financial performance of community service department. The figures presented below include all units in the community service department, namely community services admin, Library, protection services and cemeteries.

Figure/Table 36: Financial Performance of Community Services

Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure:					
Employees	21 891 959	29 186 306	29 186 306	25 584 115	3 602 190
Repairs and Maintenance	230 409	208 000	208 000	32 953	175 046
Other	4 728 696	22 673 000	22 673 000	18 013 637	4 659 362
Total Operational Expenditure	26 851 064	52 067 306	52 067 306	43 639 705	8 436 600

Table/Figure 37: Community services

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
Local HIV/AIDS response strategy implementation(HIV/AIDS programme)	% Local HIV/AIDS response strategy implementation	New indicator	100% Local HIV/AIDS response strategy implementation	Target not achieved: Strategy reviewed; municipal HAST Directory developed; Production of draft strategy and 31 Ward Based AIDS Councils established.	R 500 000	230 337	The strategy needed to be reviewed before implementation	Start with the implementation in the 3rd quarter
	# of HIV/AIDS activities /events co-ordinated	6	2 HIV/AIDS activities /events co-ordinated	Target achieved: Two HIV/AIDS activities/events co-ordinated as follows: * Local AIDS day celebrated on 2/12/2015 at Maakubu; *Condom week- Held on the 26/02/16 at Taung Village			None	None
	# of Local advisory council co-ordinated	14	4 Local advisory council co-ordinated	Target achieved: 8 Local advisory council meetings held as follow: * four were for preparation Condom week on (05/02,09/02,17/02 & 23/02/2016 and other were held as follow:			None	None

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
				09/02/2016,11/11/2015, 14/12/2015 & 19/05/2016				
Establish Animal pound	# of Animal pounds established	0	1 - Animal pounds established	Target not achieved: * A Land for the construction of Animal pound was requested from ELD; * Ga- Makofane tribal council was engaged to release land to the municipality for the construction of Animal pound	R 1 000 000	R -	Lack of necessary tools delayed the identification of portion of land that belong to the municipality at Ohrigstad	Capacitatio n of Town planing to perform all its functions
Trees	# of Trees Planted during Arborday	5	250 Trees Planted during Arborday	Target not achieved : 300 trees ordered but 225 trees were donated to different stakeholders for planting	R 100 000	30 000	Some trees dried up before were donated to stakeholders	In future trees to be given to stakeholders on time before drying up
	# of Identified open space debused within the municipality	3	3 Open space debused in Steelpoort, Burgersfort and Ohrigstad town	Target achieved: The open spaces were debused as follows: *Burgersfort and Ohrigstad debused by the Municipality and R555 to Steelpoort debused by the Dept of Roads	R -	R -	None	None

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
				and Transport)				
	# of municipal cemeteries maintained	3	3 - municipal cemeteries maintained	Target achieved: The following cemeteries were maintained: * Penge, * Praktiseer ; and * Ohrigstad	R -	R -	None	None
Develop Parks	# of Municipal parks developed	0	1- Municipal parks developed	Target not achieved: However the following activities were performed: *Site clearing, * fencing done, *borehole drilled, * electricity quotation acquired, *irrigation trenches dug, *paving material delivered, and * Currently busy with construction of ablution facilities.	R -	R -	Delays in accessing water ; electricity and approval of business plan	Project Advisory Committee meeting convened on 8th April 2016 to resolve the problem.
	# of municipal gardens maintained	new indicator	5 - municipal gardens maintained	Target achieved: the following Five municipal gardens are maintained: * Civic centre garden; * Old municipal building garden; * Mapodile Thusong	R -	R -	None	None

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
				centre and Satellite office garden; * Praktiseer testing station garden; * Ohrigstad garden				
	# Community facilities maintained by the municipality	new indicator	06 - Community facilities maintained by the municipality: * Leboeng Telecentre * Kgopaneng MPCC; * Mapodile MPCC; * Mokgotho community hall; * Driekop community hall; * Moeng community hall;	Target achieved: 06 community facilities maintained, 04 maintained by the municipality: *Kgopaneng MPCC, * Mapodile MPCC, *Driekop; and * Moeng community halls. Two maintained by other stakeholders: * Mokgotho community hall by Mabulane Phafogang project; and * Leboeng Telecentre by Sector departments grounds men.	R -	R -	None	None
Tubatse art and culture centre(facilitation of art and culture	# of cultural activities conducted	4	3x Arts and Culture programmes. *1x Pageantry.	Target achieved: 3x Arts and Culture programmes. * Cultural festival 12 /09/2015	R 150 000	141 561	None	None

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
Programmes)			*1x Cultural Show/Festival *1x Indaba	*1x Pageantry 25/06/2016 *1x Indaba 27/06/2016				
Tubatse art and culture centre (facilitation of sport and recreation Programmes)	# of sporting events held	4	6x sports events held: *1x Farm festival *1x Mayoral cup; *1x Indigenous games *1x Chess tournament; *1x Cricket Festival; *1x Rugby tournaments	Target achieved: * Chess and cricket tournament at Nakgwadi on 29/08/2015; * Indigenous games at Leboeng on 28/11/2015; * Rugby tournament at Ohrigstad on 16/04/2015; * Farm tournament at Solomon Joubert farm on 14/05/2015; * Mayor's cup on held 21/05/2016 at Sekhukhune TVET College.	R 200 000	163 574	None	None
Tubatse art and culture centre	# of Library programs conducted	8	2 Library programmes conducted: * Library week * World book day	Target achieved: * 3x Library Outreach programmes were conducted at Maelebe primary School; EL -Shaddai; Imbita school and Ngwanatheko crèche on 16/09/2015, 17/09/	R 30 000	R -	None	None

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
				2015 and 2/10/2015 respectively; Library outreach story - reading at Ngwanatheko on 2/06/2016; Literacy day at Mohlophe school on 14/10/2015, Literacy week at Mapodile library on 30/03/2016 & 27/06/2016				

3.7. COMPONENT G: CORPORATE POLICY AND OTHER SERVICES

3.7.1. Human Resources

3.7.1.1. Organizational Design

The municipality appointed Lekoko consulting in 2013/14 financial year to review its Organizational structure. The project was concluded in the 2014/15 financial year and adopted by Council with the IDP on 30 May 2015. Its implementation was effectively seen in 2015/16 financial year. Placement policy was developed and adopted by Council in the same financial year. Placement committee comprising three managers and three labour representatives were established. R19 million was set aside for addressing financial challenges that may be posed by the placement processes. The project started very late in the financial year and hence when the financial year ended the project was not concluded. By the end of the financial year a draft placement report was generated and submitted to the Municipal manager for approval.

3.7.1.2. Human Resource policies

3.7.1.2.1. Employment Equity plan

The Municipality had 246 employees in the 2015/16 financial year. The number includes eleven (11) financial management interns, seventeen (11) Traffic wardens and four (4) section 54/56 managers. 107 employees are women and 139 are men. The municipality had two (2) people living with disability and three (3) whites.

3.7.1.2.2. Performance management

Performance Management system in the municipality is implemented only at institutional and senior management levels. The municipality is in the process of cascading it to other employees.

(a) In year Reports

In the financial year under review the municipality had conducted four (4) quarterly performance reviews through management reviews and Exco – Makgotla meetings. The four (4) reports served in council for further reviews and recommended to MPAC for public scrutiny.

(b) Mid – year and Annual Report.

The municipality submitted the 2015/16 Annual Performance Report to AG on 31 August 2016. Annual and Mid –year reports were developed and served in Council on 25 and 30 January 2016 respectively. The reports were referred to MPAC by Council for public scrutiny.

(c) Oversight report

On the 31 March 2016 MPAC tabled an Oversight report on Annual report and second quarter report to council for adoption. Council noted the report and requested time to study report. Therefore the report was adopted with reservation that Council be given time to study the report.

(d) Individual Performance assessment

Municipalities are required to assess the performance of their section 54/56 managers four times a year with two assessments been formal and informal. In formal assessment the municipality keeps records of the assessment and it is done at the middle and the end of the financial year. Informal assessment is a discussion between the Mayor and Municipal manager or between the Municipal Manager and managers directly accountable to the Municipal manager depending on who is assessed. The regulation on Municipal managers and managers directly accountable to Municipal Manager clearly outline how assessment panel in the formal assessment should be constituted.

In 2015/16 financial year the municipality could not conduct the individual performance assessment of its section 54/56 managers. Sessions were arranged but non availability of panel members turned it down. The plan is to arrange both mid -year and final year assessment in February 2017.

3.7.1.2.3. Occupational Health and Safety

The municipality reviewed its OHS committee in the financial year under review. Four meetings were held in the financial year review. The Municipality could not conduct OHS audit due to lack of provincial programme.

3.7.1.2.4. Employees wellness programme

The municipality celebrated its wellness day on 06/11/2015 at Tubatse chrome club. Wellness activities conducted in the day were AIDS and Diabetes tests, funny walk and soccer and netball games. The municipality also coordinated one wellness calendar event local AIDS day on the 2 December 2015. Four (4) sporting games were also arranged in the financial year as part of employee wellness celebrations.

Table/Figure 38: Corporate services

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
Employee wellness programme	# of Wellness calendar day events coordinated	1	4- Wellness calendar day events coordinated;	Target not Achieved: 1- Wellness calendar day events coordinated	R 400 000	R 368 430.00	No activities were coOrdianted in the first and second quarter	Adherence to the wellness day schedule
	# of Municipal wellness day co-ordinated	1	1- Municipal wellness day co-ordinated	Target achieved: Municipal wellness day was held on the 6/11/2015 at Tubatse chrome club			None	None
	# sporting activities Facilitated	4	4x sporting activities Facilitated	Target achieved: 4x sporting activities Facilitated			None	None
Occupational Health and safety	# of OHS audit conducted	1	1 - OHS audit conduct	Target not Achieved: The audit was not performed	R 400 000	R 346 957.02	Lack of program from the province	Province to provide program in 2016/17 financial year
	# of OHS committee meetings held	2	4 - OHS committee meetings held	Target Achieved: 4 OHS committee meetings held.			None	None
Occupational Health and safety	# of site inspection and monitoring of Capital projects reports produced	1	2 - site inspection and monitoring of Capital projects reports	Target not achieved: One site inspection conducted			No monitoring of capital project was conducted in the fourth quarter	To produce quarterly project inspection report

Project Name	KPI	2014/15 Achievement	2015/16 Target	2015/16 achievement	Budget	Expenditure	Challenges	Mitigations
			produced					
Occupational Health and safety	# of medical surveillance conducted	2	1- medical surveillance and screening conducted	Target Achieved: medical screening conducted on 20/06/2016.			None	None
	# of medical screening conducted	New indicator	1- medical screening conducted	Target achieved: One medical screening conducted			None	None
Occupational Health and safety	# of fumigations and pest control conducted in the municipal offices	2	4 - fumigation and pest control conducted in the municipal offices	Target not Achieved : 2 - fumigation and pest control conducted			Two fumigation conduct	Adherence to the fumigation schedule
	# of medical supply Provision made	0	2 - medical supply Provision made	Target not achieved: No medical supply provision done			delay in the procurement process due to payday system constantly offline	to fast track procurement of goods and services within amicable timeframe
Occupational Health and safety	# of COIDA interventions report submitted to council	0	4x COIDA interventions report submitted to council	Target not Achieved: No COIDA interventions report submitted to council			None	None

3.7.1.2.5. Staff component of Corporate Service Department

The department has 59 budgeted posts and 55 of them were filled at the end of the financial year. The position of Director Corporate services was vacant when the financial year. Sekhukhune District Municipality had Seconded Mr. Shayi NP to act on the position. The table below present a detailed staff component of Corporate service department.

Figure/Table 39: Corporate services Department Employees

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	6	10	9	1	10%
4 - 6	14	21	21	0	0
7 - 9	18	15	9	4	26%
10 - 12	13	16	16	0	0
Total	51	59	55	5	8%

3.7.1.2.6. Financial Performance of Corporate Service Department

Figure/Table 40: Financial performance of Corporate Services Department

Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure:					
Employees	40 864 362	46 402 261	46 402 261	44 302 011	2 100 249
Repairs and Maintenance	None	None	None	None	None
Other	22 882 340	39 131 739	39 131 739	139 761 892	100 630 153
Total Operational Expenditure	63 746 702	85 530 000	85 530 000	184 063 903	98 529 903

3.7.2. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

3.7.2.1. ICT Network infrastructure repaired

In the financial year under review the municipality had six (6) ICT Network infrastructure that were due for repair, namely: Boom Gate; CCTV Cameras; Satellite Stations Telephone Exchange Infrastructure; Switches and Uninterrupted Power Supplies (UPSs); Servers for Venus, Virtual Desktop Infrastructure upgrade; Upgrade of the GIS Server, Desktop and Plotter. But due to delays in benchmarking and finalising technical specifications of GIS compliant Desktop Computer, Server and Plotter only the following ICT infrastructure were repaired/installed: CCTV cameras; Boom gate and Uninterrupted Power Supplies (UPSs).

3.15. COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD

The table below depicts the performance of the municipality since 2013/14 to 2015/16 financial years. The performance has declined from 55% in 2013/14 financial year to 35.6% in the 2015/16 financial year. None completion of Operation Mabone projects on time and prolonged supply chain management processes and vacant PMU and directors Technical & Corporate service positions are some of the contributing factors to the poor performance of the municipality in 2015/16 financial year.

Figure/Table 41: Annual Performance Scorecard

Key Performance Indicators	2013/14	2014/15	2015/16			
			Total KPIs	No. KPI achieved	No. KPI not achieved	Percentage
Institutional Transformation and Organisational Development	52%	42%	32	12	20	37.5%
Basic service Delivery and Infrastructure Development	54%	16%	74	22	52	41.8%
Financial Viability and Management	58%	38%	27	12	15	44.4
Good Governance and Public participation	69%	57%	59	25	34	42.4%
Local Economic Development	54%	30%	11	3	8	27.3%
Spatial rational	51%	67%	13	3	10	23%
Total	55%	40.5%	216	77	139	35.6%%

CHAPTER 4:

KPA: INSTITUTIONAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

ORGANIZATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

4.1. COMPONENT A: INTRODUCTONAL TO THE MUNICIPAL PERSONNEL

4.1.1. Introduction

The total municipality staffs excluding councillors were 246 in the 2015/16 financial year. This make an increase of 6 employees compared to 2014/15 financial year staff complements. Male employees are 139 and females are 107.

Table/Figure 42: Municipal personnel

Departments	2013/2014	2014/2015	2015/2016			
	No. of employees	No. of employees	Approved Posts	Employees	Variance	Variance (%)
Municipal Manager	13	14	19	12	7	36%
Finance	35	38	46	44	2	4%
Economics and Land Development	17	16	18	16	3	16%
Community Services	69	71	71	70	1	1%
Corporate Services	51	54	60	56	4	6%
Technical Services	44	44	51	48	3	5%
Total	229	237	265	246	20	8%

4.1.2. Labour turnover

The table below depicts labour turn over in the municipality in 2015/16 financial year

Table/figure 43: Labour turns over

Internal Transfers	Contracts expired	Secondment from COGHSTA	Resignations	Retirement	Deceased	Dismissal	New appointments
None	None	None	3	3	4	None	23

4.2. COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2.1. Human Resource Policies

The table below shows Human resource policies in the municipality and dates on which they were adopted.

Figure/Table 44: Human Resource policies

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Employment Equity plan	100%	100%	29/04/2011
2	Employment Practice policy	100%	100%	29/04/2011
3	Promotion, Transfer, Secondment and Acting in higher position policy	100%	100%	29/04/2011
4	Subsistence and travel allowance policy	100%	100%	29/04/2011
5	Leave policy	100%	100%	29/04/2011
6	Sundry conditions of Employment policy	100%	100%	29/04/2011
7	Relocation/Resettlement	100%	100%	29/04/2011

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
	Expenditure policy			
8	Private work and Declaration of interest policy	100%	100%	29/04/2011
9	Intoxicating substance abuse policy	100%	100%	29/04/2011
10	Occupational Health and safety policy	100%	100%	29/04/2011
11	Employee Assistance program policy	100%	100%	29/04/2011
12	Incapacity due to ill Health policy	100%	100%	29/04/2011
13	HR planning policy	100%	100%	07/11/2012
14	Attendance and punctuality policy	100%	100%	07/11/2012
15	Overtime and work allowance policy	100%	100%	07/11/2012
16	Transport allowance policy	100%	100%	07/11/2012
17	Housing allowance policy	100%	100%	07/11/2012
18	Legal aid policy	100%	100%	07/11/2012
19	Succession planning policy	100%	100%	07/11/2012
20	Internship policy	100%	100%	07/11/2012
21	Internal bursary policy	100%	100%	07/11/2012
22	Sexual harassment policy	100%	100%	07/11/2012
23	Performance Management and Development	100%	100%	Policy to be workshop to council and other

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
				stakeholders
24	Intoxicating substance abuse policy	100%	100%	07/11/2012
25	HIV/AIDS policy	100%	100%	07/11/2012
26	Resettlement	100%	100%	07/11/2012
29	Smoking policy	100%	100%	07/11/2012
30	Grievance procedure	100%	100%	07/11/2012
31	Incapacity due to poor performance policy	100%	100%	07/11/2012

4.3. INJURIES, SICKNESS AND SUSPENSIONS

4.3.1. Injuries

Table/Figure 45: Injuries on duty

NO	Nature of injury	Number of employees affected
1.	Multi body injuries	02

4.3.2. Sick Leaves

Figure/Table 46: Sick leaves

Number and Cost of Injuries on Duty						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R
Lower skilled (Levels 10-12)	89	0%	17	62	5	173 252.03
Skilled (Levels 7-9)	170	11%	29	81	5	424 670.20
Highly skilled production (levels 4 - 6)	213	1%	30	63	7	839 219.15
Highly skilled supervision (levels 1 - 3)	242	0	17	35	14	1 234 639.94
MM and S57	32	0	3	5	10	107 588.32
Total	746	3%	96	246	31	2 828 370 63

4.3.3. Suspensions

Figure/Table 47: Suspensions

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
None	None	None	None	None

Figure/Table 48: Disciplinary actions taken on case of financial misconduct

Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalised
None	None	None	None

4.4. COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.4.1. SKILL DEVELOPMENT AND TRAINING

Table/Figure 49 Skill development and training

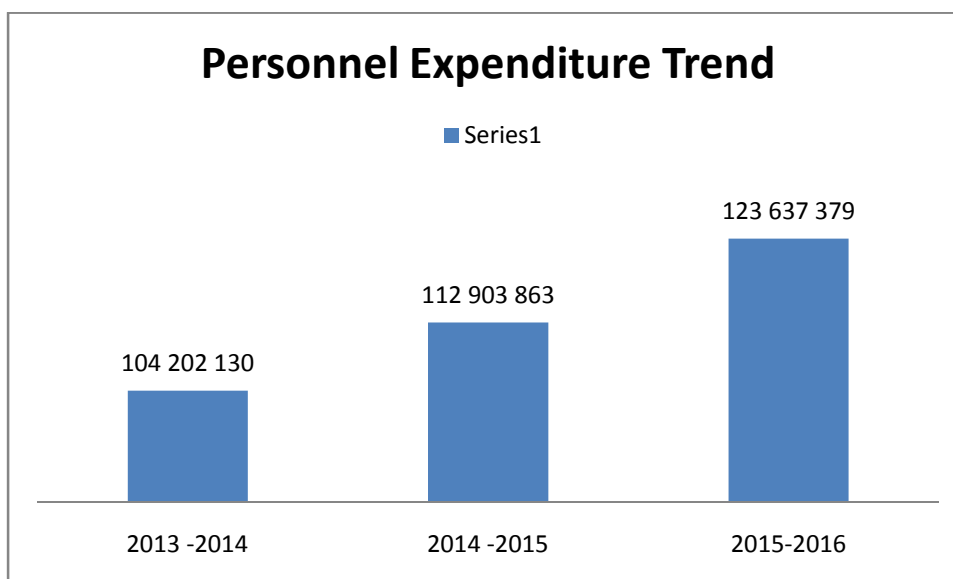
N0	Name of training provided	Number employees benefited
1.	Certificate Programme in Management Development(CPMD)	07
2.	Municipal Finance Management Programme(MFMP)	09
3	Project Management	04
4.	Internal Audit Technician	01
5.	Risk Management	01
6.	Executive Leadership	07
7.	CISCO interconnection	02
	Total	31

COMPONENT D: MANAGING WORKFORCE EXPENDITURE

4.5. EMPLOYEE EXPENDITURE

The Employee expenditure in municipality increased from R104 202 130 in 2013/14 financial year to R123 637 379 in 2015/16 financial year. This expenditure includes both Employees and Councillors. In the financial year under review employees cost was R103 095 162 and Councillor Remuneration was R20 542 217. The chart below depicts the Personnel expenditure from 2013/14 to 2015/16 financial years.

Chart 02: Personnel Expenditure Trends



CHAPTER 05:

KPA: FINANCIAL VIABILITY AND MANAGEMENT FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5.1. Statement of Financial Performance

Table/figure 50: statement of financial performance

Description	2014/15	2015/16			2015/16 Variance to actual	
	Actual(R)	Original Budget(R)	Adjusted Budget(R)	Actual(R)	Final Budget	Original budget
<u>Financial Performance</u>						
Property rates	75 360 585	73 700 000	72 200 000	92 450 891	128%	125%
Service charges	10 789 277	9 600 000	9 600 000	9 404 227	98%	98%%
Investment revenue	6 163 326	3 300 000	6 300 000	11 503 821	183%	349%
Transfers recognized - operational	313 483 339	552 383 000	378 145 000	238 788 217	63%	43%
Other own revenue	3 450 841	21 851 500	18 772 500	24 403 999	130%	112%
Total Revenue (excluding Capital transfers & contributions)	418 629 607	660 834 500	485 017 500	485 017 500	78%	57%

Employee Cost	92 715 072	(112 203 000)	(114 053 000)	(103 095 162)	90%	92%
Remuneration of councillors	20 188 791	(18 330 000)	(18 330 000)	(20 542 217)	112%	112%
Debt impairment	17 908 037	(2 700 000)	-	(17 328 345)	DIV/0%	642%
Depreciation and asset impairment	-	(4 800 000)	(4 800 000)	(107 539 817)	2 240%	2 240%
Finance charges	4 345 003	(1 500 000)	(1 500 000)	(5 561 470)	371%	371%
Transfers and grants	-	-	-	(4 247 661)	DIV/0%	DIV/0%
Other expenditure	142 266 150	(388 989 000)	(140 376 496)	(227 292 386)	162%	58%
Total Expenditure	414 361 787	(528 522 000)	(279 059 596)	(485 607 058)	174%	92%
Total revenue(excluding capital transfers and contributions)		660 834 500	485 017 500	376 551 155	78%	57%
Total Expenditure		(528 522 000)	(279 059 596)	(485 607 058)	174%	92%
Surplus/(Deficit)	4 267 820	132 312 500	205 958 004	109 055 903	53%	82%
Transfer recognized – Capital				138 005 543	DIV/0%	DIV/0%
						-49%

Surplus /(Deficit) Capital transfer and contributions		132 312 500	205 958 004	(109 055 903)	(53)%	(82)%
Surplus/(Deficit) after capital transfers and contributions		132 312 500	205 958 004	28 949 640	14%	22%
Surplus /(Deficit) Capital transfer and contributions		132 312 500	205 958 004	(109 055 903)	(53)%	(82)%
Surplus/(Deficit) for the year		132 312 500	205 958 004	28 949 640	14%	22%
<u>Financial Position</u>						
Total current Asset	274 756 738			333 050 968		
Total non – current Asset	1 490 679 081			1 456 022 064		
Total current liability	103 540 161			102 293 224		
Total non - current liability	54 107 319			57 898 351		

<u>Cash flow</u>						
Net cash flows from Operating activities	120 117 394			85 646 312		
Net cash flow from investing activities	43 962 143			(171 146 199)		
Net cash flow from financing activities	1 877 011			1 860 344		
Cash and cash equivalent at end of the year	185 487 758			98 127 527		
<u>Asset Management</u>						
Repair and Maintenance	5 367 590			10 130 487		
<u>Free services</u>						
Cost of free Basic services provided	3 734 692			3 801 752		

5.2. Financial Performance of Operational Services

Table /Figure 51: Financial performance of Operational Services

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original budget	Adjusted budget	Actual	Final Budget	Original budget
<u>Operational Costs</u>						
Corporate service Administration	63 746 702	89 042 861	89 652 861	75 311 127	84%	84.5%
Municipal Manager administration	17 798 506	20 357 783	17 567 783	12 492 536	71%	61%
Finance administration	42 587 535	56 634 258	56 634 258	37 327 826	65%	65%
Technical Services administration	13 127 167	20 441 951	40 467 525	33 055 852	81%	161%
Community services administration	16 517 931	76 157 158	52 029 158	42 094 349	80.9%	55%
Economic and Land development service admin	14 538 923	50 030 154	48 023 154	36 563 910	76%	73%
Total	168 316 167	312 664 165	304 374 739	236 845 600	77.8%	75.7%

5.3. Grants

Table/figure 52: Grants

Descriptions	2014/15	2015/16			2015/16 variance	
	Actual	Original budget	Adjustment budget	Actual	Final Budget	Original Budget
<u>Operational transfers and grants</u>						
Equitable Share	181 634 000	234 852 000	234 852 000	234 838 172	99.9%	99.9%
Municipal system improvement	98 000	930 000	930 000	930 000	100%	100%
MIG	62 562 808	96 527 677	96 527 677	63 005 543	65%	65%
INEP	60 610 189	70 000 000	70 000 000	70 000 000	100%	100%
Finance management grant	930 552	1 675 000	1 675 000	1 675 000	100%	100%
NDPG	1 340 963	5 000 000	5 000 000	5 000 000	100%	100%
EPWP	1 269 066	1 299 000	1 164 612	1 182 965	101.5%	91%

Descriptions	2014/15	2015/16			2015/16 variance	
	Actual	Original budget	Adjustment budget	Actual	Final Budget	Original Budget
Total	146 902 156	410 283 677	410 149 289	376 631 680	91.8%	91.8%

5.4. Asset Management

Table/Figure 53: Asset management

Asset 1			
Name	Praktiseer storm water drainage		
Description	Construction of storm water drainage at Praktiseer		
Asset Type	Roads Infrastructure		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2015/16	2016/17	2017/18
	2 500 000	3 000 000	11 000 000
Capital Implications	MIG		
Future Purpose of Asset	Control of storm water at Praktiseer		
Describe Key Issues	Improve road condition		
Policies in Place to Manage Asset	Repair and Maintenance		

Asset 2			
Name	Tubatse High mast lights		
Description	Installation of High mast lights in the strategic area in the Municipality		
Asset Type	Provision of High mast lights		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2015/16	2016/17	2017/18
	16 516 853	17 373 175	18 654 257

Capital Implications	MIG
Future Purpose of Asset	Crime prevention strategy
Describe Key Issues	Crime prevention
Policies in Place to Manage Asset	Repair and Maintenance

Asset 3			
Name	Mafarafara Access Bridge		
Description	Construction of access bridge at Mafarafara		
Asset Type	Upgrading road Infrastructure		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2015/16	2015/17	2017/18
	1 200 000	3 524 000	6 000 000
Capital Implications	MIG		
Future Purpose of Asset	Improve road condition and viable Economy		
Describe Key Issues	Improve road condition and viable Economy		
Policies in Place to Manage Asset	Repair and Maintenance		

Asset 4	
Name	Mpuru Access bridge
Description	Construction of access bridge at Mpuru
Asset Type	Upgrading road Infrastructure

Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2014/15	2015/16	2016/17
	1 200 000	3 595 000	7 500 000
Capital Implications	MIG		
Future Purpose of Asset	Improve road condition and viable Economy		
Describe Key Issues	Improve road condition and viable Economy		
Policies in Place to Manage Asset	Repair and Maintenance		

Asset 5			
Name	Motodi Sport Complex		
Description	Construction of sport complex at Ga - Motodi		
Asset Type	Sport and recreation		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2015/16	2016/17	2017/18
	400 000	600 000	6 800 000
Capital Implications	MIG		
Future Purpose of Asset	Improve recreation in the municipality		
Describe Key Issues	Improve sport activities and recreation in the municipality		
Policies in Place to Manage Asset	Repair and Maintenance		

5.5. Repair and Maintenance

The repair and maintenance budget for 2015/16 financial year was R14 535 487; by the end of the financial year 69.7% of it R10 130 487 was spent. This was an increase of R2 366 463 to what the municipality spent in the 2014/15 financial year. The table below depicts the picture.

Table/figure 54: Repair and maintenance

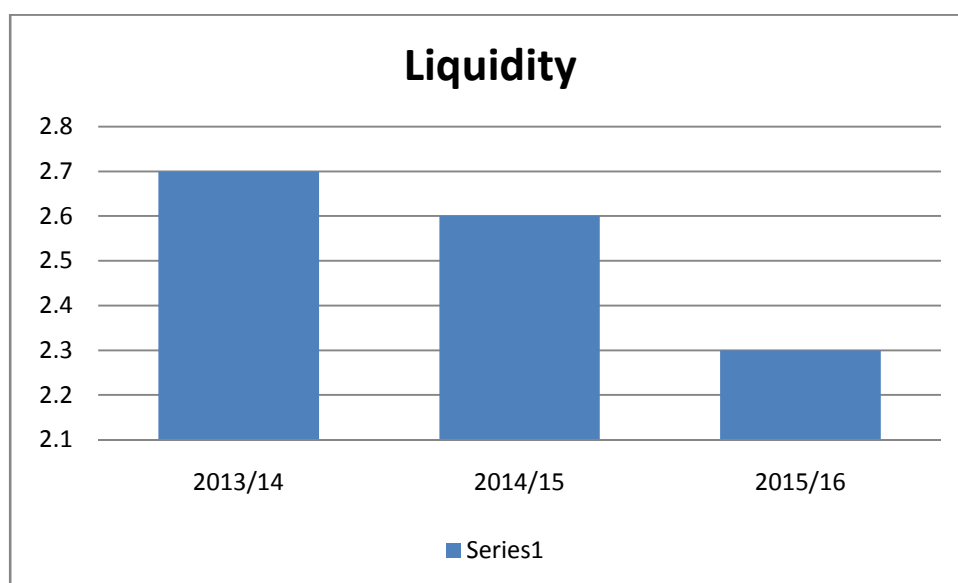
Descriptions	2014/15	2015/16			2015/16 variance
	Actual	Original Budget	Adjusted Budget	Actual	Variance
Repair and Maintenance	7 764 024	(17 285 000)	(14 535 000)	(10 130 487)	69.7%

5.6. FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.6.1. Liquidity ratio

Liquidity ratio measures the ability of the municipality to convert its assets into cash to service its daily obligations. The higher the ratio higher is the ability of the municipality to convert its assets into cash for its daily obligations. In 2014/15 financial year the municipality had a liquidity ratio of 2.6 and in 2015/16 has declined to 2.3. The chart below depicts the picture.

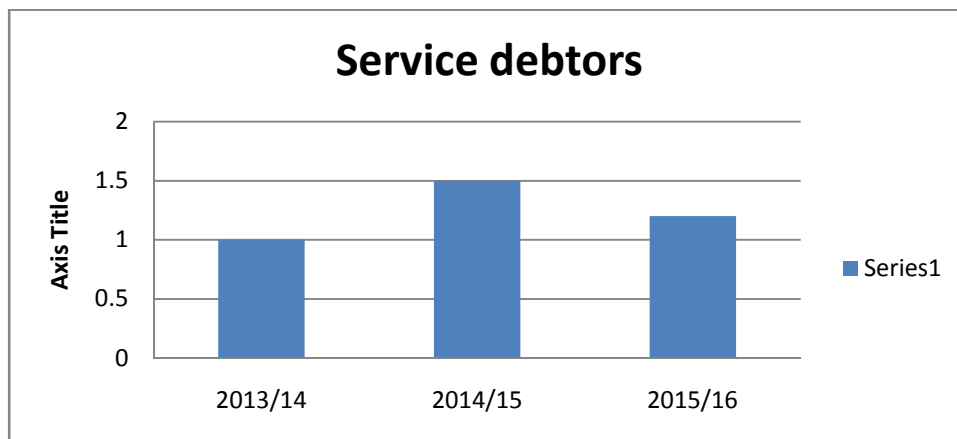
Chart 03: Liquidity of the Municipality within three years



5.6.2. Total Outstanding Service debtors' ratio

This ratio measures the ability of the municipality/institution to produce enough cash to cover its debts. The higher the ratio is, the easier is it for the institution to obtain loan. A ratio lower than 1.0 indicates that the institution does not have enough cash flow to cover loan payments. For the past three financial years the municipality's service debtors' ratio has been above 1 which is a positive indication that the municipality has ability to service its debts. The chart below depicts the picture.

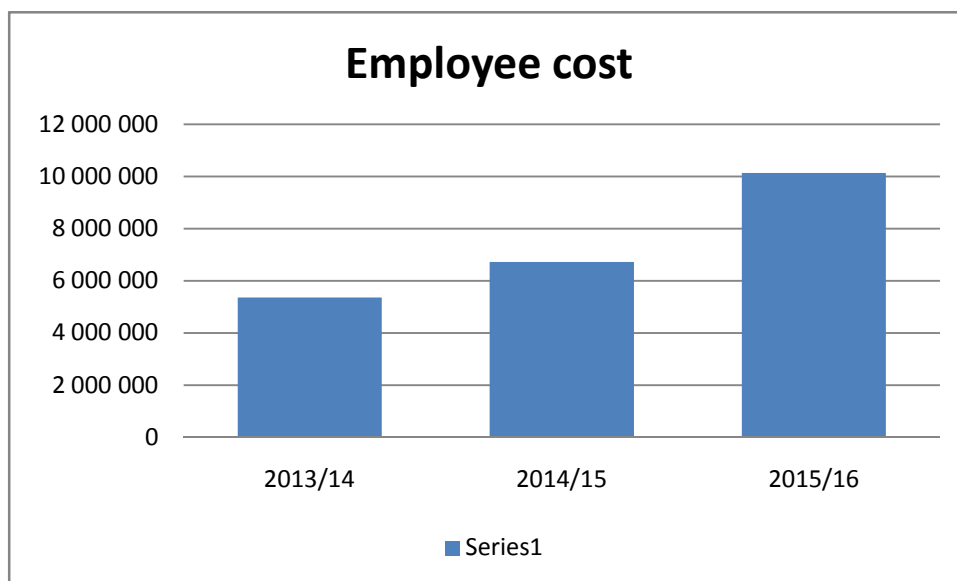
Chart 04: Service debtors' ratio



5.6.3. Employee cost

The employee cost of the municipality has decrease from R114 710 863 in 2014/15 financial year to R112 203 000 in the financial year under review.

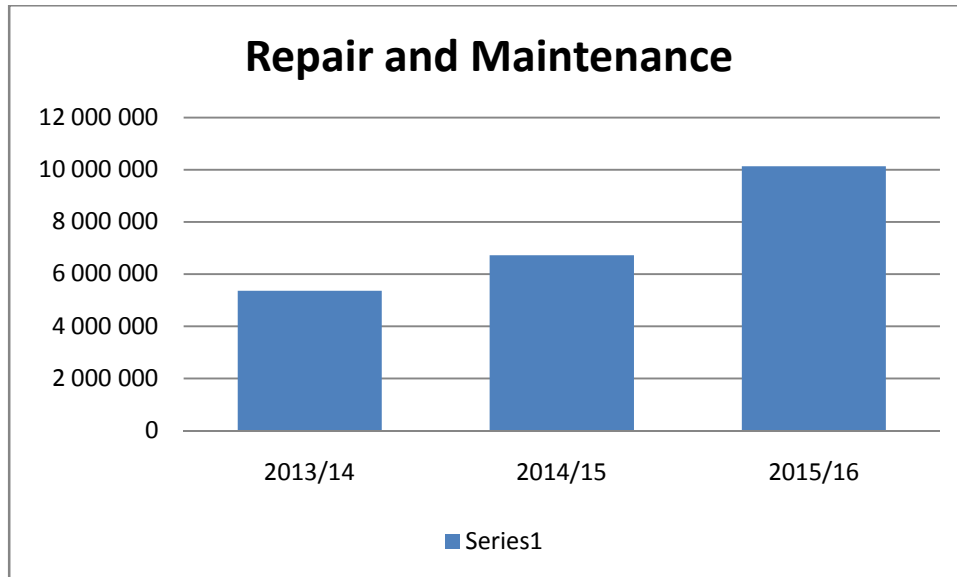
Chart 05: Employee costs



5.6.4. Repair and Maintenance

The chart below reflects the repair and maintenance expenditure of the municipality since 2013/14 to 2015/16 financial years.

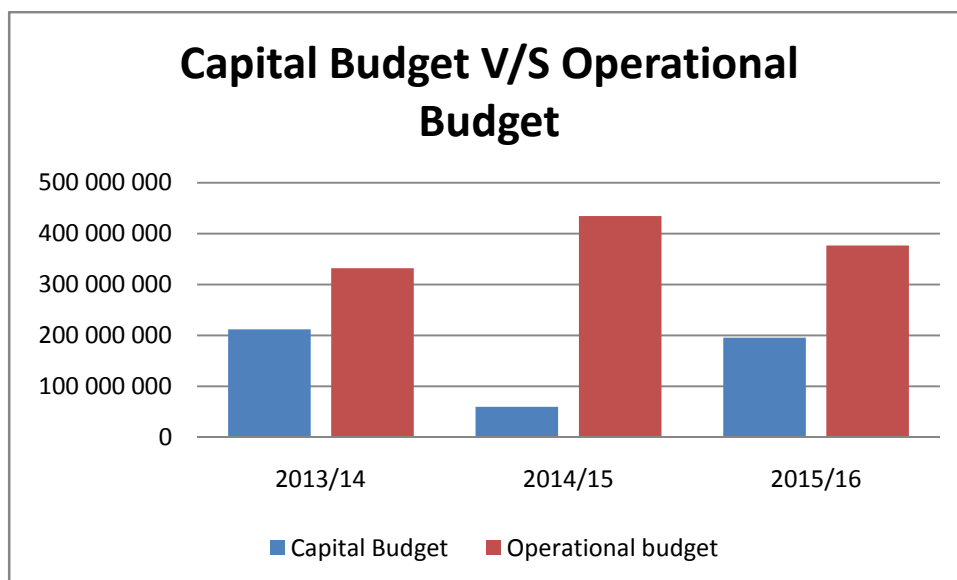
Chart 06: **Repair and maintenance**



Component B: Spending against Capital Budget

The chart below compares the capital and operational expenditures of the municipality since 2013/14 to 2015/16 financial years.

Chart 7: Capital expenditure against Operational expenditure



Figure/table 55: Capital expenditure v/s operational expenditure

Expenditure Type	% of Expenditure Budget	Original Budget	Adjustment Budget	Un-audited Full Year Total
Capital Expenditure	34%	132 311 000	372 200 000	195 801 399
Operating Expenditure	66%	660 834 500	485 017 500	376 551 155
Total expenditure	100%	793 145 500	857 217 500	572 352 554

5.7. Capital spending on five largest projects

Table/Figure 56: Capital spending on five largest projects

projects names	2015/16 financial year			Variance 2015/2016	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A – Motodi Sport Complex	400 000	1 000 000	0	0	0
B – Mpuru Access bridge	1 200 000	982 943	1 145 431	95%	116%
C – Mafarafara Access bridge	1 470 000	7 000 000	7 875 169	535%	112%
D – Praktiseer Storm water drainage	2 500 000	3 000 000	4 287 985	171%	142%

E – Tubatse High mast lights	16 516 853	31 000 000	8 670 740	52%	28%%
---------------------------------	------------	------------	-----------	-----	------

Name of Project - A	Motodi Sport Complex
Objective of Project	Promotion of sport and recreation
Delays	None
Future Challenges	None
Anticipated citizen benefits	120 000

Name of Project - B	Mpuru Access bridge
Objective of Project	Improve connectivity between villages
Delays	None
Future Challenges	None anticipated
Anticipated citizen benefits	600

Name of Project - C	Mafarafara Access bridge
Objective of Project	Improve connectivity between villages
Delays	None
Future Challenges	None
Anticipated citizen benefits	600

Name of Project - D	Praktiseer Storm water drainage
Objective of Project	Control of rain water
Delays	none
Future Challenges	none
Anticipated citizen benefits	2348

Name of Project - E	Tubatse High mast light
Objective of Project	To provide electricity to Makofane village
Delays	None
Future Challenges	None
Anticipated citizen benefits	6900

5.8. Basic Service and Infrastructure Backlog – Overview

5.8.1. Introduction

As indicated in the overview in chapter 01 of this report, the municipality does not have authority to provide most of basic services. The table below highlights the status of basic service delivery in the Greater Tubatse municipality.

Table/figure 57: Service delivery Backlog

Service Backlogs as at 30 June 2016				
Service level above minimum standard			Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	63 026	79.3%	20 173	20.7%
Sanitation	79 542	80.7%	3657	19.3%
Electricity	62 984	63.3%	20 215	36.7%
Refuse Removal	4847	7.1%	61 904	92.9%
Housing	71 077	85.43%	12 122	14.56%

Source: GTM IDP 2016/17 -2020/21

5.8.2. 2015/16 MIG spending

The table below depicts the municipal spending on MIG.

Table/Figure 58: MIG spending

NO	Project Description	Household benefited	Status	Expenditure
1.	Bothashoek Access Bridge	Project not completed	Construction - 65% complete	3 319 762.36
2.	Ga – Motshana Access bridge	Project not completed	Tender stage	1 935 679.31
3.	Mafarafara Access bridge	Project not completed	Construction - 40% complete	9 103 825.62
4.	Mpuru Access Bridge	Project not completed	Tender stage	1 305 792.04
5.	Madithongwana Access Bridge	Project not completed	Tender stage	872 550.66
6.	Diphala/Makhwaya Access Bridge	Project not completed	Tender stage	2 615 335.63
7.	Mabocha Access Bridge	Project not completed	Construction - 32% complete	6 473 130.60
8.	Leboeng Access Bridge	Project not completed	Construction - 65% complete	9 942 247.27
9.	Legoleng Access Bridge	Project not completed	Tender stage	2 775 773.58
10.	Tubatse Fencing of Cemeteries phase 02	Project not completed	Construction - 55% complete	3 100 795.06
11.	Burgersfort Storm water Drainage System	2496	Completed	5 395 021.73

N0	Project Description	Household benefited	Status	Expenditure
12.	Ohrigstad sport complex	Project not completed	Construction - 98% complete	1 247 385.24
13.	Burgersfort Hawker facilities	7099	Completed	1 281 265.47
14.	Praktiseer Hawker	3277	Completed	779 286.18
15.	Burgersfort Flea Market	Project not complete	Construction - 45% complete	2 402 358.47
16.	Tubatse High mast light	Project not complete	Construction - 80% complete	9 420 740.29
	Total			64 400 199.51(75.7%)

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENT

5.9. Cash flow

Table/Figure 59: cash flow management

Description	2014/15	2015/16		
	Audited outcome	Original budget	Adjusted budget	Actual
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Sale of goods and services	48 644 218	85 602 000	89 902 000	97 357 042
Grants	211 942 000	552 383 000	378 145 000	376 793 760
Interest received	4 575 966	3 300 000	6 300 000	11 503 821
Employee cost	114 710 864	112 203 000	114 053 000	103 095 162
Suppliers	65 048 757			40 378 546
Financial cost	6 051 363	1 500 000	1 500 000	5 561 470
Net Cash flows from operating Activities	450 973 441	754 988 000	589 900 000	634 689 801
CASH FLOW FROM INVESTING ACTIVITIES				

Purchase of property, plant and Equipments	49 863 057			71 844 767
Net cash flows from investing Activities	49 863 057			71 844 767
CASH FLOWS FROM FINANCING ACTIVITIES				
Net increase/(Decrease) in cash held	98 104 999			87 360 231
Cash and cash Equivalents at the beginning of the year	108 458 305			185 487 758
Cash and Cash Equivalents at the End of the year	206 563 304			98 127 527

5.10. Borrowing and investment

Table/Figure 60: Borrowing and investment

Actual Borrowings 2013/14 - 2015/16			
Instrument	2013/14	2014/15	2015/16
Long-Term Loans (annuity/reducing balance)	20 149 000	15 079 370	14 739 144
Long-Term Loans (non-annuity)	5 652 445	2 212 043	-
Financial Leases	124 264 608	112 050 555	28 427
Total	150 066 053	129 341 968	14 767 571

5.11. Public Private partnership

The municipality has initiated PPP process on the procurement of waste removal project in 2012/13 financial year. The project could not start in 2012/13 financial year as envisaged because the preferred bidder could not raise the required funds for the commencement of the project. The project encountered various challenges including the withdrawal of TAS and prolonged procurement process. As the results even in 2015/16 financial year the project could not commenced.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12. Supply Chain management

5.12.1. Introduction

The municipality has a functional Supply chain management unit located in finance department. It has also adopted its supply chain management policy. On quarterly basis the Municipality tables its SCM reports to council and report irregular expenditure to National treasury.

5.12.2. Bid committees

It is the competency of Municipal Manager to appoint Bid committees in the Municipality. In the financial year under review the municipality had all bid committees established, namely: specification, evaluation and adjudication committees. All bid committees were functional, but due to high volume of tenders the Municipality established two evaluations and pre- evaluation committees. The strategy yields positive results because by the end of the financial year the job load was reduced.

Secondly, the municipality had procurement plan to regulate procurement. The plan had also contributed positively in the reduction of job loads and delays in the procurement processes. The situation had changed towards the end of the financial year. In some incidents the Bid committees could be booked for few days outside the municipality to conclude their work and report back.

5.12.3. Oversight role of council

The municipality had the following committee to play oversight role to council and its committees: **Rules committees** which enforces council rules during council sittings; **Petition committee** which attend to petitions submitted to the municipality and report to council; **Ethic committee** which looks into the conduct of councillors; **Municipal Public account committee(MPAC)** which ensures accountability of administration to council and **Audit committee** which advises the municipal council, the political office bearers, the accounting officer and the management staff of the municipality on matters as per reflected in section 166(2) of MFMA.

5.15. GRAP Compliance

The municipality has started with implementation of all GRAP standards. Number finance staff members have attended different workshops and some have been registered to different courses on the implementation of various GRAP standards.

Chapter 06

AUDITOR GENERAL AUDIT FINDINGS

6.1. Introduction

Section 188(1)(b) of the constitution of South Africa mandates Auditor General of South Africa to audit municipalities and report on their accounts, financial statements and financial management Annually. On the same breath section 45(b) of the Municipal System Act, 32 of 2000 mandates the Auditor General of South Africa to audit the results of performance measurement the municipalities. AGSA then give his/her audit opinion of the financial matters of municipalities. It is reported that as from 2016/17 financial year AGSA will also give opinion on the audit of predetermine objectives of municipalities.

6.2. Component A: Auditor General Opinion of 2014/2015 financial statement

In 2014/15 financial year the municipality had disclaimer audit opinion from AGSA. 74 Findings were raised against the municipality, by the end of the financial year 69% the findings were addressed and the remaining 31% were in process of implementation. Most of the remaining findings could only be resolved during th compilation of the Annual financial statement.

COMPONENT B: 2015/16 AUDITOR GENERAL OPINION

6.3. 2015/16 AUDITOR GENERAL OPINION

The municipality obtained a qualified audit opinion from Auditor General of South Africa in the 2015/16 financial year, for detailed report see the AG report as attached to this Annual report.

Annexure A: Council Profile

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
1.	Mabelane	Motsebeng Morussia	Part time	Corporate portfolio committee	Ward 01/ANC	100%	N/A
2.	Makine	Molelekwa Patrick	Part time	ELD portfolio committee	Ward 2/ ANC	36%	0%
3.	Mashabela	Mankgase Ronald	Part time	Rules committee	Ward 03/ ANC	45%	0%
4.	Malatji	Modjadji Annah	Part time	Corporate portfolio committee	Ward 04/ ANC	63%	0%
5.	Kgoete	David	Part time	Community service portfolio committee	Ward 05/ ANC	45%	0%
6.	Hlatswayo	Buti Ephraim	Part time	MPAC	Ward 6/ ANC	18%	0%
7.	Riba	Mashego Rebotile	Part time	Ethic committee & finance portfolio committee	Ward 7/ ANC	45%	0%
8.	Hlongwa	Mpho Samuel	Part time	Finance portfolio committee	Ward 8/ ANC	100%	None

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
9.	Nkwana	Dianah Pheladi	Part time	Petition committee & Technical portfolio committee	Ward 9/ ANC	100%	None
10.	Moropane	Ntai Christianah	Part time	Corporate services portfolio committee	Ward 10 /ANC	100%	None
11.	Lesinya	Mphago Turks	Part time	MPAC	Ward 11/ ANC	63%	0%
12.	Magane	David Malekeng	Part time	Rules committee & technical portfolio committee	Ward 12/ ANC	100%	0%
13.	Maroga	Lephaphane Rosemary	Part time	MPAC	Ward 13/ ANC	55%	20%
14.	Mphofelo	Kgaogelo Vincent	Part time	Petition committee	Ward 14/ ANC	27%	13%
15.	Maile	Kgolane Miccah	Part time	MPAC	Ward 15/ ANC	100%	0%
16.	Komane	Mogau Cynthia	Part time	Rules committee	Ward 16/ ANC	0%	0%
17.	Mphethi	Ngwakwana Dorah	Part time	Executive committee & Technical services	Ward 17/ ANC	63%	25%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
				portfolio committee			
18.	Ngwatle	Jackson Themba	Part time	Corporate Portfolio committee	Ward 18/ ANC	100%	None
19.	Riba	Mphahlele Ephaphrus	Part time	MPAC	Ward19/ ANC	100%	None
20.	Hlatswayo	Putana Joel	Part time	Community services portfolio committee	Ward 20/ ANC	9%	0%
21.	Thobajane	Mabatane Norman	Part time	Ethic & Finance portfolio committee	Ward 21/Independent	27%	0%
22.	Mogofe	Mathume Enicca	Full time	Executive committee & Corporate service portfolio committee	Ward 22/ ANC	36%	0%
23.	Mboyane	Alfred Welly	Part time	Petition committee & Corporate portfolio committee	Ward 23/ Independent	36%	0%
24.	Kgoete	Serutla Steve	Part time	MPAC	Ward24/ ANC	63%	0%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
25.	Maepa	Apollo Simon	Part time	Finance portfolio committee	Ward 25/ ANC	100%	None
26.	Shai	Annah Motjekoane	Part time	ELD portfolio committee	Ward 26/ ANC	72%	0%
27.	Tshehla	Muas Andrew	Part time	Ethics & ELD portfolio committee	Ward 27/ ANC	63%	25%
28.	Rantho	Lekgema Jim	Part time	Rules committee	Ward 28/ANC	54%	20%
29.	Komane	Tjilenyane Daniel	Part time	MPAC	Ward 29/ANC	54%	0%
30.	Sekgobela	Jane Beefy	Part time	Rules committee	Ward 30/ ANC	27%	0%
31.	Mabilu	Moditsana Lazarus	full time	Executive committee & ELD portfolio committee	Ward 31/ ANC	45%	0%
32.	Moraba	Lekhele David	Part time	Executive committee & Finance portfolio committee	PR/COPE	0%	0%
33.	Mamekoa	Ralepane Samuel	Full time	Mayor	PR/ANC	54%	0%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
34.	Selahle	Nnanesi Lucas	Part time	Petition committee & Technical service portfolio committee	PR/COPE	72%	0%
35.	Tau	Letau Christianah	Part time	Ethics & ELD portfolio committee	PR/COPE	45%	0%
36.	Mohlala	Kutullo	Part time	Community service portfolio committee	PR/DA	45%	0%
37.	Mogale	Kgakishi John	Part time	Ethics & Finance portfolio committee	PR/DA	9%%	0%
38.	Kgwedi	Joseph Lethabile	Part time	Executive committee & Community service portfolio committee	PR/DA	36%	0%
39.	Maleka	Ernest Kahludi	Part time	Community service portfolio committee	PR/ANC	54%	0%
40.	Makofane	Isaac Thabo	Part time	MPAC	PR/UDM	72%	0%
41.	Manotwana	Rosina Ramaabele	Part time	MPAC	PR/ANC	100%	None

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
42.	Makofane	Rejoice Lethabo	Part time	Ethics committee & ELD portfolio committee	PR/ANC	100%	None
43.	Moropane	Nthloile Marry	Part time	Executive committee & Community services portfolio committee	PR/ANC	27%	0%
44.	Malapane	Phomolo Elizaberth	Part time	Ethics & Technical service portfolio committee	PR/ANC	72%	0%
45.	Mohlala	Phulushi Archiebald	Full time	Executive committee & Finance portfolio committee	PR/ANC	63%	0%
46.	Malaka	Andrew Maseletjane	Part time	Petition committee	PR/APC	63%	0%
47.	Khoza	Maria Rinkie	Part time	Technical service portfolio committee	PR/ANC	54%	0%

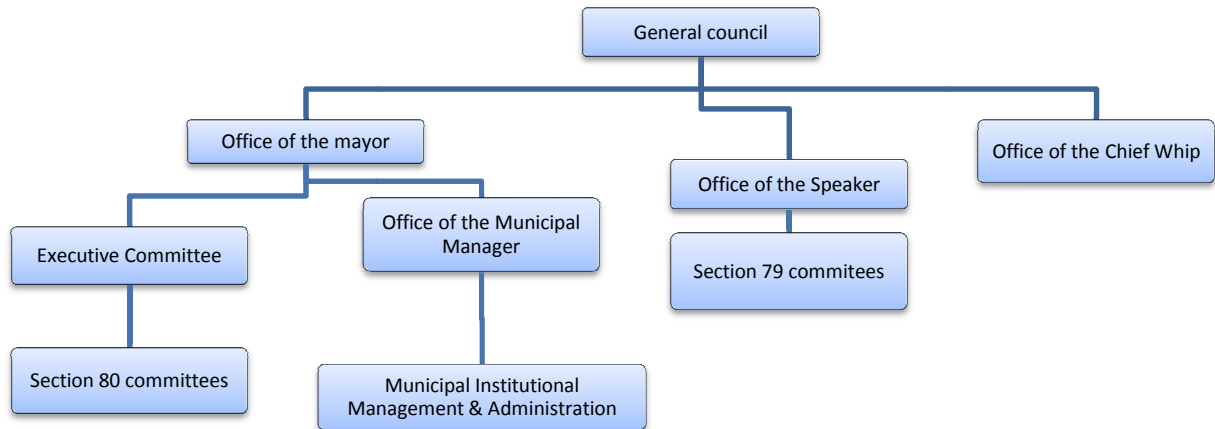
No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
48.	Selala	Sentsho Isaiah	Part time	Ethics & Technical services portfolio committee	PR/ANC	100%	0%
49	Sekgobela	Phaswabotse Cedric	Full time	Executive committee & Technical service portfolio committee	PR/ANC	18%	0%
50.	Thobejane	Monicah Dinao	Part time	Petition & finance portfolio committee	PR/ANC	72%	0%
51.	Mahlaba	Phillistus Mohlomphi	Part time	ELD portfolio committee	PR/ANC	100%	0%
52.	Makgoga	Mamogodi Emmanuel	Part time	Executive committee & ELD portfolio committee	PR/ANC	45%	0%
53.	Nkosi	Samson Magodireng	Full time	Chief whip	PR/ANC	63%%	0%
54.	Makhubedu	Ngwanyene Rhinah	Part time	Rules committee & Community service portfolio committee	PR/ANC	100%	0%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
55.	Mphogo	Sekopa Caiphus	Part time	Community services portfolio committee	PR/ANC	63%	0%
56.	Moeng	Queen Malekgale	Full time	Speaker	PR/ANC	36%	0%
57.	Serothwane	Serotho Onis	Part time	Petition and Technical portfolio committee	PR/ANC	100%	N/A
58.	Mohlala	Bonyana John	Part time	None	PR/PAC	18%	0%
59.	Masilela	Nyakane Gert	Part time	None	PR/PAC	18%	0%
60.	Mametja	Matshehla Maggie	Part time	Petition & ELD portfolio committee	PR/ANC	36%	0%
61.	Mahlake	Nkosi Josias	Part time	Community service portfolio committee	PR/ANC	27%	0%
62.	Nkosi	Motuka Dorcus	Part time	Community service portfolio committee	PR/ANC	63%	0%

ANNEXURE B: LIST OF MUNICIPAL COMMITTEES

Rules committee	Petition committee	Ethics committee	Municipal Public Account committee	Audit committee
Purpose: Enforcement of rules in rules during council sittings	Purpose: To attend to petitions submitted to the municipality and report to council	Purpose: Look into the conduct of councillors	Purpose: To ensure accountability of administration to council	Purpose: To advise the municipal council, the political office bearers, the accounting officer and the management staff of the municipality on matters as per section 166(2) of MFMA
Members	Members	Members	Members	Members
Chairperson: Cllr. Moeng Q.M Cllr. Mashabela M.R Cllr. Rantho L.J Cllr. Sekgobela B.J Cllr. Magane M.D Cllr. Mahlaba P.D Cllr. Komane T.D Cllr. Makhubedu N.R Cllr. Komane M.C	Chairperson: Cllr. Komane M.C Cllr. Nkoana D.P Cllr. Malatjie S.M Cllr. Serothwane S.O Cllr. Mphofelo K.V Cllr. Mametja M.M Cllr. Selahle N.L Cllr. Mboyane A.W Cllr. Thobejane M.D	Chairperson: Cllr. Rantho L.J Cllr. Makofane L.R Cllr. Thobejane N.M Cllr. Riba M.R Cllr. Mogale K.J Cllr. Tshehla N.M Cllr. Malapane P.E Cllr. Selala S.I Cllr. Tau L.C	Chairperson: Cllr. Kgoete S.S Cllr. Riba M.E Cllr. Lesenya T Cllr. Maile M Cllr. Manotwane R.R Cllr. Hlatshwayo B.E Cllr. Maroga R.L Cllr. Makofane I.T Cllr. Komane T.D	Chairperson: Adv. Thubakgale L.J Mpjane N.J Simelane S Adv. Malatji T

ANNEXURE C: ORGANISATIONAL STRUCTURE OF THE MUNICIPALITY



ANNEXURE D: POWER AND FUNCTIONS OF GREATER TUBATSE LOCAL MUNICIPALITY

Function	Authorised	Provided by
Street lighting	Yes	GTM
Water and Sanitation	No	Sekhukhune District Municipality (SDM)
Electricity Reticulation	No	Eskom
Municipal Roads	Yes	Greater Tubatse Municipality(GTM)
Other roads (district and provincial)	No	SDM, Limpopo Dept of Road and Transport
Housing	No	Limpopo Department of Co operative Government Human Settlement and Traditional Affairs
Building Regulations	Yes	GTM
Local tourism	Yes	GTM
Fire fighting	No	SDM
Traffic & parking	Yes	GTM
Trading Regulations	Yes	GTM
Local Sport facilities	Yes	GTM
Municipal Planning	Yes	GTM
Municipal Public Transport	Yes	GTM
Storm water	No	SDM

Function	Authorised	Provided by
Municipal Airport	Yes	GTM
Billboards & Advertising	Yes	GTM
Control of liquor & food outlets & street trading	Yes	GTM
Local amenities	Yes	GTM
Waste & Cleansing	Yes	GTM
Cemeteries	Yes	GTM

ANNEXURE E: WARD COMMITTEE MEETINGS

Functionality of Ward Committees						
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 01	Mabelane	Motsebeng Morussia	Yes	12	12	12
Ward 02	Makine	Molelekwa Patrick	Yes	9	9	8
Ward 03	Mashabela	Mankgase Ronald	Yes	6	6	7
Ward 04	Malatji	Modjadji Annah	Yes	12	12	9
Ward 05	Kgoete	David	Yes	14	12	12
Ward 06	Hlatswayo	Buti Ephraim	Yes	11	11	9
Ward 07	Riba	Mashego Rebotile	Yes	11	11	12
Ward 08	Hlongwa	Mpho Samuel	Yes	10	10	7
Ward 09	Nkwana	Dianah Pheladi	Yes	12	12	12
Ward 10	Moropane	Ntai Christianah	Yes	12	12	1
Ward 11	Lesinya M.T	Mphago Turks	Yes	10	10	10
Ward 12	Magane	David Malekeng	Yes	11	11	0
Ward 13	Maroga	Lephaphane Rosemary	Yes	12	12	2
Ward 14	Mphofelo	Kgaogelo Vincent	Yes	12	12	11
Ward 15	Maile	Kgolane Miccah	Yes	12	12	5

Functionality of Ward Committees						
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward16	Komane	Mogau Cynthia	Yes	11	11	6
Ward 17	Mphethi	Ngwakwana Dorah	Yes	13	12	4
Ward 18	Ngwatle	Themba Jackson	Yes	10	10	5
Ward 19	Riba	Mphahlele Ephaphrus	Yes	11	11	12
Ward 20	Hlatswayo	Putana Joel	Yes	8	8	9
Ward 21	Thobajane	Mabatane Norman	Yes	11	11	8
Ward 22	Mogofe	Mathume Enicca	Yes	11	11	9
Ward 23	Mboyane	Alfred Welly	Yes	11	11	8
Ward24	Kgoete	Serutla Steve	Yes	10	10	5
Ward25	Maepa	Apollo Simon	Yes	9	9	4
Ward 26	Shai	Annah Motjekoane	Yes	11	11	7
Ward 27	Tshehla	Musa Andrew	Yes	13	12	9
Ward 28	Rantho	Lekgema Jim	Yes	11	11	5
Ward 29	Komane	Tjilenyane Daniel	Yes	11	11	1
Ward 30	Sekgobela	Jane Beefy	Yes	11	11	7
Ward 31	Mabilu	Moditsana Lazarus	Yes	11	11	3
Total				339	335	224
%				%	%	81%

ANNEXURE F: PERFORMANCE OF SERVICE PROVIDERS

No	Service Providers	Service description	Start Date	End Date	Performance Ratings
1.	Tirotirello Consulting Engineers	Consulting Engineers for Ohrigstad Sports Complex	22/08/2013	29/04/2016	2
2.	Madipadi Construction CC	Construction of Ohrigstad Sports Complex	22/04/2014	29/04/2016	2
3.	Bawelile Consulting Engineers	Consulting Engineers for Burgersfort Storm water Drainage	24/01/2014	04/09/2015	4
4.	Loge Construction	Construction of Burgersfort Storm water Drainage	25/07/2014	04/09/2015	5
5.	Bawelile Consulting Engineers	Providing engineer services for Burgersfort Flea Market	29/09/2013	30/09/2016	4
6.	Casnan Civils CC	Construction of Burgersfort Flea Market	17/04/2014	30/09/2016	3
7.	Bicacon Consulting Engineers	Providing engineer services for Burgersfort Hawkers Facility	19/09/2013	02/02/2016	2
8.	HBC/Kingki Electrical JV	Burgersfort Hawkers Facility	23/04/2014	02/02/2016	2
9.	Bicacon Consulting Engineers	Praktiseer Hawkers Facility	19/09/2013	15/12/2015	2
10.	HBC/Kingki Electrical JV	Construction of Praktiseer Hawkers Facility	23/04/2014	15/12/2015	2

No	Service Providers	Service description	Start Date	End Date	Performance Ratings
11.	Morwa Consulting Engineers	Leboeng Access Bridge	29/10/2015	18/08/2016	5
12.	4Arrows/ Ruwacon JV	Construction of Leboeng Access Bridge	01/02/2016	18/08/2016	5
13.	Tshashu Consulting Engineers	Mabocha Access Bridge	15/09/2015	24/08/2016	4
14.	Seripele Trading cc	Construction of Mabocha Access Bridge	08/02/2016	24/08/2016	2
15.	Tshashu Consulting Engineers	Bothashoek Access Bridge	15/09/2016	24/08/2016	4
16.	4Arrows/ Ruwacon JV	Construction of Bothashoek Access Bridge	15/02/2016	24/08/2016	5
17.	Morwa Consulting Engineers	Mafarafara Access Bridge	29/10/2015	01/08/2016	4
18.	Seripele Trading cc	Construction of Mafarafara Access Bridge	26/01/2016	01/08/2016	2
19.	Mont Consulting Engineers	Mpuru Access Bridge	05/10/2015	26/02/2017	3
20.	Kipp Consulting Engineers	Diphale/Makhwaya Access Bridge	31/08/2015	29/12/2016	5
21.	Afro-Architectural Structural Engineers	Praktiseer Walkway, Public environment and Trading Facilities	31/08/2015	08/10/2016	5
22	Loge Construction CC	Construction of Praktiseer Walkway, Public environment and Trading Facilities	21/07/2014	08/10/2016	3

No	Service Providers	Service description	Start Date	End Date	Performance Ratings
23.	Mont Consulting Engineers	Motshana Access Bridge	05/10/2015	26/10/2016	3
24.	Kipp Consulting Engineers	Legoleng Access Bridge	05/08/2015	26/10/2016	5
25.	Loge Construction	Construction of Legoleng Access Bridge	01/06/2016	26/10/2016	5
26.	Tshashu Consulting Engineers	Ga-Maphopha Access Bridge	09/12/2013	13/07/2015	4
27.	Loge Construction CC	Construction of Ga-Maphopha Access Bridge	28/08/2014	13/07/2015	5
28.	Volt Consulting Engineers	Tubatse High mast Lights	26/01/2016	13/07/2015	5
29.	Rekagone Trading Services JV Moleke Projects CC	Fencing of Rural Cemeteries	05/05/2016	05/08/2016	4
30.	HBKM	Fencing of Rural Cemeteries	05/05/2016	05/08/2016	4
31.	Bokgobo Construction and Projects cc	Fencing of Rural Cemeteries	05/05/2016	05/08/2016	4
32.	Linspire 135	Fencing of Rural Cemeteries	05/05/2016	05/08/2016	4
33.	Sifolisi Civils and IT Services	Fencing of Rural Cemeteries	05/05/2016	05/08/2016	4
34.	Big-O Trading 926cc	Fencing of Rural Cemeteries	05/05/2016	05/08/2016	4
35.	Kipp Consulting Engineers	Praktiseer Storm water Drainage	31/08/2015	N/A	3
36.	TMS Consulting Engineers	Tjate Access Bridge	05/05/2016	N/A	4

No	Service Providers	Service description	Start Date	End Date	Performance Ratings
37.	Tshashu Consulting Engineers	Mapodile Sports Complex	05/05/2016	N/A	4
38.	Mont Consulting Engineers	Madithongwana Access Bridge	05/10/2015	05/12/2016	3
39.	Loge Construction	Maintenance of Road & Storm water	22 April 2016	21 April 2017	4
40.	MGL	Maintenance of plant & equipment	1 July 2010	Month to month	3
41.	SJN Development planning consultant	Development of Ohrigstad Development Plan (ODP)	April 2014	June 2016	4
42.	SJN Development planning consultant	Development of Land Use Management Scheme (LUMS)	April 2014	June 2016	4
43.	Verveen Attorneys	Legal facilitation for acquisition of road reserve for Burgersfort Western Ring road	April 2014	To date/ongoing	4
44.	Afro-Architectural cc	Project management for Neighbourhood Development Partnership Grant (NDPG)	December 2009	December 2015	4
45	Magna Consulting	Software for capturing of section 56 notices	1 July 2015	30 June 2016	5
46	Bauba Marumo Waste Management PTY/LTD	Waste removals and Landfill management	1 July 2015	On going	3

No	Service Providers	Service description	Start Date	End Date	Performance Ratings
47	Neo Solutions	Maintenance of computerised licence testing system (Praktiseer DLTC)	1 July 2016	30 June 2017	5
48	Synapsis Smart Software	Cemetery management system	1 July 2015	30 June 2016	5
49	TT Property Consultant	Compilation of Valuation roll and Supplementary Valuation roll	1 July 2015	30 June 2019	3
50	BCX Connection	Revenue Support	1 July 2014	On going	4
51	Focus Outsourcing Solutions	Printing of Accounts	11 June 2011	Until finalisation of procurement process	2
52	Fawcett Security Services	Physical Security	2014	2015, from 2015 the contract was on a month to month	2
53	Tubatse Properties	Rental of municipal offices and maintenance of air conditioners	2010 (Leased for a period of 10 years)	2020	2
54	Telkom	Rental of telephones	1 July 2014	ongoing	2
55	Noko Maimela Incorporated	Legal services	Database	Appointment of Panel	4
56	Verveen Attorneys	Legal Services	Database	Appointment of Panel	5
57.	FM Maluleka Incorporated	Legal services	Database	Appointment of Panel	3

No	Service Providers	Service description	Start Date	End Date	Performance Ratings
58.	Modise Mabule Attorneys	Legal Services	Database	Appointment of Panel	2
59	Shongwe Attorneys	Legal services	Database	Appointment of Panel	5
60	SA Thobane Attorneys	Legal Services	Database	Appointment of Panel	4
61	Phambane Mokone Inc	Legal services	Database	Appointment of Panel	4
62	Egnet Solution	Asset	1 June 2016	Renewable annually	3
63	Mashcorp	IT management	1 July 2015	30 June 2017	3
64	XLP document solution	IT management	1 July 2015	Month to Month	3
65	Lexis Nexus	Screening background checks.	01/07/2014	30/06/2016	5
66	Payday	Salary and benefits.	01/07/2015	30/06/2016	5
67	ZAQ Finance made simple	Actuarial on post benefits.	01/01/2015	30/06/2016	5
68	Sekgapa /Masithi Investment.	PPE.	01/01/2015	30/06/2016	4
69	Sekgapa /Masithi Investment.	Development of Service Standard	-	Ongoing	
70	Vision world	Employee Medical screening	01/01/2015	30/06/2016	4
71	Mishumo occupational health and services	Employee Medical surveillance	01/01/2015	30/06/2016	5
72	Dr Christina Goddefroy	Occupational therapist	01/01/2015	30/06/2016	5

No	Service Providers	Service description	Start Date	End Date	Performance Ratings
73	BCX /Venus	It Master Plan	01/01/2002	To date	5
74	Price water Coopers	Compilation of Annual Financial Statement	7 March 2016	9 December 2016	2

ANNEXURE G: CAPITAL PROGRAMME PER PROJECT PER WARD

Project Name	ward(s)	2014/15 Budget	2015/16	2016/17
Access Bridges				
1. Bothashoek Access Bridge	20	R 100 000	R 0	R 0
2. Ga- Maphopha Access Bridge	28	R 9 500 000	R 0	R 0
3. Mabocha Access Bridge	30	R 100 000	R 0	R 0
4. Motshana Access Bridge	16	R 100 000	R 0	R 0
5. Mpuru Access Bridge	12	R 100 000	R 0	R 0
6. Habeng Access Bridge	14	R 8 500 000	R 0	R 0
7. Madithongwana Access Bridge	8	R 100 000	R 0	R 0
8. Diphala/ Makhwaya	8	R 100 000	R 0	R 0
9. Leboeng Access Bridge	26	R 100 000	R 0	R 0
10. Mafarafara Access Bridge	23	R 100 000	R 0	R 0
11. Legoleng Access Bridge	19	R 100 000	R 0	R 0
Internal Streets				
Burgersfort internal street	18	R 2 440 000	R9 000 000	10 000 000
Hawkers facilities				
1. Praktiseer Hawkers facilities	13	R 2 600 000	N/A	N/A
2. Burgersfort Hawkers facilities	18	R 6 800 000	R 2 000 000	N/A
3. Burgersfort Flea Market	18	R 8 300 000	N/A	N/A
		R 17 700 000	R 2 000 000	
1. Tubates Highmast light		R 4 000 000	R 4 000 000	R 0
Electricity				
1. Kutullo	27	R 2,151,852.58	R8,000,000.	R 12,358,642
2. Koppie	31	R 4,572,373.73	R 0	R 0
3. Mapareng	1	R 5,973,823.30	R 0	R 0
4. Mareseleng	15	R 2,151,852.58	R6,000,000.	R 7,977,619

Project Name	ward(s)	2014/15 Budget	2015/16	2016/17
5. Buffelshoek	27	R 1,828,528.33	R 0	R 0
6.Praktiseer	13	R 2,151,852.58	R 20,000,000.00	R 20,034,460.74
7. Bacerlona(Driekop)	19	R 3,600,000.00	R 2,000,000.00	R 3,359,924.95
8. Dibakwane(Driekop)	11	R 3,135,973.73	R 0.00	R 0
9. Maputle(Driekop)	11	R 3,973,283.30	R 2,000,000.00	R 0
10. Kampeng(Driekop)	7	R 2,986,641.65	R 0	R 0
11. Mandela park	5	R 2,151,852.58	R 7,000,000.00	R 11,287,318.15
12. France(Driekop)	7	R 2,151,852.58	R 9,000,000.00	R 8,540,657.74
13. Leboeng	26	R 2,151,852.58	R 5,000,000.00	R 4,122,193.20
14. Dithamaga	31	R 1,791,984.99	R 0	R 0
15. Taung	22	R 2,151,852.58	R 4,000,000.00	R 4,467,944.04
16. Malaeneng	3	R 3,226,622.89	R 6,000,000.	R 7,977,619.68
17. Sekopung	15	R 2,151,852.58	R 2,000,000.00	R 2,939,366.35
18. Makofane	21	R 9,782,400.00	R 3,000,000.00	R 4,911,872.42
19.Pidima	21	R 2,799,713.32	R 0	R 0
20. Matokomane	22	R 4,217,841.65	R 0	R 0
21. Makotaseng	22	895,992.50	R 0	R 0
Other Projects		R 66,000,000.03		
1. Resealing of Ohrigstad internal roads	26	R 3 500 000	R 0	R 0
2. Praktiseer storm water drainage	13	R 300 000	R 0	R 0
3. Resealing of Burgersfort roads	18	R 4 000 000	R 5 000 000	R 5 000 000
4. Establishment of Ohrigstad sport complex	26	R 8 000 000	R 4 000 000	7000000.00
5. Rehabilitation of steelpoort roads	31	R5 000 000	R 5 000 000	R 5 000 000

Project Name	ward(s)	2014/15 Budget	2015/16	2016/17
6.Tubatse rehabilitation of waste facilities	13	R3 535 200	R 0	R 0
Total		R 15 800 000	R 14 000 000	R 17 000 000

Annexure H: Disclosure of Financial Interest for Councillors

No.	Surname	Full Names	Disclosure
1.	Mabelane	Motsebeng Morussia	None
2.	Makine	Molelekwa Patrick	None
3.	Mashabela	Mankgase Ronald	None
4.	Malatji	Modjadji Annah	None
5.	Kgoete	David	None
6.	Hlatswayo	Buti Ephraim	None
7.	Riba	Mashego Rebotile	None
8.	Hlongwa	Mpho Samuel	None
9.	Nkwana	Dianah Pheladi	None
10.	Moropane	Ntai Christianah	None
11.	Lesinya	Mphago Turks	None
12.	Magane	David Malekeng	None
13.	Maroga	Lephaphane Rosemary	None
14.	Mphofelo	Kgaogelo Vincent	None
15.	Maile	Kgolane Miccah	None
16.	Komane	Mogau Cynthia	None
17.	Mphethi	Ngwakwana Dorah	None
18.	Masete	Annah	None
19.	Riba	Mphahlele Ephaphrus	Have 200 Shares at Phuthumanathi Company; Get remuneration from Department of Education
20.	Hlatswayo	Putana Joel	None

21.	Thobajane	Mabatane Norman	None
22.	Mogofe	Mathume Enicca	None
23.	Mboyane	Alfred Welly	None
24.	Kgoete	Serutla Steve	None
25.	Maepa	Apollo Simon	None
26.	Shai	Annah Motjekoane	None
27.	Tshehla	Muas Andrew	None
28.	Rantho	Lekgema Jim	None
29.	Komane	Tjilenyane Daniel	None
30.	Sekgobela	Jane Beefy	None
31.	Mabilu	Moditsana Lazarus	None
32.	Moraba	Lekhele David	None
33.	Mamekoa	Ralepane Samuel	None
34.	Selahle	Nnanesi Lucas	None
35.	Tau	Letau Christianah	None
36.	Mohlala	Kutullo	None
37.	Mogale	Kgakishi John	None
38.	Kgwedi	Joseph Lethabile	None
39.	Maleka	Ernest Kahludi	None
40.	Makofane	Isaac Thabo	None
41.	Manotwane	Rosina Ramaabele	None
42.	Makofane	Rejoice Lethabo	None
43.	Moropane	Nthloile Marry	None
44.	Malapane	Phomolo Elizaberth	None
45.	Mohlala	Phulushi Archibald	None
46.	Malatjie	Sello Marcus	None

47.	Khoza	Maria Rinkie	None
48.	Selala	Sentsho Isaiah	None
49.	Sekgobela	Phaswabotse Cedric	None
50.	Thobejane	Monicah Dinao	None
51.	Mahlaba	Phillistus Mohlomphi	None
52.	Makgoga	Mamogodi Emmanuel	None
53.	Nkosi	Samson Magodireng	None
54.	Makhubedu	Ngwanyene Rhinah	None
55.	Mphogo	Sekopa Caiphus	None
56.	Moeng	Queen Malekgale	None
57.	Serothwane	Serotho Onis	None
58.	Mametja	Matshehla Maggie	None
59.	Mahlake	Nkosi Josias	None
60.	Nkosi	Motuka Dorcus	Director of Ba Lobovu Construction
61.	Mohlala		
62.	Marobane	Shima	

Annexure I: Revenue collection performance by sources

N0	Source	Collection(R)
1.	Property rate	81 788 853
2.	Service Charge	9 404 227
3.	Rental of facilities and Equipment	110 520
4.	Licences and permit	6 053 442
5.	Interest on investment	11 503 821
6.	Traffic fine	1 777 825
7.	Government grants and subsidies	376 793 760
8.	LG – SETA training	162 079
9.	Outdoor Advertisement	1 773 887
10.	Sundry Income	785 981
	Total	490 154 395

Annexure J: Conditional Grants

N0	Description	Budget	Actual income	Percentage %
1.	LG SETA Grant for Training	-	162 079	
2.	MSIG	930 000.00	930 000.00	100%
3.	Equitable Share	234 838 172	234 838 172	100%
4.	INEP	70 000 000	70 000 000	100%
5.	NDPG	5 000 000	5 000 000	100%
6.	EPWP	1 182 965	1 182 965	100%
	Total			

Annexure K: Arrears on Municipal Taxes and services charges

1. Analysis of outstanding debts as at 30 June 2016

Table 1: Outstanding debts according to Township/cycle

Township	Amount	%
Steelpoort	6 783 096,43	4,02
Ohrigstad	2 365 030,47	1,40
Burgersfort	25 686 233,92	15,22
Mapodile	8 661 170,11	5,13
Mecklenburg	4 471 397,80	2,65
Tubatse	25 841 619,83	15,31
Farms	94 978 597,55	56,27
TOTAL	168 787 146,55	100

Table 2: Outstanding debts in terms of types of debtors

Debtor Type	Amount	%
Domestic	49 187 934,07	29,2
Business	13 885 236,28	8,2
Government	96 047 988,86	56,9
Other	9 665 987,34	5,7
TOTAL	168 787 146,55	100

Table 3: Debtor Type: 60 days plus (JUNE 2016)

Debtor Type	Debt 60 days Plus	%
Farms	3 910 825,90	2,4
Business	9 820 768,08	6.1
Churches	34 316,66	0,1
Indigents	101 327,79	0,1
Domestic	48 216 014,90	29,4
Government	79 819 540,26	48,7
Industry	1 460 444,31	0,6
Public Infrastructure	4 242 205,38	2,6
Schools	16 095 031,19	9,8
Rustenburg Platinum	8 797,82	0,1
Municipality	7 426,00	0,1
TOTAL	163 818 026,68	100,0

Three tables are used to analyse the amount of money that is owed to the municipality. Table 1 shows the total amount of debt per township or cycle. More than 56% of the total debt is owed by farms, followed by Tubatse Township which owes 15.31% of the total debt. The debt that is owed by Burgersfort is more than R25 million, that is 15.22% of the total debt.

Tables 2 and 3 show the types of debtors and the debts that are sixty days and more old. The two tables show that the government is owing the municipality R96 047 988.86, which is more than 56% of the total debt owed to the municipality.

2. Revenue improvement strategies

The municipality has adopted the following strategies that will result into the improvement of revenue collection and reducing the level of debt:

- Interest write-off incentive for non-indigent debtors;
- Updating the indigent register;
- Management of customer database. This involves updating customer's ID's, correcting tariffs, billing properties and services accordingly and writing off irrecoverable debts;
- Communication drive. Utilizing relevant and correct channels and involving relevant stakeholders.
- Billing for billboards: implement tariffs for billboards and imposing fines on illegal billboards.
- Payment of traffic fines by enforcing traffic laws

3. Challenges

3.1. Governments Debt:

More than 50% of the total outstanding debts are government debt. Included in the government debt is the debt of schools which amounted to R16 183 978.74. The problem is that most of the schools are not in the asset register of the department of education because they are not in the proclaimed areas.

3.2. Debt Collection

The municipality is currently having one debt collector, namely Noko Maimela Attorneys. This collector has requested to collect debts amounting to R3 193 525.97 from Tubatse Township.

Mr. Mohlala JNT

Municipal Manager



The **GTMA**
GREATER TUBATSE
MUNICIPALITY

South Africa's first democratic platinum city

2015/16 ANNUAL PERFORMANCE REPORT

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GENERAL INFORMATION

I. Executive Committee

- (i) Cllr. R.S. Mamekoa (Mayor)
- (ii) Cllr. P.A. Mohlala (Portfolio Head: Finance)
- (iii) Cllr. P.C. Sekgobela (Portfolio Head: Technical Services)
- (iv) Cllr. M.L. Mabilu (Portfolio Head: Economic and Land Development)
- (v) Cllr. M. E. Mogofe (Portfolio Head: Corporate Services)
- (vi) Cllr. N.M. Moropane (Portfolio Head: Community Services)
- (vii) Cllr. R.F. Lourens (Deputy Head: Community Services)
- (viii) Cllr. N.D. Mphethi (Deputy Head :Technical Services)
- (ix) Cllr .M.E.Makgoga (Deputy Head: Economic and Land Development)
- (x) Cllr. L.D. Moraba (Deputy Head: Finance)

II. Addresses

The Greater Tubatse Municipality NO. 01 Kastania Street
Box 206 Burgersfort
Burgersfort
1150

Tel: (013) 231 1000
Fax: (013) 231 7467
Website: <http://www.tubatse.gov.za>

III. Contacts

J.N.T. Mohlala
Municipal Manager
Email: jntmohlala@tubatse.gov.za

This document is issued in terms of section 46(1) of Municipal System Act, Act No. 32 of 2000,

1. Introduction

Section 46(1) of Municipal system act, act 32 of 2000 mandates municipalities to prepare for each financial year a performance report reflecting the following:

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

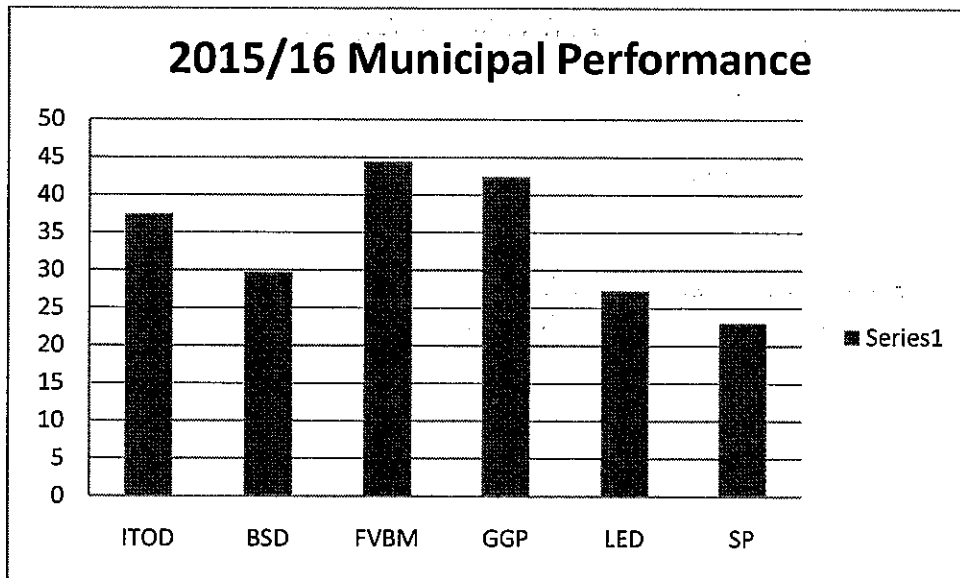
2. Comparison of Municipal performance in 2014/15 and 2015/16 financial years

The municipality had 249 key performance indicators (KPIs) in the 2014/15 financial year, by the end of the financial year 101 were achieved and 148 were not achieved. As the result the overall performance of the municipality in the 2014/15 financial year was 40.5%.

In 2015/16 financial year the Municipality had 216 KPIs. 77 KPIs are achieved and 139 not achieved. The overall performance of the municipality is 35.6%. Comparing the performance of the municipality in the two financial years, it has declined by 4.9%.

Table/Figure 01: Overall municipal performance

Key Performance Indicators	2014/15	2015/16			Percentage
		Total KPIs	No. KPI achieved	No. KPI not achieved	
Institutional Transformation and Organisational Development	42%	32	12	20	37.5%
Basic service Delivery and Infrastructure Development	16%	74	22	52	41.8%
Financial Viability and Management	38%	27	12	15	44.4
Good Governance and Public participation	57%	59	25	34	42.4%
Local Economic Development	30%	11	3	8	27.3%
Spatial rational	67%	13	3	10	23%
Total	40.5%	216	77	139	35.6%%



2.1. Hindrance/challenges to performance and measures taken to improve them

Below is a list of challenges that lead to poor performance of the municipality and measures taken to improve municipal performance.

Table/Figure 02: Challenges and Measures to improve performance

Challenges	Measures taken to improve performance
1. Inadequate monitoring of Operation Mabone project	A joint monitoring task team between the service provider and the municipality established to monitor the implementation of Operation Mabone
2. Delays in the appointment of service providers	Introduction of the second Bid Evaluation committees to fast track the process
3. Resignation of senior managers in Technical and finance departments	Appointment of the acting manager to fill their positions
4. Prolonged recruitment processes	A recruitment schedule was developed in the third quarter to conclude long outstanding recruitments
5. IT Systems failure delayed execution of the plan hence having backlog on most of Audit projects.	Purchase of Laptops for internal audit unit staff

3. Performance of Service providers

The following scale was used to measure the performance of service providers:

Table/figure 03: Measurement scale

Level	Terminology	Descriptions
5	Excellent performance	Performance far exceeds the standard expected of the service provider
4	Significant performance	Performance is significantly higher than the standard expected of the service provider
3	Good	Performance fully meets the standards expected of the service provider
2	Average	Performance is below the standard required of the service provider (performance not fully effective)
1	Poor	Performance does not meet the required standard (Unacceptable performance)

Table/figure 04: performance of service providers

No	Service Providers	Service description	Contract Value(R)	Start Date	End Date	Performance Ratings
1.	Tirotirelo Consulting Engineers	Consulting Engineers for Ohrigstad Sports Complex	R 2 452 487.14	22/08/2013	29/04/2016	2
2.	Madipadi Construction CC	Construction of Ohrigstad Sports Complex	R 15 547 512.86	22/04/2014	29/04/2016	2
3.	Bawelle Consulting Engineers	Consulting Engineers for Burgersfort Storm water Drainage	R 2 452 487.14	24/01/2014	04/09/2015	4
4.	Loge Construction	Construction of Burgersfort Storm water Drainage	R 15 547 512.86	25/07/2014	04/09/2015	5
5.	Bawelle Consulting Engineers	Providing engineer services for Burgersfort Flea Market	R 2 843 923.80	29/09/2013	30/09/2016	4
6.	Casnan Civils CC	Construction of Burgersfort Flea Market	R 10 426 014.32	17/04/2014	30/09/2016	3
7.	Bicacon Consulting Engineers	Providing engineer services for Burgersfort Hawkers Facility	R 1 292 917.75	19/09/2013	02/02/2016	2

No	Service Providers	Service description	Contract Value(R)	Start Date	End Date	Performance Ratings
8.	HBC/Kingki Electrical JV	Burgersfort Hawkers Facility	R 9 235 126.78	23/04/2014	02/02/2016	2
9.	Bicaon Consulting Engineers	Praktiseer Hawkers Facility	R 594 132.07	19/09/2013	15/12/2015	2
10.	HBC/Kingki Electrical JV	Construction of Praktiseer Hawkers Facility	R 4 243 800.48	23/04/2014	15/12/2015	2
11.	Morwa Consulting Engineers	Leboeng Access Bridge	R 2 520 880.39	29/10/2015	18/08/2016	5
12.	4Arrows/ Ruwacon JV	Construction of Leboeng Access Bridge	R 18 006 288.48	01/02/2016	18/08/2016	5
13.	Tshashu Consulting Engineers	Mabocho Access Bridge	R 1 702 475.83	15/09/2015	24/08/2016	4
14.	Seripele Trading cc	Construction of Mabocho Access Bridge	R 12 160 541.65	08/02/2016	24/08/2016	2
15.	Tshashu Consulting Engineers	Bothashoek Access Bridge	R 1 350 568.19	15/09/2016	24/08/2016	4
16.	4Arrows/ Ruwacon JV	Construction of Bothashoek Access Bridge	R 9 646 915.61	15/02/2016	24/08/2016	5
17.	Morwa Consulting Engineers	Mafarafara Access Bridge	R 1 515 307.15	29/10/2015	01/08/2016	4

No	Service Providers	Service description	Contract Value(R)	Start Date	End Date	Performance Ratings
18.	Seripele Trading cc	Construction of Mafarafara Access Bridge	R 1 985 940.63	26/01/2016	01/08/2016	2
19.	Mont Consulting Engineers	Mpuru Access Bridge	R 1 940 374.22	05/10/2015	26/02/2017	3
20.	Kipp Consulting Engineers	Diphale/Makhwaya Access Bridge	R 13 859 815.88	31/08/2015	29/12/2016	5
21.	Afro-Architectural Structural Engineers	Praktiseer Walkway, Public environment and Trading Facilities	R 1 091 367.20	31/08/2015	08/10/2016	5
22	Loge Construction CC	Construction of Praktiseer Walkway, Public environment and Trading Facilities	R 17 001 442.29	21/07/2014	08/10/2016	3
23.	Mont Consulting Engineers	Motshana Access Bridge	R 1 113 070.74	05/10/2015	26/10/2016	3
24.	Kipp Consulting Engineers	Legoleng Access Bridge	R 1 878 277.77	05/08/2015	26/10/2016	5
25.	Loge Construction	Construction of Legoleng Access Bridge	R 13 416 269.78	01/06/2016	26/10/2016	5
26.	Tshashu Consulting Engineers	Ga-Maphopha Access Bridge	R 1 000 001.80	09/12/2013	13/07/2015	4
27.	Loge Construction CC	Construction of Ga-Maphopha	R 9 855 618.43	28/08/2014	13/07/2015	5

No	Service Providers	Service description	Contract Value(R)	Start Date	End Date	Performance Ratings
		Access Bridge				
28.	Volt Consulting Engineers	Tubatse High mast Lights	R 14 576 127.83	26/01/2016	13/07/2015	5
29.	Rekagone Trading Services JV Moleke Projects CC	Fencing of Rural Cemeteries	R 1 194 676.80	05/05/2016	05/08/2016	4
30.	HBKM	Fencing of Rural Cemeteries	R 198 732.60	05/05/2016	05/08/2016	4
31.	Bokgobo Construction and Projects cc	Fencing of Rural Cemeteries	R 2 163 294.48	05/05/2016	05/08/2016	4
32.	Linspire 135	Fencing of Rural Cemeteries	R 198 732.60	05/05/2016	05/08/2016	4
33.	Sifolisi Civils and IT Services	Fencing of Rural Cemeteries	R 196 005.48	05/05/2016	05/08/2016	4
34.	Big-O Trading 926cc	Fencing of Rural Cemeteries	R 251 664.01	05/05/2016	05/08/2016	4
35.	Kipp Consulting Engineers	Praktiseer Storm water Drainage	R 2 452 487.14	31/08/2015	N/A	3
36.	TMS Consulting Engineers	Tjate Access Bridge	R 1 900 070.18	05/05/2016	N/A	4
37.	Tshashu Consulting Engineers	Mapodile Sports Complex	R 2 915 550.00	05/05/2016	N/A	4
38.	Mont Consulting Engineers	Madithongwana Access Bridge	R 1 091 367.20	05/10/2015	05/12/2016	3
39.	Loge Construction	Maintenance of Road & Storm	R 25 000 000.00	22 April 2016	21 April 2017	4

No	Service Providers	Service description	Contract Value(R)	Start Date	End Date	Performance Ratings
		water				
40.	MGL	Maintenance of plant & equipment	R 2 000 000.00	1 July 2010	Month to month	3
41.	SJN Development planning consultant	Development of Ohrigstad Development Plan (ODP)	R 300 000	April 2014	June 2016	4
42.	SJN Development planning consultant	Development of Land Use Management Scheme (LUMS)	R 1 000 000	April 2014	June 2016	4
43.	Verveen Attorneys	Legal facilitation for acquisition of road reserve for Burgersfort Western Ring road	R1500 per hour per work done	April 2014	To date/ ongoing	4
44.	Afro-Architectural cc	Project management for Neighbourhood Development Partnership Grant (NDPG)	R 1 091 367.20	December 2009	December 2015	4
45	Magna Consulting	Software for capturing of section 56 notices	R 25 000 000.00	1 July 2015	30 June 2016	5
46	Bauba Marumo Waste Management PTY/LTD	Waste removals and Landfill management	R1 012436.00 (Monthly contract)	1 July 2015	On going	3
47	Neo Solutions	Maintenance of computerised licence testing system	R 184 462 (Annual	1 July 2016	30 June 2017	5

No	Service Providers	Service description	Contract Value(R)	Start Date	End Date	Performance Ratings
		(Praktiseer DLTC)	license fee)			
48	Synapsis Smart Software	Cemetery management system	R77 528 (Annual license fee)	1 July 2015	30 June 2016	5
49	TT Property Consultant	Compilation of Valuation roll and Supplementary Valuation roll	R2 960 000	1 July 2015	30 June 2019	3
50	BCX Connection	Revenue Support	R429 000	1 July 2014	On going	4
51	Focus Outsourcing Solutions	Printing of Accounts	Rate based payment	11 June 2011	Until finalisation of procurement process	2
52	Fawcett Security Services	Physical Security	R700 793 per month	2014	2015, from 2015 the contract was on a month to month	2
53	Tabatse Properties	Rental of municipal offices and maintenance of air conditioners	R495 000 within annual escalation of 10%	2010 (Leased for a period of 10 years)	2020	2

No	Service Providers	Service description	Contract Value(R)	Start Date	End Date	Performance Ratings
54	Telkom	Rental of telephones	R250 000	1 July 2014	ongoing	2
55	Noko Maimela Incorporated	Legal services	R1500 per hour per work done	Database	Appointment of Panel	4
56	Verveen Attorneys	Legal Services	R1500 per hour per work done	Database	Appointment of Panel	5
57.	FIM Maluleka Incorporated	Legal services	R1500 per hour per work done	Database	Appointment of Panel	3
58.	Modise Mabule Attorneys	Legal Services	R1500 per hour per work done	Database	Appointment of Panel	2
59	Shongwe Attorneys	Legal services	R1500 per hour per work done	Database	Appointment of Panel	5
60	SA Thobane Attorneys	Legal Services	R1500 per hour per work done	Database	Appointment of Panel	4
61	Phambane Mokone Inc	Legal services	R1500 per hour per work done	Database	Appointment of Panel	4
62	Egnet Solution	Asset	R296 400	1 June 2016	Renewable annually	3
63	Mashcorp	IT management	R9 000 000	1 July 2015	30 June 2017	3

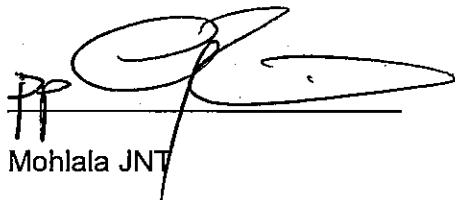
No	Service Providers	Service description	Contract Value(R)	Start Date	End Date	Performance Ratings
64	XLP document solution	IT management	R250 000	1 July 2015	Month to Month	3
65	Lexis Nexus	Screening background checks.	R1000	01/07/2014	30/06/2016	5
66	Payday	Salary and benefits.	R42 778	01/07/2015	30/06/2016	5
67	ZAQ Finance made simple	Actuarial on post benefits.	R21 500	01/01/2015	30/06/2016	5
68	Sekgapa /Masithi Investment.	PPE.	R118 784	01/01/2015	30/06/2016	4
69	Sekgapa /Masithi Investment.	Development of Service Standard	R	-	Ongoing	
70	Vision world	Employee Medical screening	R	01/01/2015	30/06/2016	4
71	Mishumo occupational health and services	Employee Medical surveillance	R181 500	01/01/2015	30/06/2016	5
72	Dr Christina Goddefroy	Occupational therapist	Cash at hand	01/01/2015	30/06/2016	5
73	BCX /Venus	IT Master Plan	R429 000	01/01/2002	To date	5
74	Price water Coopers	Compilation of Annual Financial Statement	R1 487 615	7 March 2016	9 December 2016	2

4. Conclusion

We have not performed well in this financial year. Out of 216 key performance indicators planned for the year under review only 35.6% of them were achieved. This performance reflects a decline of 4.9% compared to the performance of the 2014/15 financial year. The resignation of senior managers in Technical services (Director and PMU manager) in the course of the financial year and commencement of amalgamation process in the third quarter of the financial year has affected our performance and spending on the capital projects negatively. We could not recruit on the two positions pending the conclusion of the amalgamation process.

Despite the fallback as mentioned above, we happy to report progress in the Operation Mabone project. It is not enough but the introduction of the Joint monitoring Task team between the Municipality and the Service provider has improved reporting and performance on the project. Nine (9) villages were energized when the financial year ended and seven (7) were above 60% performance which means every soon in the 2016/17 financial year will be energized too.

In conclusion, we welcome our colleagues from Fetakgomo and hope together we will make this municipality a well oiled service delivery machine for the benefit of our communities. Together we will address our weakness and explode our strengths and opportunities for the benefit of all.



Mphahlele JNT

Municipal Manager

31/08/2016

Date

KPA: INSTITUTIONAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

No.	Focus Area	Strategic Objectives	Milestones/ Objectives	Project/Programme Name	Project/Programme Title Number	2014/2015 Annual Performance	2015/2016 RPT	Revised Annual Target	Annual Performance	Budget (R)	Expenditure	Challenges	Mitigations
1	Property Management	Improve Organizational cohesion and effectiveness	Ensure proper maintenance of municipal buildings	Maintenance of Municipal buildings	ITOD/15/16/18	New Indicator	Turnaround time in fixing identified faulty municipal properties	45 days turnaround time in fixing identified faulty municipal properties	Target not achieved: Not all queries fixed within 45 days	R 1 000 000 R	R	Probing SCM processes	Improve Inefficiency of SCM
2	Town planning	Create conducive environment for human settlement and business	Ensure that office renting fees is reduced	Purchase of municipal building	ITOD/15/16/24	Property evaluator Appointed	Purchase of the civic centre	100% progress in purchase of Civic Centre: *20% Development of a funding document; * 15% Analysis of employees structure; * 20% Development of the funding structure; *25% Infrastructure requirements design and costing; *10% Purchase of the Civic Centre; * 10% submission of the report to council	Target not achieved: One evaluation report obtained	R 130 000 000 N/A	N/A	Delay in the finalisation of valuation process to get the estimated market value of the property	Conclusion of evaluation processes
3	HR	Improve Organizational cohesion and effectiveness	Improved institutional capacity	Capacity building	ITOD/15/16/01	2 capacity building workshop of Councilors	# of capacity building workshops for councilors arranged	4- capacity building workshops for councilors arranged	Target Achieved: 4- capacity building workshops for councilors arranged at Blydepoort Resort on the 6-8 June 2016	R 300 000	R 180 000.00	None	None
4				Skill development programme	ITOD/15/16/02	3 WSP activities performed	# of WSP activities performed	11- WSP activities performed * 3 x submission of training reports to LGSETA; * submission of Annual training report to LGSETA; * review and development of 2016/17 WSP; *Conducting Skill audit; *4x quarterly training committee meetings.	Target not achieved: - WSP activities performed: * 2015/16 Annual training report submitted to LGSETA; 2016/17 WSP submitted to LGSETA; 2 training reports submitted to LGSETA	R 600 000	R 490 724.65	Training Committee Meeting Could not quorate due to non availability of our Portfolio Head who was constantly on sick	restructuring of the training committee
5				One skill development report served in Council		One skill development report served in Council	# of skill development report served in council	4- skill development report served in council	Target not Achieved: 1- skill development report served in council on the June 2016.	R	R	None submission of reports to council	Adherence to council schedule and submit reports
6				Training of Councilors	ITOD/15/16/03	25 x councilors registered for capacity development programme which are ELP, CPMD, MPM, A, SMIP	# of councilors registered for skill development program	15 of councilors registered for skill development program	Target achieved: 10 x councilors registered on ELMDP with University of Pretoria; 24 registered on Councilor development programme with Southern African Institute of learning	R 300 000	R 15 228.07	None	None
7		Promote high level of discipline and professionalism in	Develop service standards, procedure manual and policies	Develop service standards, procedure manual and policies	ITOD/15/16/04	New Indicator	% progress in the development of HR procedure manuals and policies	100% progress in the development of procedure manuals and policies: *30% Development of TOR; *30% Consultation on the draft policies; *20% workshop the documents to councilors; 20% Submission to council for adoption	Target not Achieved: Placement and Telecommunication policies adopted by council	R 400 000	R 41 490.03	HR policy manual still at draft stage	Conclusion of the HR policy manual in 2016/17 financial year
8				2# of leave reconciliation conducted		2# of leave reconciliation conducted	4 leave reconciliation conducted	4 leave reconciliation conducted	Target achieved: 4 x Leave reconciliation report conducted	R	R	None	None

KPA: INSTITUTIONAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

NO	Focus Area	Strategic Objectives	Measurable Objectives	Project/Programme Name	2014/2015 Annual Performance	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
9	HR	Improve Organizational cohesion and effectiveness	Fill vacant position for increased service delivery	ITOD/15/16/05	New Indicator	29 vacant Budgeted posts filled	Target not achieved: 12 vacant budgeted posts filled	R -	R -	due to the MEC pronouncement on the amalgamation programme.	to be addressed by the new entry
10			Organizational Re-engineering	ITOD/15/16/06	New Indicator	25% implementation of the new organizational structure: *25% Placement of staff	Target not Achieved: A placement committee has generated a placement report for the approval of the accounting officer	R 900 000	R 21 256.18	Placement policy could not be fully implemented due to time constraint.	Placement to be addressed by the new entry.
11	HR	Improve Organizational cohesion and effectiveness	Fully flashed and functional departmental units	ITOD/15/16/08	New Indicator	100% capacitation of LED Unit: *50% Recruitment of Staff; * 50% training of LED staff	Target not Achieved: Recruitment done but not concluded and training of LED staff is done	R 200 000	R -	Interview of LED manager postponed due to lack of quorum in the panel	Interview to be conducted in 2016/17 financial year
12			Capacitation of Supply chain unit	ITOD/15/16/09	New Indicator	100% capacitation of SCM Unit: * training of SCM staff	Target achieved: 3 SCM officials attending the MFMP programme.	R 250 000	R 113 403.00	None	None
13			Capacitation of Internal audit unit	GGP/15/16/10	New Indicator	100% capacitating of Internal audit unit: * 50% staff recruitment; * 50% training of staff	Target achieved: Two internal audit officials registered for training and Assistant Internal auditor appointed	R -	R -	All applicable candidates declined the appointment	To be re-advertised
14	HR	Improve Organizational cohesion and effectiveness	Proper record management	ITOD/15/16/11	New Indicator	100% progress in development of record management systems	Target not Achieved: Quotation specification for records classification was developed and an advertisement was placed on the notice board.	R 200 000	R 400.00	The project was stopped at a tender stage due to Algamation.	The programme will be implemented on the 2016/2017 financial year
15	Risk Management	Improve Organizational cohesion and effectiveness	Develop security management system	ITOD/15/16/12	New Indicator	100% progress in the development of Security Management system: *Draft security management system developed(30%)*Consultation of relevant stakeholders (30%); *Submission of the security management system to council(30%)	Target not Achieved: 40% progress in the development of Security Management system: *Development of TOR; * Draft security management system developed;	R 20 000	R -	Submitted to council but referred back pending workshopping of councilors	Workshop councilor in 2016/17
16			Security Services	ITOD/15/16/13	1	4 - Security performance report produced	Target Achieved: Six monthly Security report produced.	R 11 000 000	R 8 366 733	None	None
17	HR	Improve Organizational cohesion and effectiveness	Ensure healthy and safety of all equipment's workers	ITOD/15/16/14	1	# of time employees were supplied with protective Equipments	4 Target Achieved: 6 x time employees were supplied with protective	R 490 000.00	R 111 276.29	None	None

KPA: INSTITUTIONAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

NO	Focus Area	Strategic Objective	Measurable Objectives	Project / Programme Name	Project/Programme Number	2014/2015 Annual Performance	KPI	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
18	HR	Improve Organizational cohesion and effectiveness	Ensure healthy and safety of all workers	Employee wellness programme	ITOD/15/16/15	1	1 # of Wellness calendar day events coordinated	4- Wellness calendar day events coordinated;	Target not Achieved: 1- Wellness calendar day events coordinated	R 400 000	R 366 430.00	No activities were coordinated in the first and second quarter	Adherence to the wellness schedule
19							1 # of Municipal wellness day co-ordinated	1- Municipal wellness day co-ordinated	Target achieved: Municipal wellness day was held on the 6/11/2015 at Tubase chrome club			None	None
20							4 # sporting activities Facilitated	4x sporting activities Facilitated	Target achieved: 4x sporting activities Facilitated			None	None
21	HR	Improve Organizational cohesion and effectiveness	Ensure healthy and safety of all workers	Occupational Health and safety	ITOD/15/16/16	1	1 # of OHS audit conducted	1 - OHS audit conduct	Target not Achieved: The audit was not performed	R 400 000	R 346 957.02	Lack of program from the province	Provision to provide program in 2016/17 financial year
22							2 # of OHS committee meetings held	4 - OHS committee meetings held	Target Achieved: 4 OHS committee meetings held.			None	None
23	HR	Improve Organizational cohesion and effectiveness	Ensure healthy and safety of all workers	Occupational Health and safety	ITOD/15/16/16	1	1 # of site inspection and monitoring of Capital projects reports produced	2 - site inspection and monitoring of Capital projects reports produced	Target not achieved: One site inspection conducted			No monitoring of capital project was conducted in the fourth quarter	To produce quarterly project inspection report
24	HR	Improve Organizational cohesion and effectiveness	Ensure healthy and safety of all workers	Occupational Health and safety	ITOD/15/16/16	2	2 # of medical surveillance conducted	1- medical surveillance and screening conducted	Target Achieved: medical screening conducted on 20/06/2016.			None	None
25							New Indicator	1- medical screening conducted	Target achieved: One medical screening conducted			None	None
26	HR	Improve Organizational cohesion and effectiveness	Ensure healthy and safety of all workers	Occupational Health and safety	ITOD/15/16/16	2	2 # of fumigation and pest control conducted in the municipal offices	4- fumigation and pest control conducted in the municipal offices	Target not Achieved: 2- fumigation and pest control conducted			Two fumigation conduct	Adherence to the fumigation schedule
27							0 # of medical supply Provision made	2- medical supply Provision made	Target not achieved: No medical supply provision done			delay in the procurement process due to payday system constantly offline	to fasttrack procurement of goods and services within amicable timeframe
28	HR	Improve Organizational cohesion and effectiveness	Ensure healthy and safety of all workers	Occupational Health and safety	ITOD/15/16/16	0	0 # of COIDA Interventions report submitted to council	4x COIDA interventions report submitted to council	Target not Achieved: No COIDA interventions report submitted to council			No COIDA report submitted to council	Submission of COIDA report quarterly to council
29	Legal Unit	Improve Organizational cohesion	Reduce litigations	Litigation reductions(Legal fees)	ITOD/15/16/19	1	1 # of litigation reports submitted to council	2 - litigation reports submitted to council	Target not achieved: One litigation report submitted to council	R 7 900 000.00	R 8 253 214	draft litigation report not submitted to Council.	To complete full litigation report and submit to Council.

KPA: INSTITUTIONAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

NO	Focus Areas	Strategic Objective	Measurable Objectives	Project / programme name	Project / programme Number	2014/2015 Annual performance	KPI	Revised Annual Target	Annual Performance	Budget (R)	Expenditure	Challenges	Mitigations
30	ICT	Improve Organizational cohesion and effectiveness	Improve ICT network	Upgrade, Repairs and Maintenance of ICT	ITOD/15/16/20	New indicator	# of ICT Network Infrastructure repaired	6 - ICT Network Infrastructure repaired; * Boom gate; * CCTV Cameras; * Satellite Stations Telephone Exchange Infrastructure; * Switches and Uninterrupted Power Supplies (UPS); * Servers for Venus, Virtual Desktop Infrastructure upgrade; * Upgrade of the GIS Server, Desktop and Plotter	Target not achieved; * CCTV cameras installed * Boom gate repaired; * Uninterrupted Power Supplies (UPS) repaired	R 1 300 000	R 1 235 712,92	Delayed in benchmarking and finalizing technical specifications of GIS compliant Desktop Computer, Server and Plotter	Finalize upgrades of the following before mid April * Venus /PlayDay server * Virtual Server & Desktop Infrastructure * Upgrade of the GIS Server, Desktop and Plotter
31	ICT	Improve Organizational cohesion and effectiveness	Improve ICT network	IT Systems	ITOD/15/16/21	New indicator	# of ICT enhancement tools purchased	Six (6) service delivery enhancement tool purchased * electronic Performance Management System with Audit and Risk Management capabilities * SMS/MMS Sent Statements for Municipal Accounts * Purchase of desktop computers and laptops * Website revamp * Intrusion and Detection Security Solution * Development of IT Master Plan	Target not achieved; 0 - service delivery enhancement tool purchased	R 2 500 000	R 0	Late response from Managing Municipality on the request for information to benchmark on SMS/MMS digital accounts statement solution	Expedite the procurement of: * SMS/MMS Sent Statements for Municipal Accounts * Desktop computers and laptops * Intrusion and Detection Security Solution
32	ICT	Improve Organizational cohesion and effectiveness	Improve ICT network	SLA's Administration	ITOD/15/16/22	New indicator	# of SLA performance report generated	8 - SLA performance report generated for: * 4x ICT Network Infrastructure * 4x VDI Infrastructure	Target not achieved: 2 - SLA performance report generated for: * 1x Website Hosting and Maintenance * 1x VDI Infrastructure	R 1 948 082,00	R 1 892 561,57	Few SLA have expired and delay in renewal thereof	Legal to assist with renewal or extension of the SLA

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Zone/Area	Strategic Objectives	Measurable Objectives	Project/programme name	Project/programme No	2014/2015 Annual performance	2015/2016 Annual performance	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigation
33	Social development	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Ensure a healthy society	Local HIV/AIDS response strategy implementation(HIV/AIDS programme)	BSD/15/16/112	New indicator	% Local HIV/AIDS response strategy implementation	100% Local HIV/AIDS response strategy implementation	Target not achieved; Strategy reviewed; municipal HAST Directory developed; Production of draft strategy and 31 Ward Based AIDS Councils established.	R 500 000	230 337	The strategy needed to be reviewed before implementation	Start with the implementation in the 3rd quarter
34						6	# of HIV/AIDS activities /events co-ordinated	2 HIV/AIDS activities /events co-ordinated	Target achieved; Two HIV/AIDS activities/events co-ordinated as follows: * Local AIDS day celebrated on 2/12/2015 at Maakubus; * Condom week- Held on the 26/02/16 at Tsung Village	None		None	None
35						14	# of Local advisory council co-ordinated	4 Local advisory council co-ordinated	Target achieved; 8 Local advisory council meetings held as follows: * four were for preparation Condom week on 05/02/09,02/17/02 & 23/02/2016 and other were held as follows: 09/02/2016,11/11/2015, 14/12/2015 & 19/05/2016	None		None	None
36	Traffic Management	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve road safety	Establish Animal pound	BSD/15/16/116	0	# of Animal pounds established	1 - Animal pounds established	Target not achieved; * A Land for the construction of Animal pound was requested from ELD; * Ga- Makofane tribal council was engaged to release land to the municipality for the construction of Animal pound	R 1 000 000	R	Lack of necessary tools delayed the identification of portion of land that belong to the municipality at Ohrigstad	Capacitation of Town planning to perform all its functions
37	Environment management	Eradicate backlogs in order to improve access to services and ensure proper	Environmental Management and compliance to COP 17 resolutions	Trees	BSD/15/16/115	5	# of Trees Planted during Arborday	250 Trees Planted during Arborday	Target not achieved; 300 trees ordered but 225 trees were donated to different stakeholder for planting	R 1 100 000	30 000	Some trees dried up before were donated to stakeholders	In future trees to be given to stakeholders on time before drying up
38						3	# of identified open space debushed within the municipality	3 Open space debushed in Steelpoort,Burgersfort and Ohrigstad town	Target achieved; The open spaces were debushed as follows: *Burgersfort and Ohrigstad *debushed by the Municipality and R555 to Steelpoort debushed by the Dept of Roads and Transport)	R	R	None	None
39						3	# of municipal cemeteries maintained	3 - municipal cemeteries maintained	Target achieved; The following cemeteries were maintained: * Peage, * Praktiseer; and * Ohrigstad	R	R	None	None

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No.	Focus Area	Strategic Objective	Measurable Objectives	Project/programme name	Programme Reference Number	2014/2015 Annual Performance	2015/2016 Annual Performance	Revised Annual Target	Annual Performance	Budget (R)	Expenditure	Challenges	Mitigations
40	Environment management	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Environmental Management and compliance to COP 17 resolutions	Develop Parks	BSD/15/16/114		0/4 of Municipal parks developed	1: Municipal parks developed	Target not achieved: However the following activities were performed: <ul style="list-style-type: none"> * Site clearing * fencing done, * borehole drilled, * electricity quotation acquired, * irrigation trenches dug, * paving material delivered, and * Currently busy with construction of ablution facilities. 	R	R	Delays in accessing water, electricity and approval of bushness plan	Project Advisory Committee meeting convened on 8th April 2016 to resolve the problem.
41						new indicator	5 - municipal gardens maintained	Target achieved: the following five municipal gardens are maintained: <ul style="list-style-type: none"> * Civic centre garden; * Old municipal building garden; * Mapodite Thusong centre and Satellite office garden; * Praktisser testing station garden; * Ohrigstad garden 	R	R	None	None	
42						new indicator	06 - Community facilities maintained by the municipality: <ul style="list-style-type: none"> * Leboeng Telecentre * Kgopane MFCC; * Mapodite MFCC; * Molekete community hall; * Driekop community hall; * Moeng community hall; 	Target achieved: <ul style="list-style-type: none"> 06 community facilities maintained, 04 maintained by the municipality; * Kgopane MFCC; * Mapodite MFCC; * Driekop; and * Moeng community halls. Two maintained by other stakeholders: <ul style="list-style-type: none"> * Molekete community hall by Mabulane Phelelegang project; and * Leboeng Telecentre by Sector departments groundmen. 	R	R	None	None	
43	Social development	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved provision of community facilities and safety	Tubase art and culture centre (facilitation of art and culture Programmes)	BSD/15/16/05	4	4 # of cultural activities conducted	3x Arts and Culture programmes. <ul style="list-style-type: none"> * 1x Pageantry; * 1x Cultural Show/Festival * 1x Indaba 	Target achieved: <ul style="list-style-type: none"> 3x Arts and Culture programmes. * Cultural festival 12 /09/2015 * 1x Pageantry 25/06/2016 * 1x Indaba 27/06/2016 	R 150 000	144 561	None	None
44						4	4 # of sporting events held	6x sports events held: <ul style="list-style-type: none"> * 1x Farm festival * 1x Mayoral cup; * 1x indigenous games * 1x Chess tournament; games; * 1x Cricket festival; * 1x Rugby tournaments 	Target achieved: <ul style="list-style-type: none"> * Chess and cricket tournament at Nakwail on 29/08/2015; * Indigenous games at Leboeng on 28/11/2015; * Rugby tournament at Ohrigstad on 16/04/2015; * Farm tournament at Solomon Jobert farm on 14/05/2015; * Mayor's cup on held 21/05/ 2016 at Sekhukhune TVET College. 	R 200 000	163 574	None	None

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Focus Area	Strategic Objective	Measurable Objectives	Project/Programme name	Project/Programme Number	2014/2015 Annual performance	KPI	Reviewed/Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
45	Social development	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved provision of community facilities and safety	Tubatse art and culture centre	BSD/15/16/05		8 # of library programs conducted	2 library programmes conducted: * Library week * Worldbook day	Target achieved: * 3x Library Outreach programmes were conducted at Maelebe primary school, EL - Shaddai, Imbita school and Ngwanabeko creche on 16/09/2015, 17/09/2015 and 2/10/2015 respectively; Library outreach story - reading at Ngwanatheko on 2/06/2016; Literacy day at Mhlopho school on 14/10/2015, Literacy week at Mapodile library on 30/03/2016 & 27/06/2016	R 30 000	R	None	None
46	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Increased provision of community facilities and safety	Construction of Mapodile sport complex	BSD/15/16/01	new indicator	% progress in the construction of Mapodile sport complex phase 2	40% progress in the construction of Mapodile sport complex: *MIG BP 5%; *ToR Contractor 10%; *Designs 15%; *Advertisement of ToR 10%	Target not achieved: 30% progress in the planning of Mapodile Sport Complex: * MIG BP developed(5%); *ToR Contractor developed(10%) * Designs developed(15%)	R 1 500 000	1 427 345	Delay in finalizing of registration of the project	Follow up the project registration with COGISTA
47				Praktiseer /Motodi Sport Complex	BSD/15/16/46	new indicator	% progress in planning for Praktiseer/Motodi sport complex	30% progress in the planning of Praktiseer/Motodi Sport Complex: * MIG BP(5%); *ToR Consultant 10%; *Designs 15%	Target not achieved: 15% progress in the planning of Praktiseer/Motodi Sport Complex: * MIG BP(5%); *ToR Consultant (10%)	R 1 000 000	R	Delays in appointment of Engineer	Appointment of the Engineer to conclude designs
48	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved provision of basic services	Tubatse		new indicator	# of highmast lights installed in rural areas	70 of highmast lights installed in rural areas	Target not achieved: 40 highmast lights installed	R 31 000 000	8 670 740	Installation of the remaining 30 readvertised	The install of the remaining 30 will be done in 2016/17 financial year
48	PMU	Eradicate backlogs in order to improve access to services and	Improved provision of basic services	Koppie	BSD/15/16/07		# of households connected to electricity in Koppie	210 of households connected to electricity in Koppie	Target not achieved: 0 household connected to electricity	R 5 942 857	2 139 589	slow progress by contractor	Service provider to take initiatives to improve the low progress
50				Ditlhamaga	BSD/15/16/08		# of households connected to electricity in Ditlhamaga	120 of households connected to electricity in Ditlhamaga	Target achieved: 120 households connected to electricity awaiting energisation	R 3 941 857	1 500 000	None	None
51				Makofane	BSD/15/16/09		# of households connected to electricity in Ga - Makofane	1020 of households connected to electricity in Ga - Makofane	Target not achieved: 940 Households are connected to electricity and energised	R 12 092 597	7 139 589	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target
52	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved provision of basic services	Sekupong	BSD/15/16/10		# of households connected to electricity in Sekupong	350 of households connected to electricity in Sekupong	Target achieved: 365 Households connected to electricity and energised	R 7 196 857	5 600 000	None	None
53				Taung	BSD/15/16/11		# of households connected to electricity in Taung	560 of households connected to electricity in Taung	Target not achieved: 0 household connected to electricity	R 5 864 657	5 864 657	Continuous distribution of the Project	Development of catch up plans

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No.	Focus Areas	Strategic Objectives	Measurable Objectives	Project/programme name	Project/programme Number	2014/2015 Annual performance	Revised/Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
54				Makosaseng	BSD/15/16/12	0 # of households connected to electricity in Makosaseng	60 of households connected to electricity in Makosaseng	Target not achieved: 36 households connected to electricity and energised	R 3 170 057	960 000	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target
55	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved provision of basic services	Matokomane	BSD/15/16/13	0 # of households connected to electricity in Matokomane	200 of households connected to electricity in Matokomane	Target not achieved: 147 households connected to electricity and energised	R 3 273 657	3 000 000	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target
56				Leboeng	BSD/15/16/14	0 # of households connected to electricity in Leboeng	700 of households connected to electricity in Leboeng	Target not achieved: 611 households connected to electricity and energised	R 11 717 857	11 200 000	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target
57				Mapareng	BSD/15/16/15	0 # of households connected to electricity in Mapareng	400 of households connected to electricity in Mapareng	Target not achieved: 353 households connected to electricity and energised	R 7 771 057	6 400 000	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target
58				Mandela Park	BSD/15/16/16	0 # of households connected to electricity in Mandela Park	1300 of households connected to electricity in Mandela Park	Target not achieved: 0 household connected to electricity	R 8 971 857	8 971 857	Shortage of manpower	To increase manpower
59	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved provision of basic services	France	BSD/15/16/17	0 # of households connected to electricity in France	1250 of households connected to electricity in France	Target not achieved: 1180 households connected to electricity	R 5 660 457	5 660 457	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target
60				Barcelona	BSD/15/16/18	0 # of households connected to electricity in Barcelona	600 of households connected to electricity in Barcelona	Target not achieved: 0 household connected to electricity	R 5 553 698	4 156 896	Shortage of manpower	To increase manpower
61	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved provision of basic services	Dibakwane	BSD/15/16/19	0 # of households connected to electricity in Dibakwane	240 of households connected to electricity in Dibakwane	Target not achieved: 0 household connected to electricity	R 5 867 657	3 800 000	slow progress by contractor	to speed up progress
62				Maputle	BSD/15/16/20	0 # of households connected to electricity in Maputle	400 of households connected to electricity in Maputle	Target not achieved: 0 household connected to electricity	R 5 603 177	5 603 177	Shortage of manpower	To increase manpower
63				Kampeng	BSD/15/16/21	0 # of households connected to electricity in Kampeng	200 of households connected to electricity in Kampeng	Target not achieved: 0 household connected to electricity	R 5 195 057	3 080 000	slow progress by contractor	to speed up progress
64	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved provision of basic services	Buffelshoek	BSD/15/16/22	0 # of households connected to electricity in Buffelshoek	40 of households connected to electricity in Buffelshoek	Target not achieved: 0 household connected to electricity	R 3 282 857	416 000	slow progress by contractor	to speed up progress

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No.	Focus Areas	Strategic Objectives	Measurable Objectives	Project/programme name	Project/programme Number	2014/2015 Annual performance	Revised Annual Target	Annual Performance	Budget (R)	Expenditure	Challenges	Mitigations
65				Kutullo	BSD/15/16/23	0 # of households connected to electricity in Kutullo	1370 of households connected to electricity in Kutullo	Target not achieved: 0 household connected to electricity	R 1 142 857	9 139 589	slow progress by contractor	to speed up progress
66				Pidima	BSD/15/16/24	0 # of households connected to electricity in Pidima	160 of households connected to electricity in Pidima	Target achieved: 255 households connected to electricity and energised	R 4 062 857	2 560 000	None	None
67				Malaeneng	BSD/15/16/25	0 # of households connected to electricity in Malaeneng	350 of households connected to electricity in Malaeneng	Target not achieved: 329 households connected to electricity and energised	R 5 600 000	5 600 000	Tendered number of households are more than actual households on the ground	Considered the actual households on the ground as the real target
68	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved provision of basic services	Mareseleng	BSD/15/16/26	0 # of households connected to electricity in Mareseleng	1000 of households connected to electricity in Mareseleng	Target not achieved: 0 household connected to electricity	R 3 932 857	139 519	slow progress by contractor	to speed up progress
69	PMU			Praktiseer	BSD/15/16/27	0 # of households connected to electricity in Praktiseer	2825 of households connected to electricity in Praktiseer	Target not achieved: 0 household connected to electricity	R 7 692 357	4 130 563	slow progress by contractor	to speed up progress
70	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved provision of basic services	Tswelopele park	BSD/15/16/31	0 # of households connected to electricity in Tswelopele park	1017 of households connected to electricity in Tswelopele park	Target not achieved: Village not on the Operation Mabone project list	R 3 333 333	R	The project was part of the addendum to the Operation Mabone but was not implemented due to difference between the Municipality and the service provider	The village will be electrified in 2016/17 financial year
71	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved provision of basic services	Mashamothane	BSD/15/16/37	0 # of households connected to electricity in Mashamothane	1066 households connected to electricity in Mashamothane	Target not achieved: Village not on the Operation Mabone project list	R 3 333 333	R	The project was part of the addendum to the Operation Mabone but was not implemented due to difference between the Municipality and the service provider	The village will be electrified in 2016/17 financial year
72	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved provision of basic services	Bothshoek	BSD/15/16/27	0 # of households connected to electricity in Bothshoek	200 households connected to electricity in Bothshoek	Target not achieved: Village not on the Operation Mabone project list	R 3 333 333	R	The project was part of the addendum to the Operation Mabone but was not implemented due to difference between the Municipality and the service provider	The village will be electrified in 2016/17 financial year
73	Public Works		Beneficiation of FBS by qualifying households	Free basic energy program	BSD/15/16/102	R 3 734 692	R 3 000 000	Target achieved: R4 287 984	R 3 000 000	R 4 287 985	More households registered on FBS scheme than budgeted for	Increase the FBS budget
74	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improved mobility and safety on roads	Construction of Praktiseer storm water drainage	BSD/15/16/50	TOB for consultant concluded	0.5km of Praktiseer stormwater drainage constructed (Multi-year project)	Target not achieved: The project could not started because was not registered on MIG	R 1 500 000	R	Delayed finalisation of registration with MIG	To speed up progress on the registration of project

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Focus Areas	Strategic Objectives	Measurable Objectives	Project/programme name	Project/programme Number	2014/2015 Annual performance	RPI	Revised/Annual Target	Annual Performance	Budget (R)	Expenditure	Challenges	Mitigations
75	PMU			Construction of Burgersfort storm water drainage	BSD/15/16/49	35% work done (Laying pipes + culverts done)	4km of Burgersfort storm water drainage constructed (Multi-year project)	Skim of Burgersfort storm water drainage constructed	Target achieved: Skim of Burgersfort stormwater drainage constructed	R 4 500 000	4 786 368	None	None
76	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Bothasboek access bridge	BSD/15/16/53	15% work done (MIG BP and ToR Consultant)	% progress in the construction of Bothasboek access bridge	100% progress in the construction of Bothasboek access bridge: * 10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, * 10% Gablions, 10% Stone pitching, * 10% finishing, * 10% Close out	Target not achieved: 49% progress in the construction of Bothasboek access bridge: * Site handover(10%); * Site Establishment(10%); * Excavation(9%); * Road approaches(9%); * Base slab(10%);and * Culverts are completed(10%)	R 8 000 000	3 562 037	Access to borrow-pit was the main cause of delay, layerworks were laid	A formal agreement has been signed for borrow-pit
77	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Community Roads	BSD/15/16/47	new indicator	% Progress in upgrading of Bothasboek road (Multi-year project)	100% Progress in upgrading of Bothasboek road: Site handover 15%, Site Establishment 15%, Base repair 30%, Surfacing 30%, Closeout 10%	Target not achieved, 0% progress achieved in the upgrading of Bothasboek road	R 1 101 339	1 363 564	Delay in project registration	Project has been captured on MIS for further registration at Coghisa
78	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Moshana access Bridge	BSD/15/16/54	30% work done (MIG BP, ToR Consultant; Designs)	% progress in the construction Moshana access bridge	100% progress in the construction of Moshana access bridge: * 10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, * 10% Gablions, 10% Stone pitching, * 10% finishing, * 10% Close out	Target not achieved: 0% progress in construction of Moshana Access bridge	R 586 732	1 624 798	Delay in appointment of contractor	Fasttrack the appointment of contractor
79	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Mabocha access bridge	BSD/15/16/59	15% work done (MIG BP and ToR Consultant)	% progress in the construction of Mabocha access bridge (Multi-year project)	100% progress in the construction of Mabocha access bridge: * 10% Site hand-over, * 10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, * 10% Gablions, 10% Stone pitching, * 10% finishing, * 10% Close out	Target not achieved: 36% progress in the construction of Mabocha access bridge: * Site hand-over(10%); * Site Establishment(8%); * Site Excavation(10%); * Excavation (10%); * Base slab (8%);	R 8 877 350	5 252 152	Contractor's mechanical breakdown machinery	Submission of recovery plan by the contractor
80	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Mpuru access bridge	BSD/15/16/56	15% work done (MIG BP and ToR Consultant)	% progress in the construction of Mpuru access bridge (Multi-year)	40% progress in the construction of Mpuru access bridge: * 10% Site hand-over, * 10% Site Establishment, * 10% Excavation, * 10% Base slab	Target not achieved: 0% progress in the construction of Mpuru access bridge.	R 982 943	1 145 431	Delay in the appointment of the contractor	Fasttrack the appointment of contractor
81	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Diphale/Makhwaya access bridge	BSD/15/16/58	15% work done (MIG BP and ToR Consultant)	% progress in the construction of Diphale/Makhwaya access bridge (Multi-year project)	50% progress in the construction of Diphale/Makhwaya access bridge: * 10% Site hand-over, * 10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts	Target not achieved: 0% progress in the construction of Diphale/Makhwaya access bridge: site hand-over, site establishment	R 770 000	2 210 372	Delay in the appointment of the contractor	Tender awarded

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No.	Focus Area	Strategic Objectives	Measurable Objectives	Project/programme name	Project/programme Number	2014/2015 Annual Performance	REF	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
82	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Mafaralata access bridge	BSD/15/16/55	15% work done (MIG BP and ToR Consultant)	% progress in the construction of Mafaralata access bridge (Multi-year project)	40% progress in the construction of Mafaralata access bridge* 10% Site hand-over, *10% Site Establishment, * 10% Excavation, 10% Base slab	Target not achieved: 35 % progress in the construction of Mafaralata Access Bridge : *Site hand-over(10%); *Site Establishment(10%); * Excavation(10%); and * Base slab(5%)	R 7 000 000	7 875 169	Delay in the procurement of material on site	Contractor to multitask activities on site
83	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Leboeng access bridge	BSD/15/16/60	15% work done (MIG BP and ToR Consultant)	% progress in the construction of Leboeng access bridge (Multi-year project)	40% progress in the construction of Leboeng access bridge* 10% Site hand-over, *10% Site Establishment, * 10% Excavation, 10% Base slab	Target achieved: 67% progress in the construction of Leboeng Access Bridge: *Site hand-over(10%); *Site establishment(10%); * Excavation(10%); * Base slab(10%); * Culvert(8%); * Drains and Kerbs(9%); * Accommodation of traffic(10%)	R 13 500 000	4 791 928	None	None
84	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Legoleng access bridge	BSD/15/16/61	15% work done (MIG BP and ToR Consultant)	% progress in the construction of Legoleng access bridge (Multi-year project)	50% progress in the construction of Legoleng access bridge* 10% Site hand-over, *10% Site Establishment, * 10% Excavation, 10% Base slab, * 10% Culverts	Target not achieved: 7% Busy on site establishment	R 858 014	2 149 882	Delay in the appointment of the contractor	Site handed over 13/06/2016
85	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Madithongwana Access Bridge	BSD/15/16/57	15% work done (MIG BP and ToR Consultant)	% progress in the construction of Madithongwana access bridge (Multi-year project)	50% progress in the construction of Madithongwana access bridge* 10% Site hand-over, *10% Site Establishment, * 10% Excavation, 10% Base slab, * 10% Culverts	Target not achieved: 0% progress in the construction of Madithongwana access bridge	R 668 569	765 395	Delay in the appointment of the contractor	Fasttrack the appointment of contractor
86	EPWP			EPWP	BSD/15/16/93	New Indicator	# of EPWP Incentive Grant Report generated	12 - EPWP Incentive Grant Report generated	Target achieved: 12 EPWP incentive grants report generated	R 1 299 000	R 1 160 478 (86.27%)	None	None
87						New Indicator	# of EPWP Work Opportunities created through MIG projects	100 - EPWP Work opportunities created through MIG	Target not achieved: 73 EPWP opportunities created through MIG	R	R	Late appointment of contractor	Fasttrack the appointment of contractor on site
88						New Indicator	# of EPWP job Opportunities created through NDPG projects	10 - EPWP Work opportunities created through NDPG	Target not achieved: Funds stop during the financial year	R	R	The fund was withdrawn during the year	Reapplication of the fund
89						220	# of EPWP job Opportunities created through INEP projects	210 - EPWP Work opportunities created through INEP	Target not achieved: No figures provided	R	R	Non provision of the job created by service provider	Engage Service provider to provide job created figures
90	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Tjate Access Bridge	BSD/15/16/62	0%	% progress in the planning of Tjate Access Bridge (forward planning)	30% progress in the planning of Tjate Access Bridge* MIG BP 5%; *ToR Consultant 10%; *Designs 15%	Target achieved: 30% progress in the planning of Tjate Access Bridge: *MIG BP 5%; *ToR Consultant 10%; and *Designs 15%	R 1 000 000	R 1 012 804	None	None

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Focus Areas	Strategic Objectives	Maintainable Objectives	Project/programme name	Project/programme ID Number	2014/2015 Annual performance	KPI	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
91	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Lefahla Access Bridge	BSD/15/16/66	new indicator	% progress in the planning of Lefahla Access bridge (forward planning)	30% progress in the planning of Lefahla Access Bridge; *MIG BP (5%); *ToR Consultant (10%); *Designs(15%)	Target not achieved: 15% progress in the planning of Lefahla Access Bridge; *MIG BP (5%); and *ToR Consultant (10%)	R 100 000	R	Delay in appointment of Consultant	Fasttrack the appointment of consultant
92	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Morokadiela Access Bridge	BSD/15/16/63	new indicator	% progress in the planning of Morokadiela Access bridges (Forward planning)	30% progress in the planning of Morokadiela Access Bridge; *MIG BP 5%; *ToR Consultant 10%; *Designs 15%	Target not achieved: 15% progress in the planning of Morokadiela Access Bridge; *MIG BP (5%); and *ToR Consultant (10%)	R 100 000	R	Delay in appointment of Consultant	Fasttrack the appointment of Consultant
93	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Ga - Malwane Access Bridge	BSD/15/16/64	new indicator	% progress in the planning of Ga - Malwane Access bridge (Forward planning)	30% progress in the planning of Ga - Malwane Access Bridge; *MIG BP 5%; *ToR Consultant 10%; *Designs 15%	Target not achieved: 15% progress in the planning of Ga - Malwane Access Bridge; *MIG BP (5%); and *ToR Consultant (10%)	R 100 000	R	Delay in appointment of Consultant	Fasttrack the appointment of Consultant
94	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Improve accessibility and mobility in all areas of GTM	Dibhagama Access Bridge	BSD/15/16/65	new indicator	% progress in the planning of Dibhagama Access bridge (forward planning)	30% progress in the planning of Dibhagama Access Bridge; *MIG BP 5%; *ToR Consultant 10%; *Designs 15%	Target not achieved: 15% progress in the planning of Dibhagama Access Bridge; *MIG BP (5%); and *ToR Consultant (10%)	R 100 000	R	Delay in appointment of Consultant	Fasttrack the appointment of consultant
95	Public Works			Plant and Equipment	BSD/15/16/95	new indicator	# of Plant and Equipments ToR developed & submitted to SCM for processing	4 - Plant and Equipments ToR developed & submitted to SCM for processing; *2x 10M3 tipper Truck; * 2x Graders; *1x Low bed truck; * 1xRoller	Target not Achieved. 4 - Plant and Equipments advertised; * 2x 10M3 tipper Truck; * 2x Graders; *1x Low bed truck; * 1xRoller	R 7 700 000	R 5 695 229.48	Late appointment of service provider	Fasttrack delivery of ordered plant
96	PMU		Improve provision of basic services	Fencing of Rural Cemeteries in all wards	BSD/15/16/92	new indicator	# of Municipal rural cemeteries fenced	31 Municipal rural cemeteries fenced	Target not achieved: (16)cemeteries has been completed	R 8 383 000	R 2 563 709	Delay in appointment of Contractor	Contractors on site are progressing well
97	PMU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Beneficiation of FBS by qualifying households	Free basic energy program	BSD/15/16/102	1 347	# of Households registered for FBE	1 343	Target achieved: On average 5788 households received FBE in the year under review	R 3 300 000	R 3 801 752	None	None
98	Waste Management	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Ensure a clean and healthy environment	Waste Removal	BSD/15/16/103	4 847	# of households receiving weekly waste collection	5467 household receiving weekly waste collection	Target achieved: 5467 households benefitted	-R 9 600 000.00	R 11,136,796	None	None

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

No	Focus Areas	Strategic Objectives	Measurable Objectives	Project/programme name	Project/programme Number	2014/2015 Annual Performance	RPI	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
99	PAU	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Ensure a clean and healthy environment	Rehabilitation of 03 waste facilities	BSD/15/16/106	15% work done (M/S BP and T&K Consultant done)	% progress in the rehabilitation of Tubatse waste facilities (Dirigstad waste disposal site);	100% progress in the rehabilitation of Tubatse waste facilities (Dirigstad waste disposal site); *5% Site hand-over, * 20% Site Establishment, *20% Layerworks & rehabilitation, * 10% Compaction, *10% Park establishment, *10% Flood lights, * 10% Drilling borehole *10% finishing, *5% Close out	Target not achieved: Appointment could not be finalised due bidders not meeting requirements.	R 10 000	R	Appointment could not be finalised due bidders not meeting requirements.	Tender to be readvertised
100	Waste Management	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Ensure a clean and healthy environment	Echo school	BSD/15/16/104	new indicator	# of school Echo programme conducted	4- school Echo programme conducted	Target not achieved: MoU signed for programme to kickstart in 2016/17	R 200 000	R200 000	Programme MoU payment to Echo School Programme (WESSA)	Implementation plan and beneficiary schools approval by dept of education
101	Waste Management			Training of recyclers	BSD/15/16/105	new indicator	# of recyclers trained	5- recyclers trained	Target achieved: 5 Formal recyclers attended the workshop and (95 participants attended)	R 100 000	R 74 300	None	None
102	Public Works	Eradicate backlogs in order to improve access to services and ensure proper maintenance	Ensure a clean and healthy environment	Road maintenance	BSD/15/16/109	33%	% of identified potholes patched within 36 days	100% of identified potholes patched within 36 days	Target achieved: The situation has improved in the fourth quarter where on average the turn around time of fixing potholes was 18 days.	R 9 000 000	R 4 626 078	None	None
103	Public Works					575.40 km roads graded	Total km of roads graded against total km of gravel roads	1500km	Target achieved: 1925.8km graded			None	None
104	Public Works					63% progress achieved in responding emergency requests made to the municipality.	% of emergencies requested within submission timelines and responded to	100% of emergency requests received within submission timelines and responded to	Target not achieved: 429/596 (71.9%) of emergency requests received and responded to			regular breakdown of machinery	contractor to deliver in time & schedule
105	Public Works				BSD/15/16/110	0% achieved in fixing traffic lights within 36 days.	% of faulty Traffic lights (robots) fixed within 36 days	100% of faulty Traffic lights (robots) fixed within 36 days	Target not achieved: 19% of faulty streetlight order issued at the end of June 2016, completion estimated mid July	R50 0000	R 1 553 916	schedule of work requested in May 2016 & order issued towards the end of June 2016 for maintenance of streetlight	contractor to deliver in time & schedule
106	Public Works				BSD/15/16/111	48% progress achieved in fixing streetlights within 36 days	% of faulty Streetlights fixed within 36 days	100% of streetlights fixed within 36 days	Target not achieved: 30% of faulty streetlights order issued end June 2016 & implemented on July 2016.	R1 000 000	R 1 553 916	schedule of work requested in May 2016 & order issued towards the end of June 2016 for maintenance of streetlight	Work to be delivered on time and schedule

IPA: LOCAL ECONOMIC DEVELOPMENT

No	Focus Area	Strategic Objectives	Measurable Objectives	Project/Programme Name	Project/Programme Number	2017/2015 Annual performance	KPI	Revised Annual Targets	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
107	IDP	Create environment that promotes the development of the local economy and facilitates job creation	Ensure integrated planning	Development of 16/17 IDP	LED/15/16/14	100% of IDP document	% progress in compilation of IDP document	100% progress in compilation of IDP document: *10% submission of IDP process plan to council; *55% submission of status quo analysis report to council; *20% submission of draft IDP to council; *15% submission of final IDP to council.	Target achieved: 2016/17 IDP adopted by council on the 27 May 2016	R 650 000	R 411 603.07	None	None
108	IDP	Create environment that promotes the development of the local economy and facilitates job creation	Ensure integrated planning	Develop Vision 2030	LED/15/16/15	20%	% progress in the development of vision 2030 blue print	100% progress in the development of vision 2030 blue print * 50% workshop of vision 2030 blue print plan to councillors; *50% submission of the vision 2030 blue print to council	Target not achieved: Vision 2030 blue print submission developed and workshopped to councillors	R 500 000	R 404 480.00	Document has to serve in Executive Committee before serve in council	The document to serve in council in 2016/17 financial year
109	LED	To create environment that promotes the development of the local economy and facilitate job creation	Improve economic growth by 1% in 2019	Establish for Structure	LED/15/16/01	New indicator	# of LED forum meetings held	4- LED forum meetings held	Target not achieved: 3 LED Forum meetings held in 20 September 2015; 03 February 2016 and 23 June 2016	R	R	The second quarter meeting could not sit due to the December recesses the meeting could not materialise	The stick to the meeting schedule
110	LED	To create environment that promotes the development of the local economy and facilitate job creation	Promotion and support of SMME development	SMME support programme	LED/15/16/07	New indicator	# of SMME programs supported	6 SMME programs supported	Target not achieved: Seven (7) SMMEs were identified for support but the procurement processes prolonged until the financial year ended	R 1 050 000	R	Appointments of service providers delayed	SMMEs to be supported in the 2016/17 financial year
111	LED	To create environment that promotes the development of the local economy and facilitate job creation	Development of the tourism sector	Develop tourism strategy	LED/15/16/09	New indicator	% progress in the development of Tourism strategy	40% progress in the development of Tourism strategy: *20% Development of TOR; *20% Submission of draft Tourism strategy to management	Target not achieved: TOR developed and submitted to Supply chain management for submission to bid specification committee	R 500 000	R	Project discontinued due to insufficient funds	The project to be rolled over to 2016/17 financial year
112	LED	To create environment that promotes the development of the local economy and facilitate job creation	Improved provision of basic service delivery	Implementation of street trading management plan	LED/15/16/13	40% of street trading management plan is implemented	% implementation of street trading management plan	100% Implementation of street trading management plan; *25% Issuing of licenses; *25% Allocation of stalls; *25% Induction; *25% monitoring and evaluation	Target not achieved: The construction of Hawkers stalls is concluded. Hawkers stalls constructed by Dwarawariv are allocated to hawkers	R	R	Allocation of Hawkers stalls constructed by the Municipality was put on hold pending conclusion snacklist	Conclusion of the snacklist and allocation of the stalls in 2016/17 financial year

IPA: LOCAL ECONOMIC DEVELOPMENT

No.	Focus Area	Strategic Objectives	Measurable Objectives	Project/Program Name	Project/Program Number	2014/2015 Annual Performance	KPI	Revised Annual Target	Annual Performance	Budget (R)	Expenditure	Challenges	Mitigations
113	LED	To create environment that promotes the development of the local economy and facilitate job creation	Ensure economic growth in GTM	Development of Investment promotion strategy	LED/14/15/16	100% achieved in conducting investment promotion study	% progress in developing investment promotion strategy	30% progress in developing investment promotion strategy *30% Development of TOR's	Target achieved: TOR developed	R 600 000	R	None	None
114	PMU	To create environment that promotes the development of the local economy and facilitate job creation	Promotion and support of SMME development	Burgersfort flea market	LED/15/16/08	100% progress in the construction of Burgersfort Flea Market	% progress in constructing Burgersfort Flea Market (Multi-year project)	80% progress in the construction of Burgersfort Flea Market * 10% re-establishment to site, *5% concrete foundation, *5% steel structure, *5% brickwork, 10% Roofing, 5% partitioning, 5% steel palisade fence, 5% abutment blocks, *10% Paving, *10% Finishing, *10% Close out	Target not achieved: 30% work done (foundation)	R 5 000 000	R 5 130 231	The project was put on hold pending ESKOM relocating underground cables	ESKOM has relocate the cable and the construction of the project has commenced
115				LED Strategy	LED/15/16/17	75% progress made in review of LED strategy	% progress in development of the LED strategy	100% Submission of the LED strategy to Council * Submission to Council for adoption	Target achieved: LED strategy adopted by council	R 30 000	R 1 536,85	None	None
116	HR	To create environment that promotes the development of the local economy and facilitate job creation	Improve local skills base to support the growth of the economy	GTM public skill development (Bursaries)	LED/15/16/02	R	R-value spent on external bursary	R 1 500 000	Target not Achieved: R232 511 spent on external bursary. Municipality sponsor 18 students	R 1 500 000	R 232 511	Delays by institution/Students to provide their results to the municipality to release funds	Improve communication channel between the municipality and the institution/Students
117				New indicator			R-value spent on Employee bursary	R 210 000	Target not Achieved: R143 822 spent on employee Bursary for 2015/2016 FY.	R 210 000	R 143 822	Delays by applicants to provide proof of registration to the municipality to release the funds	Improve communication channel between the applicant and HR unit

KPA: FINANCIAL VIABILITY AND MANAGEMENT

No	Focus Area	Strategic Objectives	Measurable Objectives	Project/Programs/Initiative Name	Project/Programs/Initiative Number	Annual Performance	KPI	Revised/Initial Target	Annual Performance	Budget (R)	Expenditure	Challenges	Mitigations
118	Budget	To improve the overall management of finances in the municipality	Effective management and reporting	MEMA reports	FV/15/16/06	2013/14 AFS submitted	Submission of 2014/15 Annual Financial statement	Submission of 2014/15 Annual Financial statement by 31 August 2015	Target Achieved: 2014/15 AFS submitted to AG on 31 August 2015	R 2 000 000	R 1 092 644.00	None	None
119						100% compliance with budget process timelines per quarter (Final budget approved on time)	% compliance with budget process timeline	100% compliance with budget process timelines per quarter: *25% Advertisement of the budget process and schedule not later than 31/09/2015 Implementation: *25% Advertisement of the budget process and schedule not later than 31/09/2015 Implementation: *25% Prepare drafts for IDP, Capital and operational plans with cost and revenue estimate; * submit draft Budget to council; *25% final budget submitted to council;	Target achieved: The final budget was submitted to Council by end of 27 May 2016	R	R	None	None
120	Departmental Budget	To improve the overall management of finances in the municipality	Effective management and reporting	MPMA reports	FV/15/16/03	R 13 343 569	R-value spent on Departmental Budget (MM's office)	R 17 567 793	Target not achieved: R12 711 817	R 17 567 793	R 12 711 817	Low spending on Departmental Projects. The department spent 58.9% of its general expenditure budget	Improve departmental spending
121	Departmental Budget	To improve the overall management of finances in the municipality	Effective management and reporting	MPMA reports	FV/15/16/06	R 58 815 064	R-value spent on Departmental Budget (Finance)	R 56 056 508	Target not achieved: R37 610 326	R 56 056 508	R 37 610 326	* Unfilled budgeted vacant positions. 84% of Employee related cost spent; * Low spending on departmental projects. Department spent 60% of its General expenditure budget	* Improve departmental spending; * Filling of budgeted vacant positions
122	Departmental Budget	To improve the overall management of finances in the municipality	Effective management and reporting	MPMA reports	FV/15/16/03	R 58 815 064	R-value spent on Departmental Budget (ELD)	R 48 023 154	Target not achieved: R36 563 910	R 48 023 154	R 36 563 910	Low spending on Departmental Projects. The department spent 64% of its general expenditure budget	Improve departmental spending
123	Departmental Budget	To improve revenue collection and the overall management of finances in the municipality	Effective management and reporting	MEMA reports	FV/15/16/03	R 58 815 064	R-value spent on Departmental Budget (Corporate services)	R 85 534 000	Target not achieved: R74 205 617	R 85 534 000	R 74 205 617	Low spending on Departmental Projects. The department spent 76% of its general expenditure budget	Improve departmental spending
124	Departmental Budget	To improve the overall management of finances in the municipality	Effective management and reporting	MPMA reports	FV/15/16/03	R 58 815 064	R-value spent on Departmental Budget (Community Services)	R 49 720 312	Target not achieved: R42 094 348	R 49 720 312	R 42 094 348	Low spending on Departmental Projects. The department spent 76% of its general expenditure budget	Improve departmental spending

KPA - FINANCIAL VIABILITY AND MANAGEMENT

No.	Focus Area	Strategic Objectives	Measurable Objectives	Project/Programme Name	Project/Programme Reference Number	Annual Performance	KPI	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
125	Departmental Budget	To improve revenue collection and the overall management of finances in the municipality	Effective management and reporting	MPMA reports	FV/15/16/03	R 58 815 064 Departmental Budget (Technical Services)	R-value spent on available to monthly commitments	R 46 467 525	Target not achieved: R35 055 852	R 153 324 009	R 33 055 852	Less spending on the capital projects due to late commencements of projects	Implementation of forward planning to ensure that projects start on time
126	Expenditure	To improve the overall management of finances in the municipality	Effective management and reporting	MPMA reports	FV/15/16/06	R 224 674 955 7- Website legislated from (section 75 of MPMA) loaded on GTM website	R-value of cash expenditure commitments	R 304 074 739	Target achieved: The cash resources available are R215m Annual target R301 quarterly target-R75.25m per quarter	R 301 724 739	R215m	None	None
127													
128	Expenditure	To improve the overall management of finances in the municipality	Effective management and reporting	MPMA reports	FV/15/16/06	12 Section 71 reports compiled and submitted	100% Municipal website compliance to section 75 of MPMA	12 section 71 reports of the MPMA act 56 of 2003 submitted to the Mayor and Provincial Treasury within 10 working days after the end of each Month	Target not achieved: 80% of section 75 of MPMA documents uploaded on the website	R	R	Lack of control measures to verify documents that are required to be uploaded on the website	Development of check list to verify documents uploaded on website
129													
130	Expenditure	To improve the overall management of finances in the municipality	Effective management and reporting	MPMA reports	FV/15/16/06	Two (2) budget adjustment conducted	# of Budget-adjustment conducted	Budget adjustment conducted	Target Achieved: The Adjustment budget was tabled in Council on 28 February 2016	R	R	None	None
131	Budget	To improve the overall management of finances in the municipality	Effective management and reporting	MPMA reports	FV/15/16/06	Three MSIG reports generated	# of Quarterly MSIG report generated	4 Quarterly MSIG report generated	Target achieved: 12 monthly MSIG report generated	R 930 000	R 930 000	None	None
132													
133	Asset management	To improve the overall management of finances in the municipality	Develop compliant asset register	Asset Management	FV/15/16/01	Four (4) reports submitted	# of Asset report submitted to council	4- Asset report submitted to council	Target achieved: 8 Assets reports submitted and approved by council	R 1 675 000	R 1 675 000	None	None
134													
				Asset capture (Asset replacement)	FV/15/16/03	New indicator	R-value spent of asset replacement	R2 700 000 spent of asset replacement	Target not achieved: Non adherence to the procurement plan, only vehicles for the traffic section were bought	R 2 700 000 R	R 2 700 000 R	Non adherence to Procurement plans	Adhere to the procurement plan for 2016/17 financial year

KPA : FINANCIAL VIABILITY AND MANAGEMENT

No.	Focus Areas	Strategic Objectives	Measurable Objectives	Project/Programme Name	Project/Programme Number	2013/2015 Annual Performance	KPI	Revised/Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
135						New Indicator	R-value spent on the purchase of Asset Management system	R5 000 000 spent on the purchase of Asset management system	Target not achieved: The adjudication of the bid for fleet management system is being finalised.	R 2 500 000 R	R 2 500 000 R	Prolonged bid processes	Finalise the appointment of the SP to perform fleet management system
136	Revenue	To improve the overall management of finances in the municipality	Accurate billing	Valuation roll	FV/15/16/04	Draft Valuation roll compiled	# of valuation roll compiled	1 - Valuation roll compiled	Target achieved: Valuation roll compiled	R 3 900 000 R	R 2 008 000 R	None	None
137						0 - supplementary valuation roll compiled	# of supplementary valuation roll compiled	1 - supplementary valuation roll compiled	Target achieved: Supplementary roll is completed by May 2016	R 195 000 R	R 195 000 R	None	None
138	Revenue	To improve the overall management of finances in the municipality	Accurate billing	Review and implement revenue enhancement strategy	FV/15/16/08	8 % reduction	% reduction of outstanding debts above 60 days	10% reduction of outstanding service debts(Domestic,Business & Other) above 60 days	Target not achieved:Debtors increased by 2.28%	R	R	receipts not uploaded into the system due to cash drawer problems (The Cash drawer results in unallocated receipts that affect the reduction of debt)	Finalise procurement of the Replacement cash drawer
139						2% reduction	% reduction of Government debts	5% reduction of government debts	Target not achieved:The debt increased by 3.18% (R55m owed as of March 2016)	R	R	Provincial Government not finalising the payments of debts to the Municipalities	Continue to attend to the Provincial Engagements with Treasury and Sector Departments concerned to request that the affected
140						92% of revenue collected	% of billed revenue collected	75% of billed revenue collected	Target achieved: 89% collection achieved in the 4th quarter	R	R	None	None
141	SCM	To improve the overall management of finances in the municipality	Compliance to SCM policy	Review and implementation of SCM policy	FV/15/16/06	Four (4) reports submitted	# of quarterly SCM reports submitted to council	4 Quarterly SCM reports submitted to council	Target not Achieved: Two Quarterly SCM reports submitted to Council	R	R	First Quarter SCM report was submitted to council in January 2016	CFO to ensure that SCM reports are submitted to council quarterly
142						30 days - OPEX	% of procurement support to departments done within 30 days	100% of procurement support to departments done within 30 days	Target not achieved: 96% of the procurement support to departments were done within 30 days	R	R	Non compliance with the procurement plans	Compliance with 2016/17 procurement plan
143						90 day - CAPEX	% of Capital projects tenders that complied to 90 days timeframe.	100% of Capital projects tenders that complied to 90 days timeframe.	Target not achieved: (1) Cumulative total for the quarter 82.35%	R	R	Bid committees not complying with the scheduled time frames	(1) 2016/17 procurement plan compliance, and (2) Disciplinary steps taken against members that fail to adhere to bid committee schedules after verbal warnings.
144	LED	To improve the overall management of finances in the municipality	Accurate Billing	Review and implementation of revenue enhancement strategy	FV/15/16/08	R- R 229 492	R-Value collected through outdoor advertisement	-R 270 000	Target not achieved: -R160 728.13 collected through outdoor advertisement	-R 270 000 R	-R 160 728 R	1 Expired contract and follow up on outstanding by some contractors.	Review expired contract and follow up on outstanding payments.

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No	Focus Area	Strategic Objectives	Measurable Objectives	Project/Programme Name	Project/Programme Number	2015/2016 Annual Performance	KPI	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
145	Communication	Promote a culture of participatory and good governance	Improve governance and stability	Develop and implement public communication strategy	GGP/15/16/16	0%	% progress in the development of public communication strategy	100% progress in the development of public communication strategy: * TOR (20%); * Draft public communication strategy (20%); Stakeholder consultation (20%); work shop the strategy to councillors (20%); Final Strategy submitted to council (20%)	Target Achieved: The Strategy already adopted by Council on 28 April 2016	R 200 000	R	None	None
146	Communication	Promote a culture of participatory and good governance	Improve governance and stability	Newspaper	GGP/15/16/17		2 # of newsletters released per quarter	4 Newsletters released per quarter	Target not achieved: 3 Newsletters released	R 300 000	R 443 100	Delay in the appointment of the service provider for the development of the 4th Newsletter	Distribution will be done once the newsletters are delivered
147				Media Release	GGP/15/16/18	100%	% response to print and electronic issues raised against the municipality	100% response to print and electronic issues raised against the municipality	Target achieved: 19 print issues raised and responded to; 41. Issues raised through radio and 6 through TV and are all responded to	R	R	None	None
148				SOLMA	GGP/15/16/19		1 # of SOLMA conducted	1- SOLMA conducted	Target achieved: SOLMA conducted on the 18th June 2016 at Tluskagomo	R 400 000	R 610 600	None	None
149	Communication	Promote a culture of participatory and good governance	Information dissemination and marketing of GTM	Marketing and Branding	GGP/15/16/20		3 # of marketing and branding activities performed	5 - marketing and branding activities performed; * Distribution of branding material (calendar & Diaries); * Allocation of nametags * Placement door tags; * Distribution of 2014/15 Annual Report; * Distribution of 2016/17 IDP	Target not achieved: Diaries and calendars are developed and distributed	R 500 000	R 678 100.00	Delay in the development of 2014/15 Annual Report and 2016/17 IDP	Service provider pointed and busy on the development of the two documents
150	Communication	Promote a culture of participatory and good governance	Information dissemination and marketing of GTM	Advertisement	GGP/15/16/21	R 691 339	R-Value spent on advertisements	R 750 000	Target achieved: R844443.42	R 7 500 000	R 944 443.42	None	None
151	Risk Management	Promote a culture of participatory and good governance	Improve capacity of the risk unit	Risk management programmes	GGP/15/16/07		1 # of Risk management reports submitted to Audit committee	4- Risk management reports submitted to Audit committee	Target achieved: 4 risk management reports submitted to Audit committee	R 100 000	R	None	None
152						0%	% of identified risks mitigated as per their action plan due dates	100% of identified risks mitigated as per their action plan due dates	Target Achieved: All departments responded to the risk mitigation action plan	R	R	None	None
153				Review anti-fraud and corruption strategy (fraud awareness)	GGP/15/16/05	100%	% progress in the review of anti-fraud and corruption strategy	100% progress in the review of anti-fraud and corruption strategy: * 30% reviewed anti-fraud and corruption strategy in place; *40% consultation of relevant stakeholders; *20% Submission of reviewed anti-fraud and corruption strategy to council	Target achieved: Anti-fraud strategy was reviewed in the first quarter and it will be reviewed again on new coming financial year.	R 30 000 R	R	None	None
154						0 # of fraud and corruption Hotline reports submitted to the Mayor	4 - Fraud and corruption Hotline reports submitted to the Mayor	Target not achieved: one fraud cases reported on the Hotline	Target not achieved: one fraud cases reported on the Hotline	R	R	only one fraud cases was reported in the financial year.	Encourage people to report fraud related matters on the Hotline

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No	Focus Areas	Strategic Objectives	Measurable Objectives	Project/Programme name	Project/Programme Time Number	2019/2015 Annual performance	KPI	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
155	MM	Promote a culture of participatory and good governance	Acquire more power and functions to deal with the current municipal growth	Review GTM power and Functions	GGP/15/16/01	0 # of progress reports on acquisition of water authority, Electricity license, Executive status and Housing authority.	2 - of progress reports on acquisition of water authority, Electricity license, Executive status and Housing authority.	Target not achieved: The task is given to DBSA to assist the municipality with the application	R 150 000 R			The task was given to DBSA to assist	Follow up with DBSA and generate a report to council
156	Internal Audit	Promote a culture of participatory and good governance	Obtain unqualified audit opinion	Audit plan	GGP/15/16/13	4 # Audit plan activities performed	18 - Audit plan activities performed: * Drafting Audit plan; * 13 x Internal audit report; * 4 x PMS audit	Target not achieved: 7 - Audit plan activities performed; 3x Internal audit Completed 4x PMS audit performed	R	R		Systems failure delayed execution of the plan hence having backlog on most of Audit projects.	Purchase of Laptops for Internal audit unit staff
157						100% % of internal audit findings addressed	100% of internal audit findings addressed	Target not achieved: Internal Audit unit issues findings to departments for improvement quarterly before the report serves in Exco - Iekgola	R	R		Departments do not resubmit their progress on internal audit findings check progress made	PMS to develop as follow up plan to on internal audit findings
158						75% % implementation of 2013/14 AG action plan	100% Implementation of 2013/14 AG action plan	Target not achieved: Municipality has 74 findings and 49(66%) were addressed by April 2016	R	R		* Most of the findings will be finalised during completion of Annual Financial statements	Conclusion of the action plan prior to submission of Annual Financial statements on the 31 August 2016.
159	Internal Audit	Promote a culture of participatory and good governance	Obtain unqualified audit opinion	Audit committee	GGP/15/16/14	1 # of audit committee reports submitted to council	4 - audit committee reports submitted to council	Target not achieved: Two Audit committee report submitted to Council	R	R		None alignment of Audit committee meeting schedule with Council meeting schedule	Alignment of Audit committee meetings and council schedule
160						New Indicator	100% implementation of Audit committee recommendations	Target not achieved: Resolution register not compiled	R 400 000 R			Lack of resolution register to track down progress made	Development of resolution register to track down progress made
161	PMS	Promote a culture of participatory and good governance	Improve performance in GTM	Report on the Implementation of Council resolutions	GGP/15/16/08	New Indicator	4 - council resolution progress report submitted to council	Target not achieved: No council resolution register developed	R	R		The council resolution register not developed	Generation and submission of the council resolution progress register quarterly
162						New Indicator	100% implementation of Council resolution	Target not achieved: No council resolution register developed	R	R		The council resolution register not developed	Generation and submission of the council resolution progress register quarterly
163	PMS	Promote a culture of participatory and good governance	Improve performance and monitoring	Review PMS policy and framework	GGP/15/16/23	2014/15 PMS framework reviewed	Annual review of 2015/16 PMS framework by council	Target achieved: The framework is reviewed and adopted by council	R	R		None	None
164	PMS	Promote a culture of participatory and good governance	Improve performance and monitoring	PMS Management	GGP/15/16/22	4 # of management review conducted	4 quarterly management review conducted	Target achieved: 4 quarterly management review was conducted	R	R		None	None

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No.	Focus Area	Strategic Objectives	Measurable Objectives	Project/Programme name	Project/Programme Number	2015/2016 Annual Performance Indicator	KPI	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
165							4 # of Quarterly performance reports submitted to council	4 - Quarterly performance reports submitted to council	Target achieved: 4 quarterly performance reports submitted to council	R	R	None	None
166							6# of section 54/56 managers who signed performance Agreements	6 - section 54/56 managers signed performance Agreements (MM, directors, community service, Technical, ELD, CFO & Corporate)	Target achieved: 6 - section 54/56 managers signed performance Agreements	R	R	None	None
167	PMS	Promote a culture of participatory and good governance	Improve performance and monitoring	PMS Management	GGP/15/16/22	New Indicator	# of formal section 54/56 managers performance reviews conducted	2 - formal section 54/56 managers performance reviews conducted	Target not achieved: performance reviews not conducted	R	R	Continuous postponement due to none availability of Panel members	Arrange the assessment in the 2016/17 financial year
168	PMS	Promote a culture of participatory and good governance	Improve performance and monitoring	Compilation of Annual report	GGP/15/16/24	New Indicator	# of Performance Reports submitted to AG, A.G. National treasury, CoGDHSTA and Council	3 - Performance Reports submitted to AG and Council: *2014/15 Annual performance report; *2015/16 mid-year report; *2014/15 Annual report	Target achieved: *2015/16 mid-year report; *2014/15 Annual report submitted to relevant stakeholders	R	R	None	None
169	PMS	Promote a culture of participatory and good governance	Improve performance and monitoring	Exco - Lekgoda	GGP/15/16/25		4 # of EXCO makgoda conducted	4 quarterly EXCO makgoda conducted	Target achieved: 4 quarterly Exco - Lekgoda conducted	R	R	R 165 423	None
170							100% % of EXCO makgoda resolutions implemented	100% of EXCO makgoda resolutions implemented	Target not achieved: 76/85 (89%) of Exco -Lekgoda recommendations are implemented	R	R	None	Implementation of the outstanding Exco - Lekgoda recommendations
171	PMS	Promote a culture of participatory and good governance	Align both IDP and Budget	Align IDP/SDBIP and Budget	GGP/15/16/26		100% % progress in development of 2016/17 SDBIP	100% progress in development of 2016/17 SDBIP: * 50% Draft 2016/17 SDBIP developed; * 50% final SDBIP submitted to the Mayor	Target achieved: 2016/17 SDBIP developed and approved by the Mayor on 13/07/2016	R	R	None	None
172	Secretariat	Promote a culture of participatory and good governance	Improve governance in GTM	Report on the implementation of Council resolutions	GGP/15/16/09	New Indicator	# of Ipads bought for councillors	62 Ipads bought for councillors	Target achieved: 62 Ipads bought and distributed to councillors	R	R	None	None
173	Secretariat	Promote a culture of participatory and good governance	Improve governance in GTM	Purchase of recording system	GGP/15/16/10	New Indicator	Purchase of recording system	Purchase of recording system	Target achieved: The recording system is purchased	R	R	None	None
174							# of MPAC meetings held	4 - MPAC meetings held	Target achieved: 6 x of MPAC meetings held as follows: 4 /09/2015; 7/01/2016; 26/02/2016; 09/03/2016; 29/03/2016; 21/04/2016	R	R	None	None
175	Secretariat	Promote a culture of participatory and good governance	Improve performance and monitoring	PMS management	GGP/15/16/22	New Indicator	% progress in the development of individual PMS policy	100% % progress in the development of individual PMS policy: *30% Draft policy presented to Management; *50% Draft policy presented to LLF; *25% Draft policy workshoped to councillors; *15% Final policy submitted to council	Target not Achieved: No policy was developed	R	R	No dedicated officer in the Corporate services to deal with PMS	Establishment of the PMS unit in corporate services department

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No.	Focus Area	Strategic Objectives	Measurable Objectives	Project/Programme Name	Project/Programme Name Number	2015/2016 Annual Performance	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
176	Secretariat	Promote a culture of participatory and good governance	Full implementation of Bahopele principles	Customer Care framework	GCP/15/16/27	2 # Bahopele Campaigns held	4 Bahopele Campaigns held	Target not achieved: One Bahopele campaign held	R 200 000 R	R 200 000 R	constant postponement of meetings resulted in the programme not progressing.	to review our Bahopele Planning schedule.
177	Secretariat	Promote a culture of participatory and good governance	Full implementation of Bahopele principles	Special programme	GCP/15/16/28	6 # of youth programs implemented	10 - youth programs conducted: * 4x youth forum Quarterly meeting; 1x Capacity building for municipal youth council; * Health awareness campaign; * Land reform summit; * 1x Youth month celebration Database base for unemployed graduates * 1 x Aligning local policy to national policy;	Target not achieved: Four youth programs conducted; * 2x youth quarterly meeting; * Capacity building workshop conducted; * alignment of local policy to National policy done; * Draft Database for unemployed graduates done; * 1 x Youth month celebration 16 June 2016 Indaba sports ground	R 1 000 000	R 421 919	The most potential stakeholders were not available for economic summit due to unrest * Health care and combating substance abuse (Awareness) could not take place as was absorbed into HIV/AIDS 16 Days of Activism and Disability month	* Economic summit to be conducted in 2016/17 financial year * Health care and combating substance abuse (Awareness) to be conducted in 2016/17 financial year
178						4 # of elderly programs implemented	11 - Elderly programs conducted: * 4x Quarterly meeting; * 1 x conduct strategic planning; * 1 x celebration of elderperson's month * 1 x Elder persons Outreach * 1 x Elder persons Indaba * 1 x Capacity building * 1 x Visit to centres & paypoints * 1 x Establishment of committee	Target not achieved: Eight elderly program conducted; * Five quarterly elderly meetings held; * Celebration of elderperson's month conducted; * Visit to older person's centre conducted; * Elderperson's Indaba held	R 30 000	R 15 000	some of the members silently withdrew from the program without informing us.	to review and adopt additional members who will assist the forum going forward.
179						5 # of Gender programs implemented	9 - Gender programs implemented: * 4x Gender forum quarterly meeting; * 2 x Potential Stakeholders Meeting; * 1 x Men/Women Fora meeting; * Establishment of Wards Gender Committees; * Training Ward Gender Committees;	Target not achieved: * 4 Gender forum held * Two Men/Women fora held	R 20 000	R 2 993	The new wards delimitations affected the programme hence some ward are incorporated into others	Establish Ward based Task Team and committees to be re-established after local selection
180						5 # of children programs implemented	14 - Children program implemented: 4x quarterly Committee meeting; 1x Children's parliament; * 1 x Mandela Day Celebration; * 1 x Children's Indaba; * 1 x Capacity building workshop * 1 x Celebration Children's day * 1 x Establishment of ward based committees; * 1 x Back to school campaign * 1 x Awareness: Children's rights; * 1 x Teenage pregnancy workshop * 1 x Children Consultative	Target not achieved: * 3 Children committee meetings held; * Celebrated Mandela day; * Teenage pregnancy awareness conducted	R 70 000 R	R 70 000 R	None functionality of children committee	Management to intervene and ensure the functionality of the committee
181						5 # of Disability programs implemented	10 - Disability programs implemented: * 4x disability forum meetings held; * 2x Stakeholders meeting; * Projects/Centres visit; * 1x Disability Parliament * 1 x Disability Month celebration * 1 x Inclusive education workshop	Target not achieved: * 4 Disability forums held; * Projects/centre visit; * Disability month celebrated; * Stakeholder meeting held; * 1x disability parliament held;	R 150 000	R 825	The disability desk is understaffed.	Appointment an assistant in the disability desk.

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No	Topic/ Areas	Strategic Objectives	Measurable Objectives	Project / programme name	Project/programme name Number	2015/2016 Annual performance	KPI	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
182							6 # of moral regeneration movement program implemented	11 - moral regeneration movement program implemented: * 4x forum meetings; * 2x Stakeholders consultative meeting * Moral Regeneration Awareness Campaign (Boho/Ubundu); * Establishment of Ward Level MRM * Environmental Awareness (Waste management); * Training of Ward Level Committees * Back to School Campaign	Target not achieved: * 2x Moral regeneration forum held * Moral regeneration awareness campaign conducted;	R 150 000	R43 750,00	constant postponement of meetings resulted in the committee not meeting	Revitalization of the moral regeneration committee
183							2 # of geographic names committee program implemented	9 - Geographic names committee program implemented: * 4x Geographic names committee meetings; * Capacity building Local GNC Committee * Establishment of Ward Level GNC Committees; * Stakeholders consultative meeting held; * Renaming and naming process from Ward level to Locals; * Stakeholder consultative meeting held	Target not achieved: * 3x Geographic name committee meetings held; * Renaming and naming process done	R 70 000	R	The activities in geographic name changes could not take place due to the amalgamation processes.	GNC activities postponed to the next financial year
184							4 # of Exco-outreaches held	6 Exco-outreaches held	Target not achieved: 4x Exco -Outreach conducted	R 80 000	R	Lack of outreach program in the first quarter	Exco - outreach program developed
185							1 # of MPAC /Oversight Quarterly reports submitted to council	4 MPAC /Oversight-Quarterly reports submitted to council	Target not Achieved: 2x MPAC /Oversight Quarterly reports submitted to council	R	R	Only two reports served in council	Development of MPAC program which is aligned to council sldbags
186	Traffic Management	Promote a culture of participatory and good governance	Reduced level of accidents and managed traffic.	Road blocks	GGP/15/16/24		4 # of road safety campaigns held	Two (2) Road safety campaigns held: *One (1) Pedestrian road safety campaign *One (1) Arrive Alive Campaign	Target achieved: Seven(7) Road safety campaigns held: 03 arrive alive and 04 pedestrian road safety campaigns	R 45 000	R	None	None
187							13 # of joint operations conducted	Ten(10) joint Operations conducted	Target achieved: 12 joint operations conducted	R	R	None	None
188	Traffic Management	Promote a culture of participatory and good governance	Reduced level of accidents and managed traffic.	Traffic fleets(Vehicle)	GGP/15/16/29	New Indicator	# of traffic vehicles purchased	3 - traffic vehicles purchased	Target achieved: 3 - traffic vehicles and 1- bike purchased	R 1 600 000	R 1 170 191,64	None	None
189	Traffic Management	Promote a culture of participatory and good governance	Reduced level of accidents and managed traffic.	Purchase of speed trap equipments	GGP/15/16/31	New Indicator	# of speed trap equipment purchased	1 - Purchase of speed equipment	Target achieved: The speed equipment purchased	R 120 000	R	None	None
190	Traffic Management	Promote a culture of participatory and good governance	Reduced level of accidents and managed traffic.	Vehicle pound	GGP/15/16/33		0 # of Vehicle pound established	1 - Vehicle pound established	Target not achieved, Land identified and a requestion for land was made to ELD	R 500 000	R	Still waiting confirmation of the availability of site from ELD	follow up the matter with ELD in the 2016/17 financial year.
191	Traffic Management	Promote a culture of participatory and good governance	Reduced level of accidents and managed traffic.	Two way radio control room	GGP/15/16/34	New Indicator	# of two ways radio control room established	1 - two ways radio control room established	Target not achieved: The bid was re-advertised due lack of qualifying bidder	R 1 000 000	R	The Bid was recommended for readvert as the bidders did not meet the requirements.	follow up with SCM in the 2016/17 financial year.

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No.	Educational Areas	Strategic Objectives	Measurable Objectives	Project/Programme Name	Project/Programme Name Number	KPI	Revised Annual Target	Annual Performance	Budget (R)	Expenditure	Challenges	Mitigations
194	Disaster Management	Promote a culture of participatory and good governance	Improve service delivery	Disaster management	GGP/15/16/12	% progress in the implementation of Disaster plan	100% progress in the implementation of Disaster plan: 60% Disaster management advisory meetings and resolutions implementation; 40% Disaster Awareness campaigns;	Target achieved: 4 Cluster security meetings held and one disaster Awareness campaign conducted	R 500 000	R 9 882,60	None	None
195						% of reported disasters responded to within 12hours	100% of reported disasters/ incident responded to within 12hours	Target achieved: 55 disaster/incidents reported and responded within 12 hours.	R	R	None	None
196						% of disaster victims who qualify for relief materials received within seven days	100% Qualifying victims provided with relief material within seven days	Target not achieved: 34/55 (61%) qualifying disaster/incident provided with relief material within seven days	R 121 000	R 121 000	21 victims were not provided with relief material due to shortage of stock.	The department should purchase more relief material.
197	Public participation	Promote a culture of participatory and good governance	Improve governance and stability in GTM	Public participation programs	GGP/15/16/15	# of Public participation programmes engagements.	2 - Public participation programmes engagements.	Target achieved: 4 public participation programmes conducted (3x IDP/Budget Consultative meeting and SOLMA)	R 3 000 000	R 940 337,58	None	None
198	Public participation	Promote a culture of participatory and good governance	Improve governance and stability in GTM	Public participation programs	GGP/15/16/35	# of ward committee reports submitted to council	4 - ward committee reports submitted to council	Target not achieved: 1 Ward Committee report generated and will serve in the next ordinary council sitting to be held in July 2016.	R 4 000 000	R 871 000	None alignment ward committee reporting line and council sitting schedule	Alignment of ward committee reporting line and council sitting schedule
199	Public participation	Promote a culture of participatory and good governance	Improve governance and stability in GTM	Public participation programs	GGP/15/16/35	# of petition committee reports submission to council	4 - petition committee reports submission to council	Target not achieved: 1 petition report generated and will serve in the ordinary council sitting to be held in July 2016.	R	R	None alignment of petition committee reporting line and council sitting schedule	Alignment of petition committee reporting line and council sitting schedule
200	LED	Improve stakeholder relations for informed decision making	Improve stakeholder relations for informed decision making	Develop and implement stakeholder engagement strategy	GGP/15/16/02	% progress in the development of stakeholder engagement strategy	30% progress in the development of stakeholder engagement strategy: 30% Development of TOR	Target not achieved: Project put on hold for 2016/17 financial year	R 150 000	R 6 800,00	Project put on hold	To be implemented in 2016/17 financial year
201	HR	Improve Organizational cohesion and effectiveness	Improve stakeholder relations for informed decision making	Labour relation programme	GGP/15/16/03	# of LLF meetings held	12 LLF meetings held	Target not achieved: 9 LLF meetings held	R 50 000	R 3 500,00	None adherence to LLF meeting schedule	Adherence to the LLF meeting schedule
						% of LLF resolutions implemented	100% of LLF resolutions implemented	Target not achieved: 8/12 resolutions (67%) of LLF resolutions implemented.	R	R	four resolutions are not implemented	Implementation of the remaining four resolutions

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No.	Focus Areas	Strategic Objectives	Measurable Objectives	Project/programme name	Project/programme name Number	2013/2015 Annual performance	KPI	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
202						80%	% of labour cases addressed/attended to within three months after been reported	100% of labour cases addressed/attended to within three months after been reported	Target not Achieved: Labour cases are prolonged.	R	R	Some labour cases are prolonged	Municipality to contest only winnable cases
203	HR	Improve Organisational cohesion and effectiveness	Reduced red tapes	Review and implement delegation policy	GGP/15/16/04	100%	% progress in the review of delegation policy	100% progress in the review of delegation policy; * 30% develop TOR; * 30% draft delegation consultation; * 20% workshop of the draft Delegation policy; * 20% submission to council	Target not Achieved: 30% progress in the review of delegation policy; * develop TOR	R	R	lack of internal capacity	Capacity of the unit

KPA: SPATIAL RATIONAL

No	Focus Area	Strategic Objectives	Measurable Objectives	Project/programme name	Project/programme Time Number	2014/2015 Annual performance	KPI	Revised Annual Target	Annual Performance	Budget(R)	Expenditure	Challenges	Mitigations
204	Town planning	Create conducive environment for human settlement and business	Provide systematic spatial and land development	Develop LUMS	SF/15/16/01	90% progress made in development of municipal wide LUMS	% progress in the development of LUMS	20% progress in the development of LUMS; *10% Siteholder engagement (Councilors, Traditional Authorities, and Land Owner); 5% Publication of Notice; 3% Final Adoption of the LUMS; 2% Promulgation	Target not achieved: draft LUMS is developed	R 1 000 000	R 245 234,71	Delays in arranging the consultation sessions due to insufficient personnel.	Project to be carried over to 2016/17 financial year
205			Provide systematic spatial and land development	Acquire land for development	SF/15/16/02	New Indicator	% progress in the acquisition of Hectares of land for development	100% progress in the acquisition of 150 Hectares of land for development; * 20% Subdivision of affected land parcels; *20% Land valuation; *20% Negotiation and signing of agreements with affected land owners; *40% Registration and transfer of land to municipality	Target not achieved: 107,23 Hectares of land (Moonfontein farm) transferred to the Municipality. 639,17ha of Applesdoornraal farm at conveyancing stage.	R	R	Awaiting for Department of Rural Development to transfer the portions of land to the municipality.	Make follow up with the Department of Rural Development and Land Affairs.
206	Town planning	Create conducive environment for human settlement and business	Provide systematic spatial and land development	Acquire land for road servitudes	SF/15/16/03	50% progress made in the acquisition of 24,5 hectare of land for Burgersfort by-pass/ western ring road	% progress in the acquisition of 24,5 hectare of land for Burgersfort by-pass/ western ring road	40% progress in the acquisition of 24,5 hectare of land for Burgersfort by-pass/ western ring road; *10% negotiations; *5% preparation & signing of OTP Agreements; *5% Payment of funds; *10% Registration with Survey General; *10% Transfer of subdivided land to Municipality	Target not achieved: 10% (Negotiations done; Offer To Purchase (OTP) agreements prepared and sent to land owners)	R	R	None of the landowners has signed the OTP despite their earlier promises. Land claim on Witgatboom 316 KT awaiting Land Claims Court process and affecting signing of 3 OTP.	To seek permission of the Accounting Officer to commence with expropriation of the servitude. Await conclusion of court dispute on Witgatboom land claim.
207				Develop land acquisition and disposal policy	SF/15/16/04	New Indicator	% progress in development of land acquisition and disposal policy	40% progress in development of land acquisition and disposal policy; *20% TOR developed; *20% Presentation of the draft policy to management	Target not achieved: Terms of reference developed	R 300 000 R	R	Project to be readvertised	Appointment to be done in the 2016/17 financial year
208	Town planning	Create conducive environment for human settlement and business	Provide systematic spatial and land development	Land invasion response strategy	SF/15/16/06	New Indicator	% progress in the development of land invasion response strategy	40% progress in the development of land invasion response strategy; * 20% TOR developed; *20% Presentation of the draft policy to management	Target not achieved: The project was adjudicated and no suitable bidder was identified	R 400 000 R	R	No suitable bidder was identified	Project to be readvertised

KPA: SPATIAL RATIONAL

No	Focus Areas	Strategic Objectives	Measurable Objectives	Project/Programme Name	Project/Programme Time Number	2014/2015 Annual performance	KPI	Revised Annual Target	Annual Performance	Budget (R)	Expenditure	Challenges	Mitigations
209	Town planning	Create conducive environment for human settlement, development and business	Provide systematic spatial and land development	Ohrigstad Development plan	SP/15/16/07	78% progress made in the development of Ohrigstad development plan	% progress in the development of Ohrigstad development plan *10% Stakeholder engagement (Councilors, Traditional Authorities, and Land Owner); 5% Publication of Notices; 3% Final Adoption of the Ohrigstad development plan; 2% Formulation	Target not achieved: Ohrigstad development plan developed	R 300 000	R 84 854,65	Consultation processes delayed	Project to be finalised in the 2016/17	
210				Development of Corridor strategy	SP/15/16/09	New indicator	% progress in the development of Corridor strategy *10% TOR developed	Target Achieved: 10% TOR developed	R 700 000	R	None	None	
211	Town planning	Create conducive environment for human settlement and business	Create conducive living environment and sustainable human settlement	Burgersfort Extension 10 social housing	SP/15/16/10	90% achieved in coordinating the burgersfort EXT 10 social housing project	% progress establishment of Burgersfort Extension 10 social housing *5% co-ordinate the appointment of service provider; *15% Stakeholder consultation; *10% Approved rezoning & park closure	Target not achieved: TOR developed and the project was advertised in January 2016	R	R	The project is still within procurement turnaround circle	The project will be concluded in 2016/17 financial year	
212				Housing Sector Plan	SP/15/16/11	New indicator	% progress in the development of Housing Sector Plan *40% Development of TOR; *40% Stakeholder consultation; 20% Submission to council	Target not achieved: TOR developed	R 400 000	R	Fund withdrawn due to none spending of the fund	Reapplication of the fund in 2016/17 financial year	
213	Town planning	Create conducive environment for human settlement and business	Provide systematic spatial and land development	Spatial Development Framework Review	SP/15/16/13	New indicator	# of SPLUM Reports submitted to Council *2 - SPLUM Reports submitted to Council	Target not achieved: 1 reports submitted to council; SPLUMA by-law developed and adopted by council and the by-law was workshoped to councillors from 9 - 10 June 2016	R	R	The process to finalise the bylaw has been put on hold pending the establishment of the new municipality from amalgamation with FTLM	The processes will commence when the two municipalities are amalgamated	
214						New indicator	% of Building plan less than 500m ² approved/disapproved within 30 days	Target achieved. 69 plans received. 41 plans approved and 28 plans disapproved within 60 days	R -525 000	Collected revenue= R64 284,17	None compliance with the National Building Regulation Act	Provision of the check list	
215						New indicator	% of Building plan greater than 500m ² approved/disapproved within 60 days	Target achieved: 20 plans received. 04 plan approved and 16 plans disapproved within 60 days			None compliance with the National Building Regulation Act	Provision of the check list	
216	PMU	Create conducive environment for human settlement and business	Provide systematic spatial and land development	Revitalization of Tubatse Township	SP/15/16/08	0	# progress report generated on the revitalization of Praktiseer Township (NPDC)	Target not achieved: * no report generated	R 1 000 000	R 6 512 312,23	The project withdrawn	Reapplication of the fund in 2016/17 financial year	



The **GTM**
GREATER TUBATSE
MUNICIPALITY

South Africa's first democratic platinum city

Greater Tlhatse Municipality

(Registration number Lim 475)

**Annual Financial Statements
for the year ended 30 June 2016**

Greater Tubatse Municipality

(Registration number Lim 475)

Annual Financial Statements for the year ended 30 June 2016

General Information

Legal form of entity

Local Municipality

Mayoral committee

The Mayor

Mamekoa R.S

The Speaker

Moeng Q.M

The Chief Whip

Nkosi S.M

Councillors

Selala S.I

Manotwane R.R

Makhubedu N.R

Mohlala P.A

Mahlake N.J

Moropane N.M

Thobejane M.D

Mogofe M.E

Khoza M.R

Mametja M.M

Shai A.M

Serothwane O.S

Maleka E

Sekgobela J.B

Riba M.R

Thobejane M.N

Maroga L.R

Makofane R.L

Selahle N.L

Kgwedi J.L

Malatji M.A

Nkwana D.P

Malapane P.E

Mabilu M.L

Komane M.C

Makine P.M

Nkosi M.D

Komane T.D

Rantho L.J

Maile K.M

Tau L.C

Moraba L.D

Hlongwa S.M

Sekgobela P.C

Riba M.E

Kgoete D

Mphofelo K.V

Moropane N.C

Mahlaba P.M

Mashabela M.R

Maepa A.S

Mabelane M.M

Magane D.M

Hlatshwayo B.E

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Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

General Information

	Makgoga M.E Makofane I.T (left on 1 June 2016) Mphogo S.C Kgoete S.S Lesinya M.T Mphethi ND Tshehla N.M Hlatswayo P.J Mbuyane A.W Mohlala K Ngwatla T.J Mahubedu M.R (joined on 1 August 2015) Malaka A.M Mohlala B.J (reinstated on 1 November 2015) Masilela N.G (reinstated on 1 November 2015) Malatji SM (left on 31 October 2015)
Grading of local authority	Grade 4
Accounting Officer	Mohlala JNT
Chief Finance Officer (CFO)	Ratau GT
Registered office	Greater Tubatse Municipality
Business address	1 Kastania Street Burgersfort 1150
Postal address	P. O. Box 206 Burgersfort 1150
Auditors	Auditor General South Africa
Nature of business and principal activities	Municipality
Bankers	First National Bank Burgersfort
Attorneys	Noko Maimela Incorporated FM Maluleka Incorporated Phambani Mokone Incorporated Modise Mabule Attorneys Verveen Attorneys SA Thobane Attorneys Shongwe Attorneys

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant

Greater Tubatse Municipality

(Registration number Lim 475)

Annual Financial Statements for the year ended 30 June 2016

Accounting officer's Responsibilities and Approval

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the Municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The Accounting Officer acknowledges that he is ultimately responsible for the system of internal financial control established by the Municipality and place considerable importance on maintaining a strong control environment. To enable the Municipality to meet these responsibilities, the Accounting Officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Municipality and all employees are required to maintain the highest ethical standards in ensuring that the Municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Municipality is on identifying, assessing, managing and monitoring all known forms of risks across the Municipality. While operating risk cannot be fully eliminated, the Municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Officer has reviewed the Municipality's cash flow forecast for the year to 30 June 2016 and, in the light of this review and the current financial position, he is satisfied that the Municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements.

I certify that the salaries, allowances and benefits of Councillors and payments made to Councillors for loss of office, if any, as disclosed in note 30 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on page 6 to 75, which have been prepared on the going concern basis, were approved by the accounting officer on 30 June 2016 and were signed on its behalf by:

Accounting Officer
Designation

Date

Greater Tubatse Municipality

(Registration number Lim 475)

Annual Financial Statements for the year ended 30 June 2016

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2016

Audit committee members and attendance

The audit committee consists of the independent members listed hereunder and should meet at least for four (4) times per annum as per approved terms of reference. During the current year five (5) meetings were held.

Name of Member	Number of meetings attended
Adv. Letsepe Thubakgale (Chairperson)	4
Mr Siyakhula Simelane	4
Adv. Tebogo Martin Malatjie	2
Mr Joseph Nakedi Mpjeane	5

Audit Committee Responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166(a) of the MFMA.

The committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Controls

Our review of the findings of the Internal Audit work, which was based on the risk assessment conducted in the municipality revealed certain weakness, which were then raised with the municipality.

There has been improvement in the system of internal controls of the municipality and reducing disclaimer issues raised in the previous year. In certain instances, the matters reported previously have not been fully and satisfactory addressed. The audit committee notes management's commitment to correct the deficiencies.

Evaluation of Annual Financial Statements

The audit committee has:

reviewed and discussed the annual financial statements to be included in the annual report, with the Auditor General and Accounting Officer report;

- reviewed the Auditor-General of South Africa's management report and management's responses thereto;
- reviewed and noted that there were no significant changes in accounting policies and practices;
- reviewed the municipalities compliance with legal and regulatory provisions and

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Audit Committee Report

- reviewed significant adjustment resulting from the audit.

Evaluation of Draft Performance Report

The audit committee has:

- reviewed and discussed the draft performance report prepared by the municipality before submission to the Auditor-General of South Africa;
- reviewed the reasons for provided by management for material deviation from planned targets

Internal Audit

Audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audit.

Auditor-General of South Africa

The audit committee has met with the Auditor General of South Africa to ensure that there are no unresolved issues.

Adv. L. Thubakgale

Chairperson: Audit Committee

Date:

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Accounting Officer's Report

The Accounting Officer submits the report for the year ended 30 June 2016.

1. Review of activities

Main business and operations

The Municipality is engaged in municipal activities such as rates, refuse and other services and operates principally in Burgersfort, South Africa.

Net surplus of the Municipality was R 19,152,639 (2015: deficit R 20,282,377).

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Refer to Note 43.

3. Subsequent events

As a result of the demarcations before the Local Government elections that were held on 03 August 2016, Fetakgomo and Greater Tubatse Municipalities were amalgamated to form one Municipality after the elections. The process to complete the amalgamation is underway.

The Accounting Officer is not aware of any subsequent event after reporting date which may negatively impact on the annual financial statements.

4. Accounting officer's interest in contracts

The Accounting Officer did not declare any interests in contracts of the Municipality for this financial year.

5. Accounting policies

The annual financial statements were prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

6. Accounting Officer

The Accounting Officer of the Municipality during the year and to the date of this report is as follows:

Name	Nationality	Changes
Mohlala, Johannes NkhonoTshepo	RSA	Appointed on 1 July 2015.

Mr JNT Mohlala was appointed as the Municipal Manager on 1 July 2015.

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Accounting Officer's Report

7. Corporate governance

General

The Accounting Officer is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the Accounting Officer supports the highest standards of corporate governance and the ongoing development of best practice.

Councillors

The councillors:

- retains full control over the municipality, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the municipality;
- is of a unitary structure comprising;
 - > - Mayor
 - > - Speaker
 - > - Councillors.

Mayor

The roles of the Mayor and Municipal Manager are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion. The Council and Mayor perform their oversight role and duties in terms of the prescribed legislation and delegated authorities.

Audit Committee meetings

The Audit Committee has met on 5 separate occasions during the financial year. The Audit Committee meets at least 4 times per annum.

Audit committee

During the financial year the audit committee was composed as follows:

1. Adv Letsepe Thubakgale (Chairperson Audit and Performance)
2. Siyakhula Simelane (Member Audit and Performance committee; and Chairperson Risk Committee)
3. Adv Tebogo Martin Malatji (Member Audit and Performance committee)
4. Joseph Nakedi Mpjane (Member Audit and Performance committee)

8. Bankers

The municipality banks primarily with First National Bank Limited.

9. Auditors

Auditor General South Africa will continue in office for the next financial period.

Greater Tubatse Municipality

(Registration number Lim 475)

Annual Financial Statements for the year ended 30 June 2016

Statement of Financial Position as at 30 June 2016

Figures in Rand	Note(s)	2016	2015 Restated*
Assets			
Current Assets			
Inventories	10	565,333	653,606
Short-term investment	7	100,000,000	-
Operating lease asset	8	1,643,043	155,162
Receivables from exchange transactions	11	272,556	2,204,703
Receivables from non-exchange transactions	12	20,125,825	16,509,360
VAT receivable	13	12,683,949	1,198,325
Consumer debtors from exchange transactions	14	25,139,960	18,063,155
Consumer debtors from non-exchange transactions	14	74,492,775	50,484,667
Cash and cash equivalents	16	98,127,527	185,487,758
		333,050,968	274,756,738
Non-Current Assets			
Investment property	3	139,366,000	138,435,000
Property, plant and equipment	4	1,315,647,925	1,351,144,085
Intangible assets	5	44,841	136,698
Heritage assets	6	963,298	963,298
		1,456,022,064	1,490,679,081
Non-Current Assets		1,456,022,064	1,490,679,081
Current Assets		333,050,968	274,756,738
Total Assets		1,789,073,032	1,765,435,819
Liabilities			
Current Liabilities			
Other financial liabilities	17	907,362	835,412
Finance lease obligation	18	28,427	2,183,722
Payables from exchange transactions	21	73,127,267	55,747,178
Unspent conditional grants and receipts	19	22,087,168	39,403,849
Provisions	20	6,143,000	5,370,000
		102,293,224	103,540,161
Non-Current Liabilities			
Other financial liabilities	17	13,831,782	14,756,773
Finance lease obligation	18	323,272	28,321
Operating lease liability	8&44	18,707,889	17,376,463
Employee benefit obligation	9	15,746,000	14,931,000
Provisions	20	9,289,408	7,014,762
		57,898,351	54,107,319
Non-Current Liabilities		57,898,351	54,107,319
Current Liabilities		102,293,224	103,540,161
Total Liabilities		160,191,575	157,647,480
Assets		1,789,073,032	1,765,435,819
Liabilities		(160,191,575)	(157,647,480)
Net Assets		1,628,881,457	1,607,788,339
Accumulated surplus		1,628,881,457	1,607,788,339

* See Note 47

Greater Tubatse Municipality

(Registration number Lim 475)

Annual Financial Statements for the year ended 30 June 2016

Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	24	9,404,227	10,789,277
Rental of facilities and equipment	39	110,520	420,071
Licences and permits	26	6,053,442	6,723,590
Fees earned	26	480,948	652,491
Services in kind	26	160,396	1,350,590
Other income	27	2,559,868	1,988,750
Interest received - investment	32	11,503,821	6,163,326
Total revenue from exchange transactions		30,273,222	28,088,095
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	23	81,788,853	75,360,585
Property rates - penalties imposed	23	10,662,038	7,621,393
Transfer revenue			
Government grants & subsidies	25	376,793,760	313,483,339
Traffic fines	26	1,777,825	1,829,100
Total revenue from non-exchange transactions		471,022,476	398,294,417
		30,273,222	28,088,095
		471,022,476	398,294,417
Total revenue	22	501,295,698	426,382,512
Expenditure			
Employee related costs	29	(103,095,162)	(99,900,392)
Remuneration of councillors	30	(20,542,217)	(18,122,309)
Depreciation and amortisation	34	(105,645,563)	(105,947,021)
Impairment loss/ Reversal of impairments	35	(1,894,254)	(20,692,786)
Finance costs	37	(5,561,470)	(6,051,363)
Lease rentals on operating lease		(14,724,657)	(14,726,180)
Debt Impairment	31	(17,328,345)	(59,799,362)
Repairs and maintenance		(10,130,487)	(5,367,590)
Contracted services	40	(21,725,141)	(19,089,659)
Transfers and Subsidies	42	(4,247,661)	(3,975,541)
General Expenses	28	(179,443,106)	(128,754,555)
Total expenditure		(484,338,063)	(482,426,758)
		-	-
Total revenue		501,295,698	426,382,512
Total expenditure		(484,338,063)	(482,426,758)
Operating surplus (deficit)		16,957,635	(56,044,246)
Loss on disposal of assets and liabilities	36	(1,268,995)	(22,138,733)
Fair value adjustments Investment Properties	33	13,261,000	48,790,600
Actuarial gains/losses	9	2,533,000	9,110,000
Investment property written off	41	(12,330,000)	-
		2,195,005	35,761,867
Surplus (deficit) before taxation		19,152,640	(20,282,379)
Taxation		-	-
Surplus (deficit) for the year		19,152,640	(20,282,379)

* See Note 47

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	1,628,080,094	1,628,080,094
Adjustments		
Correction of errors	(9,378)	(9,378)
Balance at 01 July 2014 as restated*	1,628,070,716	1,628,070,716
Changes in net assets		
Surplus for the year	(20,282,377)	(20,282,377)
Total changes	(20,282,377)	(20,282,377)
Restated* Balance at 01 July 2015	1,609,728,818	1,609,728,818
Changes in net assets		
Surplus for the year	19,152,639	19,152,639
Total changes	19,152,639	19,152,639
Balance at 30 June 2016	1,628,881,457	1,628,881,457

* See Note 47

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Cash Flow Statement

Figures in Rand	Note(s)	2016	2015 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		110,991,995	9,433,089
Grants		127,684,853	290,331,963
Interest income		11,503,821	6,163,326
		250,180,669	305,928,378
Payments			
Employee costs		(118,594,341)	(114,710,864)
Suppliers		(40,378,546)	(65,048,757)
Finance costs		(5,561,470)	(6,051,363)
		(164,534,357)	(185,810,984)
Total receipts		250,180,669	305,928,378
Total payments		(164,534,357)	(185,810,984)
Net cash flows from operating activities	43	85,646,312	120,117,394
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(71,844,767)	(55,502,084)
Proceeds from sale of property, plant and equipment	4	698,568	-
Proceeds from sale of investment property	3	-	14,971,000
Purchases of heritage assets	6	-	(963,300)
Proceeds from sale/(Purchase) of financial assets		(100,000,000)	85,456,527
Net cash flows from investing activities		(171,146,199)	43,962,143
Cash flows from financing activities			
Repayment of other financial liabilities		(2,007,455)	(2,007,455)
Finance lease payments		(1,860,344)	(2,004,394)
Net cash flows from financing activities		(1,860,344)	(1,877,011)
Net increase/(decrease) in cash and cash equivalents		(87,360,231)	162,202,526
Cash and cash equivalents at the beginning of the year		185,487,758	23,285,232
Cash and cash equivalents at the end of the year	16	98,127,527	185,487,758

* See Note 47

Greater Tubatse Municipality

(Registration number Lim 475)

Annual Financial Statements for the year ended 30 June 2016

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	9,600,000	-	9,600,000	9,404,227	(195,773)	
Rental of facilities and equipment	500,000	-	500,000	110,520	(389,480)	
Licences and permits	7,802,000	(200,000)	7,602,000	6,053,442	(1,548,558)	
Fees earned	34,000	134,000	168,000	480,948	312,948	
Services in kind	-	-	-	160,396	160,396	
Other income - (rollup)	13,214,500	(3,213,000)	10,001,500	2,559,868	(7,441,632)	
Interest received - investment	3,300,000	3,000,000	6,300,000	11,503,821	5,203,821	
Total revenue from exchange transactions	34,450,500	(279,000)	34,171,500	30,273,222	(3,898,278)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	67,700,000	4,500,000	72,200,000	81,788,853	9,588,853	
Property rates - penalties imposed	6,000,000	(6,000,000)	-	10,662,038	10,662,038	
Transfer revenue						
Government grants & subsidies	552,383,000	(174,238,000)	378,145,000	376,793,760	(1,351,240)	
Fines, Penalties and Forfeits	301,000	200,000	501,000	1,777,825	1,276,825	
Total revenue from non-exchange transactions	626,384,000	(175,538,000)	450,846,000	471,022,476	20,176,476	
'Total revenue from exchange transactions'	34,450,500	(279,000)	34,171,500	30,273,222	(3,898,278)	
'Total revenue from non-exchange transactions'	626,384,000	(175,538,000)	450,846,000	471,022,476	20,176,476	
Total revenue	660,834,500	(175,817,000)	485,017,500	501,295,698	16,278,198	
Expenditure						
Personnel	(112,203,000)	(1,850,000)	(114,053,000)	(103,095,162)	10,957,838	
Remuneration of councillors	(18,330,000)	-	(18,330,000)	(20,542,217)	(2,212,217)	
Depreciation and amortisation	(4,800,000)	-	(4,800,000)	(105,645,563)	(100,845,563)	
Impairment loss/ Reversal of impairments	-	-	-	(1,894,254)	(1,894,254)	
Finance costs	(1,500,000)	-	(1,500,000)	(5,561,470)	(4,061,470)	
Lease rentals on operating lease	(3,000,000)	3,000,000	-	(14,724,657)	(14,724,657)	
Bad debts written off	(2,700,000)	2,700,000	-	(17,328,345)	(17,328,345)	
Repairs and maintenance	(17,285,000)	2,750,000	(14,535,000)	(10,130,487)	4,404,513	
Contracted Services	(29,200,000)	600,000	(28,600,000)	(21,725,141)	6,874,859	
Transfers and Subsidies	-	-	-	(4,247,661)	(4,247,661)	
General Expenses	(339,504,000)	219,948,000	(119,556,000)	(179,443,106)	(59,887,106)	
Total expenditure	(528,522,000)	227,148,000	(301,374,000)	(484,338,063)	(182,964,063)	
	660,834,500	(175,817,000)	485,017,500	501,295,698	16,278,198	
	(528,522,000)	227,148,000	(301,374,000)	(484,338,063)	(182,964,063)	
Operating surplus	132,312,500	51,331,000	183,643,500	16,957,635	(166,685,865)	

Greater Tubatse Municipality

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Loss on disposal of assets and liabilities	-	-	-	(1,268,995)	(1,268,995)	
Fair value adjustments	-	-	-	13,261,000	13,261,000	
Actuarial gains/losses	-	-	-	2,533,000	2,533,000	
Inventories losses/write-downs	-	-	-	(12,330,000)	(12,330,000)	
	-	-	-	2,195,005	2,195,005	
	132,312,500	51,331,000	183,643,500	16,957,635	(166,685,865)	
	-	-	-	2,195,005	2,195,005	
Surplus before taxation	132,312,500	51,331,000	183,643,500	19,152,640	(164,490,860)	
Deficit before taxation	132,312,500	51,331,000	183,643,500	19,152,640	(164,490,860)	
Taxation	-	-	-	-	-	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	132,312,500	51,331,000	183,643,500	19,152,640	(164,490,860)	

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Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2016											
Financial Performance											
Property rates	73,700,000	(1,500,000)	72,200,000	-		72,200,000	92,450,891		20,250,891	128 %	125 %
Service charges	9,600,000	-	9,600,000	-		9,600,000	9,404,227		(195,773)	98 %	98 %
Investment revenue	3,300,000	3,000,000	6,300,000	-		6,300,000	11,503,821		5,203,821	183 %	349 %
Transfers recognised - operational	552,383,000	(174,238,000)	378,145,000	-		378,145,000	238,788,217		(139,356,783)	63 %	43 %
Other own revenue	21,851,500	(3,079,000)	18,772,500	-		18,772,500	24,403,999		5,631,499	130 %	112 %
Total revenue (excluding capital transfers and contributions)	660,834,500	(175,817,000)	485,017,500	-		485,017,500	376,551,155		(108,466,345)	78 %	57 %
Employee costs	(112,203,000)	(1,850,000)	(114,053,000)	-		(114,053,000)	(103,095,162)	(9,233,167)	10,957,838	90 %	92 %
Remuneration of councillors	(18,330,000)	-	(18,330,000)	-		(18,330,000)	(20,542,217)	-	(2,212,217)	112 %	112 %
Debt impairment	(2,700,000)	2,700,000	-			-	(17,328,345)	-	(17,328,345)	DIV/0 %	642 %
Depreciation and asset impairment	(4,800,000)	-	(4,800,000)			(4,800,000)	(107,539,817)	-	(102,739,817)	2,240 %	2,240 %
Finance charges	(1,500,000)	-	(1,500,000)	-		(1,500,000)	(5,561,470)	-	(4,061,470)	371 %	371 %
Transfers and grants	-	-	-	-		-	(4,247,661)	-	(4,247,661)	DIV/0 %	DIV/0 %
Other expenditure	(388,989,000)	227,298,000	(161,691,000)	-	21,314,504	(140,376,496)	(227,292,386)	(2,241,664)	(86,915,890)	162 %	58 %
Total expenditure	(528,522,000)	228,148,000	(300,374,000)	-	21,314,504	(279,059,496)	(485,607,058)	(11,474,831)	(206,547,562)	174 %	92 %
Total revenue (excluding capital transfers and contributions)	660,834,500	(175,817,000)	485,017,500	-		485,017,500	376,551,155		(108,466,345)	78 %	57 %
Total expenditure	(528,522,000)	228,148,000	(300,374,000)	-	21,314,504	(279,059,496)	(485,607,058)	(11,474,831)	(206,547,562)	174 %	92 %
Surplus/(Deficit)	132,312,500	52,331,000	184,643,500	-		205,958,004	(109,055,903)		(315,013,907)	(53)%	(82)%

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Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	-	-	-	-	-	-	138,005,543	-	138,005,543	DIV/0 %	DIV/0 %
Surplus/(Deficit)	132,312,500	52,331,000	184,643,500	-	-	205,958,004	(109,055,903)	-	(315,013,907)	(53)%	(82)%
Capital transfers and contributions	-	-	-	-	-	-	138,005,543	-	138,005,543	DIV/0 %	DIV/0 %
Surplus (Deficit) after capital transfers and contributions	132,312,500	52,331,000	184,643,500	-	-	205,958,004	28,949,640	-	(177,008,364)	14 %	22 %
Surplus (Deficit) after capital transfers and contributions	132,312,500	52,331,000	184,643,500	-	-	205,958,004	28,949,640	-	(177,008,364)	14 %	22 %
Surplus/(Deficit) for the year	132,312,500	52,331,000	184,643,500	-	-	205,958,004	28,949,640	-	(177,008,364)	14 %	22 %

Capital expenditure and funds sources

Total capital expenditure	-	-	-	-	-	-	119,189,590	-	119,189,590	DIV/0 %	DIV/0 %
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Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables

The municipality assesses its trade receivables, for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment of Consumer and other receivables

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Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.1 Impairment of Consumer and Other Receivables (continued)

The calculation in respect of the impairment of debtors is based on the municipality's approved policy on calculation of doubtful debts. In accordance with GRAP 104 (Financial Instruments), an objective assessment of financial assets is made at year end to determine possible impairment. Impairment loss is recognised as an expense in the Statement of Financial Performance. The determination of the impairment loss is guided by the following principles as per GRAP 104 .

The municipality assesses financial assets individually, when assets are individually significant, and individually or collectively for financial assets that are not individually significant. (Individual Debtors' balances that constitute at least 5 percent of the total debtors book are considered to be individually significant by the municipality).

Where no objective evidence of impairment exists for an individually assessed asset (whether individually significant or not), the municipality includes the assets in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in the collective assessment of impairment. As soon as information becomes available that specifically identifies losses on individually impaired assets in a group (that are collectively assessed for impairment), those assets are removed from the group and assessed individually for impairment.

For collective assessment of impairment, as indicated above, assets with similar credit risk characteristics are grouped together. The credit risk characteristics should be indicative of the debtors' ability to pay all amounts due according to the contractual terms.

The method used in determining the group of assets to be assessed for impairment, is a grading process that considers the:

- Debtor type
- Industry
- Past due status (e.g. days/months that the accounts are in arrears);

Consumer debtors are evaluated at the end of the reporting date and impaired as follows:

Debtor type	Percentage of debt provided for as irrecoverable
Negative amounts	0%
Current balances	0%
30to 90 days	50%
More than 90 days	100%
Business and Industrial - always pay	0%
Government Organization	0%
Mines - always pay	0%
Indigent Debtors	100%
Municipal	0%
Handed over	100%

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20.

The cost of defined benefit pension contribution plans and other employment medical benefits is determined using actuarial valuations.

The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Additional information is disclosed in note 9.

Classification as investment property

The municipality has reviewed its property portfolio and determined which items of land and buildings are held to earn rental revenue or for capital appreciation. Land and buildings fulfilling these requirements have been classified as investment property, whilst the remainder of the portfolio has either been classified as property, plant and equipment or inventory depending on management's intention in dealing with these properties.

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.1 Impairment of Consumer and Other Receivables (continued)

Depreciation and carrying value of items of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgment. Management considers the impact of technology, availability of capital funding, service requirements, and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgment whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

1.2 Investment property

Investment property is initially recognised at cost. Transaction costs are capitalised to the initial cost.

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

The fair value of investment property reflects estimated market conditions at the reporting date whilst provisional amounts reflect the amounts determined using a reasonable basis such as a valuation roll.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

The fair value of investment property reflects estimated market conditions at the reporting date whilst provisional amounts reflect the amounts determined using a reasonable basis such as a valuation roll.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use.

Property, plant and equipment are initially measured at cost.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.3 Property, plant and equipment (continued)

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land	Indefinite
Buildings	30
Emergency equipment	5-10
Refuse tankers	5-10
Furniture and fixtures	5-10
Motor vehicles	7-10
Office equipment	5-7
IT equipment	5
Infrastructure	5-200
Roads and stormwater	5-150
Refuse	20-50
Buildings	20-100
Recreational facilities	20-30
Security	5-10
Halls	20-30
Libraries	20-30
Parks and gardens	15-20
Other assets	15-30
Other property, plant and equipment	2-100
Specialist vehicles	10-35
Other vehicles	5-30
Office furniture	3-15
Furniture and fittings	5-20
Watercraft	15-30
Bins and containers	5-15
Specialist plant and equipment	5-35
Other plant and equipment	2-25
Landfill sites	20-100
Quarries	20-100
Emergency equipment	5-25
Computer equipment	3-15

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.3 Property, plant and equipment (continued)

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, internally generated	3-10 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

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Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.5 Heritage assets

Heritage assets are not depreciated, as their long economic life and high residual value mean that any depreciation would be immaterial.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

1.6 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Cash and cash equivalents
- Trade receivables
- Financial assets measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Initial recognition and measurement

Financial instruments are initially recognised at fair value including any transactions costs.

Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

At each end of the reporting period the municipality assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the municipality, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.6 Financial instruments (continued)

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Financial assets impaired through use of an allowance account are recognised in surplus or deficit within operating expenses, when such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial instruments designated as at fair value through surplus or deficit

All financial instruments are initially measured at fair value. The financial instruments are subsequently recognised at fair value through profit and loss.

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Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.6 Financial instruments (continued)

Receivables from exchange transactions

Receivables from exchange transactions comprise of:
Consumer debtors

Consumer receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Consumer and other receivables are classified as loans and receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently measured at amortised cost, using the effective interest method.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with bank and short-term highly liquid investments.

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in surplus or deficit.

Changes in the fair value of derivative financial instruments are recognised in surplus or deficit as they arise.

Derivatives are classified as financial assets at fair value through surplus or deficit - held for trading.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.6 Financial instruments (continued)

Payables from exchange transactions

Payables from exchange transactions comprise of:

- Trade payables
- Payments in advance

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

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Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

the rights to receive cash flows from the asset have expired;

the municipality has transferred its rights to receive cash flows from the asset and either

- has transferred substantially all the risks and rewards of the asset, or
- has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Accounting Policies

1.6 Financial instruments (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;
distribution at no charge or for a nominal charge; or
consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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1.8 Inventories (continued)

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Impairment of cash-generating assets

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Criteria developed by the municipality to distinguish cash-generating assets from non-cash-generating assets are as follow:

Cash generating assets are assets held with the primary objective of generating commercial return.

Non-cash generating assets are assets other than cash-generating assets.

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.10 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

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Accounting Policies

1.10 Impairment of non-cash-generating assets (continued)

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Criteria developed by the municipality to distinguish non-cash-generating assets from cash-generating assets are as follow: [Specify criteria]

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

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Accounting Policies

1.10 Impairment of non-cash-generating assets (continued)

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.11 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

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Accounting Policies

1.12 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

The entity recognise the expected cost of bonus and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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Accounting Policies

1.12 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long-term employee benefits

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the municipality. The cost for each employee is computed at each reporting date based on the probability of being employed at each service award date, taking into account the assumed rates of withdrawal, early retirement and death. On determining this liability due allowance is made for future salary increases. Actuarial gains and losses are recognised in full in the year they are incurred.

The municipality's net obligation in respect of long service awards is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value.

1.13 Leave

The municipality provides employees with time off from work for a variety of reasons. Leave days granted by an employer can accumulate from one period to the next a maximum of 48 days over two leave cycles.

Leave days accumulate from one period to the next. The municipality recognises a liability and expense for accumulating leave as and when employees render services that entitle them to those leave days. The amount of the liability and expense is determined as the additional amount an entity is required to pay as a result of the unused leave days owing to employees at the end of the reporting period.

1.14 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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Accounting Policies

1.14 Provisions and contingencies (continued)

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 45.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

changes in the liability is added to, or deducted from, the cost of the related asset in the current period. the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit. if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.9.

If the related asset is measured using the revaluation model:

changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:

- a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
- an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;

in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and net assets. If a revaluation is necessary, all assets of that class is revalued; and the Standard of GRAP on Presentation of Financial Statements requires disclosure on the face of the statement of changes in net assets of each item of revenue or expense that is recognised directly in net assets. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability is separately identified and disclosed as such.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

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Accounting Policies

1.14 Provisions and contingencies (continued)

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.15 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and

Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.16 Revenue

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Revenue from non-exchange transactions comprises of:

Taxes; and

Transfers (whether cash or non-cash), including grants, debt forgiveness, fines, bequests, gifts, donations, and goods and services in kind.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;

the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

the amount of revenue can be measured reliably;

it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and

the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

the amount of revenue can be measured reliably;

it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;

the stage of completion of the transaction at the reporting date can be measured reliably; and

the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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Accounting Policies

1.16 Revenue (continued)

Interest

Revenue arising from the use by others of entity assets yielding interest, is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.17 Service charges

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property receiving services. Tariffs are determined per category of property and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Services in kind

GRAP 23 states that an entity shall recognise services in-kind that are significant to its operations and/or service delivery objectives. Where service in-kind is/are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity shall disclose the nature and type of service in-kind received during the period.

Services in-kind includes services provided by individuals but also includes right of to use of an asset, without charge, but may be subject to stipulations

To the extent that the service in-kind is significant to the operations and/or service delivery objectives of the recipient of such a service in-kind and it meets the criteria for recognition, although there maybe uncertainties surrounding services in-kind, including the ability to exercise control over the services, and measuring the fair value of the services

Revenue is recognised when the asset is recognised.

1.18 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.20 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and

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Accounting Policies

1.20 Borrowing costs (continued)

expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.23 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

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Accounting Policies

1.24 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.25 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget covers the fiscal period from 01/07/2015 to 30/06/2016.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.26 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.27 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

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Accounting Policies

1.28 Prior period error

Errors are corrected retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality would restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

1.29 Change in accounting policy

Changes in accounting policies due to adoption of newly effective Standards of GRAP have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy or where allowed transitional provisions had been adopted. In such cases the municipality would restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

The main objective of retrospective application is to adjust the financial statements as if the entity had always been applying the accounting policy as in the current year. Therefore, the change must be reflected not only in the current period, but also in the comparative periods' figures shown in the statement of financial position, statement of financial performance, statement of changes in net assets, cash flow statement and notes to the financial statements.t

1.30 Value added tax

The municipality accounts for Value Added Tax on a payment basis in accordance with section 15(2)(a) of the VAT Act (Act No 89 of 1991) .The municipality is liable to account for VAT at the standard rate (14%) in terms of section 7 (1) (a) of the VAT Act in respect of the supply of goods or services, except where supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or are scoped out for VAT purposes.The municipality accounts for VAT on a monthly basis.

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Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 105: Transfers of Functions Between Entities Under Common Control

The objective of this standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control.

A transfer of functions between entities under common control is a reorganisation and / or reallocation of functions between entities that are ultimately controlled by the same entity before and after a transfer of functions.

In the event of a transfer of functions between entities under common control, the assets and liabilities should be recognised (by the acquirer) at their carrying amounts and should be derecognised (by the transferor) at their carrying amounts.

The difference between the amount of consideration paid or received, if any, and the carrying amounts of assets and liabilities should be recognised in accumulated surplus / (deficit).

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality has adopted the standard for the first time in the 2016 annual financial statements.

The impact of the standard is not material.

GRAP 106: Transfers of Functions Between Entities not Under Common Control

The objective of this standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. A transfer of functions between entities not under common control is a reorganisation and / or reallocation of functions between entities that are not ultimately controlled by the same entity before and after a transfer of functions.

In the event of a transfer of functions between entities not under common control, the assets and liabilities should be recognised (by the acquirer) at their acquisition date fair values. The difference between the amount of consideration paid, if any, and the carrying amounts of assets acquired and liabilities assumed should be recognised in accumulated surplus / (deficit).

For a transfer of functions between entities not under common control there are some specific recognition and measurement principles and exceptions to the recognition and measurement principles.

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality has adopted the standard for the first time in the 2016 annual financial statements.

The impact of the standard is not material .

GRAP 107: Mergers

The objective of this standard is to establish accounting principles for the combined entity and combining entities in a merger. A merger is where a new combined entity is started, acquirer can be identified and the combining entities do not have any control over the combined entity.

In the event of a merger, the assets and liabilities should be recognised (by the combined entity) at their carrying amounts and should be derecognised (by the combining entities) at their carrying amounts. The difference between the carrying amounts of assets and liabilities should be recognised in accumulated surplus / (deficit).

The effective date of the standard is for years beginning on or after 01 April 2015.

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The municipality has adopted the standard for the first time in the 2016 annual financial statements.

The impact of the standard is not material.

IGRAP 11: Consolidation – Special purpose entities

An entity may be created to accomplish a narrow and well-defined objective (e.g. to effect a lease, research and development activities or a securitisation of financial assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity. SPEs often are created with legal arrangements that impose strict and sometimes permanent limits on the decision-making powers of their management over the operations of the SPE. Frequently, these provisions specify that the policy guiding the ongoing activities of the SPE cannot be modified, other than perhaps by its creator or sponsor (ie they operate on so-called 'autopilot').

The sponsor (or entity on whose behalf the SPE was created) frequently transfers assets to the SPE, obtains the right to use assets held by the SPE or performs services for the SPE, while other parties ('capital providers') may provide the funding to the SPE. An entity that engages in transactions with an SPE (frequently the creator or sponsor) may in substance control the SPE. A beneficial interest in an SPE may, for example, take the form of a debt instrument, an equity instrument, a participation right, a residual interest or a lease. Some beneficial interests may simply provide the holder with a fixed or stated rate of return, while others give the holder rights or access to other future economic benefits or service potential of the SPE's activities. In most cases, the creator or sponsor (or the entity on whose behalf the SPE was created) retains a significant beneficial interest in the SPE's activities, even though it may own little or none of the SPE's net assets.

The Standard of GRAP on Consolidated and Separate Financial Statements requires the consolidation of entities that are controlled by the reporting entity. However, the Standard of GRAP does not provide explicit guidance on the consolidation of SPEs. The issue is under what circumstances an entity should consolidate an SPE. This interpretation of the Standards of GRAP does not apply to post-employment benefit plans or other long-term employee benefit plans to which the Standard of GRAP on Employee Benefits applies.

A transfer of assets from an entity to an SPE may qualify as a sale by that entity. Even if the transfer does qualify as a sale, the provisions of the Standard of GRAP on Consolidated and Separate Financial Statements and this Interpretation of the Standards of GRAP may mean that the entity should consolidate the SPE. This Interpretation of the Standards of GRAP does not address the circumstances in which sale treatment should apply for the entity or the elimination of the consequences of such a sale upon consolidation.

The effective date of the interpretation is for years beginning on or after 01 April 2015.

The municipality has adopted the interpretation for the first time in the 2016 annual financial statements.

The impact of the interpretation is not material.

IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures

Paragraph .54 in the Standard of GRAP on Interests in Joint Ventures refers to both contributions and sales between a venturer and a joint venture as follows: 'When a venturer contributes or sells assets to a joint venture, recognition of any portion of a gain or loss from the transaction shall reflect the substance of the transaction'. In addition, paragraph 31 in the Standard of GRAP on Interests in Joint Ventures says that 'a jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest'. There is no explicit guidance on the recognition of gains and losses resulting from contributions of non-monetary assets to jointly controlled entities ('JCEs').

Contributions to a JCE are transfers of assets by venturers in exchange for an interest in the net asset in the JCE. Such contributions may take various forms. Contributions may be made simultaneously by the venturers either upon establishing the JCE or subsequently. The consideration received by the venturer(s) in exchange for assets contributed to the JCE may also include cash or other consideration that does not depend on future cash flows of the JCE ('additional consideration').

The issues are:

- when the appropriate portion of gains or losses resulting from a contribution of a non-monetary asset to a JCE in exchange for an interest in the net assets in the JCE should be recognised by the venturer in surplus or deficit;
- how additional consideration should be accounted for by the venturer; and
- how any unrealised gain or loss should be presented in the consolidated

This Interpretation of the Standards of GRAP deals with the venturer's accounting for non-monetary contributions to a JCE in exchange for an interest in the net assets in the JCE that is accounted for using either the equity method or proportionate

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

consolidation.

The effective date of the interpretation is for years beginning on or after 01 April 2015.

The municipality has adopted the interpretation for the first time in the 2016 annual financial statements.

The impact of the interpretation is not material.

GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements

The definition of 'minority interest' has been amended to 'non-controlling interest', and paragraph .60 was added by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107]. If an entity elects to apply these amendments earlier, it shall disclose this fact.

Paragraph .59 was amended by Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107 from the date at which it first applied the Standard of GRAP on Non-current Assets Held for Sale and Discontinued Operations. If an entity elects to apply these amendments earlier, it shall disclose this fact.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers amended paragraphs .03, .39, .47 to .50 and added paragraphs .51 to .58 and .61 to .62. An entity shall apply these amendments when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

The effective date of the amendment is for years beginning on or after 01 April 2015.

The municipality has adopted the amendment for the first time in the 2016 annual financial statements.

The impact of the amendment is not material.

GRAP 7 (as revised 2010): Investments in Associates

Paragraphs .03 and .42 were amended by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107]. If an entity elects to apply these amendments earlier, it shall disclose this fact.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers amended paragraphs .22, .28 and .38 and added paragraph .24. An entity shall apply these amendments and addition when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

The effective date of the amendment is for years beginning on or after 01 April 2015.

The municipality has adopted the amendment for the first time in the 2016 annual financial statements.

The impact of the amendment is not material.

GRAP 8 (as revised 2010): Interests in Joint Ventures

Paragraph .04 was amended by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107. If an entity elects to apply these amendments earlier, it shall disclose this fact.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers added paragraph .50 and amended paragraphs .51 and .52. An entity shall apply these amendments and addition when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The effective date of the amendment is for years beginning on or after 01 April 2015.

The municipality has adopted the amendment for the first time in the 2016 annual financial statements.
The impact of the amendment is not material.

Directive 11: Changes in Measurement Bases Following the Initial Adoption of Standards of GRAP

The objective of this directive is to permit the municipality to change its measurement bases following the initial adoption of Standards of GRAP. The change is based on the principles in the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors. This directive should therefore be read in conjunction with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

In applying paragraph 13(b) of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors, this directive allows the municipality, that has initially adopted the fair value model for investment property or the revaluation model for property, plant and equipment, intangible assets or heritage assets, to change its accounting policy on a once-off basis to the cost model when the municipality elects to change its accounting policy following the initial adoption of these Standards of GRAP. The once-off change will be allowed when the municipality made an inappropriate accounting policy choice on the initial adoption of the Standards of GRAP.

Subsequent to the application of this directive, the municipality will be allowed to change its accounting policy in future periods subject to it meeting the requirements in the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The effective date of the directive is for years beginning on or after 01 April 2015.

The municipality has adopted the directive for the first time in the 2016 annual financial statements.
The impact of the directive is not material.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2016 or later periods but are not relevant to its operations:

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

As a minimum, the following are regarded as related parties of the reporting entity:

A person or a close member of that person's family is related to the reporting entity if that person:

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity;
- is a member of the management of the entity or its controlling entity.

An entity is related to the reporting entity if any of the following conditions apply:

- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
- both entities are joint ventures of the same third party;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- the entity is controlled or jointly controlled by a person identified in (a); and
- a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

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Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard. It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 32: Service Concession Arrangements: Grantor

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity. It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard. It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the standard is not yet set by the Minister of Finance.

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Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard. It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 16 (as amended 2015): Investment Property

Based on the feedback received as part of the post-implementation review, the Board agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Board agreed to:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.
- Clarify the wording related to the use of external valuers.
- Introduce more specific presentation and disclosure requirements for capital work-in-progress.
- Review the encouraged disclosures and assess whether any should be made mandatory or deleted.
- Require separate presentation of expenditure incurred on repairs and maintenance in the financial statements.

Various amendments were made to the Standard, affecting Definitions, Identification, Disclosure, Effective date and Transitional provisions.

The effective date of the standard is for years beginning on or after 01 April 2016.

The municipality expects to adopt the standard for the first time in the 2017 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 17 (as amended 2015): Property, Plant and Equipment

Based on the feedback received as part of the post-implementation review, the Board agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Board agreed to:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.
- Clarify the wording related to the use of external valuers.
- Introduce more specific presentation and disclosure requirements for capital work-in-progress.
- Review the encouraged disclosures and assess whether any should be made mandatory or deleted.
- Require separate presentation of expenditure incurred on repairs and maintenance in the financial statements.

Amendments identified as part of the post-implementation review, affected the following areas:

- Indicator-based assessment of the useful lives of assets
- Use of external valuers
- Encouraged disclosures
- Capital work-in-progress
- Expenditure incurred on repairs and maintenance

The effective date of the standard is for years beginning on or after 01 April 2016.

The municipality expects to adopt the standard for the first time in the 2017 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

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Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard. It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 21 (as amended 2015): Impairment of non-cash-generating assets

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

- simplifying the approach to impairment to make it clearer when an asset is cash generating or non-cash-generating;
- assessing the feasibility of one measurement approach for non-cash-generating assets; and
- assessing the feasibility of combining the two Standards.

Summary of changes:

The changes to the Standard of GRAP on Impairment of Non-cash-generating Assets are outlined below:

General definitions:

The definition of cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of cash-generating assets and non-cash-generating assets.

Cash generating assets and non-cash-generating assets:

Additional commentary has been added to clarify the objective of cash-generating assets and non-cash-generating assets.

Identifying an asset that may be impaired:

Additional commentary has been added to clarify that physical damage triggers impairment of an asset when it results in a permanent or a significant decline in the potential of an asset.

Reversing an impairment loss:

An indicator has been added that the restoration of an asset's service potential following physical damage to the asset could indicate a reversal in an impairment loss.

Additional commentary has been added to clarify that restoration of an asset's service potential as a result of physical damage is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased.

Disclosures:

The requirement to disclose the criteria developed to distinguish non-cash-generating assets from cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of non-cash-generating assets and cash generating assets.

The effective date of the standard is for years beginning on or after 01 April 2017.

The municipality expects to adopt the standard for the first time in the 2018 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 26 (as amended 2015): Impairment of cash-generating assets

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

- simplifying the approach to impairment to make it clearer when an asset is cash generating or non-cash-generating;
- assessing the feasibility of one measurement approach for non-cash-generating assets; and
- assessing the feasibility of combining the two Standards.

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Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

Summary of changes:

The changes to the Standard of GRAP on Impairment of Cash-generating Assets are outlined below:

General definitions:

The definitions of cash-generating assets and cash-generating unit have been amended to be consistent with the amendments made to clarify the objective of cash-generating assets and non-cash-generating assets below.

Cash generating assets and non-cash-generating assets:

Additional commentary has been added to clarify the objective of cash-generating assets and non-cash-generating assets.

Disclosures:

The requirement to disclose the criteria developed to distinguish cash-generating assets from non-cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of non-cash-generating assets and cash-generating assets.

The effective date of the standard is for years beginning on or after 01 April 2017.

The municipality expects to adopt the standard for the first time in the 2018 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities

Historically, public entities have prepared financial statements in accordance with generally recognised accounting practice, unless the Accounting Standards Board (the Board) approved the application of generally accepted accounting practice for that entity. "Generally accepted accounting practice" has been taken to mean Statements of Generally Accepted Accounting Practice (Statements of GAAP), or for certain entities, International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board. Since Statements of GAAP have been withdrawn from 1 December 2012, public entities will be required to apply another reporting framework in the future.

The purpose of this Directive is to prescribe the criteria to be applied by public entities in selecting and applying an appropriate reporting framework.

The effective date of the standard is for years beginning on or after 01 April 2018.

The municipality expects to adopt the standard for the first time in the 2019 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

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Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

3. Investment property

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	139,366,000	-	139,366,000	138,435,000	-	138,435,000

Reconciliation of investment property - 2016

	Opening balance	Written off	Fair value adjustments	Total
Investment property	138,435,000	(12,330,000)	13,261,000	139,366,000

Reconciliation of investment property - 2015

	Opening balance	Disposals	Transfers	Fair value adjustments	Total
Investment property	120,255,400	(14,971,000)	(15,640,000)	48,790,600	138,435,000

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

The effective date of the fair valuation(s) was 30 June 2016. Fair valuations were performed by an independent valuer, Engnet Solutions, who are not connected to the municipality and have recent experience in location and categorisation of the investment property being valued.

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

4. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	111,295,392	-	111,295,392	111,295,392	-	111,295,392
Buildings	10,467,000	(2,443,539)	8,023,461	10,467,000	(2,096,250)	8,370,750
Plant and machinery	15,541,081	(6,127,908)	9,413,173	15,172,135	(5,180,033)	9,992,102
Furniture and fixtures	5,521,777	(3,654,214)	1,867,563	5,226,129	(3,054,890)	2,171,239
Motor vehicles	3,394,331	(1,740,557)	1,653,774	3,339,194	(1,662,465)	1,676,729
Office equipment	1,617,463	(724,309)	893,154	1,206,908	(472,591)	734,317
IT equipment	6,471,576	(3,472,217)	2,999,359	5,651,757	(2,454,825)	3,196,932
Infrastructure	1,511,365,904	(450,273,031)	1,061,092,873	1,485,119,082	(348,990,934)	1,136,128,148
Community	35,832,623	(3,177,150)	32,655,473	15,756,311	(2,182,786)	13,573,525
Work In Progress	85,310,146	-	85,310,146	63,518,239	-	63,518,239
Other assets	833,665	(390,108)	443,557	799,218	(312,506)	486,712
Total	1,787,650,958	(472,003,033)	1,315,647,925	1,717,551,365	(366,407,280)	1,351,144,085

Reconciliation of property, plant and equipment - 2016

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Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

4. Property, plant and equipment (continued)

	Opening balance	Additions	Finance lease asset addition	Disposals	Transfers	Depreciation/ Impairment	Total
Land	111,295,392	-	-	-	-	-	111,295,392
Buildings	8,370,750	-	-	-	-	(347,289)	8,023,461
Plant and machinery	9,992,103	690,133	-	(321,187)	-	(947,876)	9,413,173
Furniture and fixtures	2,171,238	369,651	-	(37,772)	-	(635,554)	1,867,563
Motor vehicles	1,676,730	1,205,590	-	(686,411)	-	(542,135)	1,653,774
Office equipment	734,317	475,630	-	(58,910)	-	(257,883)	893,154
IT equipment	3,196,932	604,620	324,656	(121,457)	-	(1,005,392)	2,999,359
Infrastructure	1,136,128,148	-	-	-	26,246,820	(101,282,096)	1,061,092,872
Community buildings	13,573,525	-	-	-	20,076,312	(994,364)	32,655,473
Work in progress	63,518,239	68,115,040	-	-	(46,323,133)	-	85,310,146
Other assets	486,712	59,447	-	(11,087)	-	(91,515)	443,557
	1,351,144,086	71,520,111	324,656	(1,236,824)	(1)	(106,104,104)	1,315,647,924

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Transfers	Other changes	Prior year adjustments	Depreciation/ Impairment	Total
Land	118,575,492	-	(7,862,800)	-	582,700	-	-	111,295,392
Buildings	4,157,591	-	(3,412,529)	-	-	7,732,539	(106,851)	8,370,750
Plant and machinery	11,243,312	67,535	-	-	-	785	(1,319,529)	9,992,103
Furniture and fixtures	2,708,586	-	-	-	-	26,426	(563,774)	2,171,238
Motor vehicles	1,515,920	689,728	-	-	-	26,791	(555,709)	1,676,730
Office equipment	608,963	270,283	-	-	-	3,521	(148,450)	734,317
IT equipment	3,605,521	479,058	-	-	-	(82,351)	(805,296)	3,196,932
Infrastructure	1,239,432,149	22,560	(206,312)	16,428,945	-	570,743	(120,119,937)	1,136,128,148
Community buildings	25,313,071	30,000	(10,657,091)	-	-	-	(1,112,455)	13,573,525
Work in progress	25,496,644	53,912,920	-	(16,428,945)	-	537,620	-	63,518,239
Other assets	1,501,556	30,000	-	-	-	(963,300)	(81,544)	486,712
	1,434,158,805	55,502,084	(22,138,732)	-	582,700	7,852,774	(124,813,545)	1,351,144,086

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4. Property, plant and equipment (continued)

Pledged as security

Leased motor vehicles as self-secured in that they are used as security for the loans which were taken to fund them. The carrying value of assets that have been pledged as security:

Motor vehicles - 3,623,966

The terms of the agreement are such that the lessor would retain ownership of the vehicles until the loan is fully paid. More details of the loan are disclosed under finance leases.

Assets subject to finance lease (Net carrying amount)

Motor vehicles 3,477,127 3,515,920

Other information

Property, plant and equipment fully depreciated and still in use (Gross carrying amount)

Computer Equipment - 18,202

5. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Intangible assets	173,500	(128,659)	44,841	282,561	(145,863)	136,698

Reconciliation of intangible assets - 2016

	Opening balance	Disposals	Amortisation	Total
Intangible assets	136,698	(32,172)	(59,685)	44,841

Reconciliation of intangible assets - 2015

	Opening balance	Amortisation	Total
Intangible assets	230,884	(94,186)	136,698

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6. Heritage assets

	2016			2015		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	963,300	-	963,300	963,300	-	963,300

Reconciliation of heritage assets 2016

	Opening balance	Total
Art Collections, antiquities and exhibits	963,300	963,300

7. Short-term investment

Designated at fair value

Nedbank 92 days -037881096004/00026

As at 30 June 2016, the investment had accrued interest of R1,753,643.84. The interest was capitalised after year-end.

	100,000,000	-
	100,000,000	-
	-	-
	-	-
Total other financial assets	100,000,000	-

Current assets

Designated at fair value	100,000,000	-
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8. Operating lease asset (accrual)

Current assets	1,643,043	155,162
Non-current liabilities	(18,707,889)	(17,376,463)
	(17,064,846)	(17,221,301)

9. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(14,931,000)	(21,264,000)
Actuarial (gains) losses	2,000,000	8,816,000
Current service cost	(1,559,000)	(1,356,000)
Interest cost	(1,435,000)	(1,151,000)
Benefits paid	179,000	24,000
	(15,746,000)	(14,931,000)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	14,931,000	21,264,000
Net expense recognised in the statement of financial performance	815,000	(6,333,000)
	15,746,000	14,931,000

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Figures in Rand	2016	2015
9. Employee benefit obligations (continued)		
Net expense recognised in the statement of financial performance		
Current service cost	1,559,000	1,356,000
Interest cost	1,435,000	1,151,000
Actuarial (gains) losses	(2,000,000)	(8,816,000)
Settlement	(179,000)	(24,000)
	815,000	(6,333,000)
Calculation of actuarial gains and losses		
Actuarial (gains) losses – Obligation	(2,000,000)	(8,816,000)
Defined contribution plan		
It is the policy of the municipality to provide post employment medical aid benefits to all its employees. A post employment medical aid defined contribution provident fund, which is subject to the Pensions Fund Act exists for this purpose. It is the policy of the municipality to provide retirement benefits to all its employees as per employee defined benefits on their specific relevant contracts.		
The municipality is under no obligation to cover any unfunded benefits.		
10. Inventories		
Consumables	565,333	653,606
11. Receivables from exchange transactions		
Sundry debtors	272,521	-
Other receivables 1	35	-
Traffic licensing debtor	-	2,204,703
	272,556	2,204,703
12. Receivables from non-exchange transactions		
Traffic Fines	607,603	464,614
Other receivables	19,518,222	16,044,746
	20,125,825	16,509,360
13. VAT receivable		
VAT	12,683,949	1,198,325
The VAT is disclosed as a receivable of R12,126,026 (2015: R1,551,998).		
14. Consumer debtors		
Gross balances		
Rates	130,037,692	106,626,710
Refuse	16,328,053	18,181,869
Other	29,713,201	3,035,004
	176,078,946	127,843,583

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Figures in Rand	2016	2015
14. Consumer debtors (continued)		
Less: Allowance for impairment		
Rates	(55,544,917)	(56,142,043)
Refuse	(7,412,427)	(2,702,587)
Other	(13,488,867)	(451,129)
	(76,446,211)	(59,295,759)
Net balance		
Rates	74,492,775	50,484,667
Refuse	8,915,626	15,479,282
Other	16,224,334	2,583,875
	99,632,735	68,547,824
Rates		
Current (0 -30 days)	5,538,981	5,195,154
31 - 60 days	4,114,989	4,015,089
61 - 90 days	3,167,458	2,752,163
91 - total days	117,216,264	94,664,304
	130,037,692	106,626,710
Refuse		
Current (0 -30 days)	892,340	774,985
31 - 60 days	803,455	600,894
61 - 90 days	605,001	496,368
91 - total days	14,027,257	16,309,622
	16,328,053	18,181,869
Other		
Current (0 -30 days)	126,888	125,242
31 - 60 days	53,095	40,062
61 - 90 days	44,353	40,286
91 - 120 days	29,488,865	2,829,414
	29,713,201	3,035,004
Reconciliation of allowance for impairment		
Balance at beginning of the year	(59,295,759)	(39,326,948)
Contributions to allowance	(17,150,453)	(19,968,811)
	(76,446,212)	(59,295,759)
Consumer debtors pledged as security		
None of the consumer debtors were pledged as security.		
15. Consumer debtors by customer classification		
Domestic		
Current (0 -30 days)	(98,142)	3,490,321
31 - 60 days	1,951,493	1,198,975
61 - 90 days	46,385,450	30,684,570
	48,238,801	35,373,866

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15. Consumer debtors by customer classification (continued)		
Business and Industrial		
Current (0 -30 days)	2,604,024	3,170,054
31 - 60 days	846,343	686,587
61 - 90 days	10,434,869	5,723,082
	13,885,236	9,579,723
Government		
Current (0 -30 days)	133,417	1,830,797
31 - 60 days	962,984	746,912
61 - 90 days	94,951,587	65,679,986
	96,047,988	68,257,695
Other		
Current (0 -30 days)	2,274,409	2,109,357
31 - 60 days	712,793	604,129
61 - 90 days	7,627,918	4,552,974
	10,615,120	7,266,460
Grand Total		
Domestic	48,238,802	35,373,866
Business and Industrial	13,885,236	9,579,082
Government	96,047,988	68,257,695
Other	10,615,120	7,266,460
	168,787,146	120,477,103
16. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	20,594,985	111,947,800
Other cash and cash equivalents	77,532,541	73,539,958
	98,127,526	185,487,758

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16. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2016	30 June 2015	30 June 2014	30 June 2016	30 June 2015	30 June 2014
FNB BANK - CALL ACCOUNT - 620-623-0699	36,062	35,482	34,854	36,062	35,482	34,854
FNB BANK - CHEQUE ACCOUNT - 565-500-22466	39,559,766	34,571,346	5,081,499	20,594,985	111,947,800	825,104
FNB BANK - BUSINESS MONEY MARKE - 621-714-33982	196,154	187,074	173,311	196,154	187,075	173,311
FNB BANK - CALL ACCOUNT -620-275-10818	15,804,056	15,059,267	32,746,953	15,804,056	15,059,267	32,746,953
FNB BANK - CALL ACCOUNT - 616-550-0887	75,176	72,409	71,715	75,176	73,529	71,715
NEDBANK - 90DAYS NOTICE - 7881096004/0024	61,749,234	1,383,207	52,315,173	61,421,094	1,383,207	52,429,694
FNB BANK - CHEQUE ACCOUNT - 620-973-4319 - GTM LIMPOPO P.H.P	-	-	11,944	-	-	-
NEDBANK - CALL DEPOSIT - 3788-1096-004-24	-	56,801,398	-	-	56,801,398	-
Total	117,420,448	108,110,183	90,435,449	98,127,527	185,487,758	86,281,631

17. Other financial liabilities

At amortised cost

DBSA LOAN 102904/1&2 Loan 102904/1 - Interest bearing at a rate of 10.415% per annum over a loan period of 20 years. Loan 102904/2 - Interest bearing at a rate of 5% per annum over a loan period of 20 years.	9,315,562	9,772,970
DBSA LOAN 13585/102 Loan 13585/102 - Interest bearing at a rate of 5% per annum over a loan period of 20 years.	5,423,582	5,819,215
Total financial liabilities	14,739,144	15,592,185

Total other financial liabilities	14,739,144	15,592,185
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Non-current liabilities

At amortised cost	13,831,782	14,756,773
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Current liabilities

At amortised cost	907,362	835,412
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18. Finance lease obligation		
Minimum lease payments due		
- within one year	28,427	2,289,828
- in second to fifth year inclusive	-	28,536
	28,427	2,318,364
less: future finance charges	-	(106,321)
Present value of minimum lease payments	28,427	2,212,043
Present value of minimum lease payments due		
- within one year	28,427	2,183,722
- in second to fifth year inclusive	-	28,321
	28,427	2,212,043
Non-current liabilities	323,272	28,321
Current liabilities	28,427	2,183,722
	351,699	2,212,043

It is municipality policy to lease plant and equipment under finance leases.

The average lease term was 3-5 years and the average effective borrowing rate was 9.25%.

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer to note 4.

19. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Neighbourhood Development Partnership Grant	-	3,734,790
MSIG Grant	-	836,000
FMG Grant	-	669,448
EPWP Grant	46,035	94,934
MIG Grant	22,041,134	34,068,677
	22,087,169	39,403,849

Movement during the year

Balance at the beginning of the year	39,553,395	-
Additions during the year	127,684,853	170,776,981
Income recognition during the year	(145,151,080)	(131,373,132)
	22,087,168	39,403,849

See note 25 for reconciliation of grants from National/Provincial Government.

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20. Provisions

Reconciliation of provisions - 2016

	Opening Balance	Additions	Actuarial (gains) losses	Actual benefit payments	Total
Environmental rehabilitation	7,014,762	2,274,646	-	-	9,289,408
Long service leave provision	5,370,000	1,127,000	(42,000)	(312,000)	6,143,000
	12,384,762	3,401,646	(42,000)	(312,000)	15,432,408

Reconciliation of provisions - 2015

	Opening Balance	Additions	Reversed during the year	Actuarial (gains)/losses	Actual benefit payments	Total
Environmental rehabilitation	6,073,897	940,865	-	-	-	7,014,762
Provision for performance bonus	678,536	-	(678,536)	-	-	-
Long service leave provision	4,919,000	889,000	-	(294,000)	(144,000)	5,370,000
	11,671,433	1,829,865	(678,536)	(294,000)	(144,000)	12,384,762

Non-current liabilities	9,289,408	7,014,762
Current liabilities	6,143,000	5,370,000
	15,432,408	12,384,762

Environmental rehabilitation provision

The landfill site was full as at 30 June 2016 thus the Landfill rehabilitation and closure cost of R9,289,408 as determined by the actuaries as at 30 June 2016 was fully recognised in the 2016 AFS. It is expected that the provision will be utilised in the 2016-17 financial year for the land rehabilitation and closure costs.

21. Payables from exchange transactions

Trade payables	44,208,454	25,597,152
Accrued leave pay	7,101,006	6,774,912
Accrued bonus	2,267,409	2,378,208
Retention creditors	11,096,900	7,891,230
Other payables	1,162,048	5,739,488
Consumer debtors in credit	7,291,450	7,366,188
	73,127,267	55,747,178

22. Revenue

Service charges	9,404,227	10,789,277
Rental of facilities and equipment	110,520	420,071
Licences and permits	6,053,442	6,723,590
Fees earned	480,948	652,491
Other income - Services in Kind	160,396	1,350,590
Other income	2,559,868	1,988,750
Interest received - investment	11,503,821	6,163,326
Property rates	81,788,853	75,360,585
Property rates - penalties imposed	10,662,038	7,621,393
Government grants & subsidies	376,793,760	313,483,339
Fines, Penalties and Forfeits	1,777,825	1,829,100
	501,295,698	426,382,512

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22. Revenue (continued)		
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	9,404,227	10,789,277
Rental of facilities and equipment	110,520	420,071
Licences and permits	6,053,442	6,723,590
Fees earned	480,948	652,491
Other income - Services in Kind	160,396	1,350,590
Other income	2,559,868	1,988,750
Interest received - investment	11,503,821	6,163,326
	30,273,222	28,088,095
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	81,788,853	75,360,585
Property rates - penalties imposed	10,662,038	7,621,393
Transfer revenue		
Government grants & subsidies	376,793,760	313,483,339
Fines, Penalties and Forfeits	1,777,825	1,829,100
	471,022,476	398,294,417

Nature and type of services in-kind are as follows:

Municipal Manager

Mr M Moja was seconded to the municipality as Acting Municipal Manager by COGHSTA, from 8 September 2014 to 28 April 2015 as the position was not filled.

Chief Financial Officer

Mr D Mhangwana was seconded to the municipality as Acting CFO by COGHSTA, from 8 September 2014 to 30 October 2015 as the position was not filled.

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23. Property rates

Rates received

Residential	86,225,760	78,171,529
Less: Income forgone	(4,436,907)	(2,810,944)
	81,788,853	75,360,585
Property rates - penalties imposed	10,662,038	7,621,393
	92,450,891	82,981,978

Valuations

Residential	2,316,089,000	2,289,685,000
Commercial	1,683,366,000	1,664,866,000
Government	949,792,000	949,792,000
Municipal	59,952,600	56,952,600
Small holdings and farms	1,094,086,000	1,086,186,000
Schools	28,600,000	28,600,000
Mines	460,400,000	433,400,000
Churches	24,835,000	24,835,000
	6,617,120,600	6,534,316,600

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2011. The municipality requested an extension the validity of the valuation roll from the office of the MEC of Local Government. The extension was granted. Supplementary valuations are processed on a need basis to take into account changes in individual property values due to alterations and subdivisions.

A general rate is applied to property valuations to determine assessment rates. Rebates of 30% are granted to residential and state property owners.

Rates are levied on an annual basis and paid on monthly basis with the final date for payment being 30 June 2016. Interest at prime plus 1% per annum and a collection fee of is levied on rates outstanding two months after due date.

24. Service charges

Refuse removal	9,404,227	10,789,277
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Figures in Rand	2016	2015
25. Government grants and subsidies		
Operating grants		
Equitable share	234,838,172	181,634,000
Municipal Systems Improvement Programme Grant	930,000	98,000
EPWP	1,182,965	1,269,066
FMG	1,675,000	930,552
LG Seta - Training	162,079	-
	238,788,216	183,931,618
Capital grants		
Municipal Infrastructure Grant	63,005,543	62,676,322
INEP Grant	70,000,000	60,610,189
Neighbourhood Development Grant	5,000,000	6,265,210
	138,005,543	129,551,721
	376,793,759	313,483,339

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive 100% subsidy on a monthly basis for rates and refuse, which is funded from the grant.

INEP Grant

Current-year receipts	70,000,000	(60,000,000)
Conditions met - transferred to revenue	(70,000,000)	60,000,000
	-	-

Conditions met - see receivables from non-exchange (see note 12)

The grant is used for electrification acceleration projects. No funds were withheld.

FMG

Balance unspent at beginning of year	669,448	-
Current-year receipts	1,675,000	1,600,000
Conditions met - transferred to revenue	(1,675,000)	(930,552)
Balance returned to National Treasury	(669,448)	-
	-	669,448

Conditions still to be met - remain liabilities (see note 19)

The grant is used to cater for the finance management interns, their training and any other financial management reforms. The 2015 unspent balance was repaid to National Treasury.

MSIG

Balance unspent at beginning of year	836,000	-
Current-year receipts	930,000	934,000
Conditions met - transferred to revenue	(930,000)	(98,000)
Balance returned to National Treasury	(836,000)	-
	-	836,000

Conditions still to be met - remain liabilities (see note 19)

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25. Government grants and subsidies (continued)

This grant is used to assist the municipality with building in-house capacity to perform their functions and stabilise institutional and governmental systems. The 2015 unspent balance was repaid to National Treasury.

EPWP

Balance unspent at beginning of year	94,934	-
Current-year receipts	1,229,000	1,364,000
Conditions met - transferred to revenue	(1,182,965)	(1,269,066)
Balance returned to National Treasury	(94,934)	-
	46,035	94,934

Conditions still to be met - remain liabilities (see note 19)

The grant is used for salaries of employees for the Extended Public Works Programme. The 2015 unspent balance was repaid to National Treasury.

MIG

Balance unspent at beginning of year	34,068,677	-
Current-year receipts	48,850,853	96,745,000
Conditions met - transferred to revenue	(60,878,396)	(62,676,323)
	22,041,134	34,068,677

Conditions still to be met - remain liabilities (see note 19)

This grant is for the implementation of projects approved by MIG.

NDP Grant

Balance unspent at beginning of year	3,734,790	-
Current-year receipts	5,000,000	10,000,000
Conditions met - transferred to revenue	(5,000,000)	(6,265,210)
Transferred back to National Treasury	(3,734,790)	-
	-	3,734,790

Conditions still to be met - remain liabilities (see note 19)

The grant is used to enhance economic development projects including Burgersfort and Practiseer Hawkers Facilities. The 2015 unspent balance was repaid to National Treasury.

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26. Other revenue		
Fees earned	480,948	652,491
Fines, Penalties and Forfeits	1,777,825	1,829,100
Other income - Services in Kind	160,396	1,350,590
Other income	2,559,868	1,988,750
Licences and permits	6,053,442	6,723,590
	11,032,479	12,544,521
27. Other income		
Outdoor Advertisement	1,773,887	1,307,065
Sundry Income	785,981	510,002
Insurance claim received	-	171,684
	2,559,868	1,988,751
28. General expenses		
Allowances traditional leaders	253,330	368,799
Advertisements	745,764	686,347
Refurbishment	-	461,010
Auditors remuneration	4,146,835	3,033,678
Bank charges	395,970	345,659
MSIG - Implementation of GRAP standards	824,564	98,000
Land use management scheme	186,970	467,886
Consulting and professional fees	12,332,278	12,205,209
Debt collection	372,850	742,341
LED Strategy	1,537	1,151,586
Electrification projects	123,956,632	55,965,643
Entertainment	573,136	595,884
Insurance	476,973	441,927
IT management	2,081,163	3,273,227
Promotions and sponsorships	458,548	-
Magazines, books and periodicals	164,043	255,816
EPWP - Implementation of grant	1,182,965	1,269,066
Fuel and oil	740,128	1,394,977
Printing and stationery	750,511	493,215
Protective clothing	129,087	198,813
Royalties and license fees	34,168	80,353
Occupational health and safety	346,957	706,935
Employee wellness	368,431	302,818
Subscriptions and membership fees	1,338,851	885,054
Telephone and fax	1,335,827	1,125,016
Training	42,500	530,415
Travel - local	6,371,267	7,545,536
Refuse	24,131	15,226
Special programs	(1,985,622)	3,450,555
Ward committee	3,512,871	3,448,400
Skills development program	490,725	1,046,937
Implementation of FMG grant	1,674,999	930,552
Hawker's fees	(438,139)	3,102,315
Billing charges	161,387	13,655,091
Other expenses	13,368,791	5,279,959
Rent of equipment and offices	3,022,676	3,200,310
	179,443,104	128,754,555

Greater Tubatse Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2016	2015
29. Employee related costs		
Basic	62,502,109	58,345,343
Medical aid - company contributions	5,091,479	4,425,325
UIF	420,683	416,784
Industrial council levy	21,143	23,608
Skills development levy	836,175	762,681
Leave pay provision charge	467,999	2,888,315
Defined contribution plans	12,134,245	11,297,921
Overtime payments	2,107,590	2,054,925
Long-service bonus provision	614,000	451,000
13th Cheques	4,719,307	6,121,656
Acting allowances	160,396	1,350,590
Car allowance	10,721,034	9,255,173
Housing benefits and allowances	878,450	392,666
Telephone allowance	860,833	734,266
Other allowance	720	21,010
Standby allowance	-	3,128
Post Employment Health Care Benefit Current Cost	1,559,000	1,356,000
	103,095,163	99,900,391

Remuneration of Municipal Manager

Salary	1,118,826	1,238,563
Acting allowance	-	162,590
Car allowance	144,000	-
Telephone allowance	19,428	-
TTravel claim	98,216	-
Subsistence allowance	1,620	1,120
Housing allowance	2,337	-
Settlement	309,641	-
	1,694,068	1,402,273

Mr Mohlala JNT was appointed on 1 July 2015 after the secondment term of Mr Moja MM from COGHSTA ended on 28 April 2015. A settlement amount of R309,641 was paid to former Municipal Manager Mr Phala HL who left on 31 May 2014.

Remuneration of Chief Finance Officer

Salary	425,225	1,145,359
Acting allowances	-	267,174
Telephone allowance	12,952	-
Car Allowance	180,992	36,268
Travel claim	27,897	-
Leave pay	-	301,152
Other allowance	-	960
SUBsistence allowance	80	-
Acting allowance	132,074	-
	779,220	1,750,913

The position of the Chief Financial Officer was occupied by Mr Mhangwana D, who was seconded from COGHSTA from 8 September 2014 to 30 October 2015. Mr Ratau GT was appointed on 1 November 2015.

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Figures in Rand	2016	2015
29. Employee related costs (continued)		
Remuneration of Corporate and Human Resources (Corporate Services)		
Acting allowance	74,963	9,637
Annual Remuneration	26,798	341,392
Car Allowance	-	71,063
Leave pay	-	147,535
Telephone allowance	-	8,095
Travel claim	10,282	-
Subsistence allowance	160	-
	112,203	577,722

The position of Director Corporate Service was vacant from April 2015 to 31 January 2016. Mr Shai NP from Sekhukhune District Municipality has been acting in the position since 1 February 2016.

Remuneration of Community Services

Acting allowance	-	6,473
Annual Remuneration	762,431	434,946
Car Allowance	180,007	50,572
Housing allowance	-	12,000
Leave pay	-	110,209
Subsistence allowance	960	240
Telephone allowance	19,428	9,714
Travel claim	28,644	-
	991,470	624,154

Included in the total is an amount of R309,641 in respect of outstanding leave days which was paid to former Director Mr Boshigo DK who left on 1 March 2015.

Remuneration of Director Technical Services

Acting allowance	31,870	8,416
Salary	618,792	-
Annual Remuneration	-	426,184
Car Allowance	90,000	176,401
Leave pay	-	89,658
Telephone allowance	14,571	-
Travel claim	14,879	-
Subsistence allowance	320	2,400
	770,432	703,059

Mr Malungana M.E was appointed acting Director to 31 August 2015. Mr Skhosana VL was appointed Director on 1 September 2015 and left on 31 May 2016. The position has been vacant since then.

Remuneration of Director Land and Economic Development

Annual Remuneration	874,709	817,944
Car Allowance	191,340	180,000
Telephone allowance	19,428	19,428
Travel claim	9,438	-
Housing allowance	51,836	-
	1,146,751	1,017,372

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Figures in Rand 2016 2015

30. Remuneration of councillors

Mayor	807,929	756,303
Speaker	650,515	617,690
Councillors	18,472,609	16,167,925
Chief Whip	611,164	580,391
	20,542,217	18,122,309

In-kind benefits

The Mayor, Speaker and Chief Whip are full time and provided with office space and secretarial support at the cost of the Council.

The executive committee consists of full time and part time members.

The Mayor has the right of use of a municipal vehicle including a driver.

Remuneration of Mayor

Car allowance	-	183,859
Cellphone allowance	20,868	-
Salary	590,296	551,576
Travel allowance	196,765	20,868
	807,929	756,303

Remuneration of Speaker

Cellphone allowance	20,868	20,868
Car allowance	157,412	149,205
Salary	472,235	447,617
	650,515	617,690

Remuneration of Chief Whip

Cellphone allowance	20,868	20,868
Car allowance	147,574	139,881
Salary	442,722	419,642
	611,164	580,391

Remuneration of Councillors

Car Allowance	4,575,729	3,758,600
Cellphone allowance	1,278,760	1,180,230
Salary	12,618,120	11,229,095
	18,472,609	16,167,925

31. Debt impairment

Contributions to debt impairment provision	17,328,345	59,799,362
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Notes to the Annual Financial Statements

Figures in Rand	2016	2015
32. Investment revenue		
Interest revenue		
Bank	5,424,050	1,947,898
Interest on investment	6,079,771	4,215,428
	11,503,821	6,163,326
	-	-
	11,503,821	6,163,326
33. Fair value adjustments		
Investment property (Fair value model)	13,261,000	48,790,600
34. Depreciation and amortisation		
Property, plant and equipment	105,645,563	105,947,021
35. Impairment of assets		
Impairments		
Property, plant and equipment	593,388	18,726,561
- Impairment indicators were identified for property, plant and equipment.		
Trade and other receivables	1,300,866	1,453,792
- Impairment relates to fines issued that are not deemed recoverable within next financial year. The impairment indicator is based on fine receipts compared to total fines issued during the financial year.		
Other receivables from exchange revenue	-	512,433
- Impairment relates to sundry debtors that are not deemed recoverable within next financial year.		
	1,894,254	20,692,786
	1,894,254	20,692,786
	-	-
36. Loss on disposal of assets		
Loss arising from a change in fair value less point of sale costs	1,268,995	22,138,733
Certain moveable assets were disposed through a public auction on the 17th of July 2015. Proceeds from disposals amounted to R698 568.		
37. Finance costs		
Non-current borrowings	2,274,646	-
Trade and other payables	56,074	2,174,727
Current borrowings	1,282,749	2,455,637
Other interest paid	1,948,000	1,421,000
	5,561,469	6,051,364
38. Auditors' remuneration		
Fees	3,804,389	2,887,370
Audit committee	342,446	146,308
	4,146,835	3,033,678

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Figures in Rand	2016	2015
39. Rental of facilities and equipment		
Premises	110,520	420,071
Premises	110,520	420,071
Garages and parking	-	-
Facilities and equipment	-	-
40. Contracted services		
Professional services	408,685	9,666,230
Cash collection cost	335,197	309,410
Security services	20,981,259	9,114,019
	21,725,141	19,089,659
41. Investment property written off		
		Amount written off in 2016
Investment property written off		12,033,000
Investment Property Write off in 2016		
The write off relate to properties that the municipality cannot prove ownership legally through title deeds.		
42. Grants and subsidies paid		
Other subsidies		
Free Basic Electricity	4,247,661	3,975,541
43. Cash generated from operations		
Surplus (deficit)	19,152,639	(20,282,377)
Adjustments for:		
Depreciation and amortisation	105,645,563	105,947,021
Gain on sale of assets and liabilities	1,268,995	22,138,733
Other non-cash items	(4,945,732)	2,051,980
Fair value adjustments	(13,261,000)	(48,790,600)
Investment property written off	12,033,000	-
Finance costs	5,556,438	6,051,363
Impairment deficit	1,894,254	20,692,786
Debt impairment	17,328,345	59,799,362
Movements in operating lease assets and accruals	(156,456)	943,913
Movements in retirement benefit assets and liabilities	815,000	(6,333,000)
Movements in provisions	3,047,646	713,328
Changes in working capital:		
Inventories	88,273	(653,605)
Receivables from exchange transactions	631,281	(2,221,140)
Consumer debtors	(48,413,255)	(47,875,570)
Other receivables from non-exchange transactions	(3,616,465)	(12,696,280)
Payables from exchange transactions	17,380,090	9,387,633
VAT	(11,485,623)	(3,452,115)
Unspent conditional grants and receipts	(17,316,681)	35,888,281
Consumer deposits	-	(1,192,319)
	85,646,312	120,117,394

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Figures in Rand	2016	2015
44. Commitments		
Authorised capital expenditure not completed		
Already contracted for but not provided for		
Property, plant and equipment (Computers and vehicles)	7,652,561	-
Facilities	236,518,281	25,569,037
Rural Cemeteries	6,200,000	-
Electrification of villages	-	156,785,000
	250,370,842	182,354,037
Total capital commitments		
Already contracted for but not provided for	250,370,842	182,354,037
Authorised operational expenditure		
Already contracted for but not provided for		
Catering	226,698	-
Printing and stationery	393,595	-
Repairs and maintenance	977,202	-
Other expenses	240,168	-
Revenue collection	16,407	-
	1,854,070	-
Total operational commitments		
Already contracted for but not provided for	1,854,070	-
This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	18,660,915	16,990,613
- in second to fifth year inclusive	67,944,391	86,628,350
	86,605,306	103,618,963

Greater Tubatse Municipality leases a building from Tubatse Properties (Pty) Ltd for a period of 10 years, effective from 1 July 2010. The lease payment is R877 800 per month with an annual escalation of 10%. No contingent rent is payable. The lease agreement is not renewable at the end of the lease term.

Greater Tubatse Municipality leased a premises from Hannah Trust for a period of 3 years, effective from 1 May 2014. During the 2015-16 financial year the municipality discontinued payments to the lessor as it was no longer utilising the premises, thereby rendering the lease agreement cancelled. The operating lease liability as at 30 June 2015 was therefore written off against accumulated surplus as a prior period error adjustment.

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45. Contingent Liabilities and Assets

The following are the cases lodged with in court with status.

1. Mopicon Costruction VS GTM with claim of R2,000,000 and the matter is awaiting for date of trial
2. Matladi Family Trust vs GTM and Developers with claim of R 540,000 (Development at Leeuvallei land claims court) and the matter is awaiting trial date
3. Loncon Developments (Pty) Ltd vs GTM with claim of R 99,000,0000 (Specific performance or R89 mil) and matter postponed Sine di.
4. GTM vs Molokoane LP (Promotion to level 2) with claim of R900,000.

46. Related parties

Relationships

Directors

Councillors

Refer to note 29

Refer to note 30

The Councillors and Directors are related parties and their transactions are included in note 26 and 27. The municipality has various processes in place to identify and note any related party transactions. These processes range from disclosure by bidders on the bid documents (MBD4) to maintenance of a conflict of interest register. For councillors, the disclosure register is kept in the Office of the Speaker whilst for other senior managers it is kept by the Corporate Services Directorate.

Councillors and Directors are related parties and their transactions are included in the notes to the financial statements.

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47. Prior period errors

1. The 2014-15 13th cheque expense was not accrued for in the 2015-15 financial year, resulting in the overstatement of accumulated surplus by R2,378,208 and understatement of Payables from exchange transactions by the same amount.
2. The operating lease liability was overstated by R255,7485 in the 2014-15 financial year, resulting in the overstatement of accumulated surplus by the same amount.
3. The interest cost on 2015 post employment medical aid benefit and long service awards liabilities amounting to R1,421,000 was erroneously net against Actuarial gains, resulting in understatement of interest cost and actuarial gains by R1,421,000.
4. GTM claimed VAT on VAT-exempt services and zero rated supplies. The Input VAT amount claimed for the year was therefore overstated by R124,529 in the 2014-15 financial year, resulting in the overstatement of accumulated surplus by the same amount.
5. 2013-14 payments and transactions relating to the FNB finance lease assets were misposted to a suspense vote and not cleared in prior years, resulting in understatement of 'Other financial liabilities' and overstatement of Accumulated surplus by R1,394455.
6. The DBSA loan liability was overstated by R1,234,543 in the 2014-15 financial year, resulting in the understatement of accumulated surplus by the same amount.
7. An amount of R283,452 (DBSA loan payment in September 2013) was misposted to Other Payables, resulting in understatement of Creditors by R283,452 and overstatement of Accumulated Surplus by the same amount.
8. The investments were overstated by R114,521 in the 2014-15 financial year, resulting in the overstatement of accumulated surplus by the same amount.
9. The 2014-15 13th cheque expense was not accrued for in the 2014-15 financial year, resulting in the overstatement of accumulated surplus by R2,378,208 and understatement of Payables from exchange transactions by the same amount.
10. The operating lease liability was overstated by R255,7485 in the 2014-15 financial year, resulting in the overstatement of accumulated surplus by the same amount.
11. 2013-14 payments and transactions relating to the FNB finance lease assets were misposted to a suspense vote and not cleared in prior years, resulting in understatement of 'Other financial liabilities' and overstatement of Accumulated surplus by R1,394455.
12. The DBSA loan liability was overstated by R1,234,543 in the 2014-15 financial year, resulting in the understatement of accumulated surplus by the same amount.
13. The investments were overstated by R114,521 in the 2014-15 financial year, resulting in the overstatement of accumulated surplus by the same amount.
14. The interest on the Nebank account # 037881096004/00024 was accrued as R5,744.30 instead of as R5,942.99, resulting in an understatement of investments by R198.69.
15. Payments to the Traffic Department amounting to R1,311,819 were incorrectly processed in the 'Traffic Suspense' vote, resulting in misstatement of both suspense votes by R1,311,819.
16. The accounting records of GTM reflected a balance of R6,361,010 as owed to SDM as at 30 June 2016 although the actual amount owed was Rnil, resulting in overstatement of Other liabilities by R6,361,000 and understatement of Accumulated surplus by the same amount.
17. A service provider was paid R5,691 for service that were not rendered, resulting in overstatement of advertising expense by R4,992, understatement of VAT liability and sundry debtors by R699 and R5,691 respectively.
18. A number of balances, amounting to R13,413,368, that originated in prior financial periods (2013-14 and before) were noted, for which supporting documents cannot be found. Council resolved that the balances be written off against accumulated surplus after all efforts to retrieve the supporting documents were unsuccessful. An adjustment of R13,413,368 was therefore made against Accumulated surplus to write off these balances.

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47. Prior period errors (continued)

19. GTM did not collect the dumping for revenue in previous financial years, resulting in revenue foregone for the municipality of R2,058,464.
20. The 'Asset Management' vote number 9100088010121, amount R58,762.28, which is a balance sheet item, was incorrectly mapped under the Income statement in the 2015 AFS.11, resulting in understatement of Other debtors and overstatement of expenses by R58,762.28.
21. Traffic Department receipts for 2014/2015 amounting to R39,503 were duplicated in error, resulting in overstatement of the Traffic Suspense account and Accumulated surplus by R39,326 and 177 respectively.
22. Reconciling items on the June 2015 bank reconciliation were erroneously reversed in the 2014-15 AFS (not in the Venus accounting system), resulting in overstatement of Cash and cash equivalents by R12,455,688, overstatement of Receivables from non-exchange transactions by R152,635, and overstatement of Other payables by R12,608,323.
23. A Solar Vision (Pty) Ltd invoice amounting to R240,849.12 was not accrued for as at 30/6/2015. This resulted in understatement of creditors and overstatement of accumulated surplus.
24. The payment for the Compensation Fund for 2013-14 was only paid in 2015-16 financial year, and was not accrued for in prior years, resulting in understatement of Other payables and overstatement of accumulated surplus by R535,432.
25. The "DEBTORS CONTROL - VAT ACCRUED" vote was out of balance with R1,241,407 as compared to its mirror vote the "DEBTORS CONTROL - VAT BILLED", resulting in overstatement of accumulated surplus and understatement of Other payables.
26. Input VAT for April to June 2015 was not claimed resulting in understatement of VAT receivable and accumulated surplus by R20,688.
27. A R350 receipt i.r.o water services was not reversed when the water and sanitation function was transferred to Sekhukhune District Municipality resulting in overstatement of accumulated surplus and understatement of creditors by R350.
28. Projects cost amounting to R323,333 were incorrectly were incorrectly expensed in prior year.
29. Increase in PPE (WIP) of R537,619 due to projects initially omitted in WIP.
30. Decrease in Investment Property of R9,700,000 due to reclassification of building to PPE (Buildings).
31. Recognition of profit on Disposal of assets through an Auction which had been erroneously recorded in 2014-15 financial year resulting in misstatement of R704,068r.
32. Correction of project costs of R537,619 wrongly expensed in 2015 financial year
33. An increase in Depreciation of R1,644,127 arising from the reclassification of building was recognised retrospectively.
34. A component of Mayoral car purchase price of R58,762 was processed in suspense vote in 2015. (Vehicle was capitalised at correct cost price).
35. Adjustment was made to write off unsubstantiated petty cash balance of R3,999 dating back prior 2012-13 financial year.
36. Adjustment was made for underpayment of traffic revenue collection of R15,197 for April-June 2015 to Department of Roads and Transport.
37. Adjustment was made for 2015 vehicle licencing expense of R12,419 misposted to suspense account.
38. Reversal of 2015 journal of R879,396 that was incorrectly processed in the suspense vote and special programmes expense.
39. Write-off of unsubstantiated prior year amount in Traffic suspense vote of R92,130.

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47. Prior period errors (continued)

40. Adjustment was made to write off unsubstantiated sundry creditors balance of R4,715,997 dating back prior 2011-12 financial year.
41. Adjustment was made to write off unsubstantiated Input VAT balances of R13,950,228 from 2011-12 financial year and before.
42. Adjustment was made to write-off of unsubstantiated sundry debtors balances of R945,579 from 2011-12 financial year.
43. Adjustment of 2,824,480 was made to write off unsubstantiated prior year Retention balance of R2,824,480.
44. VAT on finance lease assets of R353,673 was claimed on behalf of the municipality by VAT Consultants but was not the claim was not recognised in the accounting records.
45. An adjustment was made to write off unsubstantiated Refund control suspense balance of R265 .
46. Adjustment of R128,028 was made to reverse prior year other income receipts that were not cleared from suspense account.
47. An adjustment of R1,350,590 was made to recognise Services in kind revenue i.r.o services rendered by COGHSTA seconded officials.
48. Adjustment was made for underpayment of traffic revenue collection for April-June 2015 to Department of Roads and Transport of R15,197.
49. A stock write-off liability note with a balance of R3,163 was incorrectly recognised under the Statement of Financial Performance.

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47. Prior period errors (continued)

Statement of financial position

Adjustment for overstatement of 2014-15 operating lease liability.	255,748
Adjustment for overstatement of 2014-15 Input VAT.	(124,529)
Adjustment for FNB finance lease payments that were misposted in prior years.	- (1,394,455)
Adjustment for overstatement of DBSA loan liability.	951,090
Adjustment for overstatement of Investments in the 2015 AFS.	(114,521)
Adjustment for understatement of Investments in the 2015 AFS.	199
Adjustment to reverse incorrect SDM liability balance.	6,361,010
Adjustment to write off unsubstantiated old balances per Council resolution.	13,413,368
Adjustment for overstatement of Cash and cash equivalents	(12,455,688)
Adjustment for overstatement of Receivables from non- exchange transactions	(152,635)
Adjustment for overstatement of Other payables	11,757,029
Adjustment to write off unsubstantiated prior year NDP grant balance	15,568
Adjustment to write off unsubstantiated prior year LGSETA grant balance	133,978
Adjustment to write off unsubstantiated prior year interest on late payments	(207,910)
Adjustment to write off prior year interest on late payments	1,274
Adjustment to write off overspent NDP grant balance (reserves were applied in prior years)	(610,189)
Reallocation of underbankings from Bank errors suspense vote to underbanking suspense vote.	5,523
Reallocation of underbankings from Bank errors suspense vote to underbanking suspense vote.	- (5,523)
Accruing for 2014-15 creditors as at 30 June 2015.	535,432
Adjustment to align the "DEBTORS CONTROL - VAT ACCRUED" vote to the "DEBTORS CONTROL - VAT BILLED" vote as these two should be a mirror of the other.	- 1,241,407
Adjustment to recognise prior year Input VAT that was not claimed per Service Provider's investigations	- (20,688)
Adjustment for R350 receipt i.r.o water services that was not reversed when the water and sanitation function was transferred to Sekhukhune District Municipality.	- 350
Adjustment for depreciation on investment property reclassified as PPE.	- 1,644,128
Adjustment to write off component of Mayoral car purchase price processed in suspense vote in 2015. (Vehicle was capitalised at correct cost price).	(58,762)
Adjustment to write off unsubstantiated petty cash balance dating back prior 2012-13 financial year.	(3,999)
	(15,197)
Adjustment for 2015 vehicle licencing expense misposted to suspense account.	(12,419)
Reversal of journal 91 (2015) that was incorrectly processed in the suspense vote and social programmes expense.	879,396
Write-off of unsubstantiated prior year amount in Traffic suspense vote.	(92,130)
Adjustment to write off unsubstantiated sundry creditors balance dating back prior 2011-12 financial year.	(4,715,997)
Adjustment to write off unsubstantiated balances from 2011-12 financial year and before.	13,950,222
Write-off of unsubstantiated sundry balances from 2011-12 financial year.	945,579
Writing off unsubstantiated prior year Retention balance	(2,824,480)
Reversal of prior year VAT claimed per Maxprof workings.	353,673
Adjustment to reverse unreconciled receipts between Refund Control Traffic Suspense votes.	265
Adjustment to reverse prior year other income receipts that were not cleared from suspense account.	(128,027)
	-
Reclassification of property from Investment property to PPE	9,700,000
Reclassification of property from Investment property to PPE	(9,700,000)
Decrease in retained earnings	9,378

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47. Prior period errors (continued)		
Statement of Financial Performance		
Adjustment for 2014-15 13th cheque liability that was not accounted for in 2014-15 AFS.	-	2,378,208
Adjustment for understatement of 2015 actuarial gains.	-	(1,421,000)
Adjustment for understatement of 2015 interest cost on post employment medical aid benefit and long service award liabilities.	-	1,421,000
Adjustment to reverse advertising expense i.r.o supplier who was erroneously paid based on pro-forma invoice and where services were not rendered.	-	(4,992)
Reallocation of debit suspense vote from Statement of Financial Performance	-	(58,762)
Reversal of duplicated receipts (Traffic)	-	177
Disposal of assets through an Auction which had been erroneously recorded in 2015 financial year	-	(704,068)
Correction of projects wrongly expensed in 2015 financial year	-	(537,619)
Correction of projects wrongly expensed in 2015 financial year	-	323,333
Prior year depreciation adjustments to align asset register	-	(545,908)
Adjustment for 2014-15 13th leave liability that was understated in 2014-15 AFS.	-	261,576
Accruing for 2014-15 creditors as at 30 June 2015.	-	240,849
Adjustment for underpayment of traffic revenue collection for April-June 2015 to Department of Roads and Transport.	-	15,197
Recognition of Services in kind revenue i.r.o services rendered by COGHSTA seconded officials.	-	(1,350,590)
Recognition of Services in kind payroll expense i.r.o services rendered by COGHSTA seconded officials.	-	1,350,590
Adjustment for Revenue prior year i.r.o. revenue not collected at dumpsite	-	(2,058,464)
Adjustment for Revenue foregone i.r.o. revenue not collected at dumpsite	-	2,058,564
Reversal of journal 91 (2015) that was incorrectly processed in the suspense vote and special programmes expense.	-	(879,396)
Adjustment for understatement of expenditure due to incorrect recognition of stock write-off liability balance as expense	-	(3,163)
Net adjustment to 2015 surplus for the year.	-	485,431

48. Change in accounting policy

GTM decided in 2016 to change the accounting policy for determination of the provision for doubtful debt as it will reflect the consumer debtors balance more accurately. The comparative amounts were restated accordingly. The effect of the change in policy on the results of 2015 was as follows:

Statement of changes in financial position	Total
Increase in 2015 Provision for doubtful debt	(41,891,325)
Increase in 2015 debt impairment expense	41,891,325
	-

49. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and cashflow budgeting.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Greater Tubatse Municipality

(Registration number Lim 475)

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

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49. Risk management (continued)

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

50. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The municipality merged with the Fetakgomo local municipality following the 2016 local government elections and will continue operations as the new merged entity, and has therefore been accounted for as a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

51. Events after the reporting date

As a result of the 2016 local government elections on 3 August 2016, Greater Tubatse local municipality merged with Fetakgomo local municipality.

52. Unauthorised expenditure

Opening balance	79,110,468	77,687,230
Unauthorised expenditure - on cash votes	23,170,526	1,423,238
	102,280,994	79,110,468

Current year unauthorised expenditure relates to overspending of remuneration to councillors and employee cost due to the upper limits salary determination being promulgated late.

Council has referred this amount to the MPAC for investigation and subsequent ratification.

53. Fruitless and wasteful expenditure

Opening balance	1,849,325	318,123
Fruitless and wasteful expenditure	149,996	1,531,202
	1,999,321	1,849,325

Council has referred this amount to the MPAC for investigation and subsequent ratification.

Greater Tubatse Municipality

(Registration number Lim 475)

Annual Financial Statements for the year ended 30 June 2016

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Figures in Rand	2016	2015
54. Irregular expenditure		
Opening balance	137,819,362	121,760,963
Expenditure current year	35,416,058	16,058,399
	173,235,420	137,819,362

Council has referred this amount to the MPAC for investigation and subsequent ratification.

Details of irregular expenditure – current year

	Disciplinary steps taken/criminal proceedings	
Non compliance SCM regulations:		-
Bauba Marumo Waste Management (Landfill site management)	Currently under investigation	12,057,192
Fawcet Security Services (Security services)	Currently under investigation	9,538,076
Focus Outsourcing (Processing monthly rates and services accounts)	Currently under investigation	228,988
MGL Engineering (Maintenance of machinery)	Currently under investigation	2,493,160
XLP Document Solution (Rental of printers)	Currently under investigation	3,079,445
F. M Maluleka Attorneys	Currently under investigation	2,142,147
Verveen Attorneys	Currently under investigation	1,337,752
Noko Maimela Attorneys	Currently under investigation	1,630,978
Sa Thobane Attorneys	Currently under investigation	872,317
Modise Mabule Inc	Currently under investigation	632,663
Leshabane Technologies	Currently under investigation	1,403,340
		35,416,058

Greater Tubatse Municipality

(Registration number Lim 475)

Annual Financial Statements for the year ended 30 June 2016

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55. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Opening balance	429,971	(429,970)
Current year fee	4,338,234	3,158,172
Amount paid - current year	(4,338,234)	(3,158,173)
	429,971	(429,971)

SALGA Fees

Current year subscription / fee	1,339,823	810,355
Amount paid - current year	(1,339,823)	(810,355)
	-	-

PAYE and UIF

Current year subscription / fee	19,513,632	18,245,622
Amount paid - current year	(19,513,632)	(18,245,622)
	-	-

Pension and Medical Aid Deductions

Opening balance	12,372	-
Current year subscription / fee	25,313,817	26,523,701
Amount paid - current year	(25,326,189)	(26,511,329)
	-	12,372

VAT

VAT receivable	12,683,949	1,198,325
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VAT output payables and VAT input receivables are shown in note 13 and .

All VAT returns have been submitted by the due date throughout the year. The municipality is registered on the cash basis and the timing of payments to/from SARS is at the end of each month.

Councillors' arrear consumer accounts

Councillors had arrear accounts on 30 June 2016 .

30 June 2016	Outstanding more than 90 days R	Total R
Councillor M D Nkosi	14,663	14,663
	14,663	14,663

30 June 2015	Outstanding more than 90 days R	Total R
Councillor M D Nkosi	19,401	19,401

Greater Tubatse Municipality

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Annual Financial Statements for the year ended 30 June 2016

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55. Additional disclosure in terms of Municipal Finance Management Act (continued)

The Councillor was entered into a repayment agreement for R500 per month with the Municipality. This agreement will be renegotiated.

**Greater Tubatse Municipality
Appendix A**

Schedule of external loans as at 30 June 2016

Loan Number	Redeemable	Balance at 30 June 2015	Received during the period	Redeemed written off during the period	Balance at 30 June 2016	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand	Rand	Rand
Development Bank of South Africa							
DBSA LOAN NUMBER 12713/102	1	476,499	-	305,872	170,627	-	-
DBSA LOAN NUMBER 13585/102	2	2,152,385	-	97,944	2,054,441	-	-
DBSA LOAN NUMBER 102904/2	3	4,780,200	-	103,093	4,677,107	-	-
DBSA LOAN NUMBER 102904/1	4	11,079,838	-	407,342	10,672,496	-	-
		18,488,922	-	914,251	17,574,671	-	-
Total external loans							
Development Bank of South Africa		18,488,922	-	914,251	17,574,671	-	-
		18,488,922	-	914,251	17,574,671	-	-

We are pleased to present our report for the financial year ended 30 June 2016

The audit committee reports that it has complied with its responsibilities arising from section 166(a) of the MFMA.

The committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Statutory Requirements

Section 166 of the MFMA clearly state that each municipality must have an Audit Committee. The Audit Committee is an independent advisory body that advises council, political officer bearers, accounting officer and staff of the municipality on the following:

- Internal financial control and internal audits;
- Risk Management;
- Accounting policies;
- The adequacy, reliability, and accuracy of the financial reporting and information;
- Performance management;
- Effective governance;
- Compliance with MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation;
- Performance evaluation;
- Any other issues referred to by the Municipality;
- Review the annual financial statements so as to provide authoritative and credible view of the financial position, on the overall compliance with MFMA, DoRA, etc.
- Respond to Council on any matters raised by the Auditor-General (AGSA);
- Carry out investigation into financial affairs of the municipality as may be prescribed from time to time.

The principle of King III Report customised to municipal environment advice that the Audit Committee should:

- Ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities;
- Satisfy itself of the expertise, resource and experience of the municipality Finance Function;
- Be responsible for overseeing of Internal Audit and
- Be integral component of risk management process.

1. Audit committee members and attendance

The audit committee consists of the independent members listed hereunder and should meet at least for four (4) times per annum as per approved terms of reference. During the current year five (5) meetings were held.

Name of Member	Ordinary Meetings	Special Meetings	Total Meetings	Total Meetings attended
Adv. L Thubakgale (Chairperson) (Terminated October 2016)	4	1	5	4
# Mr J N Mpjane	4	1	5	5
Mr S Simelane	4	1	5	4
Adv. T M Malatjie	4	1	5	2

Mr J N Mpjane was appointed as the Chairperson of the Audit Committee effectively from November 2016.

The following although not members of the audit committee, have the standing invitation to Audit Committee meetings:

- (i) The Accounting Officer
- (ii) The Chief Financial Officer
- (iii) The Section 56 Managers
- (iv) The Auditor-General
- (v) The National Treasury
- (vi) Limpopo Provincial Treasury
- (vii) Limpopo Department of Cooperative Governance, human Settlement and Traditional Affairs (CoGHSTA)
- (viii) South African Local Government Association (SALGA)
- (ix) Chairperson of Municipal Public Accounts Committee (MPAC)
- (x) Internal Audit (Secretariat Function)

2. The Effectiveness of Internal Controls

The Audit Committee is of the opinion that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audit. However, it should also be noted that the Internal Audit unit was not entirely staffed as some staff members were interns.

Our review of the findings of the Internal Audit work, which was based on the risk assessment conducted in the municipality revealed certain weakness, which were then raised with the municipality.

There has been improvement in the system of internal controls of the municipality and reducing disclaimer issues raised in the previous year. In certain instances, the matters reported previously have not been fully and satisfactory addressed. The audit committee notes management's commitment to correct the deficiencies.

The Audit Committee recommends that all the internal audit recommendation be taken serious as they repeated during the external audit process. To ensure that internal audit findings are receiving attention, the internal audit reports should be a standing agenda item of management meetings.

The Audit Committee has:

- reviewed and discussed the annual financial statements to be included in the annual report, with the Auditor General and Accounting Officer;
- reviewed the Auditor-General of South Africa's management report and management's responses thereto;
- reviewed the municipalities compliance with legal and regulatory provisions and
- reviewed significant adjustment resulting from the audit.

The Audit Committee has:

- reviewed and discussed the performance report to be included in the annual report with the Auditor-General and Accounting Officer;
- reviewed the reasons for provided by management for material deviation from planned targets; and
- recommended that contract management process be improved to ensure service delivery.

The Audit Committee concurs and accepts the conclusion of the Auditor General on the Annual Financial Statement and is of the opinion that the audited Financial Statements be accepted and read together with the report of the Auditor-General.

The audit committee congratulates Greater Tubatse Municipality for improving the audit comes from a disclaimer to a qualified opinion. We are committed to fully execute our oversight function and in strengthening Corporate Governance.



Mr J N MPJANE CA(SA) RA
Chairperson: Audit Committee

Date: 15 December 2016

Report of the auditor-general to the Limpopo provincial legislature and the council on Greater Tubatse Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the Greater Tubatse Municipality set out on pages x to x, which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South 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, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and

the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for qualified opinion

Irregular expenditure

6. The municipality did not investigate and evaluate the full extent of the irregular expenditure that was incurred during 2015. Consequently, I was unable to determine whether any adjustment to the opening balance of irregular expenditure as disclosed in note 53 to the financial statements was necessary as it was impractical to do so.

Contingent liabilities

7. I identified contingent liabilities amounting to R105 278 736 that were not included in the financial statements. The municipality did not maintain adequate records for contingent liabilities. Consequently, I was unable to determine the full extent of the understatement in contingent liabilities as it was impracticable to do so.

Commitments

8. I identified amounts totalling R208 663 277 disclosed as capital commitments in the financial statements that did not meet the criteria for commitments. The municipality did not maintain adequate records for accounting for commitments. Consequently, capital commitments stated at R250 370 842 on note 43 to the financial statements were overstated by R208 663 277.

Qualified opinion

9. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Greater Tubatse Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of MFMA and the DoRA.

Emphasis of matters

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

Restatement of corresponding figures

11. As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of an errors discovered during 2016 in the financial statements of the municipality at, and for the year ended, 30 June 2015.

Significant uncertainties

12. With reference to note 44 to the financial statements, the municipality is the defendant in various lawsuits. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Fruitless and wasteful expenditure

13. As disclosed in note 52 to the financial statements, fruitless and wasteful expenditure to the amount of R149 996 was incurred due to interest on late payments.

Material under spending of the conditional grants

14. As disclosed in note 19 to the financial statements, the municipality has materially underspent its conditional grants by an amount of R22 087 169. The allocated grants were not in all instances used, as a consequence the municipality has not achieved its objectives of rendering quality services to the community.

Contractual disputes on material contract

15. Included in general expenditure, note 28 to the financial statements, is an amount of R123 956 632 (2015: R55 965 643) paid to a contractor for the electrification of villages under the Operation Mabone Project. The project is significantly behind schedule and the municipality is having disputes with the contractor regarding the quality of work done in comparison with amounts paid and an extension of the contract.

Additional matter paragraphs

16. The following additional matter paragraph will be included in our auditor's report to draw the users' attention to matter regarding the audit, the auditor's responsibilities and the auditor's report:

Unaudited disclosure notes

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

Unaudited supplementary schedules

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

Report on other legal and regulatory requirements

19. 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 findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

20. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of Greater Tubatse Municipality for the year ended 30 June 2016:
- Development priority 2: Basic service delivery and infrastructure development on pages x to x
 - Development priority 3: Local economic development on pages x to x
 - Development priority 6: Spatial rationale on pages x to x
21. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
22. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPi).
23. I 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 selected development priorities are as follows:

Usefulness of reported performance information

25. I did not identify material findings on the usefulness of the reported performance information for the following development priorities:
- Development priority 3 :Local economic development
 - Development priority 6 :Spatial rationale

Development priority 2: Basic service delivery and infrastructure development

Usefulness of reported performance information

26. The FMPPI requires that performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use. A total of 3% of important indicators were not consistent when compared to the IDP, SDBIP and the annual performance report. This was as a result of management not adhering to the requirements of the FMPPI due to indicator data collected inconsistency and as well as lack of standard operating procedures that are in line with the requirements of the FMPPI.

Reliability of reported performance information

27. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Due to inadequate systems I was unable to place reliance on the validity, accuracy and completeness of the reported performance for basic service delivery and infrastructure development. The municipality could not provide sufficient appropriate evidence in support of the reported performance information and differences were identified between the reported performance information and the supporting documentation.

Development priority 3: Local economic development

Reliability of reported performance information

28. The FMPPI requires municipalities to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. The municipality could not provide sufficient appropriate evidence in support of the reported performance information and

differences were identified between the reported performance information and the supporting documentation.

Development priority 6: Spatial rationale

Reliability of reported performance information

29. The FMPPI requires municipalities to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. The municipality could not provide sufficient appropriate evidence in support of the reported performance information and differences were identified between the reported performance information and the supporting documentation.

Additional matters

30. We draw attention to the following matters. Our conclusion is not modified in respect of these matters:

Achievement of planned targets

31. Refer to the annual performance report on pages x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the qualified conclusions expressed on the usefulness and reliability of the reported performance information in above paragraphs of this report

Unaudited supplementary schedules

32. The supplementary information set out on pages x to x do not form part of the annual performance report and is presented as additional information. We have not audited these schedules and, accordingly, we do not express a conclusion thereon.

Compliance with legislation

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

Financial statements, performance and annual reports

34. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.
35. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected resulting in the financial statements receiving a qualified audit opinion.

Procurement and contract management

36. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by *Supply Chain Management Regulation* (SCM regulation) 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).
37. Awards were made to providers who were in the service of other state institutions or whose directors or principal shareholders were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).
38. I could not obtain sufficient appropriate audit evidence that contract were only awarded to providers whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.
39. The performance of contractors or providers was not monitored on a monthly basis as required by section 116(2)(b) of the MFMA

Expenditure management

40. Reasonable steps were not taken to prevent irregular as well as fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Consequence management

41. Irregular, fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Internal control

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

limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

43. Oversight responsibility regarding financial and performance reporting and compliance and related internal controls was not exercised as those charged with governance did not investigate unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality in the prior years.
44. There was no detailed review of the financial statements and the annual performance report, resulting in several misstatements not identified and corrected.
45. Municipal officials that deliberately or negligently transgressed laws and regulations were not dealt with through an adequate performance management process as performance evaluations were not done for the year under review.
46. There is a lack of commitment to address deficiencies identified by the auditors as evidenced by many repeat findings. The action plan was not fully implemented and not regularly monitored.

Financial and performance management

47. There is lack of financial reporting skills in the municipality. Officials do not understand the requirements of the financial reporting framework which results in an over reliance on consultants
48. The basic accounting principles of daily and monthly accounting and reconciling have not been implemented.
49. Supply chain management processes were inadequate resulting in irregular expenditure.
50. The financial statements and other information to be included in the annual performance report are not reviewed for accuracy and completeness by the accounting officer.

Governance

51. The internal control monitoring mechanisms of the audit committee and the internal audit are not functioning optimally as many control weaknesses are only uncovered during the audit of the financial statements and performance information

Auditor General

Polokwane

30 November 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

AUDIT ACTION PLAN

NO	FINANCIAL YEAR	2015/16	Greater Tzabatzse	Fetakgomo	Unqualified	Root Cause	AFS Action Plan Description	Start Date	Completion Date
	Municipality Name	2015/16	Greater Tzabatzse	Fetakgomo	Unqualified	Root Cause	AFS Action Plan Description	Start Date	Completion Date
	Audit Opinion	2015/16	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
	Reporting Party	2015/16	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
	Category of Finding	2015/16	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
	Category of Finding	2015/16	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
1	Misstatement in financial statement	Matters affecting the auditor's report	Actual gains/losses (Note 9 to the AFS) incorrectly stated	The Chief Financial Officer did not ensure that proper reviewing processes are in place to ensure that notes supporting the financial statements are prepared in terms of GRAP	Compile an AFS action plan that allows sufficient time for CFO to do thorough review of the AFS.	01-Feb-17	30-Jun-17		
2	Non-compliance with regulation	Matters affecting the auditor's report	IBU-Poor contract management	The accounting officer did not implement financial management controls to ensure that payments are only made when service had been rendered and also that contracts are appropriately monitored	Strengthen project management and pay only on progress report	01-Feb-17	30-Jun-17		
3	Appropriated and surrendered funds	Matters affecting the auditor's report	Budget Statement of Comparison of Budget and Actual Amounts Incomplete	The Chief Financial Officer did not adequately review the completion of annual financial statements so as to ensure that the municipality's annual financial statements comply with the applicable accounting framework	Compile an AFS action plan that allows sufficient time for CFO to do thorough review of the AFS.	01-Feb-17	30-Jun-17		
4	Commitments	Matters affecting the auditor's report	Committed Contracts not disclosed as commitments	Lack of proper control around contracts register to ensure it is complete, the accounting officer did not ensure that all contracts that are committed are disclosed in the AFS.	Implement contract management	01-Feb-17	30-Jun-17		
5	Commitments	Matters affecting the auditor's report	Supporting schedule of Commitments not agree to Disclosure in the AFS	The PMS unit did not ensure that the commitments schedule for capital projects agrees to supporting documents, and that the schedule is reviewed and up to date.	Compile and review the monthly reconciliations for retentions and capital projects.	01-Feb-17	30-Jun-17		
6	Contingent liabilities	Matters affecting the auditor's report	Contingent liabilities incorrectly and incompletely disclosed	The Chief financial officer did not ensure that proper controls are in place to ensure that contingent liabilities are valued correctly in the financial statements and that all contingent liabilities are evaluated and appropriately disclosed in financial statements	Implement contract management	01-Feb-17	30-Jun-17		



NO	FINANCIAL YEAR	2015/16	Fetakomo			Completion Date		
	Municipality Name	Greater Tlokoeng	Unqualified					
	Audit Opinion	Qualified	Findings					
	Reporting Period	2015/16	Description of Finding					
	Audit Category of Finding		Finding status					
			Root causes					
			Action plan					
			AFS Action plan Description					
13	Heading 1	13	Misstatement in financial statement	Matters affecting the auditor's report	IE-Understatement of irregular expenditure	The accounting officer did not put in place adequate controls to ensure that irregular expenditure is completely disclosed in the financial statements	01-Feb-17	30-Jun-17
14	Heading 1	14	Non-compliance with regulation	Matters affecting the auditor's report	GRAP - Non compliance	The accounting officer did not adequately review the financial statements to ensure compliance with GRAP standards	01-Feb-17	30-Jun-17
15	Heading 1	15	Non-compliance with regulation	Matters affecting the auditor's report	Creditors - payment not made in 30 days	The accounting officer did not ensure that all invoices are paid within 30 days from the date of receipt	01-Feb-17	30-Jun-17
16	Heading 2	16	Non-compliance with regulation	Matters affecting the auditor's report	IBU-Non-Compliance with section 32 of the municipal supply chain management regulation of 2005	Accounting officer did not ensure that the section 32 requirements were complied with before the service provider was contracted.	01-Feb-17	30-Jun-17
17	Heading 2	17	Non-compliance with regulation	Matters affecting the auditor's report	IBU-Amendment of contract in contravention of section 116 (3) of the Municipal Financial Management Act	Inadequate oversight by the Municipality has resulted in the awarding of extension being inconsistent with Section 116 of the MFMA.	01-Feb-17	30-Jun-17
18	Immovable assets	18	Misstatement in financial statement	Matters affecting the auditor's report	Assets - Infrastructure Assets accumulated depreciation	<ul style="list-style-type: none"> Lack of oversight responsibility regarding financial and performance reporting and compliance and related internal controls are not exercised by management Inadequate review and monitoring of compliance with applicable laws and regulations 	01-Feb-17	30-Jun-17
19	Leases	19	Misstatement in financial statement	Matters affecting the auditor's report	Leases - Understatement of short-term portion and overstatement of long-term portion of finance lease.	The Accounting Officer did not ensure that current and non-current portions of leases are accurately disclosed.	01-Feb-17	30-Jun-17

NO	FINANCIAL YEAR	2015/16	Municipality Name	Greater Tugatae	Audit Opinion	Qualified	Audit Reporting Period	2015/16	Findings	Unqualified	Root Cause	AIS action plan Description	Start Date	Completion Date
27	Receivables	Internal control deficiency	Matters affecting the auditor's report	Debtor statements not provided for audit	The accounting officer did not implement a sound records management system to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	Monthly Debtors management reports	01-Feb-17	30-Jun-17						
28	Other	Misstatement in financial statement	Matters affecting the Auditors report	CMB Ex46: VAT - Differences	The Accounting officer did not keep accurate and complete financial reports.	N/A	N/A	N/A						
29	Other	Non-compliance with regulation	Matters affecting Auditors report	CMB Ex68: PAYE; SDL and UIF; Incorrect AMOUNT	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	N/A	N/A	N/A						
30	Other	Non-compliance with regulation	Matters affecting Auditors report	CM10 Ex66: HRM - Overtime; Employees not eligible for paid overtime remuneration	Management did not prepare accurate and complete financial statements that are supported and evidenced by reliable information	N/A	N/A	N/A						
31	Other	Misstatement in financial statement	Matters affecting Auditors report	CMB Ex47: Commitments are not complete	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	N/A	N/A	N/A						
32	Employee costs	Misstatement in financial statement	Matters affecting Auditors report	CMB Ex67: HRM - Scope limitation: Unable to audit the employee cost journal	Management did not consistently implement controls in a timely manner to ensure complete, relevant and accurate information is available to support performance reporting.	N/A	N/A	N/A						
33	Movables assets	Misstatement in financial statement	Matters affecting the Auditors report	CMB Ex36:PPE: Incorrect classification of Fixed Assets	Management did not prepare accurate and complete financial statements that are supported and evidenced by reliable information.	N/A	N/A	N/A						