



**FETAKGOMO LOCAL
MUNICIPALITY**

**2015/16 DRAFT ANNUAL REPORT FOR
THE YEAR ENDED**

30TH JUNE 2016

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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S PREFACE

MAYOR'S FOREWORD



**His Worship The Mayor
Cllr. MJ Phokane**

The following pages document the **2015/16 Draft Annual Report** of the Fetakgomo Local Municipality (FTM). The report serves as the last report presented under the Fetakgomo Local Municipality. This is informed by the fact that the amalgamation between the Fetakgomo Local Municipality and the Greater Tubatse Local Municipality has been concluded. This report was prepared against the backdrop of 22 years of democracy and freedom. The April 27 goes down in the annals of history of this country as a day on which the dignity of all the people of this country was finally restored. We moved 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.

This further recognizes the leaders who sacrificed immeasurably in bringing about a non-sexist, united, free, democratic and prosperous society. This is the year in which we celebrate 16 years of democratic developmental local government. The 2016 Local Government Elections took place in the year that marks the 60th Anniversary of the women's march to the Union Buildings in **1956** where more than **20 000 women** confronted apartheid regime against oppressive apartheid laws.

The right to vote is a fundamental right enshrined in the Bill of Rights of the Constitution of the Republic of South Africa, 1996. In line with the Constitution, our country holds regular elections. Regular free and fair elections give people the opportunity to choose those who represent their aspirations in municipal councils. With your vote, we have continued to and still will ensure that local government works better for you, the people. Our municipal government remains people driven. It puts people at the centre of its activities. Local government is widely recognized as a strategic site for service delivery as well as socio-economic development and transformation. It is arguably true that Fetakgomo is a better place to live in today than it was in the year 2000. We have done well and we will continue to do well until we reach our destination—a truly united, continue to strive hard to create a non-racial, non-sexist and prosperous South Africa as envisioned in the National Development Plan.

Although we have done better, we cannot say that our work is complete when unemployment, inequality and poverty still reign supreme in our everyday life as articulated both in the National Development Plan (NDP) and Limpopo Development Plan (LDP) respectively.

The year 2016 marks exactly 61 years since the Freedom Charter was adopted by the people of South Africa in Kliptown, Soweto in 1955 as the vision for the future democratic and prosperous nation. Principal in the contents of the Freedom Charter is the need to ensure that all South Africans live in dignity and enjoy equal rights and opportunities.

The Local Government: Municipal Finance Management Act 56 of 2003 subjects all municipalities to prepare and adopt the **Annual Report** which aims to: provide a record of activities of the Municipality during the financial year to which the report relates; provide a performance account and promote accountability to local community (see RSA, 2003:s121(1)).

The Local Government: Municipal Systems Act 32 of 2000 adds expansive contents to the foregoing under the cover of Article 46. It enjoins each Municipality to prepare **Annual Performance Report** for each financial year reflecting:

- (a) the performance of the municipality and of each external service provider;
- (b) a comparison of the performances with the previous financial year; and
- (c) Measures taken to improve performances.

This report is a sincere attempt to comply with the above performance law. Chapter three (03) details the performance of the FTM. A synopsis of *Service Providers' Performance* will be found in **Appendix A**. The reporting template is tailored in such a way that it demonstrates measures taken to improve performances in the 'mitigating/comment' column. The report undertakes a cross-/sectional comparative study of FTM's performance with the previous financial year. To this effect, we shall preface the introduction of this report (foreword) with an indication of high level comparison of FTM performance for 2014/15 with the preceding financial year, 2015/16. As has been indicated, Chapter three (03) deals with this matter in almost comprehensive and finer details. It could be conceived as the main thesis of this report. Against this background and orientation, this report presents the **Draft Annual Report** of the FTM for the year reported on, **2015/16**.

The Report will focus on the achievements against the targets set for the period under review, 2015/16 financial year. By so doing, it embodies and epitomises governance precepts and requirements set out in King III Report. It is for this reason, communication of our **vision, key policy developments, future actions / thinking, agreements / partnerships, key service delivery improvements** is deemed necessary. In order to keep repetition to minimum, the subsequent pages (i.e Chapter 2 of this Report) delve on **public participation / meetings** in comprehensive detail.

A. Vision 2030

The FTM's vision 2030 is **“A Viable Municipality in Sustainable Rural Development”**. This vision is set to be achieved by carrying out our mission: **“To provide integrated services in enabled environment for growth and development”**.

B. Key Policy Developments

Pursuant to the achievement of FTM's Vision 2030, we have adopted the Integrated Development Plan (IDP) within the legal timeframe, 27th May 2015 under the theme: **“Together Advancing People's Power in Every Community: Local Government is in Your Hands”**.

The IDP conducts the community needs analysis, sets out the priorities, strategies, projects, budget and relevant sector plans in alignment with the district, provincial and national strategic planning thrust i.e Limpopo Development Plan (LDP), New Growth Path (NGP), National Spatial Development Perspective (NSDP), National Development Plan (NDP) which espouses as FTM does a long term planning and others. The impact of the strategies and sector plans adopted could be seen in the context of our six **performance areas** of municipal government viz: Spatial Rationale, Municipal Transformation and Organizational Development, Basic Service Delivery and Infrastructure Development, Local Economic Development, Financial Viability and Good Governance and Public Participation. This led FTM to adopt its priorities as thus: (1) Access to basic services; (2) Building Spatial Integrated Communities; (3) Develop and Strengthen Local Economies for Job Creation; (4) Financial viability; (5) Organisational development; and (6) Good governance and Improving Public Participation. In order to achieve these priorities the following overarching **objectives** were set: (1) To facilitate for basic services delivery and infrastructural development / investment; (2) To promote integrated human settlement and agrarian reform; (3) To promote local economic development in the Fetakgomo municipal area; (4) To improve municipal financial viability management; (5) To build FTM's capacity by way of raising institutional efficiency, effectiveness and competency; and (6) To enhance good governance and

public participation. The projects contained in the Service Delivery and Budget Implementation Plan (SDPIB) contribute towards attainment of these objectives. The subsequent pages will be able to show outputs and/or deliverables as well as challenges. Comments on impact and/or outcomes (benefits especially to the target group) will be delineated to a particular extent.

Also noteworthy is that, in the performance year under review, 2015/16, the FTM reviewed at least 11 finance related policies -Bad-debts Policy, Credit and Debt Policy, Tariff Policy, Property Rates Policy, Cash Shortage Policy, SCM Policy, Asset Management Policy, Budget and Virement Policy, Indigent Management Policy, Cash and Investment Policy and Finance Manual. *Appendix B* contains an indication of Human Resources Policies and Plans.

C. Future Actions/Thinking

It is also trite that the Municipal Demarcation Board (MDB) had concluded its re-determination of the municipal boundaries for 2016 Local Government Elections in terms of which the Fetakgomo/Greater Tubatse Municipalities' amalgamation was to be effected to form a new municipality. The MEC for Cooperative Governance, Human Settlement and Traditional Affairs has made provision for transitional measures to facilitate the disestablishment of an existing municipality and the establishment of new municipality. The council of the new local municipality (Lim 476) will consist of 77 councillors of which 38 are proportionally (PR) elected councillors and 39 are ward councillors as determined in the Section 12 Notice Provincial Notice dated 22nd July 2016.

The 64 hectares of land owned by the municipality has undergone various processes of township establishment, however, outstanding is the provision of services. The Municipality has entered into a Memorandum of Understanding (MoU) with the SDM (Sekhukhune District Municipality) on the provision of bulk engineering services. The proposed township has the potential to improve revenue/gross capital expansion and

thus contribute to the overall economic growth of the Municipality through job creation and access to services.

D. Agreements / Partnerships (announcements on special partnerships initiated)

Except for the above, the FTM has also concluded an SLA¹ with the Statistics South Africa during the year under review for joint implementation of the Household Numbering Project which is anticipated to cleanup municipal Geographic Information System (GIS) dataset and to ensure alignment with the municipal billing system. Our work as the council of Fetakgomo Municipality continues to focus on the implementation of priorities that were raised in the 2011 Election Manifesto to ensure that whatever we do respond to the aspirations of the ordinary people who overwhelmingly mandated the usto govern this municipality. To this end, Chapter three (03) of this Report will be able to give a comparative overview of the 2015/16 and 2014/15 annual performance to determine if there has been any **progression, regression or stabilisation**.

E. Key Service Delivery Improvements

Results of a trend analysis shows that the original Municipal Infrastructure Grant (MIG) for 2015/16 f/y sustained **100%** expenditure in 2015/16 f/y as was the case in 2014/15fy. This improvement is as a result of rigorous implementation of **“forward planning”** approach. We were able to raise level of rigor in monitoring and evaluation of all our MIG projects. As at 31st December 2016, the municipality has spent just over **60%** of its MIG and as a result was able to attract an additional funding of **R15 000 000**. This was immediately committed to the upgrading of additional 9 cemeteries and the construction of culvert drainage structures. All 2015/16 MIG projects as originally planned were practically completed as at 30th June 2016. These include the Construction of Nchabeleng Access Street and Culvert Bridge over Mohwetse River; Construction of

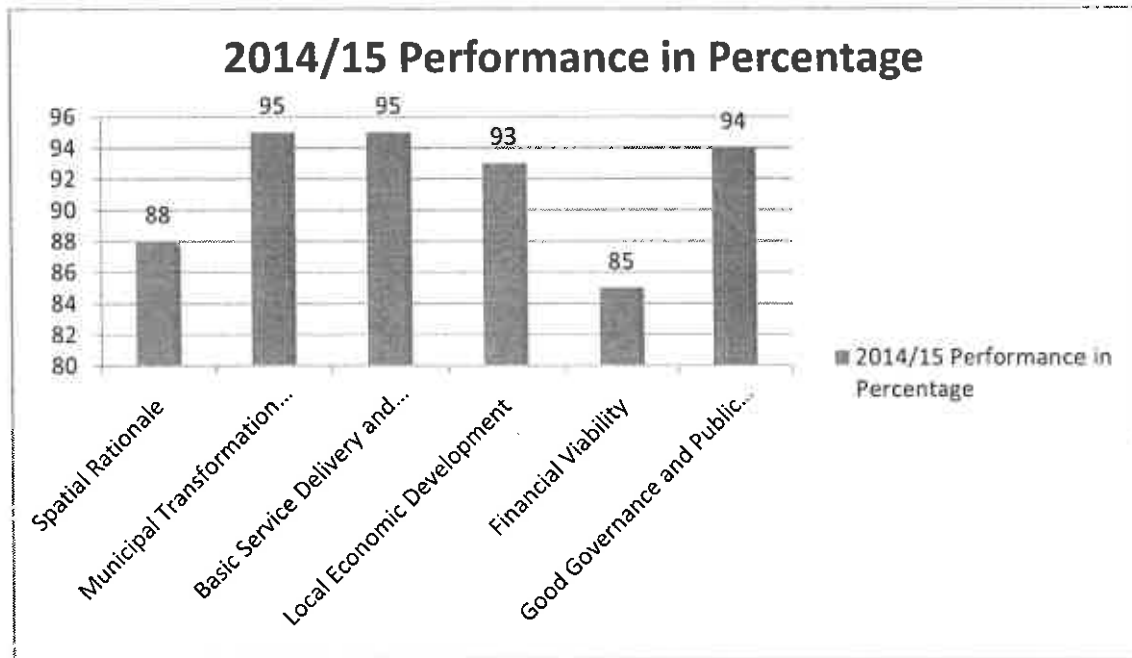
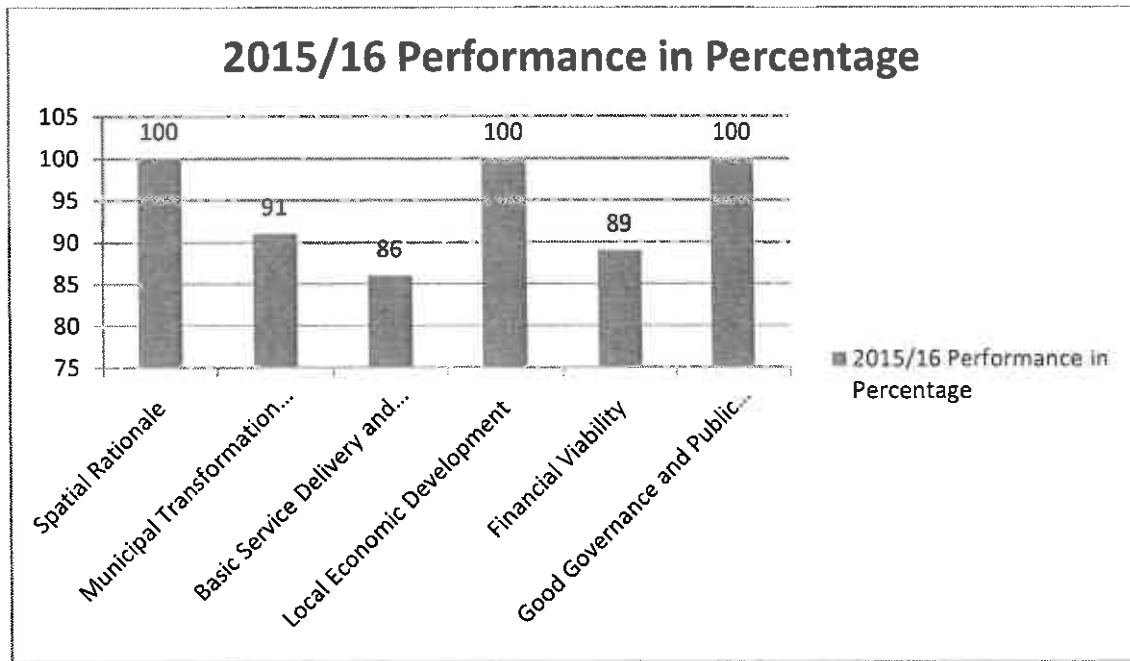
¹Service Level Agreement

Strydkraal Culvert Drainage Structures; Construction of Hoeraroep Portion 2 Internal Street; Upgrading of Cemeteries; Upgrading of 15 Cemeteries (Phase 2 and 3); and Construction of Traffic Station Testing Route. Construction of Atok Culvert Drainage Structures was at 15% as at 30th June 2016. The latter as well as the Strydkraal Culvert Drainage structures were included consequent to MIG additional allocation. The municipality has also procured a TLB and Tipper Truck to assist our communities with better roads infrastructure and general environmental wellness.

The number of **newly created job opportunities** for the year under review through municipal LED (Local Economic Development) initiatives was recorded at **67**. Furthermore the number of **job opportunitiessustained** from the 2014/15 fy into the 2015/16 fy was recorded as **1800**, exceeding the annual target (1600) by far. The significant proportion of these jobs comes from implementation of EPWP (Expanded Public Works Programme), CWP (Community Work Programme), Cleaning Services and the newly signed MoU (Memorandum of Understanding) between the FTM and Stats SA (Statistics South Africa) on the Dwelling Units Numbering Project. The Stats SA has proven that Fetakgomo unemployment is on a downward trend from **68%** in 2001, **61%** in 2007 to **59%** in 2011. It is cross-referred that this section be read together with subsection 1.3 below entitled Service Delivery Overview.

F. Conclusion

My final thoughts on the year 2015/16 are represented and summed up in the graph charts below. The charts exhibit a trend summary of FTM's annual performances for the two financial years, 2015/16 and 2014/15.



From the graph charts designed and depicted above, the following inferences and important observations could be drawn:

- The two chart graphs tell the story of FTM's non-financial performance from a trend analytical framework;
- The above paints a picture of **steady progression**;²
- The overall cumulative performance for the 2015/16 Financial Year was **94%**;
- This result represents **4%** improvement from the overall cumulative performance of **90%** in the prior year 2014/15; and
- Put in an analytical framework, there is overwhelming statistical evidence to extrapolate that the non-financial performance of the FTM is improving at an exponential rate.

In a larger scale of things, it could be said that the performance is pleasing. Under-performance and/or mal-performance has negative effects - with the main adverse / inimical consequence being **loss of public confidence** in municipal government. It thus ought to be mitigated in all material respects. There is an interesting proposition within monitoring and evaluation research community that depending on the gravity of the mistake, making a mistake may not be a crime, crime is when the mistake is repeated. This proposition is very unveiling and telling. It served to encourage us in the performance edifice of this organisation.

The senior management as the **first instance of quality assurance** has given us comfort and/or reasonable assurance that the data and information contained in this Report is valid, accurate, reliable and free from material pollution.

I trust that readers, audit practitioners, municipal stakeholders and other users including evaluators will find the contents thereto useful, rich and noteworthy.

To this end, it remains to acknowledge and even appreciate the sterling work carried out by my predecessor former Her Worship Cllr.KRE Sefala the then Mayor of former

²The FTM has recorded a period of real progression.

Fetakgomo Local Municipality, her Executive Committee, Traditional Leaders and the entirety of the Council as shown in the following pages.

TOGETHER LET'S MOVE THE MUNICIPALITY FORWARD!!!

Yours in local governance,



His Worship The Mayor

Cllr. MJ Phokane

COMPONENT B: EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview

As the Council's Administration Head, the Municipal Manager is responsible and accountable for organizational development including appointment of staff, other than those referred to in Section 56(a) of the Local Government: Municipal Systems Act, subject to Employment Equity Act 55 of 1998. Article 55 of the Systems Act read with Articles 60 to 77 of the Local Government: Municipal Finance Management Act lay down the responsibilities of Accounting Officer i.e. to advise political structures, political office bearers and officials of the municipality (s60), fiduciary responsibility (61), general financial management (s62), asset and liability management (63), revenue management, (s64), expenditure management (s65), budget preparations (68), budget implementation (69), shortfalls, overspending & overdrafts (70), reports and reportable matters (71), mid-year budget & performance assessment (s72), Protection (s76) and top management (77) - almost the entire Chapter 8 of the MFMA.

1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

Appendix C will be able to outline the municipal Amenable Powers and Functions of FTM in detail. When focus shifts to population issues, it may be kept in mind that the Community Survey has been conducted by the StatsSA. The most recent available census (2011) at the time of compiling this report finds the Fetakgomo's population at about **93 814** which represents a drop of **16%** compared to **112, 232** population in 2007 (Statistics South Africa, Community Survey 2007). However when a comparative study is done with the 2001 census which found **92 083** population (Statistics South Africa, Census 2001), it represents a marginal upward population growth of **1.8%**. The table below disaggregates Fetakgomo's Population by Age and Gender distribution (2011):

Age	Male	% Male	Female	% Female	Total	Total Population
0 – 4	6 077	6.4%	6 149	7%	12 226	13.4%
5 – 9	5 422	6%	5 447	6%	10 869	11.2%
10 – 14	5 183	6%	4 930	5.2%	10 113	11.2%
15 – 19	5 441	6%	5 437	6%	10 878	12%
20 – 24	4013	4.2%	4 342	5%	8 355	9.2%
25 – 29	3 099	3.3%	3 906	4.1%	7005	7.4%
30 – 34	2 318	2.4%	3 059	3.2%	5377	5.6%
35 – 39	1 893	2.0%	2 763	2.9%	4656	4.9%
40 – 44	1 573	2%	2 449	3%	4022	5%
45 – 49	1 493	2%	2 523	3%	4016	5%
50 – 54	1 271	1.3%	1 972	2.1%	3243	3.4%
55 – 59	1 229	1.3%	1 737	2%	2966	3.3%
60 – 64	976	1.04%	1 495	2%	2471	3.04%
65 – 69	645	1%	1 649	2%	2294	3%
70 – 74	752	1%	1 261	1.3%	2013	2.3%
75 – 79	382	0.4%	925	1%	1307	1.4%
80 – 84	274	0.2%	734	1%	1008	1.2%
85 +	217	0.2%	774	1%	991	1.2%

Age	Male	% Male	Female	% Female	Total	Total Population
Total	42 258	45%	51 556	54%	93 814	100%

Source: Statistics South Africa, 2011.

There is ample evidence demonstrating that our population has decreased. This decrease has adverse budgetary implications and in the result represents a major challenge for service delivery. To give a mathematical perspective to this observation, Fetakgomo's population has decreased by 16.4% just in four years, between 2007 and 2011. FTM's population: 92 083 (census 2001), 112, 232 increased 18%, (Community survey 2007), 93 814 decrease of 16.4% (StatsSA census 2011). This decrease is explained largely by migration i.e there is out-migration of people from rural to the urban areas for various reasons including but not limited to better job opportunities, access to social amenities and facilities in urban areas (water, good roads, hospitals, schools, higher educational facilities etc). Demographic factors such as mortality and fertility factors appear to also play a role. It is not assailable that there is an interrelationship between **population** growth and issues of **environment**.

An overview of environmental management indicates that the FTM has one licensed, authorised landfill site i.e.MalogengLandfill Site which has since been transferred into the ownership of the Sekhukhune District Municipality. The FTM is responsible for its maintenance. The challenge is that serious environmental degradation is visible in most parts of Fetakgomo, a situation that draws stark attention to the need to implement the Municipality's Environment Management Plan more assertively. **Seven (07)** wetlands have been identified within Fetakgomo, viz, at Malomanye, Pelangwe (Ward 09), Maisela/Marakwaneng, Magabaneng (Ward 05), Ga- Nkwana (Ward 08), Boselakgaka, Mamokgalake (Ga-Selepe) (Ward 10). These **wetlands** need to be protected because they provide source of water and meet spiritual needs of the population. Environmental research reveals that over **50%** of wetlands nationally have been destroyed.

Environmental specialists tend to teach that it takes nearly **100 years** for a wetland to resuscitate once it has been destroyed. As a general observation the FTM has fewer environmentally sensitive areas with serious spatial concerns. The Potlake game reserve is the premier resource of note in the Municipality that requires both protection and programmes to exploit its potential to economic benefits. The Fetakgomo environment influences economic opportunities in the area, as well as the living conditions of its inhabitants. The rainfall patterns are highly variable – a situation that tends to disrupt a wide range of socio-economic activities in the area such as rain-fed crop production, often with very little warning. Fetakgomo is located in the Summer Rainfall Zone of the country, and receives more than 80% of its rainfall between November and March. The mean annual precipitation (MAP) as measured at the Zebediela Weather Station from 1949 - 2001 was 51 mm. Most of the precipitation occurs between October to March, with the highest average monthly rainfall during January (100,84 mm) and the lowest during July (2,89 mm). Thunderstorms, with the associated low soil penetration and high level of erosion, are common in the area.

1.3 SERVICE DELIVERY OVERVIEW

The major and/or spectacular successes of the FTM during the performance year under review are illustrated in the table below:

Key Performance Area (KPA)	Spectacular Successes
<p>KPA1: Spatial Rationale</p>	<p>On the 04th March 2016 the FTM gazetted the Spatial Planning and Land Use Management Act (SPLUMA) By-laws under notice number 2682. The SPLUMA By-Laws sought to bring rigorous consultative and participatory physical planning within the municipality. The FTM has signed a Service Level Agreement with the Department of Stats SA regarding the implementation of the spatial information and data through embarking on the Upgrading of Municipal Dwelling Units Programme. 38 unemployed graduates were temporarily employed to assist in this project.</p>
<p>KPA2: Municipal Transformation and Organizational Development</p>	<p>The FTM was one of the 7 municipalities nominated in the Limpopo Province by the National Department of Monitoring and Evaluation to participate in the Local Government Management Improvement Model. From the assessment, the Municipality was selected as the best most from the selected best performing municipalities. The criteria were based on the institutions' overall performance management systems and governance. The municipal IDP/Budget is geared towards building a capable and developmental state to enable the state to play a developmental and transformative role. The IDP/Budget 2016/17-2020/21 was adopted within the prescribed legal timeline on the 27th May 2016.</p>
<p>KPA3: Basic Service Delivery and Infrastructure Development</p>	<p>The FTM sustained 100 % MIG expenditure in 2015/16 fly as was the case in 2014/15fy. This improvement is as a result of implementation of <i>forward planning</i> approach and a raised level of rigor in monitoring and evaluation of all our MIG projects. As at 31st December 2016, the municipality has spent just over 60% of its MIG and as a result was able to attract an additional funding of R15 000 000. This was immediately committed to the upgrading of additional 9 cemeteries and the construction of culvert drainage structures. All</p>

	<p>2015/16 MIG projects were completed as at 30th June 2016. The following infrastructure projects were completed in the year under review, 2015/16 financial year: this includes of Nchabeleng Access Street and Culvert Bridge over Mohwetse River, Construction of Hoeraroep Portion 2 - Sports Complex Internal Street, Upgrading of Cemeteries, Construction of Traffic Station Testing Route, Municipal Facilities Internal Water Supply (Mphanama Community Hall and Moses Mabotha Civic Center), Supply And Delivery Of TLB and Tipper Truck, Construction of Atok Culvert Drainage Structures (Multi Year Project), Construction of Strydkraal Culvert Drainage Structures (Multi Year Project).</p>
<p>KPA4: Local Economic Development</p>	<p>About 1800 job opportunities were sustained from the 2014/15 financial year while 67 job opportunities were newly created through municipal supported LED initiatives. The FTM also assisted in the grading of one of the local overnight accommodation facilities, i.e. Sir Paul Guest House.</p>
<p>KPA5: Financial Viability</p>	<p>The municipality developed the implementation plan for the municipal Standards Chart of Accounts (mSCOA) as promulgated (Gazette number 37577) by the Minister of Finance which provides a uniform standard for municipal recording and classification of municipal budget and financial information. The 2015/16 Supplementary Valuation Roll was successfully implemented.</p>
<p>KPA6: Good Governance and Public Participation</p>	<p>The year under review registered successful 04 IDP/Budget Public Participation sectoral sessions held on 12 April 2016 at 10h00 with Magoshi; at 14h00 with Ward Committees and CDWs; on the 13 April /2016 at 10h00 with the Business Sports Arts and Culture; and lastly at 14h00 with the Special Groups. The public participation on the Draft Annual Report 2014/15 was held on 02nd February 2016 at Mphanama Community Hall,</p>

and on the 3rd February 2016 at Seokodibeng Community Hall.

The municipal governance structures were intact and functioned regularly as per the legislative requirements i.e. 04 (ordinary) & 06 (special) Council Meetings; 04 (ordinary) & 03 (special) EXCO Meetings; 04 (Ordinary) and 03 (Special) Audit Committee Meetings; 4 Risk Management Committee meetings; and 08 MPAC Meetings.

Security vetting for at least 16 employees was performed including qualifications verification for at least 17 employees. The FTM's EXCO held 13 Mayoral Imbizos across all wards, as well as 02 Mayor Magoši Fora held on land use & spatial planning related matters held on 19 November 2015 and 07 June 2016. The Mayoral Annual Matric Award Giving Ceremony was held on the 23rd February 2015 to recognize and honour the class of 2015. The FTM also held a Ward Committee Conference on the 23 March 2016.

1.4 FINANCIAL HEALTH OVERVIEW

The Budget and Treasury Office manages the corporate financial affairs of the Municipality and ensures that the best possible services are rendered with the available funds. The Department provides strategic financial management and financial services to internal clients and is responsible for compiling the annual municipal budget and financial statements and management reports, to safeguard the assets of the municipality and to ensure that accurate and reliable information is produced.

The main functions of the Budget and Treasury Office are as follows:

- ✓ Revenue Management – billing of municipal services (e.g. refuse) and collection of revenue;
- ✓ Budget control and reporting – financial reporting and budget preparations and monitoring;
- ✓ Expenditure Management – creditors payments, cash and investment management; and
- ✓ Supply chain management – procurement of goods and services.

The strategic objectives of the Budget and Treasury Office are:

- ✓ To ensure that sound and proper financial management processes and controls are implemented and maintained in accordance with the MFMA and GRAP, Municipal Property Rates Act and other related regulations in order to safeguard the assets of the municipality, to ensure effective and efficient use of the resources of the municipality and to provide the management and other stakeholders with relevant, accurate and reliable information on a timely basis to enable users to make better decisions.

There are number of financial policies which are relevant to the powers and functions of the municipality which were developed and implemented. These policies are *inter alias* supply chain management, credit control and debt collection policy (which determines that municipal accounts be paid on the date as indicated on the account and nonpayment will result in debt collection), fixed assets policy (to govern the fixed assets of the Municipality), banking and investment policy (to ensure that the Municipality's cash resources are managed effectively and efficiently), indigent management policy (to ensure that households who qualified to be indigents have access to at least basic municipal services).

The Municipality had an operating revenue of **R 127 262 967** for the year under review (2015/16) against an operating revenue of **R 107 947 215** in the prior year (2014/15). There has therefore been an increase of **R 19 315 752** in revenue when compared to the 2014/2015 financial year. The increase emanates from additional funding received for MIG amounting to R 15 000 000. The expenditure for the year under review (2015/16) was **R 106 717 468** compared to **R 96 999 481** in 2014/2015. The difference in expenditure for the two financial years is **R 9 717 987** i.e. the municipality had a total surplus of **R 20 545 499** for the year under review, 2015/16. It is further recommended that this section be read together with the Annual Financial Statements.

1.5 ORGANIZATIONAL DEVELOPMENT OVERVIEW

The FTM initially functioned with the four main departments, Budget and Treasury Office (BTO), Corporate Services (CS) (includes Community Services), Development Planning (DVP) and Technical Services (TS) – each with vision and functional areas. Due to the resignation of the Director Technical Services, the Technical Services has since been incorporated into the Development Planning Department. The Office of the Municipal Manager provided the overall monitoring and strategic support to all these departments. Although ideally, Community Services could not be a stand-alone department owing to resource constraints/shortfalls. The FTM has an approved

organogram with **92 posts** indicative of a slight growth on **2 posts** compared to the 2014/15 fy which has 90 approved posts. Of these, **89%(82/92)** of the posts were filled as at 30th June 2016 whereas during the 14/15fy, only **88% (79/90)** of the posts were filled at the same period. As at 30th June 2016, the vacant posts included *Director Technical Services, Manager Town Planner, Accountant Income, Operations and Maintenance Officer, Vehicle Examiner, Licensing Clerk, Personal Assistant Mayor, Secretary Speakers Office, Receptionist/Word Processing Operator, and Supervisor VTC*. The implementation of organogram and staff turnover is detailed and exhibited in **Appendix D**.

1.6 AUDITOR GENERAL REPORT: A TREND ANALYSIS

The audit opinion for the 2015/16 financial year was finalized in or around November/December 2016. The 2015/16 financial year demonstrated a net improvement from a qualified opinion in 2014/15 financial year to an unqualified opinion in 2015/16 financial year. A trend analysis of the audit opinion over eight (08) years is indicated in the following table:

A Trend Analysis of the Auditor General's Opinion for FTM over the Last Seven Years

2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Unqualified with emphasis of matter	Unqualified with no emphasis of matter	Unqualified with no emphasis of matter	Qualified	Qualified	Disclaimer of Opinion	Qualified	Unqualified with emphasis of matter

The table above has a telling point. The performance of the Municipality to achieve good audit report is depended on a number of factors that include internal control

systems namely - Budget, IDP, SDBIP, PMS and compliance to GRAP Standards. The AGSA (Auditor-General of South Africa)'s Report also determines the extent to which the Municipalities are delivering services in an efficient, effective and economic manner. The Municipality has received the overall Clean Audit Opinion for the above indicated financial years, 2009/10 and 2010/11. However, the Municipality later regressed to a Qualified Audit Opinion during the 2011/12 and 2012/13 financial years, a Disclaimer of Opinion for the 2013/14 financial year, a Qualified Opinion in 2014/15 financial year and has since improved to an **Unqualified Opinion** in 2015/16. It is, *inter alia*, for reasons appearing in the above respects the Municipality became, on the 03rd October 2016, the recipient of the CIGFARO (Chartered Institute of Government Finance, Audit and Risk Officers)'s Clean Audit Administration Award during its Annual Conference held in Durban. CIGFARO is a professional body which has since replaced the Institute of Municipal Finance Officers (IMFO) (as then was).

1.7 STATUTORY ANNUAL REPORT PROCESS

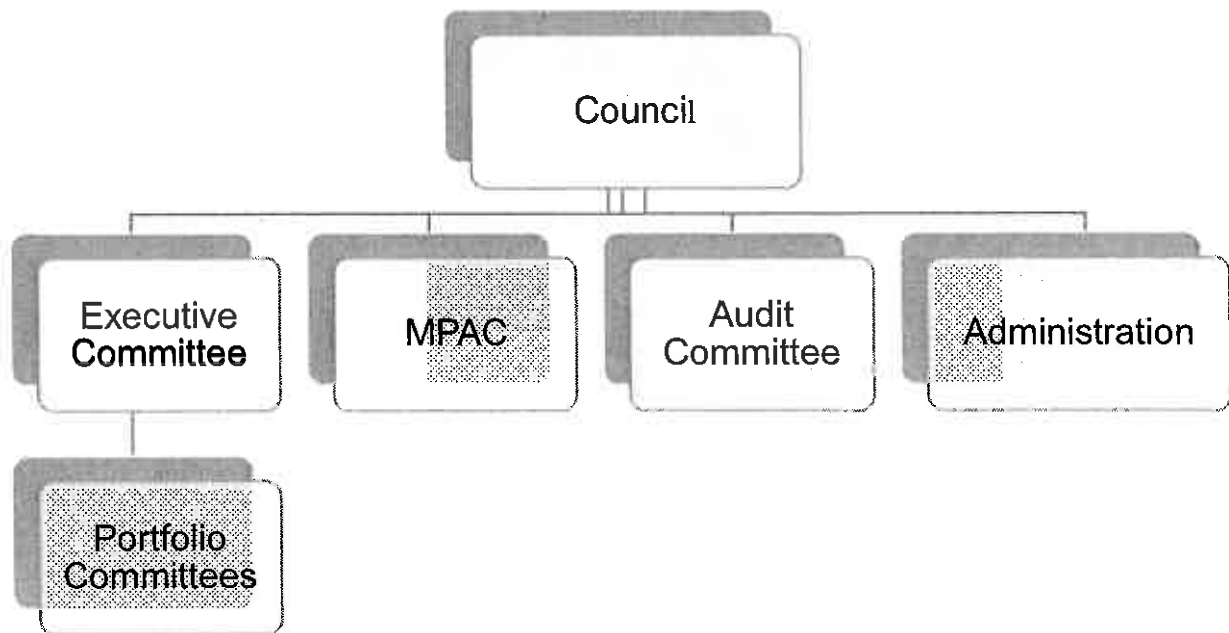
It is common cause that the development of this Annual Report is guided by Article 46 of the Local Government: Municipal Systems Act 32 of 2000 read concurrently with Article 121 of the Local Government: Municipal Finance Management Act 56 of 2003 requiring every municipality to prepare an annual report for each financial year. All the material statutory processes requiring the municipality to deal with non-financial performance Report within the prescribed legislative timelines were complied with par excellence. The Report will also be placed on the strategic places including the website for public comments and viewing. The CDWs, Ward Committees and other interest groups within the municipal community aired their views on the Report which were largely complimentary. Next focus falls on the governance chapter.

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

Political Governance



The above are the key municipal governance structures. They enabled the municipal Council and especially the Mayor as envisaged in s52(a) of Municipal Finance Management Act (no.56 of 2003) to provide political guidance over the fiscal and general governance affairs of the Municipality. The Audit Committee provides opinions and recommendations on performance, financial processes, annual and oversight reports. The Audit Committee comprises independent experts in various fields. Below follows the political structures of former Fetakgomo Local Municipality as then were:

Political structure



The former Mayor Cllr. KRE Sefala

Functions and powers: The Mayor of the Municipality:

- (a) presides at meetings of the Executive Committee;
- (b) performs the duties including ceremonial functions; and
- (c) exercises the powers delegated to the Mayor by the Council and Executive Committee (RSA, 1998:s49)
- (d) Tables in the municipal council a process plan outlining key deadlines for preparation, tabling and approval of IDP/Budget; (RSA MFMA 2003:s21(b));
- (e) Co-ordinates the processes for preparing the annual budget and for reviewing the Municipality's Integrated Development Plan (IDP) and budget related policies and any revisions of the IDP and budget related policies to ensure that they are mutually consistent and credible (RSA, MFMA 2003:s21(a));
- (f) Manages the drafting of the municipality' IDP (RSA, MSA 2000:s30(a) with effect from 1st July; and
- (g) Tables the Draft IDP/Budget to the municipal council for adoption (RSA, MSA 2000:s30(c) read with RSA MFMA 2003:s16(2).



The former Speaker: Cllr. KK Mamphekgo

Functions of the Speaker: The Speaker of the Municipality:

- (a) presides at meetings of the Council;
- (b) exercises the powers delegated to the Speaker Mayor by the Council;
- (c) Ensures that the Council meets at least quarterly;
- (d) Maintain order during meetings;
- (e) Ensure compliance in the Council and Council Committees with the Code of Conduct set out in Schedule 5, and
- (f) Ensure that Council meetings are conducted in accordance with the rules and orders of the Council (RSA, 1998:s37).



The former Chief-Whip, Cllr. PhalaTN

The Chief Whip's delegation: although the position of the Chief Whip and by extension its function(s) is not legislated, following are the Chief Whip's delegations in terms of the Council Resolution:

- (a) Maintains sound relations between the municipal government and various political parties. Ensure that relationships are constructive and focused on the key issues at hand;

- (b) Attends to disputes between political parties;
- (c) Ensure political accountability of councillors to ward committees;
- (d) Ensure quorum at Council meetings;
- (e) Advises councillors belonging to various parties to convene party caucuses so as to determine the party position on specific items / motions on the Council's agenda. Generally, organising the work of councillors in the party caucuses; and
- (f) Collaborates on a regular basis with the Council Speaker in relation to issues of discipline and conduct of councillors;
- (g) Serves as an interface between the Speaker and the Mayor; and also
- (h) Attends IDP Rep Forum.

Executive Committee Members (EXCO)



The Former Mayor

Cllr. Sefala K.R.E



Cllr Seroka K.A

Cllr Phaladi R.C

Cllr Phala MD

Cllr. Lentsoana S.A

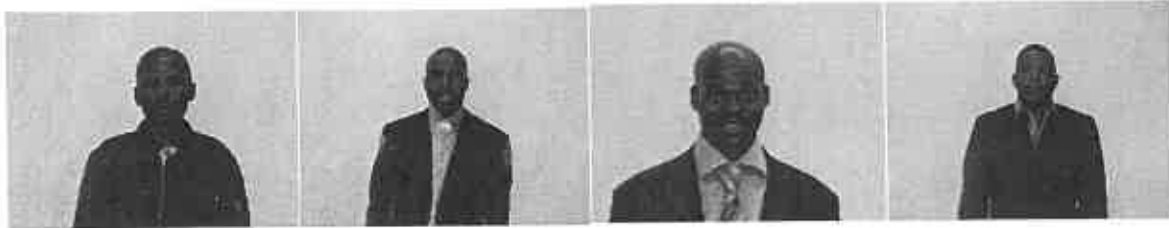
The FTM is the category B municipality³ with a collective executive system, combined with a ward participatory system. The Executive Committee is:

- (a) the principal Committee of the municipal Council which receives reports from other Committees of the Council and forward these reports together with recommendations to the Council when it cannot dispose of the matter in terms of its delegated powers;
- (b) identifies the needs of the Municipality;
- (c) review and evaluate those needs in order of priority;
- (d) recommend strategies, programmes and services to address priority needs through the IDP and revenue estimates and expenditure;
- (e) identify key performance indicators (KPI) which are specific to the Municipality and common to local government in general;
- (f) evaluate progress against the KPI;
- (g) Review the performance of the Municipality in order to improve the economic efficiency and effectiveness, efficiency of credit control, revenue and debt collection services and implementation of the municipal by-laws.

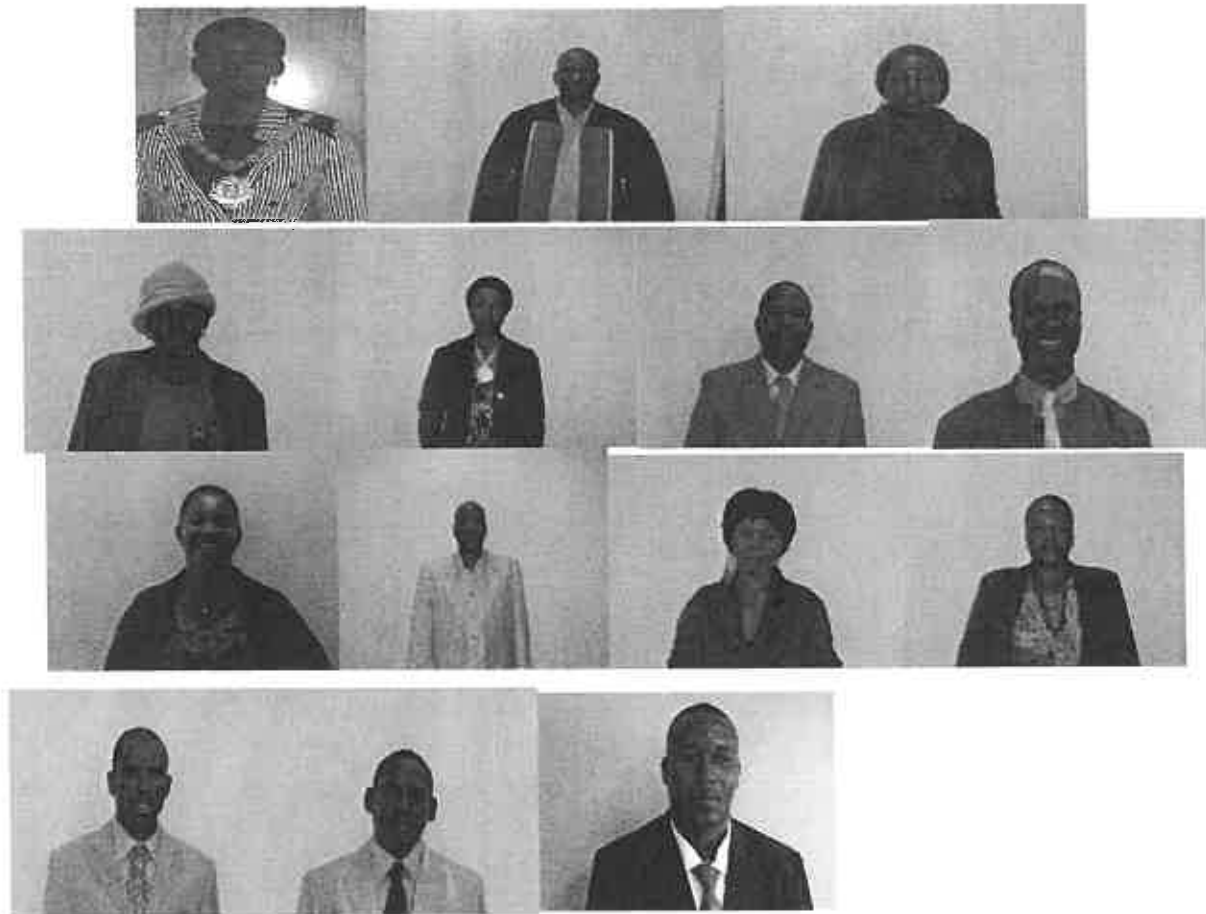
³Local Municipality distinguished from category A (usually a metro) and category C (district municipalities)

Councillors

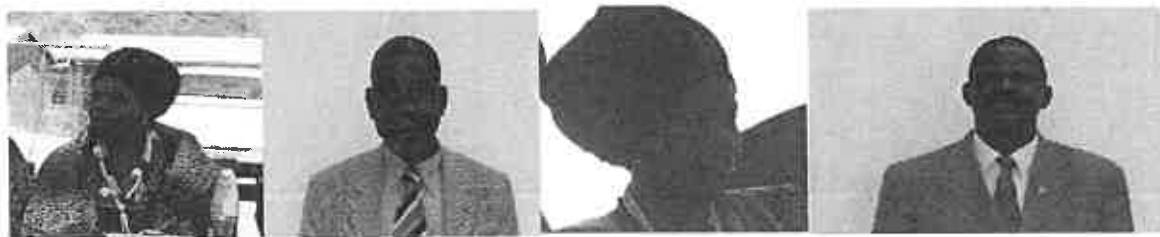
This Report ventures to say that A Full List of Councillors and Committees Allocated appear in **Appendix E** for ease of reference whereas Committees and Committee Purposes are illustrated in **Appendix F**. The FTM has a total of **25** Councillors. Of these **13** are ward Councillors, while **12** have been appointed on the basis of proportional representation (PR). There are also traditional leaders who participate in the Municipal Council in terms of the government gazette. Below are **Ward Councillors** from Ward 01-13 respectively:



The PR Councilors are depicted below:



Below (from left to right) are the traditional leaders:



Kgoshigadi Seroka T.M. Kgoshi M.K. Nchabeleng Kgoshigadi Nchabeleng M. Kgoshi Phahlamohlaka K.P.

Political Decision Making

The Council of the FTM has during the period under review, complied with the requirements of the Municipal Structures Act⁴ by ensuring that various council committees are set, functional and effective. The Council is the ultimate decision making-body or final arbiter, which Council is vested with both executive and legislative authority. Decisions of Council were taken in compliance with the applicable law of the Republic of South Africa. 100% of the decisions taken by the Council for the year under review were implemented.

2.2 ADMINISTRATIVE GOVERNANCE

Top Administrative Structure Former Municipal Manager



Mr. Matumane ND⁵

⁴Section 79.

⁵Master of Governance (*UFS*), Postgraduate Diploma in Monitoring and Evaluation Methods (*Stell*), Postgraduate Diploma in Labour Law (*UJ*), Applied Population Science Training and Research (*UKZN*), CPMD-Advanced (*Wits*), CPMD (*Wits*), ACE (*UJ*), Professional Affiliation(*SAMEA*).



Former Chief Financial Officer: Mr. Maredi MF⁶



Former Director Corporate Services: Mr. Phasha MI⁷



Former Director Development Planning: Ms. Peu LC⁸

Director: Technical Services: Vacant Position

⁶Bachelor of Commerce Honours (*UniL*), Bachelor of Commerce Degree (*UniL*), CPMD (*Wits*) SAICA (South African Institute of Chatered Accountants) Articles (*AGSA*).

⁷Bachelor of Public Admin (*UP*), N.Dip Public Admin (*UniL*), ELMDP (*UP*), CPMD-Advanced (*Wits*).

⁸B.Tech Town & Regional Planning (*UJ*), Diploma Town & Regional Planning (*UJ*), Certificate in Fundamentals of Project Management (*Damelin*), CPMD (*Wits*), SACPLAN Professional Town and Regional Planner.

Appendix G attached as an adjunct to this Report is an expansive illustration of the Third Tier Administrative Structure.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

The FTM is required to exercise its executive and legislative authority within the constitutional system of co-operative governance contemplated in s41 of the Constitution (RSA, 2000:s3). A performance review of the 2015/16 reveals that the FTM facilitated an IGR (Intergovernmental Relations) session in the form of an IDP/Budget Representative Forum held on the 25th November 2015. The Municipality further participated in the Monitoring and Evaluation Forum on the 25th February 2016 amongst others. These sessions involved *inter alia*: the Provincial Development Planning Forum, LGMIM meetings and IDP Managers Forum meetings. The sessions provided a platform to address issues of mutual interest with the neighboring municipalities, provincial and national government. The FTM derived significant benefits from these sessions. This Report proposes to echo a growing perspective in the planning fraternity that the District Municipality should play a key role as a theatre of planning for the whole district. It is also a matter of intergovernmental relations to note that the FTM provided support for both the Youth Advisory Centre (office space, transport & printing facilities) and the CommunityWork Programme (CWP) (office space). The CDWs (Community Development Workers) were also assisted with office space.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

Communication to public were by means of loud-hailing, public announcements (i.e at public gatherings, funerals etc), radio, use of ward committees, CDWs and Councillors as link between communities and the municipality. The participatory initiatives employed by the FTM included public participation sessions. The attendees of these sessions included the elderly population, women, youth, special groups, to some extent

people with disability, institutions of traditional rule, ward committees, Community Development Workers (CDWs). The IDP Representative Forum was held on the 25th November 2015, following which 4 sectoral sessions of IDP/Budget 2016/17-2020/21 public participation were held on 12/04/2016 at 10h00 with Magoshi; on the 12/04/2016 at 14h00 with Ward Committees and CDWs; on the 13/04/2016 at 10h00 with the Business Sports Arts and Culture; and lastly on the 13/04/2016 at 14h00 with the Special Groups. The Mayor lead Executive Committee held 13 Mayoral Imbizos across wards during the 2015/16 fy in pursuit of bringing government to the people and to fast track issues of service delivery. Furthermore, 8 mining stakeholder engagements sessions were held as well as 4 LED For a were among other important mechanisms within which the FTM sought to consult with its stakeholders. The LED Fora were facilitated on the 28/09/2015, 18/11/2015, 22/03/2016 and 01/06/2016 respectively.

The municipal website is also used as another mechanism employed to communicate and engage with the local communities. For example, documents such as the Draft IDP/Budget are placed on the municipal website for public comments. So was with the Draft Annual Report 2014/15 and so forth. As shown in later chapters, the FTM does make use of survey results, census and other research outputs to inform its planning and service delivery, in addition to own primary data collection in some respects.

2.5 IDP PARTICIPATION & ALIGNMENT

Table: IDP Participation and Alignment Criteria

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

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

Section 62(1)(c)(i) of the MFMA enjoins the FTM to maintain an effective, efficient and transparent system of financial and **risk management** and internal controls. It was for this reason the post of the Risk Management Officer was created and subsequently filled, located in the Office of the Municipal Manager. The location of this position in this Office highlights its importance and strategic role in the organization. The FTM developed both operational and strategic risk registers. From the strategic risk perspective, the FTM understands the **top ten (10) risks** identified during the risk assessment workshop in the 2015/16fy as follows and/or as surfaced in **Appendix H**:

No	Department	Risk Description	Root Cause	Current Control	Action to improve the risk	Risk Owner	Timeline	Progress to date	Current Challenges	Intervention
1.	Corporate Services	Staff Uncertainty	Amalgamation of GTM and FTM.	Change Management Committees	Continues feedback to staff on Municipal Amalgamation.	Municipal Manager	On-going	Management and SAMWU continuously update staff on the amalgamation progress	Low staff morale	Preliminary placement in progress.
2.	Corporate Services	Inadequate security administration	Lack of capacity (security knowledge and skills	-Security guards -CCTV cameras	*Systematic security to be implemented (installation of cameras and intruder detections) *Traffic officers to be moved to the traffic testing station	Director Corporate Services	30 Sept 2015	*CCTV cameras were installed only in the municipal premises. *Traffic Officers were moved to Mofokeng Center	There are no CCTV cameras in other Municipal facilities i.e. Mabopo traffic station	Priorities budget for the other facilities i.e. Mabopo traffic station

3.	Budget and Treasury	Inadequate implementation of MSCOA	Lack of capacity to implement MSCOA	*MSCOA Steering Committee *MSCOA Implementation Plan	Implementation of MSCOA	Chief Financial Officer	1 July 2016	*Feasibility study on MSCOA was conducted. *Attended MSCOA training by Provincial Treasury	Slow implementation of MSCOA due to amalgamation	Continuous meetings with GTM
4.	Budget and Treasury	Possible misuse of public funds (fruitless and wasteful expenditure)	-Inadequate planning -Late submission of invoices by service providers	Request invoices in time. -prepare fruitless and wasteful expenditure register. -Investigate any fruitless and expenditure occurred.	-Request invoices in time. -prepare fruitless and wasteful expenditure register. *Investigate any fruitless and expenditure occurred - Upgrade CCTVs and Alarm systems	Director Corporate Services	20 December 2016	-Fruitless and wasteful expenditure in register in place. -Prior year fruitless and expenditure investigation done (Sports Complex)	Some invoices are still being submitted late such as ESKOM and TELKOM.	Continuous follow ups on submission of invoices

5.	All departments	None compliance to legal prescripts.	Intentional / non intentional disregard of the law	Quarterly compliance check list	*Installation of burglars(New building, MhlaletseTh usong	Continuous compilation of quarterly compliance check list and monitoring implementation thereof	All directors	Quarterly	-SCM and HR compliance reports in place	None	None
6.	Budget and Treasury	Minimal ability to raise revenue	-Resistance to pay for services by the community e.g. Property rates and Refuse Removal -High level of Indigence	Continues review of Revenue Enhancement Strategy	Continues review of Revenue Enhancement Strategy	Continues review of Revenue Enhancement Strategy	CFO	On-going	-Revenue Enhancement Strategy reviewed	*The socio-economic factors of the municipality are unfavorable, resulting in high rate of out-migration which result in	Exploring additional revenue sources

7.	Corporate Services	Inadequate screening of employees qualifications	Selective method of screening	-Vetting certificate -Screening of some qualifications results	Secure budget for screening of employee certificates	Corporate Services	July 2015	-To be considered in the next financial year budget 2016/2017, however there are employees certificates which were already screened. -Screening of some qualifications results are in	Delays by Supply Chain Management Unit to source quotations	reduced equitable shares and poor going concern of the municipality	None
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8.	Budget and Treasury	Incomplete /misstatements on Annual Financial Statements	Late compilation of Annual Financial Statements	-Quarterly Compilation of timely and accurate Annual Financial Statements. *Adherence to the action plan	-Quarterly Compilation of timely and accurate Annual Financial Statements. -Adherence to the action plan	CFO	On-going	- Mid-year Annual Financial Statements in place -Audit Action plan is at 82% implementation stage	None	None
9.	Development Planning	Inadequate project management	Lack of capacity	Poor project monitoring and evaluation.	-Continuous progress reporting (site meetings) -Continuous Project monitoring (site visits)	Director DVP	On-going	-Monthly project progress meetings per projects (departmental meetings) are conducted. -Routine Inspection / Site Visit are	Slow implementation of projects by service provider causing delays in completing the project e.g. culvert bridge	Contract terminated

10.	Budget and Treasury	Duplication of assets and incorrect	Inadequate asset monitoring	Monthly monitoring of assets (Asset count report)	-Monthly assets counts Appointment of casual workers for asset verification	CFO	On-going	conducted. -Asset verification conducted and asset inventory list developed	None	None
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2.7 ANTI-CORRUPTION & FRAUD

The FTM has reviewed the Fraud Prevention Strategy, Whistle Blowing Policy and Risk Management Policy. The Strategy contains Fraud and Corruption Prevention Plan. The Strategy is founded upon the principle of intolerance to unethical conduct, fraud and corruption. The key risk area, in this regard is the asset management and supply chain management (SCM). As a deterrent, there is a segregation of duties in the SCM Unit and the Municipality wholly. The work done by the Internal Audit Unit to review processes and compliances also serve as a deterrent. In an addition, the FTM has an Audit Committee which provides independent assurance and oversight. Practice within the FTM attained the standards set out in s17 of the MFMA in which councillors were not municipal bid committee members.

2.8 SUPPLY CHAIN MANAGEMENT

The FTM has developed the SCM Policy and is currently implementing Municipal Supply Chain Management Policy in line with the requirement of Section 112 of the MFMA. The municipal SCM policy is aligned with the key principles as enshrined in the SCM Regulations as well as updates to various circulars issued by the National Treasury. As part of practical implementation of SCM Policy, the FTM has put in place mechanisms to ensure that the Committees that preside over procurement are independent from one another. Furthermore, the Municipality has implemented effective system of contract and performance management to safeguard any possible deficiencies in the supply chain system. Councillors do not sit in any committees, however, they receive reports on SCM implementation on quarterly basis as part of statutory oversight reporting mechanism to council. The Municipality reviews the supply chain management policy on an on-going basis to mitigate against any weakness that may emerge and also to incorporate any changes in the industry.

2.9 BY-LAWS

The municipality gazetted the By-laws on the Spatial Planning Land Use Management (SPLUMA), Act 16 of 2013 during the 2015/16 financial year, Gazette number 2682.

2.10. WEBSITES

The municipal website was revamped during the 2014/15 financial year. The municipal website remains one of the tools for communication with community members and other key stakeholders. As at 30th June 2016, the following are some of the information published on the municipal website:

- IDP/Budget 2016/17-2020/21 Process Plan;
- Draft/Final Annual Report 2014/15;
- Draft/Final IDP/Budget 2016/17-2020/21;
- Final/ Adjusted/ Quarterly Reports SDBIP 2015/16;
- Adjusted Budget 2015/16;
- MPAC Oversight Report for 2014/15 Annual Report;
- Auditor General's Audit Opinion 2014/15;
- Performance Agreements for Senior Management 2015/16;

2.11. PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality runs a Customer Care Programme in which community members lodge complains and compliments. The issues/recommendations raised are received and intervention and/or response are made. Majority of complains are around the provision of water, which is a district function.

**CHAPTER 3: SERVICE DELIVERY PERFORMANCE
(PERFORMANCE REPORT PART I)
COMPONENT A: BASIC SERVICES**

3.1 WATER PROVISION

See the projects by SDM below under projects by other sectors. It is important for service authority (SDM) to quantify its interventions (i.e. no. of households targeted to benefit from the intervention). Incomplete projects result in insufficient supply of water within the Municipality. The water function is performed by the SDM as the water authority.

3.2 WASTE WATER (SANITATION) PROVISION

See projects by SDM below under projects by other sectors. Identification of beneficiaries (i.e. villages/wards) is done by SDM in partnership with FTM. The function remains with the SDM.

Basic service	2014/15 5backlogs	2015/16 planned interventions	Actual Performance⁹	Comments
Waste Water (Sanitation) Provision	5330 households serviced	3116 VIP latrines allocated to the FTM by SDM	60% of the 2015/16 allocation completed as at 30 th June 2016	Allocation across municipal wards. Delay in commencement of the project.

⁹Cumulative progress.

3.3. ELECTRICITY

A progress regarding households electricity connection and services related thereto is depicted in the tables that follow:

Basic service	2014/15 backlogs	2015/16 planned interventions	Actual Performance ¹⁰	Comments
Electricity	4470(10%)	<p>*Eskom 2015/16 planned projects include</p> <p>26 Shushumela, 194 Marakwaneng, Matsimela, 53 Rostok&Mahlabeng, Mooilyk, 105 Strydkraal B & Mooiplaas</p> <p>170 Mahlabaeng, Mokgotho, Monametse, Mooilyk, Rostok&Tjibeng.</p> <p>39 Maisela-Mahlabahooko</p> <p>*SLP projects by Twickenhem Mine for electrification of Monametse and Mokgotho</p>	<p>354 households electrified, 39 to be connected in the 2016/17 fy</p> <p>*Twickenhem Mine project at 20%.</p>	<p>Post connection is complete for 345 households.</p>

3.4. WASTE MANAGEMENT

Basic service	2014/15 backlogs	2015/16 planned interventions	Actual Performance ¹¹	Comments
Refuse removal	35 businesses and gov. depts. sustained refuse removal	<p>TLB and Tipper Truck were supplied & delivered</p> <p>35 businesses and</p>	27 rubbish bins procured in the 2015/16 financial year	Reluctance to pay for services by both sector departments and communities.

¹⁰Cumulative progress.

¹¹Cumulative progress.

	services *17 business and government departments *14 clinics	gov. depts. sustained refuse removal services *17 business and government departments *14 clinics		
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3.5 HOUSING

Basic service	2014/15 backlogs	2015/16 planned interventions	Actual Performance ¹²	Comments
Housing	202 completed	Contractor appointed by CoGHSTA for construction of 150 RDP houses in the following wards; *Ward 09: 35 *Ward 11:35 *Ward 12:35 *Ward 1, 2,3,4,5,6,7,8, 10 and 13 have been allocated 4 each ward, total is 45.	Progress for the 150 units include: *28 Slab *19 wall plate *19 roof and furnish/complete *14 VIP latrines *84 no work done	Construction of the 84 units to commence once the 66 are complete

Housing falls within the purview of the Department of Cooperative Governance, Human Settlements & Traditional Affairs (COGHSTA).

¹²Cumulative progress.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Basic service	2014/15 backlogs	2015/16 planned interventions	Actual Performance ¹³	Comments
Free Basic Electricity	96% (I.E 3477 / 3632) HH	*90% (3268/3632) HH of indigent households receiving FBE *08 FBE campaigns held	*13 FBE campaigns conducted *70/70 applications were submitted to Eskom within 16 working days from the date of last date of application received	The district target was 90% collection per municipality, the FTM managed to provide 91% of Indigents with FBE (i.e.3299/3632) – exceeding the district target.

COMPONENT B: ROAD TRANSPORT

3.7 ROADS

Basic service	2014/15 backlogs	2015/16 planned interventions	Actual Performance ¹⁴	Comments
Roads	185 km (see SDM Road Master Plan)	Municipal Projects *Construction of Hoeraroep Portion 2 Internal Street 100% complete; *Construction of Mabopo Testing	Both municipal internal streets (roads) were 100% complete as at 30 th June 2016	None

¹³Cumulative progress.

¹⁴Cumulative progress.

		<p>Station 100% complete;</p> <p>Projects by other sectors</p> <p>*SLP project by Glen Core Mine 100% complete (Construction of +-1 km each road to KgoshiThuareThulareKgoshikgolo Sekhukhune);</p> <p>*Roads Agency Limpopo appointed Engineer for the designs of road D4190 during the 2015/16</p> <p>*Bokoni EPWP Road Maintenance & Repair Project : D4180</p>		
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3.8 TRANSPORT

FTM continuously engage the taxi industry, DoRT (responsible for public transport) & SDM (deals with component parts of this function) about official launching and/or handover of Taxi Rank(s). A need to revive Transport Forum was also identified.

3.9 WASTE WATER (STORM WATER DRAINAGE)

Basic service	2014/15 backlogs	2015/16 planned interventions	Actual Performance ¹⁵	Comments
Storm water Drainage & bridges	78 bridges	<p>*Construction of Nchabeleng Access Street & Culverts Bridge 100% practically completed;</p> <p>*Construction of Atok Culvert Drainage Structure 15% complete;</p> <p>*Construction of Strydkraal Culvert Drainage Structure 100% practically completed.</p>	<p>The construction of the Construction of Atok and Strydkraal Culvert Drainage Structure implemented through additional MIG funding (R15 000 000)</p>	<p>Construction of drainage in the Apel and Mphanama Nodes due for construction in the 2015/16 fy</p>

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

The Development Planning Department (DVP) is responsible for the overall spatial planning and land use management within the municipal jurisdiction.

¹⁵Cumulative progress.

3.11 LOCAL ECONOMIC DEVELOPMENT

Promoting local economic development is a material function and object of the FTM according to the directive from the provisions of s152(c) of the Constitution (RSA, 1996).

KEY PERFORMANCE AREA	NO. OF PROJECTS	NO. OF TARGETS	ACHIEVED	NOT ACHIEVED	EVALUATION PER KPA
Local Economic Development	08	18	18	0	100%

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12 LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES, OTHER:

Basic service	2014/15 backlogs	2015/16 planned interventions	Actual Performance ¹⁶	Comments
Libraries	1	None	None	Insufficient budget coupled with insufficient study material at the two existing libraries.

¹⁶Cumulative progress.

Community facilities ¹⁷	Listed below are all community facilities in place *AtokThusong Service Center; Fetakgomo Municipal Buildings; MohlaletseThusong Service Center; Mohlaletse Community Hall, Mphanama Community Hall; Seokodibeng Community Hall, Pelangwe Community Hall, Stydkraal Community Hall, Moses Mabotha Civic Centre	The MohlaletseThusong Service Center, Mphanama Community Hall and Moses Mabotha Civic Centre were equipped with water supply (boreholes)	100 % completion at Mphanama Community Hall and Moses Mabotha Civic Center	The MohlaletseThusong Service Center 88% complete. Access granite beneath its surface. The FTM to explore further (deeper)surface drilling
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¹⁷This includes Community Halls and Thusong Service Centres

3.13 CEMETERIES

Basic service	2014/15 backlogs	2015/16 planned interventions	Actual Performance ¹⁸	Comments
Upgrading of Cemeteries	47 (46/93 upgraded)	15 (6 for phase 2 and 9 for phase 3) cemeteries upgraded with concrete palisade and ablution facilities	100% completion. 9 cemeteries/phase 3 funded by additional MIG funding	None

3.14 Child Care, Aged Care, Social Programmes

The Municipality implemented the following Special Programmes initiatives in the 2014/15 financial year:

Indicator	Planned 2015/16 Interventions	Actual Progress
No. of HIV/Aids initiatives	04	04
No. of Youth Development initiatives	03	06
No. of Disabled people initiatives	02	05
No. of Children initiatives	02	05
No. of Local Aids Council	02	02
No. of Gender Support Programme	02	04
No. of Elderly Programme	01	03
No. of Initiatives Towards Mandela Day Celebration	04	07

¹⁸Cumulative progress.

No. of Moral Regeneration Movement	02	03
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COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 Pollution Control

The Municipality has through the Community Services Unit conducted 3 Environmental Campaign conducted as a measure towards environmental health. The campaigns were conducted on 30/09/2015, 30/03/2016 and 23/06/2016.

COMPONENT F: HEALTH

3.16 Clinics

We are continuing to engage the Department of Health regarding the conversion of Nchabeleng Health Centre into a Hospital. It is anticipated that this will promote the health status of the population as the fundamental human right. There is worrying evidence to suggest that we are not making steady progress in the fight against HIV/AIDS. According to the most recent antenatal care (ANC) data released by the National Department of Health on the 22nd May 2014, the Fetakgomo HIV epidemiological analysis shows an upward trend, there is an increase of almost 2% from 16.5% to 18%. This result is not pleasing and requires attention.

3.17 Ambulance Services

The Emergency Medical Services function remains with the Sekhukhune District Municipality.

3.18 Health Inspection

The function remains with the District Department of Health. The local health inspectors are located at local clinics in the municipal area.

COMPONENT G: SECURITY AND SAFETY

COMPONENT H: SPORTS & RECREATION

3.19 SPORTS AND RECREATION

Basic service	2014/15 backlogs	2015/16 planned interventions	Actual Performance ¹⁹	Comments
Upgrading of Sport & recreational	The Upgrading of Sports Complex and Upgrade of the Apel Recreational Park (Phase 1&2) complete	Upgrading of Radingwana Sports Completion advertised for appointment of contractor. Physical construction earmarked for 2016/17fy.	None	None

¹⁹Cumulative progress.

COMPONENT I: CORPOARTE POLICY OFFICES AND OTHER SERVICES

3.20 EXECUTIVE AND COUNCIL

Executive Committee Members



The Mayor
Cllr. Sefala K.R.E



Cllr. Phaladi R.C

Cllr Phala MD

Cllr Lentsoana SA
Cllr. Seroka K.A.

3.21 FINANCIAL SERVICES

The Budget and Treasury Department is responsible for the financials of the Municipality.

3.22 HUMAN RESOURCES SERVICES

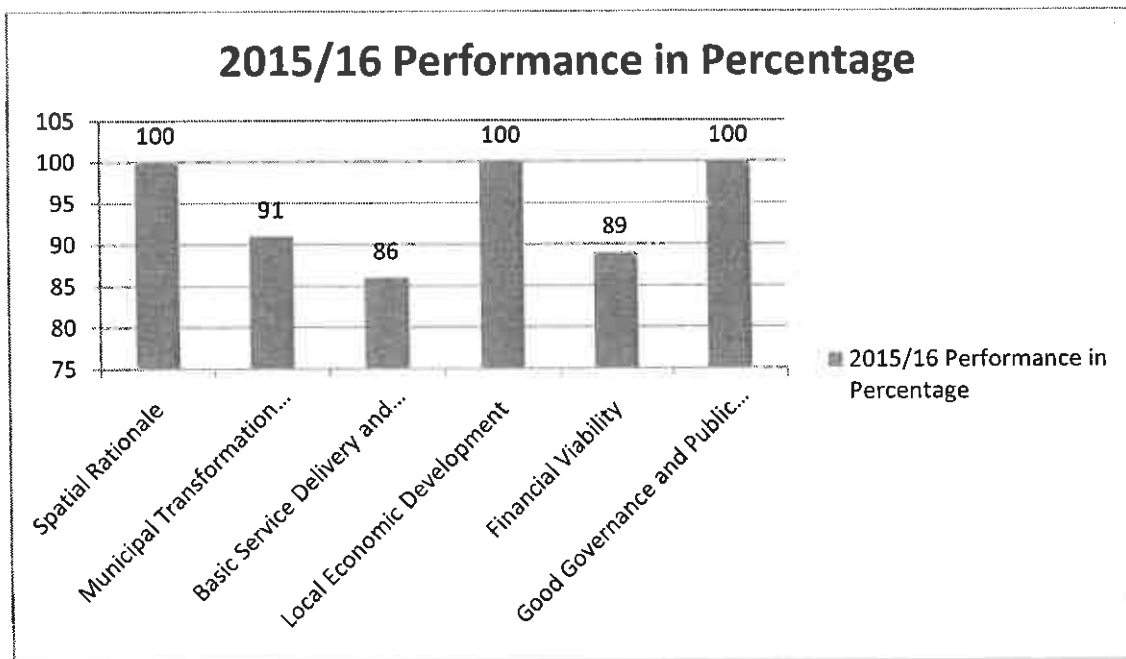
The FTM functioned with the following main departments, Budget and Treasury Office (BTO), Corporate Services (CS) (includes Community Services) and Development Planning (DVP) each with vision and functional areas. Since the resignation of the Director Technical Services (TS), the department has been incorporated into the Development Planning Department. The Office of the Municipal Manager provided the overall monitoring and strategic support to all these departments. Although ideal, Community Services could not be a stand-alone department owing to resource constraints/shortfalls. Of the 92 posts on the organogram, at least 89% (82/92) of the posts were filled as at 30.06.2016. The vacancies are enumerated in **Appendix D** of this Annual Performance Report.

3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

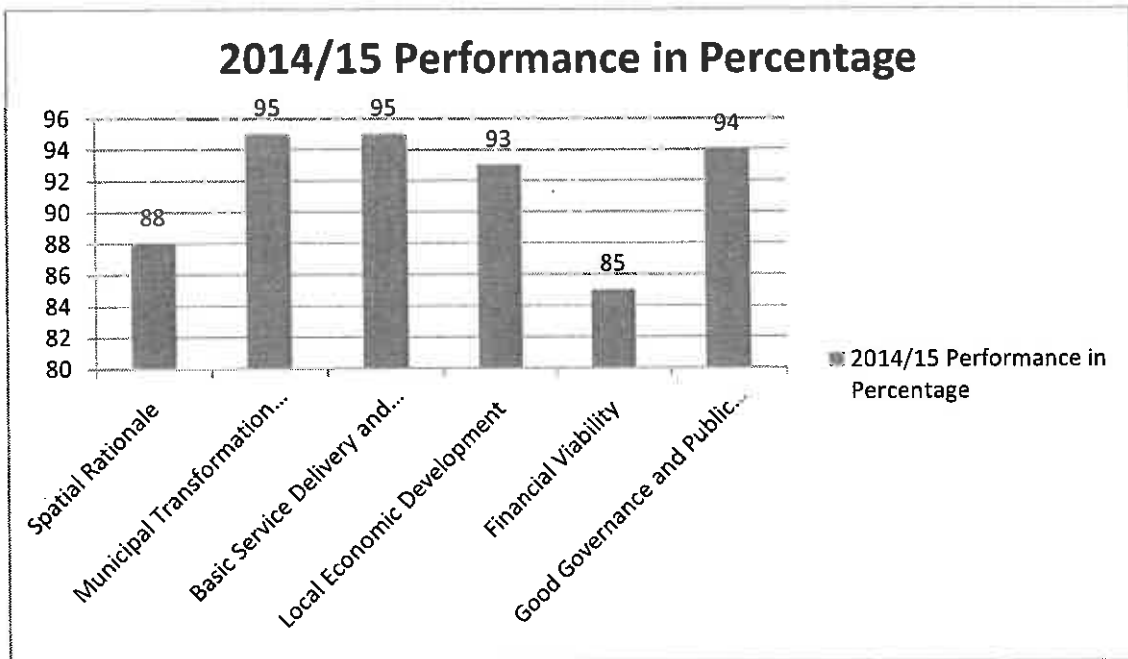
The Information Technology Unit is entrusted with the responsibility to ensure smooth functioning of the information systems in all municipality buildings. The IT Unit has managed to develop critical IT documents required by the AGSA such as the IT Governance Framework, IT Strategy Plan and Disaster Recovery Plan in the year under review. In addition, the ICT Committee was established and it's functional.

COMPONENT J: CUMULATIVE 2015/16 ANNUAL PERFORMANCE REPORT

The table below takes the above further and gives expansive content as well as finer details of the FTM's performance for the reporting year, 2015/16. In order to avoid and/or keep repetition to minimum, it is suggested that the table be read as a high level summary and tailored logic model of the methodological template and/or paradigm envisaged in the MFMA Circular 63 by the National Treasury (2012). It is held that material essence and main variables of this Circular are, to a larger extent and thematic content, entailed in the log frame presented in the subsequent pages of this Report. Suffice to summarise in a schematic representation the 2015/16 Annual Performance of this auditee (FTM):



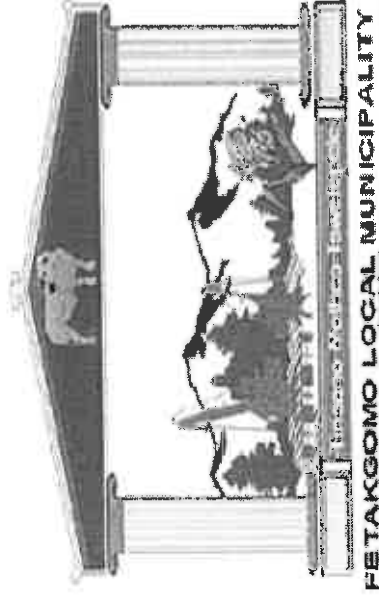
As an expansion of comparative overview, the following appeared in the cumulative annual performance report of the prior/preceding year, 2014/15:



FINANCIAL YEAR 2015/2016 PERFORMANCE SUMMARY

NUMBER	KEY PERFORMANCE AREA	NO. OF PROJECTS	NO. OF TARGETS	ACHIEVED	NOT ACHIEVED	EVALUATION PER KPA
1.	SPATIAL RATIONALE	04	10	10	0	100%
2.	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	16	44	40	04	91%
3	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	13	22	19	03	86%
4.	LOCAL ECONOMIC DEVELOPMENT	08	18	18	0	100%
5.	FINANCIAL VIABILITY	10	36	32	04	89%
6.	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	13	45	45	0	100%
7.	Total	65	175	164	11	94%

The tables above unveil/tell a story of FTM's non-financial performance in comparative perspective. The FTM has met **94%** of its targets in the year under review, which is an indication of an improved institutional performance compared to the 2014/15 fy, which met only **90%** of its targets. It is also needed to be stressed that the reading of the below column be systemic i.e a progress column be read with reference to the indicator column and against the target column – there is a continuum and/or inter-linkages between the columns below:



FETAKGOMO LOCAL MUNICIPALITY

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

ANNUAL PERFORMANCE REPORT

2015/16 FINANCIAL YEAR

COUNCIL RESOLUTION: SC24/2016 DATE: 29TH JULY 2016

APPLICABLE LEGISLATION, POLICY REGIME AND OVERARCHING PURPOSE

It is trite that the entirety of Chapter 6 of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act") prescribes for development of performance management systems and monitoring mechanisms. It (the Systems Act) is the primary legislation governing and/or impinging on performance management system (PMS) in municipal government. The enactment of the Local Government: Municipal Finance Management Act 56 of 2003 ("the MFMA") introduced additional requirements for the municipal budgeting, planning and performance monitoring into the local government legislative framework. Chief amongst the management reforms introduced by the MFMA is that municipalities must develop "SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN".²⁰ Regarding the SDBIP, Section 53(c) (ii) of the MFMA states as follows: "*the Mayor of the Municipality must take all reasonable steps so that the municipality's Service Delivery and Budget Implementation Plan is approved by the Mayor within 28 days²¹ after the approval of the budget*" (our underlining). The SDBIP must be submitted to the Mayor by the Municipal Manager within 15 days after the adoption of the budget by the Municipal Council. It (SDBIP) basically operationalizes the IDP/Budget. It is drafted in compliance with the MFMA read with s40 of the Systems Act. The SDBIP is also consequent to the FTM's PMS Performance Management Policy Framework. Regard was also had to the **National Treasury's Framework for Managing successive, prior financial years**. Consistent with the directive from the provisions of s52 of the MFMA, quarterly reports on the implementation of financial and non-financial information are prepared for purposes of monitoring and/or formative and summative evaluation. The following pages set out to document the **2015/16 SDBIP** Annual Performance Report of the Fetakgomo Local Municipality (FTM). In short, this is an accountability document. The overarching purpose is to satisfy the general performance jurisprudential requirements and specifically accountability requirements as enshrined in Clause 6.1 of the FMPPI.

²⁰The MFMA Circular Number 13 (National Treasury, 2005:13) succinctly describes the SDBIP as a "*key management, implementation and monitoring tool, which provides operational content to ... the budget and IDP*". This description succinctly fits the conceptual parameters of logic model as understood and applied by evaluation practitioners including a renowned evaluation professional Mouton (2013b: unpagged). It is on the basis of this conceptual premise, later authors (see for instance Matumane, 2013: 58) ventilated and extrapolated that the SDBIP is akin to "*a logic model*".

²¹"Day" is defined in the Labour Court Rules and Practice Manual of the Labour Court of South Africa as: "*Any day other than Saturday, Sunday or Public holiday... the number of days must be calculated by excluding the first day and including the last day*" when any particular number of days is prescribed for doing something (read *Tlhotlholemaje J* in the matter between *TshidziambiTshivhase-Phendla v University of Venda* [2014] at para 13 for finer exposition). This SDBIP accepts this definition.

GENERAL

The following pages document the **2015/16 Annual Performance Report** of the Fetakgomo Local Municipality (FTM) with a total of about 65 projects/programmes, 158 indicators and 175 targets. KPA1 has 4 projects, 10 indicators and 10 targets. KPA2 has 16 projects, 40 indicators and 44 targets. KPA3 has 14 projects, 22 indicators and 22 targets. KPA4 has 8 projects, 16 indicators and 18 targets. KPA5 has 10 projects, 26 indicators and 36 targets. KPA6 has 13 projects, 44 indicators and 45 targets. A general regard is given to narration of quantitative (especially where percentages are seemingly indispensable) targets. Where narration is not provided it is largely due to **self-explanatory nature of the project** i.e., a project which must be achieved 100% throughout the financial year. NA (Not applicable) suggests or indicates that the target or the relevant variable is not applicable. Targets are largely cumulative²² (except for a few instances where this may not be amenable) and therefore reporting will have to be cumulative. Projects are listed according to KPAs as the derivative of the IDP/Budget.

²² According to a definition, cumulative means aggregate, amassed or growing.

**KPA 1: SPATIAL RATIONALE
OBJECTIVE: "TO PROMOTE INTEGRATED HUMAN SETTLEMENT AND AGRARIAN REFORM"
PROJECT 1.1: IMPLEMENTATION OF LUMS AND SDF**

Performance Indicators	2014/2015 Baseline	2015/2016 Target	Progress	Variance / Challenges	Comments/Mitigation
# ²³ of sessions ²⁴ held with Magoši on land use & spatial planning	2 workshops with Magoši	2 sessions with Magoši on land use & spatial planning	Target Achieved 02 Mayor Magoši Fora held on land use & spatial planning related matters: *19/11/2015 *07/06/2016	Implementation of SPLUMA requires full corporation of all stakeholders especially Magoši.	*Continuous engagements with Magoši about the purport, objects and/or ends of SPLUMA *Minutes in place
Turnaround time in processing ²⁵ land use applications from the date received	15 days	15 days for processing of land use applications from the date received	Target Achieved 24/24 applications received were processed within 15 days.	None	Land Use Applications Register in place
Turnaround time in approving Building Plans from the date submitted	15 days	15 days for approving Building Plans from the date submitted	Target Achieved 34/34 building plans approved within 15 days	None	Building Plan Register in place
Budget (R)	R 42 000	R 150 000	R 137 231	R 12 769	s71 Reports

²³Number.

²⁴Forum/Workshop/Indaba.

²⁵Scrutiny & evaluation of the application, site visit by the town planner, recommendations on the application and submission to CoGHSTA or to applicant if declined.

PROJECT 1.2: TOWNSHIP ESTABLISHMENT OF PORTION 2, 3, 4, 5, 6 & 7 OF THE FARM HOERAROEP 515 KS

Performance Indicators	2015/2016 Baseline	2015/2016 Target	Progress	Variance/Challenges	Comments/Mitigation
# of initiatives ²⁶ towards township establishment for portion 2	4 interventions	4 initiatives towards township establishment for portion 2	Target Exceeded 06 initiatives *28/10/2015 letter to Eskom *22/10/2015: letter to DRDLR ²⁷ *25/11/2015: meeting with CoGHSTA ²⁸ *01/12/2015 letter to SDM ²⁹ *02/03/2016 letter to SDM *20/06/2016: letter to Department of Agriculture	A Township Register, a final planning stage in township development not yet opened which is vested on CoGHSTA / Conveyancer	*Continuous engagements with CoGHSTA to have Township Register opened at Deeds Office. *Continuous engagements with authorities for (bulk) services.
# of initiatives ³⁰ towards the disposal of portion 3, 4, 5, 6 & 7 of the	Tribal / Community	4 initiatives towards the disposal of	Target Exceeded 05 initiatives *31/08/2015: meeting with	None	*Initiatives resulted in issuance of

²⁶Meetings/letters.

²⁷Department of Rural Development and Land Reform.

²⁸Department of Cooperative Governance Human Settlements and Traditional Affairs.

²⁹Sekhukhune District Municipality.

³⁰Workshop/Meetings/letters.

farm Hoeraroep 515 KS	Resolution	portion 3, 4, 5, 6 & 7 of the farm Hoeraroep 515 KS	Traditional Authorities (Tau Nhabeleng and Tau Mankotsana) *22/10/2015: letter to DRDLR *07/12/2015: meeting with Land Surveyor *24/12/2015: letter to DRDLR *20/06/2016: meeting with DRDLR and CoGHSTA R 428 635	(R28 635)	Title Deed obtained for portion 3 & 4.
Budget	R5 400	R 400 000			s71 Reports

PROJECT 1.3: GEOGRAPHIC INFORMATION SYSTEM (GIS)

Performance Indicators	2014/2015 Baseline	2015/2016 Target	Progress	Variance / Challenges	Comments/Mitigation
Turnaround time in uploading municipal data (Asset Register / property) on GIS from delivery (completion) date	GIS installed	10 days	Target Achieved 06 Cemeteries and 02 Internal Street / Access Roads were uploaded on GIS system within 10 days.	None	Excel spreadsheet on completed infrastructure in place
# of initiatives ³¹ towards upgrading of municipal dwelling units	GIS installed	8 Initiatives	Target Achieved 08 meetings held *16/07/2015 *19/08/2015 *07/10/2015 *19/11/2015 *03/02/2016 *08/02/2016 *30/03/2016 *09/10 & 13/06/2016 *Signed SLA with STATSSA on Municipal Dwelling Units Project	None	Quarterly Reports in place
Completion date in developing GIS Policy	GIS installed	GIS Policy developed & adopted	Target Achieved GIS Policy developed & adopted by Council on 29th October 2015	None	Council Resolution no. C60/2015
Budget R	R 40 000	R 500 000	R 380 991	R11 900	s71 Reports

³¹ Meeting, letters and/or signing of Service Level Agreement.

PROJECT 1.4: LOCAL GEOGRAPHICAL NAMES COMMITTEE (LGNC) SUPPORT

Performance Indicators	2014/2015 Baseline	2015/2016 Target	Progress	Variance/Challenges	Comments/Mitigation
# of LGNC Committee meetings held	4 LGNC meetings held	4 LGNC Meetings	<u>Target Achieved</u> 04 meetings *17/07/2015 *25/09/2015 *20/11/2015 *07/01/2016	None	*Minutes in place. *There were also 07 public participation meetings as thus: *02/02/2016 *04/02/2016 *09/02/2016 *11/02/2016 *16/03/2016 *12/04/2016 *24/05/2016
# of reports generated on implementation of LGNC	LGNC Policy in place	2 LGNC Reports generated	<u>Target Achieved</u> 02 LGNC Report generated & submitted to Council	None	Council Resolution in place.
Budget R	R50 000	R60 000	R 58 340	R 1 660	s71 Reports

KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT
OBJECTIVE: "TO BUILD FTM'S CAPACITY BY WAY OF RAISING INSTITUTIONAL EFFICIENCY, EFFECTIVENESS AND COMPETENCY"

PROJECT 2.1: IDP/BUDGET (4th) REVIEW (2016/17)

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Credible IDP/Budget for 2016/17	2015/16 IDP/Budget adopted on 28 th 2015	Process Plan for 2016/17 IDP/Budget	<u>Target Achieved</u> Process Plan for 2016/17-20/21 IDP/Budget in place	None	Council Resolution SC19/2016
		Consolidated Analysis Phase 1 place	<u>Target Achieved</u> Consolidated Analysis Phase 2016/17-20/21 in place	None	Council Resolution SC08/2015
		Draft 2016/17 IDP/Budget in place	<u>Target Achieved</u> Draft 2016/17 IDP Budget in place	None	Council Resolution SC20/2016
		Final IDP/Budget for 2016/17 f/y adopted	<u>Target Achieved</u> Final IDP/Budget 2016/17 adopted	None	Council Resolution SC26/2016
Budget (R)	R97 920	R 120 000	R 128 854	(R 2 854)	s71 Reports

PROJECT 2.2: IMPLEMENTATION OF BACK TO BASICS (B2B)

Performance Indicators	2014/2015 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of B2B reports generated	9 B2B Reports generated (October 2014-June 2015)	12 B2B Reports generated	<u>Target</u> Achieved 12 B2B Reports in place	None	None
Budget (R)	R0	N/A	N/A	N/A	s71 Reports

PROJECT 2.3: POLICIES

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of policies developed	4 Policies in place *1 Recruitment and Retention Strategy *Overtime Policy *Attendance and Punctuality Policy *Bursary Policy	2 Policies developed *Catering Policy *Community Safety Policy	<u>Target Achieved</u> 2 Policies developed	None	None
# of policies reviewed	<u>7 Policies</u> *Youth Policy Framework *HR Policy *Internship Policy *Education, Training and Development Policy *EAP Policy *Task Job Evaluation Policy *Attendance and Punctuality Policy	6 Policies reviewed *EPWP Policy *Traffic Management Policy *IT Governance Framework *Employment Equity policy *Transport Policy and Procedure *Telecommunication policy	<u>Target Achieved</u> 6 policies reviewed	None	None
Budget (R)	R0	N/A	N/A	N/A	s71 Reports

PROJECT 2.4: INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM (PMS)

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/ Challenges	Comments/Mitigation
# of performance agreements developed & signed within legal framework	5	4	<u>Target Achieved</u> 4 performance agreement developed	None	None
# of PMS workshops/review meetings facilitated	2	2	<u>Target Exceeded</u> 4 PMS workshop/review facilitated *29/09/2015 *29/03/2016 *03/05/2016 *12/05/2016	None	None
Budget	N/A	N/A	N/A	N/A	s71 Reports

PROJECT 2.5: TRAFFIC FUNCTION IMPLEMENTATION

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of operations mounted	8 operations	8 Operations (4 Road Blocks, 4 Road Safety Awareness Campaigns)	<u>Target Exceeded</u> 13 Arrive Alive Roadblock Conducted 04/09/2015 05/09/2015 06/09/2015 25/09/2015 27/09/2015 11/12/2015 12/12/2015 13/12/2015 16/12/2015 24/12/2015 31/12/2015 22/04/2016 18/05/2016 4 Road Safety Awareness campaign conducted 25/09/2015 28/11/2015 28/01/2016 07/06/2016.	None	None
# of performance reports on traffic function (law enforcement)	New Indicator	4 Reports	<u>Target Achieved</u> 4 Performance reports on law enforcement in place	None	None

# of performance reports on DLTC ³² / VTS ³³	4	4	<u>Target Achieved</u> 4 Performance reports on DLTC is in place	None	None
Budget		N/A	N/A	N/A	s71 Reports

³² Drivers' License Testing Centre.

³³ Vehicle Testing Services.

PROJECT 2.6: IT (INFORMATION TECHNOLOGY) SUPPORTⁱ³⁴

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of reports on consistent IT improved environment	4 Reports	4 reports on: -Functional Email system -IT equipment inventory -Functional internet	<u>Target Achieved</u> 4 reports generated	None	None
# of ICT ³⁵ Steering Committee Meetings	1 Meeting	4 Meetings	<u>Target Not Achieved</u> 3 meetings held 16/09/2015 08/01/2016 06/04/2016	None	None
# of Quarterly Service Providers Performance Reports	4 Reports	4 Reports	<u>Target Achieved</u> 4 reports generated	None	None
# of reports generated on IT Customer Care Plan	Customer Care Plan in place	4 reports	<u>Target Achieved</u> 4 reports generated	None	None
# of reports on facilities connected	LAN ³⁶ in place at head office	2 reports - Fetakgomo DLTC / VTC ³⁷ - Intranet (Atok, Mohlaletse & Fetakg)	<u>Target Achieved</u> 2 reports generated	None	None

³⁴ We need to start measuring efficiency and effectiveness in IT, i.e., downtime, usage of IT systems for communication etc. Moreover, our DRP has been in existence for some time we need to develop activities around the off site back up and conduct drills/tests

³⁵ Information Communication Technology.

³⁶ Local Area Network.

³⁷ Vehicle Testing Centre.

		omoDLTC/VTC)					
# of reports generated on the Implementation of DRP ³⁸	DRP in place	4 reports generated -off-site back-up -hard drives -Email archiving -Log -CDs ³⁹	<u>Target Achieved</u> 4 reports generated	None	None		
Budget (R)	R380 000	R1 500 000	R 1 609 681	R 19	s71 Reports		

³⁸Disaster Recovery Plan.

³⁹Compact Disks.

PROJECT 2.7: HR (HUMAN RESOURCES) DEVELOPMENT

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Completion date in developing 2016/17 WSP ⁴⁰	WSP in place	30 th April 2016	<u>Target Achieved</u> *WSP was developed on 22/04/2016	None	None
# of training committee meetings	Main Collective Agreement	3 meeting held	<u>Target Achieved</u> *17/09/2015 *16/03/2016 *07/04/2016	None	None
# of quarterly training Reports compiled	4 Training Reports	4 reports	<u>Target Achieved</u> 4 Training Reports compiled	None	None
# of quarterly reports on employee wellness	Employee Wellness Policy in place	4 reports	<u>Target Exceeded</u> *12/11/2015 Medical Aid Presentation *11/12/2015 Wellness Day *07/06/2016 IMSSA Games *05/02/2016 MGF Pension fund *25/02/2016 MEPF Pension fund	None	None
Budget (R)	R531 500	R630 000	R 849 961	(R 21 996)	s71 Reports

⁴⁰ Workplace Skills Plan.

PROJECT 2.8: HUMAN RESOURCE MANAGEMENT

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of HR Policy Briefing Sessions held	4 sessions	4 sessions	<u>Target Exceeded</u> 5 sessions held *14/08/2015 *28/08/2015 *09/12/2015 *08/02/2016 *30/06/2016	None	None
Budget	R0	N/A	N/A	N/A	s71 Reports

PROJECT 2.9: EMPLOYMENT EQUITY (EE)

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Date of submission of the reviewed EEP ⁴¹	EEP in place	31 st March 2016	<u>Target Achieved</u> Reviewed EEP submitted on target	None	None
Submission date of EE Report	EEP in place	31 st January 2016	<u>Target Achieved</u> EE Report submitted on target	None	None
# of employment equity committee meeting held	2	4 quarterly meetings	<u>Target Not Achieved</u> 3 meetings held *22/10/2015 *19/11/2015 *13/01/2016	Concentration on amalgamation issues	Planning to consider intervening changes in law such as amalgamation in future.
Budget	R0	N/A	N/A	N/A	s71 reports

⁴¹Employment Equity Plan.

PROJECT 2.10: OCCUPATIONAL HEALTH AND SAFETY (OHS)

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/ Challenges	Comments/Mitigation
# of OHS committee meetings held	4 OHS policy in place	4 OHS Committee meetings held	Target Exceeded 6 meetings held *19/10/2015 *09/11/2015 *19/11/2015 *09/12/2016 *15/01/2016 *22/04/2016 N/A	None	None
	R0	N/A	N/A	N/A	s71 Reports

PROJECT 2.11: LABOUR RELATIONS

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Functionality of LLF	12 meetings held	12 meetings held	<u>Target Not Achieved</u> 09 meetings held *05/08/2015 *22/09/2015 *13/10/2015 *17/11/2015 *15/12/2015 *29/02/2016 *09/03/2016 *28/04/2016 *30/06/2016	Postponements of meetings due to amalgamation	Consider amalgamation of LLF as part of the wider amalgamation
	LLF	4 reports generated	<u>Target Achieved</u> 4 reports generated	None	None
	R0	N/A	N/A	N/A	s71 Reports

PROJECT 2.12: SKILLS PROGRAMME

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Functionality of Bursary Committee	Bursary policy	2 Bursary Committee meetings held	<u>Target Exceeded</u> 3 meetings held *23/09/2015 *10/11/2015 *18/01/2016	None	None
# of external bursaries offered/supported	4 needy learners supported	Continual Support to 4 needy learners	<u>Target Achieved</u> 4 learners supported	None	None
# of internal bursaries offered/supported	3 employees supported	Continual Support and addition of 1 employees	<u>Target Not Achieved</u> 2 employees supported	The third supported employee withdrew	To advertise replacement of third employee
Budget	R0	R380 000	R380 000	R0	S71 reports
% spent on training EPWP workers	100% (R396 000)	100% spent (R396 000)	<u>Target Achieved</u> 100% spent (R396 000)	None	None
Budget	R0	R798 000	R798 000	R0	S71 reports
# of experiential learners continuously supported	5	5	<u>Target Achieved</u> 5 experiential learners supported	None	None
Budget	R0	R 214 802	R214 802	R0	S71 reports
# of Councilors trained	9 Councilors trained	12	<u>Target Achieved</u> 12 Councilors	None	None

				trained		
Budget	R200 000	R 250 000	R242 121	R 0		S71 reports

PROJECT 2.13: FLEET MANAGEMENT

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of reports generated on fleet management services	4	4 Reports generated on fleet management services	<u>Target Achieved</u> 4 Reports generated on fleet management services	None	None
Budget	R0	N/A	N/A	N/A	s71 Reports

PROJECT 2.14: FACILITIES

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of reports generated on facilities management services	4	4	<u>Target Achieved</u> 4 Report in place	None	None
Budget (R)	R0	N/A	None	None	s71 Reports

PROJECT 2.15: LEGAL SERVICES

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of quarterly reports on legal issues	4 reports	4 Reports	<u>Target Achieved</u> 4 reports in place	None	none
# of quarterly reports on litigation matters	New Indicator	4 reports	<u>Target Achieved</u> 4 reports in place	None	none
Turnaround time in responding to legal issues	Draft Legal Policy	21 days	<u>Target Achieved</u> Legal issues responded to within 14 days	None	none
# of reports on development and maintenance of contract register	Legal Unit in place	4 reports	<u>Target Achieved</u> Contract Register in place	None	none
Budget (R)	R707 200	R700 000	R 427 272	R 272 728	71 Reports

PROJECT 2.16: OPERALIZATION OF THUSONG SERVICE CENTRES (ATOK AND MOHLALETSE)

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of operational reports generated	4 reports	4 reports	<u>Target</u> Achieved 4 operational reports in place	None	None
# of Outreach Programs conducted	Operational Thusong Service Centre	2 Outreach programs	<u>Target</u> Achieved 02 Outreach Programme conducted on 03/11/2015 07/06/2016	None	None
# of Local Inter-sectoral Steering Committee (LISSC) meeting held	New indicator	4 meetings	<u>Target</u> Achieved 4 LISSC meetings held on the 02/09/2015; 11/11/2015; 17/02/2016, 29/04/2016.	None	None
Budget (R)	N/A	N/A	N/A	N/A	N/A

**KPA 3: BASIC SERVICES DELIVERY AND INFRASTRUCTURE DEVELOPMENT
OBJECTIVE: "TO FACILITATE FOR BASIC SERVICES DELIVERY AND INFRASTRUCTURAL DEVELOPMENT / INVESTMENT"**

PROJECT 3.1: FREE BASIC ELECTRICITY (FBE)

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of FBE campaigns held	12 FBE Campaigns conducted	8 FBE campaigns held	Target Exceeded 13 FBE Campaigns held *Ga-Makopa 28/09/2015 *Seroka 28/09/2015 *Manoge 29/09/2015 *Phaahlamano 29/09/2015 *Masehleng 30/09/2015 *Mohlalese 06/10/2015 *Shenyaneng 17/05/2016 *Bogalatladi 24/11/2015 *Mashikwe 24/11/2015 *Mashakaneng 24/11/2015 *Mphaaneng 17/05/2016 *Malogeng 17/06/2016 *Selepe-Moshate 07/06/2016	None	*Attendance Registers available
Turnaround time in submitting the received applications to ESKOM from the date of the last applicant on the PCS file.	16 working days from the date of the last applicant appearing on the PCS file	16 working days from the date of the last applicant appearing on the PCS file	Target Achieved 70/70 applications were submitted to Eskom within 16 working days from the date of last date of application received	None	PCS file in place

% of indigent households receiving FBE	96% (I.E 3477 / 3632) HH	90% (3268/3632) HH of indigent households receiving FBE	Target Exceeded 99% (3301/3310) HH of indigent households received FBE as at June 2016	*Absolute number fluctuation is dependent on the households receiving FBE *Expanding indigent population R 836 300	*Beneficiary Report in place *Expedite facilitation of economic growth for reduced or downward growth of total indigent population s71 Reports
Budget (R)	1 700 000	R2 000 000	R 1 163 700		

PROJECT 3.2: CONSTRUCTION OF NCHABELENG ACCESS STREET AND CULVERT BRIDGE OVER MOHWETSE RIVER

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Completion date in constructing Nchabeleng Access Street and Culverts Over Mohwetse River.	Designs for Nchabeleng Access Street and Culverts Over Mohwetse River	30 th June 2016 construction of Nchabeleng Access Street and Culverts Over Mohwetse River practically completed *Surfacing of the Road *Construction of the culvert bridge *Practically complete (installation of Road signs, line marking cleaning)	Target Achieved As at 30 th June 2016 Construction of Nchabeleng Access Street & Culverts Bridge was 100%practically completed: *Site establishment. *Road Bed prepared. *Base constructed. *Culverts installed. *Drainage System constructed. *Culvert Bridge constructed. *Road surfacing completed	The Contractor was terminated due to poor workmanship and/or unsatisfactory performance. The termination was unchallenged having followed all principles of legality.	*The new (2 nd) contractor who was appointed successfully drew the project to practical completion. *There were several abortive and/or unsuccessful attempts by local (village) interest groups to discontinue, disturb and/or arrest progress on the project following the termination of the 1 st contractor. Matter-of-factly, these attempts failed dismally. *Practical Completion Certificate is in place.
Budget (R)	R1 225 000	R11 116 400	R 6 831 383	R 4 285 017	s71 Reports

PROJECT 3.3: CONSTRUCTION OF HOERAROEP PORTION 2 - SPORTS COMPLEX INTERNAL STREET⁴²

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance / Challenges	Comments/Mitigation
Completion date for constructing Hoeraroep Portion 2 - Internal Street	Designs for Hoeraroep Portion 2 - Sports Complex Internal Street	31 st March 2016 Construction of Hoeraroep Portion 2 - Internal Street practically completed	<u>Target Achieved</u> As at 31 st March 2016 construction of Hoeraroep Portion 2- Internal Street was 100%practically completed.	None	Completion Certificate in place
Budget (R)	R1 273 127	R 4 346 913	R 3 463 981	R 882 932	s71 Reports

PROJECT 3.4: UPGRADING⁴³ OF CEMETERIES

Performance indicators	2014/15 Baseline	2015/16 Target	Progress	Variance / Challenge	Comments/Mitigation
# of cemeteries fenced with concrete palisade and ablution facilities (Phase 02)	18 cemeteries fenced concrete palisade and ablution facilities during Phase 01	6 cemeteries fenced with concrete palisade and ablution facilities by 30 th June 2016 *Makgaleng (Ward 6); *Mosotsi (Ward11); *India (Ward 9); *Matshidi (Ward10); *Mooilyk-Lekgwareng (Ward13) *MaribishiMohlalanelan	<u>Target Achieved</u> As at 30 th June 2016, six (6) cemeteries were fenced with concrete palisade and ablution facilities: *Makgaleng (Ward 6); *Mosotsi (Ward11); *India (Ward 9); *Matshidi (Ward10); *Mooilyk-Lekgwareng (Ward13); *MaribishiMohlalanelan; (Ward12).	None	Practical Completion Certificate in place

⁴² 640 Meter Road.

⁴³ The upgrading entails installation of concrete palisade & ablution facilities.

# of cemeteries fenced with concrete palisade and ablution facilities (Phase 03)	18 cemeteries fenced concrete palisade and ablution facilities during Phase 01	g (Ward12) 09 cemeteries fenced with concrete palisade and ablution facilities by 30 th June 2016: *Matlou (Ward 1); *Magagamatala (Ward 2); *Maebe (Ward 3); *Mohlala (Ward 4); *Magakala (Ward 5); *Makurwaneng (Ward 6); *Strykraal B (Ward 7); *Dithelejaneng (Ward 8); and *Modimolle (Ward 9).	Target Achieved 09 cemeteries fenced with concrete palisade and ablution facilities by 30 th June 2016: *Matlou (Ward 1); *Magagamatala (Ward 2); *Maebe (Ward 3); *Mohlala (Ward 4); *Magakala (Ward 5); *Makurwaneng (Ward 6); *Strykraal B (Ward 7); *Dithelejaneng (Ward 8); and *Modimolle (Ward 9).	None	Practical Completion Certificate in place
Budget (R)	R10 573 930	R 13 640 237	R 9 670 185	R 3 970 052	s71 Reports

PROJECT 3.5: CONSTRUCTION OF TRAFFIC STATION TESTING ROUTE

Performance indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/ Challenges	Comments/Mitigation
Completion date in Constructing for Traffic Station Testing Route	Traffic Testing Station operational	30th June 2016 construction for Traffic Station Testing Route practically completed	<p><u>Target Achieved</u> As at 30th June 2016 construction for Traffic Station Testing Route was 100% practically completed:</p> <ul style="list-style-type: none"> *Road Bed prepared *Culverts foundation *Drainage System constructed *Road surfacing 	None	Practical Completion Certificate in place
Budget (R)	N/A	R1 970 000	R 2 102 760	R 129	s71 Reports

PROJECT 3.6: INFRASTRUCTURE CONSULTANTS FEES

Performance indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Completion date in developing infrastructural projects designs for 2016/17 projects	Approval of IDP/Budget	30 th June 2016 designs for 2016/17 infrastructural projects completed	<u>Target Achieved</u> As at 30 th June 2016: *Designs for 2016/17 infrastructural projects were 100% completed. *Advertisement for contractors was issued & contractors appointed	None	*Designs Report in place. *Copy of advertisement & appointment letters for contractors in place. *Appreciable implementation of forward planning
Budget	R0	R1 300,000⁴⁴	R 1 227 611	R 72 389	s71 Reports

⁴⁴Estimated costs (dependent of project construction costs)

PROJECT 3.7: MUNICIPAL FACILITIES INTERNAL WATER SUPPLY (MOHLALETSE THUSONG SERVICE CENTER, MPHANAMA COMMUNITY HALL, MOSES MABOTHA CIVIC CENTER)

Performance indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Completion date in installation of municipal facilities internal water supply	Mohlaletse Thusong Service Center, Mphanama Community Hall and Moses Mabotha Civic Center constructed	30 th June 2016 installation of municipal facilities internal water supply completed at: *Mohlaletse Thusong Service Center *Mphanama Community Hall *Moses Mabotha Civic Center	<u>Target Not Achieved</u> As at 30 th June 2016 overall physical progress for installation of municipal facilities internal water supply was estimated 95% *100% practically complete at Mphanama Community Hall. *100% practically complete at Moses Mabotha Civic Centre. *88% physical progress at Mohlaletse Thusong Service Centre (drilling done).	Granite area	*Exploring extension of drilling *Practical Completion Certificates in place for Mphanama Community Hall & Moses Mabotha Civic Centre.
Budget	R 200 000	R700 000	R 495 447	R 204 553	s71 Reports

PROJECT 3.8: SUPPLY AND DELIVERY OF TLB AND TIPPER TRUCK

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Supply and delivery date of TLB and Tipper Truck	Grader in place	30 th June 2016 TLB and Tipper Truck supplied and delivered	<u>Target Achieved</u> As at 30 th June 2016 both the TLB and the Tipper Truck were supplied & delivered.	There were several re-advertisements due to bidders' non-responsiveness	Delivery Notes in place
Budget	R0	R2 200,000	R 1 768 510	R 431 490	s71 Reports

PROJECT 3.9: MAINTENANCE OF COMPLETED INFRASTRUCTURE PROJECTS⁴⁵

Performance indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of reports generated on infrastructure maintenance of completed projects.	Completed infrastructure in place	4 reports generated	<u>Target Achieved</u> 4 reports generated on infrastructure maintenance of completed projects	None	Quarterly reports in place
Budget (R)	N/A	R 580 000	R 1 204 044	(R 624 044)	s71 Reports

⁴⁵Streets Lights, Internal Water Supply, Special Vehicle & Pavements

PROJECT 3.10: GREENING THE MUNICIPALITY

Performance indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of municipal facilities ⁴⁶ greened ⁴⁷	4 municipal facilities partially greened	11 municipal facilities greened (trees planted) *AtokThusong Service Center; *Fetakgomo Municipal Buildings; *MohlaleitseThusong Service Center; *Mohlaleitse Community Hall; *Mphanama Community Hall; *Seokodibeng Community Hall; *Pelangwe Community Hall; *Stydkraal Community Hall; *Moses Mabotha Civic Center; *Hoeraroep Sports Complex; *Apel Recreational Park.	<u>Target Achieved</u> 11 municipal facilities greened (trees planted) *AtokThusong Service Center; *Fetakgomo Municipal Buildings; *MohlaleitseThusong Service Center; *Mohlaleitse Community Hall; *Mphanama Community Hall; *Seokodibeng Community Hall; *Pelangwe Community Hall; *Stydkraal Community Hall; *Moses Mabotha Civic Center; *Hoeraroep Sports Complex ; *Apel Recreational Park.	None	Practical completion certificate in place
Budget (R)	N/A	R 50 000	R 45 363	R4 637	s71 Reports

⁴⁶AtokThusong Service Center, Fetakgomo Municipal Buildings, MohlaleitseThusong Service Center, Mohlaleitse Community Hall, Mphanama Community Hall, Seokodibeng Community Hall, Pelangwe Community Hall, Stydkraal Community Hall, Moses Mabotha Civic Center, HoeraroepSports Complex and Apel Recreational Park

⁴⁷Planting of trees.

PROJECT 3.11: REFUSE REMOVAL

Performance indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigations
# of villages sustained refuse removal services	4 villages	4 villages sustained refuse removal services (Nkoana, Apel, Nchabeleng and Mohlaletse)	<u>Target Achieved</u> 4 villages sustained refuse removal services (Nkoana, Apel, Nchabeleng and Mohlaletse)	None	Quarterly reports in place
# of businesses and gov. depts. sustained refuse removal services	35 businesses and gov. departments serviced *17 businesses and government departments *14 clinics	35 businesses and gov. departments serviced *17 businesses and government departments *14 clinics	<u>Target Not Achieved</u> 19 businesses and gov. departments serviced *14 health facilities *4 businesses *1 gov department (SAPS)	Fluctuating figures due to economical & other operational requirements such as receptors businesses	Continuous engagements with receptors & regular updating of the municipal refuse receptors data
# of EPWP performance reports generated	4 reports	4 EPWP performance reports generated	<u>Target Achieved</u> 4 EPWP performance reports generated	None	Quarterly reports in place
# of Landfill site operations and maintenance reports generated	4 reports	4 Landfill site operations and maintenance reports generated	<u>Target Achieved</u> 4 reports on landfill site operations & maintenance submitted	None	None

# of Environmental Awareness ⁴⁸ Campaigns held	4 campaigns held	4 Environmental Awareness Campaigns held	Target Not Achieved 3 Awareness campaigns held *30/09/2015 *30/03/2016 *23/06/2016	Insufficient preparations by the Unit for the second quarter Campaign	None
Budget (R)	R1 094 000	R 1 500 000	R 1 246 658	R 253 342	s71 Reports

3.12: CONSTRUCTION OF ATOK CULVERT DRAINAGE STRUCTURES (MULTI YEAR PROJECT)

Performance indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
% progress in constructing Atok Culvert Drainage Structure	Designs in place	15% physical progress in constructing Atok Culvert Drainage Structure *Site establishment *Site clearing *Excavation	Target Achieved Overall physical progress in constructing Atok Culvert Drainage Structure as at 30 th June 2016 was 15%: *Site Establishment completed *Site Clearance completed *Excavation completed *Contractor busy with foundation	None	None
Budget (R)	N/A	R4 000 000	R1 131 855	R 2 868 145	S71 Report

⁴⁸ Includes awareness on environmental cleanliness.

3.13: CONSTRUCTION OF STRYDKRAAL CULVERT DRAINAGE STRUCTURES (MULTI YEAR PROJECT)

Performance indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
% progress in constructing Strydkraal Culvert Drainage Structure	Designs in place	30% physical progress in constructing Strydkraal Culvert Drainage Structure *Site establishment *Site clearing *Excavation *Bulk earthworks *Road Bed	Target Exceeded As at 30 th June 2016 construction of Strydkraal Culvert Drainage Structure was 100% practically completed: *Site establishment *Site Clearance *Excavation *Bulk earthworks *Road Bed prepared *Culverts installed *Busy with finishing	None	Practical Completion Certificate in place
Budget (R)	N/A	R2 400 000	R 2 144 887	R 255 113	S71 Report

PROJECT 3.14 OPERATIONALIZATION OF HIGH MAST LIGHTS

Performance indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of initiatives ⁴⁹ towards operationalization of 111 High Mast Lights	4 initiatives	4 initiatives (meetings / letters or correspondence) towards operationalization of 111 High Mast Lights	<u>Target Achieved</u> 4 initiatives (meetings / letters or correspondence) towards operationalization of 111 High Mast Lights have been evinced as *13/01/2016: meeting *29/01/2016: meeting with ESKOM & Modimolle residents *10/06/2016: *15/06/2016:	ESKOM's responsiveness is generally at the snail's pace	Continuous engagements with ESKOM for effective, prompt and/or expeditious response
# of reports generated on functionality of the High Mast Lights	111 High Mast Lights installed	4 reports generated on functionality of the High Mast Lights	<u>Target Achieved</u> 4 reports generated on functionality of the High Mast Lights	ESKOM's responsiveness is generally at the snail's pace	Quarterly reports generated on functionality of the High Mast Lights submitted.
Budget	R4 950 687	R 500 000	R 365 669	R 134 331	s71 Reports

⁴⁹ Meetings / letters or correspondences written.

**KPA 4: LOCAL ECONOMIC DEVELOPMENT
OBJECTIVE: "TO PROMOTE LOCAL ECONOMIC DEVELOPMENT IN THE FETAKGOMO MUNICIPAL AREA"
PROJECT 4.1: LOCAL TOURISM**

Performance Indicator	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of tourism development initiatives ⁵⁰ undertaken	01 Updated Tourism Brochure	01 Accommodation Facility graded	Target Achieved: 01 Accommodation Facility graded with a 3Star grading (Sir-Paul Guesthouse)	None	Grading Report in place
# of tourism events ⁵¹ participated	2 tourism events participated	02 Tourism Events participated	Target Exceeded: Participated in 04 Tourism Events: *03/09/2015: Traditional Wedding Music Competition Atok Node *08/09/2015: Traditional Wedding Music Competition Mphanama&Apel node *18/09/2015: Fetakgomo Fashion Show & Traditional Music Competition * 07-08/05/2016: Durban Tourism Indaba.	None	None
Budget (R)	R100 000	R 100 000	R 172 236	(R 72 236)	s71 reports

⁵⁰Tourism site upgrading / Grading of tourism facilities / tourism brochure updating.

⁵¹Fashion show / Indaba.

PROJECT 4.2: LOCAL COOPERATIVES SUPPORT

Performance Indicator	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of cooperatives supported ⁵² through Request for Proposals (RFP) process	03 small scale farmer supported and 02 Youth Cooperatives Supported through RFP processes	05 Cooperatives Supported (01 Roll Over Cooperative: Shubshubung Farming Cooperative and 04 New Cooperatives supported per nodal point)	<u>Target Achieved</u> 05 Cooperatives Supported: <u>Roll Over Cooperative</u> supported: *Shubshubung Farming Cooperative <u>New Cooperatives</u> supported: *Retswelapele Poultry, *Ikholofeleng Agricultural Cooperative, *Tswelang Pele Drop In center, *Ikemeleng Disabled Group	None	None
# of reports ⁵³ on the functionality of supported cooperatives	01 Report	02 Reports	<u>Target Achieved</u> 02 Reports in place.	None	None
Budget (R)	600 000	R700 000	R 416 432	R 283 568	s71 reports

⁵²Includes new and rolled-over farming cooperatives from 2014/15 fy.

⁵³Reports on the functionality of the cooperatives signed by the beneficiary and the Municipality.

PROJECT 4.3: YOUTH ENTERPRISE SUPPORT (YES)

Performance Indicator	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of youth cooperatives/SMMs supported through Request for Proposal processes ⁵⁴	2 youth Cooperatives supported	02 new Youth Cooperatives Supported	Target Achieved 02 new Youth Cooperatives Supported: *ManaleJ Trading & projects. *Mpefane Furniture Making Cooperatives.	Financial limitations restricted the number of youth cooperatives supported to two (02).	Hand over certificate/Delivery Note available to support performance in this regard.
	1 Youth Business Indaba held on 21 st November 2015	02 Youth Empowerment Initiatives ⁵⁵ held	Target Achieved 02 Youth initiatives held: *31 st March 2016:Fetakgomo Jobseekers and Unemployed Youth Empowerment Workshop. *10/06/2016: Sekhukhune Youth Opportunity Expo.	None	None
Budget (R)	200 000	R200 000	R 248 390	(R 48 390)	s71 reports

⁵⁴ Refers to new farming cooperatives supported during the financial year 2015/16.

⁵⁵ Stakeholder Engagement Sessions/Workshops/Expo/Meetings.

PROJECT 4.4: LOCAL BUSINESS SKILLS DEVELOPMENT

Performance Indicator	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of Cooperatives / SMMEs empowerment initiatives ⁵⁶ held	12 empowerment initiatives	12 Trainings/Workshops facilitated	<p>Target Exceeded</p> <p>16 empowerment initiatives held:</p> <ul style="list-style-type: none"> *01-02/07/2015: LEDA Managing Finance *02/07/2015: Walk-In25 Business Workshop *29/07/2015: Agri-Park Workshop *04-05/08/2015: LEDA Marketing Skills *17/08/2015: NEF Investor Education Campaign *03-04/09/2015: LEDA Customer Care *23rd October 2015: SANACO Cooperatives Workshop *03-05 November 2015: LEDA Tendering Skills *30 November-01st December 2015: LEDA Tendering Skills *07/12/2015: SMMEs & Cooperatives Workshop *29/02/2016: National Treasury's Centralized Database Workshop 	None	None

⁵⁶ Training/workshops

				<p>*01-03/03/2016: LEDA Training on Business Plan</p> <p>*30/03/2016: Sekhukhune District Business Compliance Seminar.</p> <p>*21-22/04/2016: LEDA Basic Accounting Practices.</p> <p>*04/05/2016: CIDB Workshop</p> <p>*24-25/05/2016: LEDA Business Compliance Workshop</p>		
	01 Business Exhibition facilitated (Atok Node)	02 Business Exhibitions held	<p>Target Achieved:</p> <p>02 Exhibitions held</p> <p>18/09/2015: Fetakgomo Fashion Show & Traditional Music Competition.</p> <p>*11/12/2015: Festive Season Business Exhibition.</p>	None	None	
# of Reports on the operationalization ⁵⁷ of Apel Market stall	Signed MoU with LEDET	02 Reports on the Operationalization of Apel Market Stalls	<p>Target Achieved:</p> <p>02 Reports on Operationalization of Apel Market Stalls in place</p>	None	Re-allocation of stalls is part of the efforts to ensure operationalization of Market Stalls	
Budget (R)	90 000	90 000	R 117 395	(R 27 395)	s71 reports	

⁵⁷ Allocation / re-allocation of stalls / equipping the Apel Market Stall with portable water and electricity

PROJECT 4.5: JOB OPPORTUNITIES SUSTAINED AND CREATED

Performance Indicator	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of job opportunities sustained through municipal supported initiatives during the 2015/16 financial year	1609 Jobs sustained through Municipal initiative	1800 job opportunities sustained through Municipal supported initiatives	<p>Target Achieved 1800 Jobs Sustained *180: Fetakgomo EPWP Waste Management. *58:Fetakgomo Municipal EPWP Cleaning Services *09: Sekhukhune Cultural Village Caretakers. *1033: Community Work Programme. *12: Construction of Nchabeleng Bridge. *495: EPWP Road Maintenance Project. *11: Maintenance of Completed Municipal Infrastructure *02: Apel Market Stalls EPWP Cleaners.</p>	None	None

# of new job opportunities created through municipal supported initiatives during the 2015/16 financial year	495 new jobs created through Municipal initiative	66 new job opportunities created through Municipal supported initiatives	<p>Target Achieved: 67 Jobs New Created *10: Fencing & Construction of VIP toilets at Ikhlofeling Agricultural Cooperative. *11: Fencing and Construction of VIP toilets at Ikemeleng Disabled Group. *10: Fencing and construction of VIP Toilets for Retswelapele. *36: Dwelling Units Numbering Project.</p>	Recruitment of additional CWP participants tend to be delayed by external factors i.e COGHST A.	Continuous engagement with CoGHSTA for expeditious recruitment of additional CWP
Budget (R)	R0	N/A	N/A	N/A	s71 reports

PROJECT 4.6: STRATEGIC PARTNERSHIPS

Performance Indicator	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of meetings held towards facilitation of strategic partnerships	Signed MoU with LEDET, Bokoni Mine & African pathways.	03 meetings held towards facilitation of strategic partnerships	Target Achieved 03 meetings held towards facilitation of strategic partnerships: *13/10/2015: Meeting with SEDA *22/03/2016: Meeting with Twickenham Mine. *30/03/2016: Dwelling Units Numbering Publicity Meeting with STATS SA.	None	Minutes and Attendance Register available
# of MoUs signed for strategic partnerships	Signed MoU with LEDET, Bokoni Mine & African pathways.	01 signed MoU ⁵⁸ for strategic partnerships	Target Achieved *01 MoU signed for strategic partnership with STATS SA on Dwelling Unit Numbering Project.	None.	Signed MoU
Budget (R)	N/A	N/A	N/A	N/A	s71 reports

⁵⁸Memorandum of Understanding.

PROJECT 4.7: LED STRATEGY IMPLEMENTATION/REVIEW

Performance Indicator	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of LED Fora facilitated	4 LED forums held	4 LED Fora facilitated	Target Achieved 04 LED Fora facilitated: *1 st Quarter: 28/09/2015 *2 nd Quarter: 18/11/2015 *3 rd Quarter: 22/03/2016 *4 th Quarter: 01/06/2016	None	Minutes & Attendance Register
Completion date for Review of LED Strategy	Draft Review of LED Strategy	30 th June 2016 Final Reviewed LED Strategy	Target Achieved Final Reviewed LED Strategy adopted on 27 th May 2016 (Council Resolution No. SC27/2016)	None	Council Resolution Number
Completion date for Review of LED Grant Funding Policy	Approved LED Grant Funding Policy	30 th June 2016 Final Reviewed LED Grant Funding Policy	Target Achieved Final Reviewed LED Grant Funding Policy adopted on 27 th May 2016 (Council Resolution No. SC27/2016)	None	Council Resolution Number
Budget (R)	R 30 000	R80 000	R 121 645	(R 41 645)	s71 reports

PROJECT 4.8: MINING ENGAGEMENT FACILITATION

Performance Indicator	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of mining engagement sessions held	4 mining engagement sessions	4 mining engagement sessions held	<u>Target Exceeded</u> 08 mining engagement sessions held *03/07/2015 *29/07/2015 *06/08/2015 *01/10 2015 *09/10/2015 *04/03/2016 *28-29/06/2016 *22 June 2016	None	Minutes & Attendance Register available
# of reports on Mining Engagements and Social Labour Plans monitored ⁵⁹	2 mining engagement sessions	03 Reports	<u>Target Achieved</u> 03 Reports on mining engagement and Social Labour Plans monitored in place: *Close-Out Report on Atok Community Mining Stakeholder Task Team in place. *Report on Official Launching	None	Signed Report (by the MM & Mayor)

⁵⁹ Ensure project implementation and influence alignment with municipal priorities.

	of Atok Community Mining Stakeholder Engagement in Place. *Fourth Quarter Mining Report in place.			
Budget (R)	N/A	N/A	R0	N/A

KPA 5: FINANCIAL VIABILITY (OUTPUT 06)
PROJECT5. 1: REVENUE MANAGEMENT
Objective: "To improve municipal finance management"

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
% debt collected from billed revenue	98% Rental of council facilities	Rental facilities 98% of (R153400)	<u>Target Achieved</u> (Received/Billed) 130%(R 115,137.59 / R 88, 406.26)	None	Debtors Age Analysis /Section 71
	6 % Refuse removal	Refuse removal 30% (R 102600)	<u>Target Not Achieved</u> Received/Billed) 0.44%(R 18,812.37/R 4,266, 824)	Unwillingness by the consumer to pay their billed amount.	Data cleansing is underway
	16 % Property Rates	Property rates 30% (R2 700 000)	<u>Target Not Achieved</u> Received/Billed) 7.09%(R 615,527/R 8,676,847.59)	Government Department and business reluctant to settle debts	Continuous engagement and reporting to the Provincial Debt Forum.
Budget (R)	R0	N/A	N/A	N/A	S71

PROJECT 5. 2: ASSET AND INVENTORY MANAGEMENT

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of asset maintenance monthly reports	GRAP 17	12 Assets Maintenance Reports	<u>Target Achieved</u> 12 reports in place	None	None
# of Asset counts conducted	12 asset count conducted	12 Asset counts concluded	<u>Target Achieved</u> 12 asset count reports in place	None	None
Turnaround time in insuring assets	*Asset Management Policy *Risk Management Strategy	30 working days	<u>Target Achieved</u> Asset insured within 30 days	None	None
# of inventory reports produced	12 compliance inventory reports produced	12 Inventory Reports produced	<u>Target Achieved</u> 12 inventory count reports	None	None
# of inventory count conducted	100% compliance to GRAP12	12 inventory count conducted	<u>Target Achieved</u> 12 inventory count reports	None	None
Budget (R)	R600 000	R2 070 000	R 1 776 313	R 293 687	s71 Reports

PROJECT 5.3 COMPILATION OF SUPPLEMENTARY VALUATION ROLL

Performance Indicators	2014/2015 Baseline	2015/2016 Target	Progress	Variance/Challenges	Comments/Mitigation
% of Valuation Roll compilation	General Valuation Roll (1 July 2011 - 30 June 2015) in place	100% compilation of Valuation Roll	Target Achieved 100% compilation of Valuation Roll (R 283,800 / R 300,000). The notice has been gazetted.	None	None
Budget R	R50 000	R300 000	R 283 800	R 16 200	s71 Reports

PROJECT 5.4: BUDGET & FINANCIAL REPORTING

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation		
# of MFMA compliance reports submitted	4 MFMA Statutory Reports	12 Monthly Reports (s71)	<u>Target Achieved</u> 12 Monthly reports (s71)	None	None		
		4 Quarterly Reports (s52)	<u>Target Achieved</u> 4 reports	None	None		
		2 Budget Adjustment Reports (Annual & Technical) (s28)	<u>Target Achieved</u> 2 Adjusted Budget Reports	None	None		
		1 Mid-Year Report (s72)	<u>Target Achieved</u> 1 Mid-Year Report (s72) in place				
		12 Bank Reconciliation	12 Bank Reconciliation	<u>Target Achieved</u> 12 reports	None	None	
		12 Petty Cash Reconciliations	12 Petty Cash Reconciliations	<u>Target Achieved</u> 12 reports	None	None	
		12 Debtors and Creditors reconciliation	12 Debtors and Creditors reconciliations	<u>Target Achieved</u> 12 Monthly reports (s71)	None	None	
		12 Payroll reconciliation	12 Payroll reconciliations	<u>Target Achieved</u> 12 reports	None	None	
		Submission date of 2015/16 AFS	AFS submitted on 31 st August 2014	Timeous submission of AFS (31 st August 2015)	<u>Target Not Achieved</u> AFS submitted in September 2015	Material misstatements detected could have resulted in more severe adverse audit opinion	*Detailed report furnished. *Quarterly AFS done in preparation for submission of 2015/16 AFS timeously

Budget (R)	R0	N/A	N/A	N/A	S71 Reports
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PROJECT5.5: SCM IMPLEMENTATION

Performance Indicator	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Frequency in updating the database	List of Tender Awarded Reports.	4 times	<u>Target Achieved</u> 4 list of tender awarded reports in place	None	None
Completion date in reviewing Demand Management Plan (DMP)	DMP in place	30 th June 2016 for 2016/17 f/y	<u>Target Achieved</u> 30 th June 2016	N/A	N/A
# of key SCM reports	4 reports	4 SCM reports submitted -Deviation Report -Tenders Awarded Report -Purchase Order Report -Service Providers' Performance Report	<u>Target Achieved</u> 4 reports in place	None	None
# of contract performance reports submitted	4 reports	4 reports	<u>Target Achieved</u> 4 reports in place	None	None
% bids awarded to SMME's.	80% of bids awarded to SMME's	80% of bids awarded to SMME's.	<u>Target Achieved</u> 100% (45/45) bids awarded to SMMEs	None	None
% bids awarded to local SMME's	35% of total procurement	50 % of total procurement.	<u>Target Exceeded</u> 51% (23/45) bids	None	None

				awarded to local SMMEs		
% tenders above R100 000 submitted to National Treasury	Procurement contract information report	100%	<u>Target Achieved</u> 100% (35/35) tenders registered on National Treasury	None	None	
% of construction tenders advertised on the CIDB website	4 CIDB related projects	100% construction tenders advertised on the CIDB website	<u>Target Achieved</u> 100% (9/9) construction tenders advertised on the CIDB website	None	None	
Budget (R)	R0	N/A	N/A	N/A	N/A	s71 Reports

PROJECT 5.6: REVIEW OF FINANCE POLICIES AND STRATEGIES

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of policies reviewed	10 policies reviewed 1.Bad-debts Policy 2. Credit and Debt policy. 3. Tariff Policy 4. Property Rates Policy. 5.Cash Shortage Policy 6.SCM Policy 7.Asset Management Policy 8.Budget Policy 9.Indigent Management Policy 10.Finance procedure manual	11 policies developed and reviewed -Bad-debts Policy -Credit and Debt policy. -Tariff Policy -Property Rates Policy. -Cash Shortage Policy -SCM Policy -Asset Management Policy -Budget and Virement Policy -Indigent Management Policy -Cash and Investment Policy -Finance Manual	Target Achieved 11 policies developed and reviewed -Bad-debts Policy -Credit and Debt policy. -Tariff Policy -Property Rates Policy. -Cash Shortage Policy -SCM Policy -Asset Management Policy -Budget and Virement Policy -Indigent Management Policy -Cash and Investment Policy -Finance Manual	None	None
R0		N/A	N/A	N/A	s71 Report

PROJECT 5.7: EXPENDITURE MANAGEMENT

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Turnaround time for payment of creditors	Creditors paid within 30 days	Creditors paid within 30 days	<u>Target Achieved</u> Creditors paid within 30 days	None	None
Budget (R)	R0	N/A	N/A	N/A	s71 Report

PROJECT 5.8: INDIGENT REGISTER MANAGEMENT

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of FBE & FBRR ⁶⁰ reports submitted	Indigent Register	4 Reports	<u>Target Achieved</u> 4 indigent reports	None	None
Budget (R)	R0	N/A	N/A	N/A	s71 Report

⁶⁰ Free Basic Refuse Removal.

PROJECT 5.9: OPERATION CLEAN AUDIT

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of irregular expenditure reduced	1	0 irregular expenditure	<u>Target Achieved</u> 0 irregular expenditure	None	None
# of fruitless & wasteful expenditure	2	0 fruitless expenditure	<u>Target Not Achieved</u> 3 *Sports facility; *AFS compilation *ESKOM/Telkom	Total population not covered	Total population covered & fruitless & wasteful expenditures properly disclosed
# of unauthorized expenditure	0	0 unauthorized expenditure	<u>Target Achieved</u> 0 unauthorized expenditure	None	None
# of material misstatements of AFS	8	0	<u>Target Achieved</u> 0 material misstatements of AFS	None	None
# of FTM's employees doing business with FTM reduced	1	0	<u>Target Achieved</u> 0 employees doing business with FTM	None	Declaration Forms / MBD
Budget (R)	R0	N/A	N/A	N/A	S71

PROJECT 5.10: MSCOA IMPLEMENTATION

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Appointment date of mSCOA Steering Committee	New indicator	mSCOA Steering Committee appointed	<u>Target Achieved</u> mSCOA Steering Committee appointed.	None	Appointment letter in place
Completion date in developing mSCOA Implementation Plan	New indicator	mSCOA Implementation Plan developed & completed	<u>Target Achieved</u> mSCOA Implementation Plan developed & completed.	None	mSCOA Implementation Plan / Council Resolution in place
Budget (R)	R0	N/A	N/A	N/A	s71 Report

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (OUTPUT 05)
OBJECTIVE: "TO ENHANCE GOOD GOVERNANCE AND PUBLIC PARTICIPATION"
PROJECT 6.1: WARD COMMITTEES SUPPORT

Performance Indicator	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
Functionality of Ward Committees	4 reports	12 ward committee consolidated reports generated	<u>Target</u> Achieved 12 reports generated	None	None
Ward committee conference date		Ward Committee conference held 31st March 2016	<u>Target</u> Achieved Conference held on 23/03/2016	None	None
# of Ward Committees participating in the ward committee training	Induction Workshop	13 Ward Committees participating in the ward committee training	<u>Target</u> Achieved 13 ward committees trained	None	None
Budget ®	R 180 000	R300 000	R 279 022	R 20 978	s71 Reports

PROJECT 6.2. SPECIAL PROGRAMMES

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of HIV/AIDS ⁶¹ initiatives ⁶²	HIV/AIDS Plan in place	4 Initiatives	<u>Target Achieved</u> 4 initiatives *01/10/2015 & 23/10/2015 at Moses Mabothe *Youth against HIV/AIDS workshop on 2-4/12/2015 *30/03/2016 *01/06/2016	None	None
# of TB ⁶³ initiatives ⁶⁴	New indicator	2	<u>Target Achieved</u> 2 TB initiatives held *30/10/2015 *10/10/2015 *16/02/2016	None	None
# of STI's initiatives ⁶⁵	New indicator	3	<u>Target Achieved</u> 3 STI initiative held *10/10/2015 *30/03/2016 *24/06/2016	None	None
# of LAC ⁶⁶ Reports	4 Reports	2 reports	<u>Target Achieved</u> 2 LAC reports generated	None	None

⁶¹ These are acronyms for Human Immunodeficiency Virus (HIV) and Acquired Human Deficiency Syndrome (AIDS).

⁶² Awareness campaigns / workshops.

⁶³ Tuberculosis.

⁶⁴ Workshops / campaigns.

⁶⁵ Workshops / campaigns.

generated # of youth development initiatives ⁶⁷	3 Initiatives	3 initiatives	<u>Target Exceeded</u> 06 initiatives conducted 09/12/2015 21/01/2016 17/02/2016 17/03/2016 11/06/2016 15/06/2016	None	None
# of disabled people initiatives ⁶⁸ unfolded	2 initiatives	2 initiatives	<u>Target Exceeded</u> 05 initiatives conducted 30/10/2015 25/11/2015 27/11/2015 08/12/2015 24/02/016	None	None
# of children initiatives ⁶⁹ unfolded	1 Children initiative	2 initiatives	<u>Target Exceeded</u> 05 initiative 17/02/2016 07/03/2016 01/03/2016 28/06/2016 27/05/2016	None	None
# of gender	4 gender	2	<u>Target Exceeded</u>	None	None

⁶⁶Local Aids Council.

⁶⁷Youth expo / show / motivational talk or motivational sessions / ceremonies (i.e award-giving, handing-over events or celebrations).

⁶⁸Workshops / disability awareness celebrations / competition events.

⁶⁹Campaigns / summit / ceremonies.

support programmes ⁷⁰ initiated	initiative implemented	initiative	4 Initiatives held 13/08/2015 25/08/2015 25/11/2015 20/10/2015		
# of elderly programmes ⁷¹ supported	Elderly forum in place	1 initiative	Target Exceeded 03 initiatives 29/10/2015 09/12/2015 17/08/2015	None	None
# of initiatives ⁷² towards Mandela Day	2 initiatives	4 initiatives	Target Exceeded 7 Initiatives 18/07/2015 18/07/2015 18/07/2015 18/07/2015 23/07/2015 23/07/2015 07/08/2015	None	None
# of Moral Re-generation initiatives ⁷³	1 initiative	2 initiatives	Target Exceeded 03 Initiatives 16/10/2015 20/05/2016	None	Report & Register of Attendance

⁷⁰Workshops / 16 days of activism.

⁷¹Competition sessions / fun-walk /ceremonies.

⁷²Ceremonies / painting.

⁷³Workshops.

			30/06/2016			
Budget (R)	R420 800	R440 000	R 537 985	(R97 985)	s71 Reports	

PROJECT6. 3: COUNCIL FUND - EVENT MANAGEMENT

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/ Challenges	Comments/Mitigation
# of EXCO meetings	4 EXCO meetings	4 EXCO meetings held	<u>Target Exceeded</u> 07 EXCO meetings held; 20/07/2015 16/10/2015 11/12/2015 22/01/2016 21/02/2016 14/04/2016 23/05/2016	None	Minutes
Functionality of Council	4 Ordinary Council meetings	4 Ordinary council meetings held	<u>Target Achieved</u> 4 Ordinary Council meetings held 30/07/2015 29/10/2015 29/01/2016 26/04/2016	None	None
	6 Special Council meetings	4 Special Statutory Council meetings	<u>Target Achieved</u> 8 Special Council meetings held 31/08/2015 23/10/2015 17/12/2015 25/01/2016 31/03/2016 27/05/2016	None	None
# of IDP/Budget public participation	3 sessions held	4 sessions *4 Sectoral Sessions	<u>Target Achieved</u> 4 sectoral sessions held	None	Public Participation Reports/Minutes

sessions held				*12/04/2016, 10h00:Magoshi Ward Committees and CDWs *12/04/2016, 14h00: Business Sports Arts and Culture *13/04/2016, 10h00: Special Groups R529 037			
Budget	R224 100	R440 000	R 0	s71 Reports			

PROJECT 6.4: MARKETING AND PUBLICITY

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of News Letters produced	4 Editions	4 editions of quarterly newsletter ⁷⁴	Target Achieved 04 Newsletter printed	None	None
# of media relations initiatives ⁷⁵	5 initiatives	4 initiatives	Target Exceeded 7 Initiatives 26/07/2015 26/07/2015 29/01/2016 26/01/ 2016 27/01/2016 21/02/2016 22/05/2016	None	None
Turnaround time for issues reported and addressed	Complaints register, Presidential & Premier's hotlines	21 days -Community -Presidential hotline -Petition Committee -Public Protector -Premier's hotline -COGHSTA's hotline -Compliments & Complaints	Target Exceeded 21 days Quarterly Report Prepared	None	None

⁷⁴Will overlap to the next quarter.

⁷⁵ Print and electronic media relations exercise.

Budget (R)	R120 000	Register	R 98 650	R 1 350	s71 Reports
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PROJECT 6.5: COORDINATION OF SPORTS, ARTS AND CULTURE

Performance Indicator	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigations
# of events ⁷⁶ supported	Four events organized/hosted	4 events supported	Target Exceeded 6 events organized / supported: *18/09/2015:Music competition *29/10/2015:Launching of Sports Council *10/03/2016: Launching of Arts & Culture Council *11/06/2016:Local Indigenous Games *14/06/2016:Author's W/shop *26/06/2016:Mayor's Marathon	None	None
# of Sports Makgotla	Sports Council	1 Sports Lekgotla	Target Achieved Sports Lekgotla held on the 28/09/2015	None	None
# of Arts and Culture Makgotla	New initiative	1 Arts and Culture Lekgotla	Target Achieved: Arts & Culture Lekgotla was held on the 28/09/2015	None	None

⁷⁶Mayor's Marathon / Local Indigenous Game / Competition Events / W/shops / Launching Events.

Budget (R)	R50 000	R115 000	R 166 635	R 165	s71 Reports
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PROJECT 6.6: SECURITY

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of security reports submitted	4 reports	4 reports submitted	Target Achieved 4 reports generated & submitted	None	None
Budget (R)	R3 200 000	R4 000 000	R 3 876 908	R 0	s71 Reports

PROJECT 6.7: CORPORATE PERFORMANCE MANAGEMENT SYSTEM (PMS)

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of Performance Makgotla held	2 Performance Makgotla	2 Performance Makgotla	<u>Target Achieved</u> 2 Performance Makgotla held *13/08/2015 *15/01/2016	None	None
# of in- year reports generated	4 reports	4 Quarterly reports ⁷⁷	<u>Target Achieved</u> 4 reports generated	None	None
% completion of the Annual Report in place within stipulated timeframe	2013/14 Annual Report	100% completion of the Annual Report -25% (Annual Performance Report) -50% (compilation of Draft Annual Report) -75% (Tabling of Draft Annual Report: 31 January 2016) -100% (Oversight Report : 31 March 2016)	<u>Target Achieved</u> Final 2014/15 Oversight Report adopted by Council on the 31 st March 2016 Council Resolution no SC 22/2016	None	None
Completion date in developing 2016/17 SDBIP	SDBIP in place	2016/16 SDBIP developed in June 2016	<u>Target Achieved</u> SDBIP 2016/17 in place having been developed in June 2016	None	SDBIP 2016/17 in place
Budget (R)	R0	N/A	N/A	N/A	s71 Reports

PROJECT 6.8: INTERGOVERNMENTAL RELATIONS

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of IGR ⁷⁸ Fora held/attended.	1 IGR Forum	3 IGR For a attended/held	Target Achieved 03 IGR For a attended/held *25/11/2015 Rep Forum *25/02/2016 Monitoring & Evaluation Forum *22-23 rd /03/ 2016: Provincial Development Planning Forum	None	None
Budget (R)	R0	N/A	N/A	N/A	s71 Reports

⁷⁸ Intergovernmental Relations.

PROJECT 6.9: INTERNAL AUDIT

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
# of risk based audits conducted	6 risk based audits reports	4 risk based audits conducted	<p>Target Exceeded 08 reports produced: *Project Management Audit; *Supply Chain Management Audit; *Annual Financial Statement review report; *Occupation Health and Safety Management Audit; *Security Management Audit; *Revenue and expenditure Management Audit; *4th Quarter Supply Chain management Audit; and *Assets Management Audit;</p>	None	None
# of PMS audits conducted	6 PMS audit reports	4 PMS audit reports	<p>Target Exceeded 6 PMS audit reports available: *4th Quarter PMS report (2014/2015 F/Y); * 1st quarter PMS report (2015/16); * 2nd quarter PMS report (2015/16); *3rd quarter PMS report (2015/16); * Report on Assessment of section 57 managers (2014/15); and *Audit Committee and Internal Audit Assessment report (2014/15)</p>	None	None
# of follow up audits conducted	2 follow up audits conducted	2 Internal Audit follow-up Report	<p>Target Achieved 2 Reports Produced: *2nd Quarter internal audit follow-up</p>	None	None

	*Internal Audit *AG Audit			report; and *4 th Quarter internal audit follow-up report		
Completion date in reviewing Internal Audit Plan	Approved 2014/2015 Internal Audit Plan	30 th Sept 2015 Internal Audit Plan review for 2015/16 completed	<u>Target Achieved</u> Approved Internal Audit plan for 2015/16 available *Reviewed & approved on the 04 Jul 2015	None	None	None
Completion date in reviewing Internal Audit Charter Review	Approved Internal Audit Charter	30 th Sep 2015 Internal Audit Charter review completed	<u>Target Achieved</u> Approved Internal Audit Charter for 2015/16 available *Reviewed & approved on the 04 Aug 2015	None	None	None
Completion date in reviewing Audit Committee Charter	Approved Audit Committee Charter	31 th Dec 2015 Audit Committee Charter review completed	<u>Target Achieved</u> Approval of Audit Committee Charter for 2015/16 available *Reviewed & approved on the 29 th October 2015 (C67/2015)	None	None	None
	R100 000	R240,000	R 154 890	R 72 760	N/A	

PROJECT 6.10: EXTERNAL AUDIT

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Comments/Mitigation
% of findings & recommendations implemented from 2014/15 audit report	Qualified Audit Opinion Report for 2014/15	95% (47/50) findings & recommendations implemented from 2014/15 Audit Report	Target Achieved 96% (48/50) findings & recommendations implemented from 2014/15 Audit Report	None	External Audit Action Plan in place.
	1 540 000	R1 966 461	R 2 516 579	(R550 118)	s71 Reports

PROJECT 6.11: SUPPORT TO OVERSIGHT STRUCTURES (AUDIT COMMITTEE & MPAC)⁷⁹⁾

Performance Indicator	2014/15 Baseline	2015/16 Target	Progress	Variance/Challenges	Evidence
# of Audit Committee reports submitted to Council	4 reports AC reports	4 audit committee reports ⁸⁰⁾	<u>Target Achieved</u> 4 Audit Committee reports submitted to Council *Audit Committee annual report for the financial year 2014/2015 *1 st Quarter report *2 nd Quarter report *3 rd Quarter report	None	None
# of Special Audit Committee meetings held	2 special meeting	2 special meetings -1 AFS -2 PMS	<u>Target Exceeded</u> 3 Meetings held: *29 th Aug 2015-AFS; *08 th Sep 2015-AFS; and *13 th Feb 2016-PMS	None	None
# of MPAC meetings held	4 MPAC in place	4 meetings	<u>Target Exceeded</u> 08 Meetings held: *25 th Aug 2015 *Oct 2015 *25 th Jan 2016 *12 th Feb 2016 *23 rd Mar 2016 *24 th Mar 2016 *18 th Apr 2016	None	None

⁷⁹⁾ Municipal Public Account Committee established in terms of s79 of the Local Government: Municipal Structures Act no 117 of 1998 read together with the *Guidelines for Establishment of MPAC* dated 11th August 2011, issued and published by the National Treasury and the Department of Co-operative Governance and Traditional Affairs.

⁸⁰⁾ May overlap in the next quarter

PROJECT 6.12: FRAUD PREVENTION AND RISK MANAGEMENT

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/Mitigation	Comments/Mitigation
# of fraud prevention initiatives ⁸¹	6 Fraud Prevention initiatives *Councillors *HR	4 Fraud Prevention initiatives	<u>Target Exceeded</u> 5 Fraud Prevention workshops were conducted: *14 th Aug 2015 *12 th Nov 2015 *05 th Feb 2016 *09 th Feb 2016 *20 th May 2016	None	None
# of risk management reports produced	4Reports	4 reports	<u>Target Achieved</u> 4 risk management reports produced *30 th Sep 2015 *08 th Jan 2016 *14 th Apr 2016 *20 th Jun 2016	None	None
# of policies and strategies reviewed	2 -Fraud Prevention Strategy -Code of conduct for officials involved in SCM processes	2 policies and strategies reviewed: *Anti-Fraud Prevention Strategy *Risk Management Policy	<u>Target Exceeded</u> 6 Risk Policies & Strategies reviewed: *Fraud and Corruption Prevention Policy *Risk Management Policy *Whistle Blowing Policy *Risk Management Committee Charter *Risk Management Strategy *Anti-Fraud Prevention Strategy (C100/2015; 28 May 2015)	None	None

⁸¹Involves, *inter alia*, workshops.

# of Risk Registers developed	2 Risk Registers	02 Risk Registers developed: *Strategic Risk Register *Operational Risk Register	Target Exceeded 5 Risk Registers developed *Strategic Risk Register; *Operational Risk Register; *Amalgamation Risk Register; *Fraud Risk Register; and *MSCOA ⁸² Risk Register.	None	None
Budget R	R135 000	R95 000	R 127 210	R0	s71 Reports

⁸²Municipal Standards Chart of Accounts.

PROJECT 6.13: CUSTOMER CARE

Performance Indicators	2014/15 Baseline	2015/16 Target	Progress	Variance/ Challenges	Comments/ Mitigation
# of Customer Care Reports generated	4 Customer Care Reports in place	4 Customer Care Performance Reports generated	<u>Target Achieved</u> 04 Customer Care Performance Reports generated	None	None
Budget (R)	R0	N/A	N/A	N/A	s71 Reports

PROJECTS BY OTHER SECTORS

NO	PROJECT NAME	IMPLEMENTING AGENT/RESPONSIBLE DEPARTMENT	PROGRESS TO DATE	VARIANCE/ CHALLENGES	MITIGATION/ COMMENTS
KPA 1: SPATIAL RATIONALE					
1.	Demarcation of sites Mphaaneng	COGHSTA	Approval of Environmental Impact Assessment (EIA) and layout plan	The approved EIA to be signed by the relevant traditional authorities. Lack of budget for implementation in the 2015/16 fy pose a challenge.	*COGHSTA to appoint a surveyor for perking and registration *General Plan to be lodged with Surveyor General
2.	Demarcation of sites Mologeng	COGHSTA	Approval of Environmental Impact Assessment (EIA) and layout plan	The approved EIA to be signed by the relevant traditional authorities. Lack of budget for implementation in the 2015/16 fy pose a challenge.	COGHSTA to appoint a surveyor for perking Registration of General Plan to be lodged with Surveyor General

18.	RDP 92 housing units *Ward 06 (Nchabeleng, Tjebane, Komane, Makgaleng): 15 *Ward 05 (Mohlaleitse): 02 *Ward 02 (Matamong) : 08 *Ward 01 (Ga-Seroka): 26 *Ward 03 (Mapoteng, Ga-Phasha): 41	COGHSTA	Contractor appointed for the construction of the 92 RDP houses. (Mabone Building Contractors). To date, completed RDP dwelling units includes: Ward 01: 26 complete Ward 03: 25 complete Ward 05: 2 complete Ward 06: 15 complete *24/92 are at wall plate.	Progress slow in Ward 1, for the remaining dwelling units, and shortage of skilled labourers	The Contractor to add skilled labourers
19.	RDP 150 housing units	COGHSTA	Contractor has been appointed for the construction of the 150 RDP houses Ward 09: 35 Ward 11:35 Ward 12:35 Ward 1, 2,3,4,5,6,7,8, 10 and 13 have been allocated 4 each total is 45.	*Awaiting approval of 135 beneficiaries from CoGHSTA. Construction of 15 low cost houses to commence on 24 January 2016 at Seokodibeng and Phasha Selatole *Sub-contractor for the delivery of material appointed by the Contractor.	CoGHSTA requested to review to the geo-tech studies for ward 09.

No	Project	Implementing Agent / Responsible Department	Quarter Target	Progress	Variance/ Challenges	Mitigation/ Comments
1.	Nkadimeng RWS Phase 9C/1 Bulk water supply to Radingwana, Mmela and Phageng.	SDM	N/A	Project is completed	None	None
2.	Nkadimeng RWS 9D/1 (Reinforced Concrete Reservoir at Phageng 300 KL & Shenyangeng 200KL)	SDM	N/A	Project is completed	None	None
3.	Nkadimeng RWS 9C/2 (Mashilabele, Oria and Manoge and Matlou Bulk water supply)	SDM	N/A	Project is completed	None	None
4.	Nkadimeng RWS 9C/3 (Bulk water supply to Phaahla and Masehlang)	SDM	N/A	Progress on site is at 90% Still need to cover main hall and inset fittings.	Contractor left site	Contractor left site
5.	Nkadimeng RWS 9D/2 (Reinforced Concrete Reservoir at Mashilabele 500KL & Manoge 300 KL & 50 KL elevated tank at Ga-Oria)	SDM	N/A	Project is completed	None	None
6.	Nkadimeng RWS 9D/3 (Reinforced Concrete Reservoir at Phaahla 500 KL & Masehlang 500KL)	SDM	N/A	Project is completed	None	None
7.	Ga-Nkwana Housing Bulk water Supply-(1800 KL Reservoir and Bulk Pipe Line)	SDM	N/A	Progress on site is at 60%	none	None
8.	2 x 1200 KL Reservoir at Ga-Nchabeleng1 & Mohlaletse water Demand Management Structures.	SDM	N/A	Progress on site is 70% Contractor is still on site and busy with concrete work.	none	none

No	Project	Implementing Agent / Responsible Department	Quarter Target	Progress	Variance/ Challenges	Mitigation/ Comments
	Contract 20					
9.	4 x 600 KL Reservoir at Makopa, Sesehu, Ga-Nchabeleng, Ga-Seroka & Water Demand Management Structures. Contract 23	SDM	N/A	Progress on site is 90%. Contractor was busy casting the last lift at Ga-Seroka.	None	None.
10.	Lerajane and Nchabeleng Dosing Houses. Contract 19	SDM	N/A	Project is Complete	None.	None
11.	Fetakgomo Sanitation 2015/16	SDM	N/A	Contractor has been appointed for construction of 3895 sanitation units across Fetakgomo. Progress on site is at 40%	None	None
12.	Marakwaneng Matsimela Electrification	ESKOM	N/A	Progress on site is at 40%	None.	None
13.	Monameise Mokgotho and Tjibeng Electrification	ESKOM	N/A	Progress on site is at 40%	None.	None

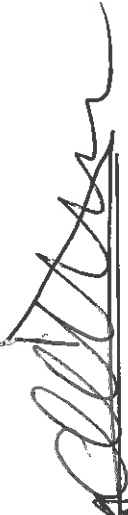
KPA 4: LOCAL ECONOMIC DEVELOPMENT

No.	PROJECT NAME	IMPLEMENTING AGENT/RESPONSIBLE DEPARTMENT	PROGRESS TO DATE	VARIANCE/ CHALLENGES	MITIGATION/ COMMENTS
1.	Construction of Storeroom	Dept. of Agriculture	Service provider appointed and construction underway.	None	None
2.	Letsema: Provision of seeds, fertilisers & Chemicals/ Fetsa Tlala: Provision of seeds & mechanisation services	Dept. of Agriculture	944 x 25kg Sorghum seed to the value of R722 160.00 procured.	None	None
3.	Malekaskraal Youth Poultry Cooperative	Dept. of Social Development	Funding to the tune of R590 000 approved and implementation to commence in February 2016.	None.	None.
4.	Skills Development school enrichment programme & Sports events	Dept. of Social Development.	Lehlabile Educational Development Project funding to the tune of R152880.00 approved and implementation to commence in February 2016.	None	None
5.	Creation of Access Bridge: Ga-SerokaMalaeneng	Elephant River Granite Mine	Service provider appointed and construction of Bridge completed. Re-gravelling of road to commence in January 2016.	None	None

6.	SMME Development	Bokoni Platinum Mine	Provided support to Fetakgomo Fashion Show & Music Competition prizes. Project not commenced.	None	None
7.	Poultry Farming: Mosotsi	Bokoni Platinum Mine	Project not commenced.	Project delayed by non-establishment of stakeholder engagement forum.	Matter elevated to COGHSTA & DMR.
8.	Farming Project: Mosotsi	Bokoni Platinum Mine	Project not commenced.	Permission to utilize land from traditional authority not received.	Matter to be alleviated to the office of the Mayor for intervention.
9.	Chicken/Crop Farming	Bokoni Platinum Mine	Project not commenced.	Chieftaincy challenges at Baroka-Nkwana Traditional Authority over land ownership.	Awaiting COGHSTA's confirmation of rightful chieftaincy.
10.	Komanchas	Bokoni Platinum Mine	DMR has issued a mining permit and project to commence.	None	None.
11.	Farming Project: Mafeane	Bokoni Platinum Mine	Project not commenced.	Unavailability of suitable land.	Continuously follow up and identify suitable land.
12.	Completion of Tourism Centre	National Department of Tourism (NDT)	Service provider appointed and busy with Project Planning. Designs completed and presented to Project Advisory Committee on 28 th October 2015.	None.	Labourers' outstanding salaries paid in November 2015.

Thus done and signed at Mashung, Ga-Nkwana, Fetakgomo Local Municipality on this day 30 of March 2017

Municipal Manager's Signature



Witnesses: 1. David B.

2. [Signature]

Mayor's Signature:



Witnesses: 1. _____

2. _____

CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The FTM registered an exponential growth of organogram from **90** in 2014/15 to **92** in 2015/16. **90%** (82/92) posts were filled as at 30th June 2016. Critical vacant postswere are Director Technical Services, Manager Town Planner, Operations and Maintenance Officer, Accountant Income, Vehicle Examiner, Licensing Clerk, Supervisor VTC Personal Assistant Mayor, Secretary Speakers Office, Receptionist/Word, and Processing Operator. Filling of vacancies was halted due to the pronounced amalgamation of the Fetakgomo and Greater Tubatse Local Municipalities.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

The below policies are the municipal Human Resource policies in place and are reviewed as and when a need arise:

- HR Policies and Procedures
- Staff Retention Policy
- Employee Assistance Policy
- Bursary Policy
- Employment Equity Policy
- Education and Training Policy

- Transport Allowance Policy
- Travel and Subsistence Allowance Policy
- Dress Code Policy
- Attendance and Punctuality Policy
- OHS Policy
- Bereavement Policy
- Placement Policy
- PMS Framework(Individual Performance Management)

4.3 INJURIES, SICKNESS AND SUSPENSION

Item	2015/2016 Report
Injuries	02
Sickness	428
Suspension	01

1.4 PERFORMANCE REWARDS

Performance rewards for the 2014/15 financial year were paid in the financial year under review.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

1.5 SKILLS DEVELOPMENT AND TRAINING

Below is the training report for the 2015/16 financial year ended 30th June 2016:

ANNUAL TRAINING REPORT: JULY 2015 – JUNE 2016

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
CPMD-Municipal Finance	Fetakgo mo	13-15/07/2015	CS-Rachidi L.A - Nchabeleng R.D		02	02		Wits Business School	R 97 000.00	6	In progress
Examiner of Motor Vehicles (EOV) Course	Fetakgo mo	29/06/2015 – 18/09/2015	Com-Boshego T.T		01	01		Boekenhout Traffic College	R 20 664.00	N/A	Completed - Certificated
Adult Education & Training	LGSET A	01-31/07/2015	EPWP-Beneficiaries		25	07	18	Project Literacy	N/A	Lev: 1,3&	In progress

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
		5								4	
Plumbing	Fetakgo mo	06-24/07/2015	EPWP-Beneficiaries		10	06	04	Ekurhuleni Artisans & Skills Training	R 94 000.00	N/A	Completed - Certificated
CPMD-Municipal Finance	Fetakgo mo	27-29/07/2015	CS-Mashiane K.B		01	01		Wits Business School	Already paid	6	In progress
First Aid Training	Fetakgo mo	29-31/07/2015	CS-Phogole M.H Tshebesebe M.R Com-		06	04	02	NOSA PTD (Ltd)	R 10 769.99	N/A	Completed - Certificated

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
VIP Payroll	Fetakgo mo	27-31/07/2015	Mojela M.I -Selatole P.A. BT-Sebopela M.J TS-Tjebane M.A		01	01	Sage VIP Academy	Already paid	N/A	Completed-Certificat ed	
Sage VIP- Personnel Administration	Fetakgo mo	26/08/2015 - 02/09/201	CS-Phasha I.R		01	01	Sage VIP	R 5 900.00	N/A	Completed-Certificat ed	

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
Course		5									ed
Examiner of Motor Vehicles (EOV) Course	Fetakgo mo	29/06/2015 – 18/09/2015	Com-Boshego T.T		01	01		Boekenhout Traffic College	Already paid	N/A	Completed - Certificated
Adult Education & Training	LGSET A	01-31/07/2015	EPWP-Beneficiaries		25	07	18	Project Literacy	N/A	Lev: 1,3&4	In progress
CPMD-Municipal Finance	Fetakgo mo	27-29/08/2015	CS-Mashiane K.B		01	01		Wits Business School	Already paid	6	In progress
CPMD-Municipal Finance	Fetakgo mo	17-19/08/2015	CS-Rachidi L.A		02	02		Wits Business School	Already paid	6	In progress

Learning Programme	Spponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
			Nchabeleng R.D								
Environmental Law	Fetakgo mo	17-21/08/2015	Com-Lesufi M.A		01	01	University of Pretoria	R 12 000.00	6	Completed	Certificat ed
Sage VIP – Payroll Processing Course	Fetakgo mo	01-28/09/2015	BT-Moriti M.B		01	01	Sage VIP	R 23 299.99	N/A	Completed	Certificat ed
Baking Skills Programme	Fetakgo mo	18/08/2015 - 31/09/2015	EPWP-Beneficiaries		13	13	Tshwane North College	R 51 350.00	N/A	Completed	Certificat ed

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
		Saturdays only									
Garment Making	Fetakgo mo	18/08/2015 - 31/09/2015 Saturdays only	EPWP-Beneficiaries		03		03	Tshwane North College	R 7 350.00	N/A	Completed - Certificated
Grievance Procedure Training	SALGA	27-28/08/2015	CS-Maphutha M.V -Sebapu N.A		02		01 01	SALGA	N/A	N/A	Completed - Workshop
Electrical Engineering	Fetakgo mo	31/08/2015 -	TS-Rapulane M.J		01		01	Ekurhuleni Artisan & Skills	R 10 350.00	N/A	Completed -

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
		18/09/2015						Training			Certificated
Geographic Information System	Fetakgo mo	17-21/08/2015	CS-Malesa MM		01	01		Esri South Africa	R 9 804.00	5	Completed - Certificated
Local Labour Forum Workshop	SALGA BC	01-03/09/2015	CS-Phasha M.I -Maphutha M.V -Com-Makua M.J - TshebebeM.	Cllr Seroka K.A Cllr Lesufi M.J	09	07	02	SALGA Bargaining Council	N/A	N/A	Completed - Workshop

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
			R								
			-Phadime M.A B&T-Phasha M.A DVP-Mkabela S.M								
Examiner of Motor Vehicles (EOV) Course	Fetakgo mo	29/06/2015 – 18/09/2015	Com-Boshego T.T		01	01		Boekenhout Traffic College	Already paid	N/A	Completed Certificate
Adult Education & Training	LGSET A	01-31/07/2015	EPWP-Beneficiaries		28	10	18	Project Literacy	N/A	Lev: 1,3&4	In progress

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
CPMD-Municipal Finance	Fetakgo mo	21-23/09/2015	CS-Mashiane K.B		01	01		Wits Business School	Already paid	6	Completed-Awaiting Certificate
CPMD-Municipal Finance	Fetakgo mo	21-23/09/2015	CS-Rachidi L.A - Nchabeleng R.D		02	02		Wits Business School	Already paid	6	Completed-Awaiting Certificate
CPMD-Municipal Finance	Fetakgo mo	21-23/09/2015	CS-Sebapu N.A -Phasha M.D	Cllr Phala N.T	08	05	03	Wits Business School	R 388 000.00	6	Completed-Awaiting Certificate

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
Air-conditioning and Refrigeration	Fetakgo mo	14/09/2015 – 02/10/2015	TS-Tjebane M.A DVP-Peu L.C B&T-Maredi M.F -Matlala M.B -Phasha M.R		01	01	Ekurhuleni Artisans & Skills Training	R 9 400.00	N/A	Completed - Certificated	

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
Sage VIP – Payroll Processing Course	Fetakgo mo	01-28/09/2015	BT-Moriti M.B		01	01		Sage VIP	Already paid	N/A	Completed - Certificated
Baking Skills Programme	Fetakgo mo	18/08/2015 - 31/10/2015 Saturdays only	EPWP-Beneficiaries		13		13	Tshwane North College	Already paid	N/A	Completed - Certificated
Garment Making	Fetakgo mo	18/08/2015 - 31/10/2015	EPWP-Beneficiaries		03		03	Tshwane North College	Already paid	N/A	Completed - Certificated

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
		Saturdays only									
Design & Develop Learning Programmes	Fetakgo mo	12-16/10/2015	CS-Komane TT		01	01		Pro-Active College	R 7 770.00	5	Completed-Awaiting Results
Environmental Practice	Fetakgo mo	05-16/10/2015	EPWP Beneficiaries		62	05	57	SAADA	R 342 000.00	2	Completed-Awaiting Results
Adult Education & Training	LGSET A	01-31/07/2015	EPWP Beneficiaries		25	07	18	Project Literacy	N/A	Level 1,2 & 3	In Progress
Development	Fetakgo	12-	CS		01	01		Wits Business	R	5	Completed

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
Communication	mo	16/10/2015	Nchabeleng M.K					School	15 000.00		ed-Awaiting Results
CPMD-Municipal Finance	Fetakgo mo	18-21/10/2015	CS-Mashiane K.B		01	01		Wits Business School	Already paid	6	Completed-Awaiting Certificate
CPMD-Municipal Finance	Fetakgo mo	19-21/10/2015	CS-Sebapu N.A -Phasha M.D TS-Tjebane	Clir Phala N.T	08	05	03	Wits Business School	Already paid	6	Completed-Awaiting Certificate

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
			M.A DVP-Peu L.C B&T-Maredi M.F -Matlala M.B -Phasha M.R								
Public Sector Project Management	Fetakgo mo	11-13/11/2015		Cllr-Phasha M.J Cllr-Maesela M.G Cllr-Diphofa D.K	12	08	04	North-West University	R 78 000.00	5	Completed 10 Certificated (02 Did

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
											not submit POE)
				Cllr-Phala							
				M.D							
				Cllr- Mashabela							
				M.N							
				Cllr-Makola							
				M.M							
				Cllr- Mamphekgo							
				K.K							
				Cllr-Mathipa							
				M.H							
				Cllr-Manale							
				R.E							

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
Environmental Practice	Fetakgo mo	09-13/11/2015	EPWP Beneficiaries	Cllr-Mawela T.V Cllr-Maboa S Cllr-Moswane M.W	51	01	50	SAADA	R 51 300.00	2	Completed-Certificated
CPMD-Municipal Finance	Fetakgo mo	16-18/11/2015	CS-Rachidi L.A		02	02		Wits Business School	Already paid	6	Completed-Awaiting

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
			Nchabeleng R.D								Certificate
CPMD-Municipal Finance	Fetakgo mo	16-18/11/2015	CS-Mashiane K.B		01	01		Wits Business School	Already paid	6	Completed Awaiting Certificate
CPMD-Municipal Finance	Fetakgo mo	16-18/11/2015	CS-Sebapu N.A -Phasha M.D TS-Tjebane M.A DVP-Peu L.C	Clir Phala N.T	08	05	03	Wits Business School	Already paid	6	Completed Awaiting Certificate

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
			B&T-Maredi M.F -Matlala M.B -Phasha M.R								
CPMD-Municipal Finance (Extended Modules)	Fetakgo mo	22-25/11/201 5	CS-Maphutha M.V -Phasha M.I		02	02	Wits Business School	R 57 000.00	6	Completed- Awaiting Results	
Garment Making	Fetakgo mo	18/08/201 5-31/10/201 5	EPWP-Beneficiaries		10	10	Tshwane North College	Already paid	N/A	Completed-Certificated	

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
-Introduction to payroll & payroll processing -Payroll administration & company parameters -Personnel administration course	Fetakgo mo	11/01/2016-02/03/2016	BT-Matsemela R.V BT-Manala F.M		02		02	Sage VIP Academy	R46 600,00	N/A	Completed Certificat ed
Examiner of Vehicles	Fetakgo mo	11/01/2016-31/03/2016	CM-Skaarnek N		01	01		Boekenhout Traffic College	R27 092.00	N/A	Completed Certificat ed

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
Internal Audit Technician Programme	Fetakgo mo	17/02/2016	MM-Makgopa M.L MM-Pitjadi A MM-Maphalla L.R		03	02	01	Institute of Internal Auditors' Leadership Academy of Guardians of Governance	R75 000.00	N/A	In progress
CPMD-Municipal Finance	Fetakgo mo	11-15/01/2016	CS-Rachidi L.A BT- Nchabeleng R.D		02	02		Wits Business School	Already paid	6	Completed- Awaiting Results
CPMD-Municipal Finance	Fetakgo mo	07-09/03/2016		CLLR Phala T.N	01		01	Wits Business School	Already paid	6	In progress

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
CPMD-Municipal Finance	Fetakgo mo	07-09/03/2016	BT-Matlala M.B CS-Sebapu N.A TS-Tjebane M.A BT-Maredi M.F CS-Phasha M.D BT-Phasha R.M DVP-Peu L.C		07	05	02	Wits Business School	Already paid	6	Completed-Awaiting Results

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
CPMD-Additional Modules	Fetakgo mo	14-16/03/2016	CS-Phasha M.I CS-Maphutha M.V		02	01	01	Wits Business School	Already paid	6	Completed-Awaiting Results
CPMD-Municipal Finance	Fetakgo mo	07-09/03/2016	DVP- Raphahlela N.M		01			Wits Business School	R48 500,00	6	Completed-Awaiting Results
-Intro. to SAMTRAC -SAMTRAC Programme	Fetakgo mo	14-18/03/2016 and 09-20/05/2016	CS-Maribana N.D		01	01		NOSA	R23 610,00	5	Completed-Awaiting Certificate

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
		6									
Munsoft	Fetakgo mo	15-18/03/2016	CS-Moswane G.P		01		01	ITNA (PTY) LTD	R10 830.00	N/A	Completed Certificate
ITIL: Information Technology Infrastructure Library	Fetakgo mo	18-20/04/2016	CS-Malesa MM		01		01	ITIL Foundation	R6 140.61	5	Completed-Awaiting Certificate
MFMP-Municipal Finance Management Programme	Fetakgo mo	04-08/04/2016	B&T-Sebopela MJ MM-Rachidi HM		02		02		R90 288.00	6	In progress

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
CPMD-Municipal Finance	Fetakgo mo	04/2016	B&T-Maredi MF MB MR -Nchabeleng RD -DVP-Peu LC -TS-Tjebane MA CS-Sebapu	Cllr-Phala NT	09	06	03	Wits Business School	R 228 000.00	6	In progress

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
			NA								
ENafis Full End User	Fetakgo mo	30/05/2016 – 10/06/2016	Com-Lekgoru MC -Mabusela MPS		02	02		Tasima	R 9 405.11	N/A	Completed - Certificated
OD-ETDP (Assessor Module)	Fetakgo mo	16-18/05/2016	CS-Komane TT		01	01		Pro-Active Public Service College	R 5 814.00	5	Completed - Awaiting Results
OHS - Samtrec	Fetakgo mo	09-20/05/2016	CS-Maribana DN		01	01		NOSA	R 23 610.00	5	Completed - Certificated

Learning Programme	Sponsor	Period	Category		Total no. of participants	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
Municipal Finance Management Programme	Fetakgo mo	16-20/05/201	B&T-Sebopela MJ		02	02		Wits Business Training	Already Paid	6	In progress
Municipal Finance Management Programme	Fetakgo mo	20-24/06/201	B&T-Sebopela MJ		02	02		University of Pretoria	Already Paid	6	In progress
Municipal Finance Management Programme	Fetakgo mo	13-15/06/201	B&T-Mareidi MF	Cllr Phala TN	12	07	05	Wits Business School	R 342 000.00	6	In progress
CPMD-Municipal Finance (Additional Modules)	Fetakgo mo	13-15/06/201	B&T-Mareidi MF	Cllr Phala TN	12	07	05	Wits Business School	R 342 000.00	6	In progress

Learning Programme	Sponsor	Period	Category		Total no. of municipal participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
			MIR -Nkoana								
			MS -Nchabeleng RD								
			CS-Malomama ME -Sebapu NA -Makua MJ								
			Com-Phasha								

Learning Programme	Sponsor	Period	Category		Total no. of municipalities participating	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
			MD DVP-Peu LC TS- Tjebane MA								
Development Communication Certificate A	Fetakgo mo	Jun-Aug 2016 20-24/06/2016	CS-Maisela KR		01		01	Wits Business School	R 15 000.00	5	In progress
ENatis- Registration & Licensing	Limpopo Dept. of Transport	20-24/06/2016	Com-Mpaketsane MH		01		01	Dept:Transport- Limpopo	R0.00	N/A	Completed - Certificate

Learning Programme	Sponsor	Period	Category		Total no. of participants attended	Gender		Provider	Cost	NQF level	Status
			Official	Councillor Ward Committee		Male	Female				
Archives & Records Management	Fetakgo mo	07-10/06/2016	CS-Maloma ME		01		01	UNISA	R 7 500.00	6	In progress
Total									R 2 250 346.71		

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

Workforce expenditure for the period is categorized into section 57 managers and other employee costs.

Table below illustrates the expenses per category.

Category of employees	Total expenditure	% of expenditure
Section 57 Managers	R 5 336 204	14%
Other employees	R 33 343 726	86%
Total employees expenditure	R 38 679 930	100%

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: Statement of Financial Performance

5.1 Statement of Financial Performance

The Statement of Financial Performance exhibited in the 2015/16 Annual Financial Statements (AFS) is submitted to AGSA as an adjunct to this Annual Performance Report.

5.2 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Fetakgomo Local Municipality's Asset Register for the financial 2015/16 will also be submitted along with the AFS to AGSA to be audited.

5.3. FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

The ratios will be calculated upon finalization of the Annual Financial Statements.

COMPONENT B: Spending against Capital Budget

5.4 CAPITAL EXPENDITURE

	Original Budget	Budget adjustments	Final adjustment budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Total capital expenditure	26,521,000.00	44,516,225.00	44,516,225.00	30,276,429.17	14,239,795.98	68%	114%

5.5 SOURCES OF FINANCE

Sources of capital funds	Original Budget	Budget adjustments	Final adjustment budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Municipal Infrastructure Grant	21,003,550.00	36,003,550.00	36,003,550.00	27 377 201	9 731 796	76%	130%
Internally generated funds	5,517,450.00	8,512,675.00	8,512,675.00	7 012 935	1,499,740.00	82%	127%

5.6 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects							R' 000
Name of Project	Current Year					Variance Current Year	
	Original Budget (R) (Vat Inc.)	Awarded Amount (Vat Inc.)	Adjustment Budget (R)	Actual Expenditure (R)	Original Variance (%)	Adjustment variance (%)	
HOERAROEPE ACCESS ROAD	12 500 000	3,950 735.18	4 346 913	3 463 980	0	0	
GA NCHABELENG BRIDGE	4 750 000	9,305 944.00	11 116 400	5 167 031	0	0	
TESTING STATION ROAD	1 000 000	1,645 378.30	2 102 889	1 777 476	0	0	
MIG-CEMETERIES	4 750 000	8, 462 64.77	13 640 237	7 281 055	0	0	
SKIP LOADER/YELLOW GOODS	1 000 000	1,182 725.00	2 146 000	1 768 509	0	0	

5.7 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

- Limited and/or minimal powers & functions i.e FTM performs **32% (12 out of 38)** of the powers and functions amenable to municipal governments in terms of Constitution (RSA, 1996: s155), pointing to a **low capacity** Municipality.
- This resulted in FTM not being able to perform a plethora of basic and/or key strategic services such as water, sanitation, electricity, housing etc., making its role largely facilitatory / **conveyance belt**, owing to a risk of unfunded mandate.

COMPONENT C: Cash Flow Management and Investments

5.8 CASH FLOW STATEMENTS

The Cash Flow Statement is exhibited in the 2015/16 Annual Financial Statements.

5.9 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING:

The municipality has not had any borrowings from its inceptions.

5.10 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Bid Evaluation and Bid Adjudication Committees have been established. Advertised tenders are being evaluated, adjudicated and appointments are made for tenders in terms of the Supply Chain Management Policy. Quarterly reports on the tenders are submitted to Council.

5.11 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **Generally Recognized Accounting Practice** and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

5.12 AUDITED 2015/16 FINANCIAL STATEMENTS



**Fetakgomo Local Municipality
Annual Financial Statements
for the year ended 30 June 2016**

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 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
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
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 (Previously CMIP)

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Audit Committee Report

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

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 9 times per annum as per its approved terms of reference. During the current year 9 number of meetings were held.

Name of member	Number of meetings attended
Adv. Thubakgale L (Chairperson)	7/9
Mr Semanya C.C (Audit member)	9/9
Mr Mangokwane A (Audit member)	7/9
Mr Maeyane A.K (Audit member)	5/9
Ms Makhongela M (Audit member)	9/9

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 38(10)(1) of the PFMA and Treasury Regulation 3.1.

The audit 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 control

Evaluation of annual financial statements

The audit committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the municipality's compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.


The audit committee concur with and accept the Auditor-General of South Africa's report the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The 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 audits.

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.



Chairperson of the Audit Committee

Date: 22/11/2016

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Statement of Financial Position as at June 30, 2016

Figures in Rand	Notes	2016	2015
Assets			
Current Assets			
Inventories	6	506,106	696,971
Receivables from exchange transactions	7	1,293,629	1,444,128
Receivables from non-exchange transactions	8	667,765	781,100
VAT receivable	9	2,203,721	1,712,430
Consumer debtors	10	786,886	1,099,863
Cash and cash equivalents	11	11,509,754	4,356,889
		16,967,661	10,091,381
Non-Current Assets			
Intangible assets	3	50,246	15,553
Property, plant and equipment	4	135,246,084	110,943,804
Heritage assets	5	105,000	105,000
		135,401,330	111,064,157
Total Assets		152,368,991	121,155,538
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	5,702,468	5,168,460
Unspent conditional grants and receipts	13	9,731,873	74
Provisions	14	3,656,691	3,632,312
Finance lease obligation	15	115,840	178,777
		19,206,872	8,979,623
Non-Current Liabilities			
Finance lease obligation	15	-	115,840
Employee benefit obligation	16	1,084,688	846,564
		1,084,688	962,404
Total Liabilities		20,291,560	9,942,027
Net Assets		132,077,431	111,213,511
Accumulated surplus		132,077,405	111,213,511

Fetakgomo Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2014	94,445,273	94,445,273
Changes in net assets		
Surplus for the year	10,949,320	10,949,320
Total changes	10,949,320	10,949,320
Opening balance as previously reported	105,394,593	105,394,593
Adjustments		
Prior year adjustments	5,329,107	5,329,107
Balance at 01 July 2015 as restated*	110,723,700	110,723,700
Changes in net assets	112,152	112,152
Surplus for the year	21,241,526	21,241,526
Total changes	21,353,679	21,353,679
Balance at 30 June 2016	132,077,379	132,077,379

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Statement of Comparison of Budget and Actual Amounts

Budget on Cash 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	4,286,000	38,000	4,324,000	4,162,040	(161,960)	Appendix E1
Agency services	346,000	-	346,000	296,954	(49,046)	Appendix E1
Rental of facilities and equipment	274,000	(88,000)	186,000	117,299	(68,701)	Appendix E1
Interest received (trading)	-	-	-	2,414,890	2,414,890	
Licences and permits	2,250,000	-	2,250,000	1,577,714	(672,286)	Appendix E1
Other income	90,000	1,545,000	1,635,000	549,881	(1,085,119)	Appendix E1
Interest received - Investment	1,319,000	155,000	1,474,000	1,640,938	166,938	Appendix E1
Total revenue from exchange transactions	8,565,000	1,650,000	10,215,000	10,759,716	544,716	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	9,720,000	-	9,720,000	8,871,916	(848,084)	Appendix E1
Property rates - penalties imposed	416,000	-	416,000	456,636	40,636	Appendix E1
Transfer revenue						
Government grants & subsidies	109,099,000	4,975,000	114,074,000	105,385,830	(8,688,170)	Appendix E1
Fines	600,000	1,200,000	1,800,000	1,923,200	123,200	Appendix E1
Total revenue from non-exchange transactions	119,835,000	6,175,000	126,010,000	116,637,592	(9,372,418)	
Total revenue	128,400,000	7,825,000	136,225,000	127,397,298	(8,827,702)	
Expenditure						
Personnel	(36,989,000)	(295,000)	(37,284,000)	(37,785,323)	(501,323)	Appendix E1
Remuneration of councillors	(8,880,000)	(347,000)	(9,227,000)	(8,929,987)	297,013	Appendix E1
Depreciation and amortisation	(5,620,000)	-	(5,620,000)	(5,786,459)	(166,459)	Appendix E1
Finance costs	(135,000)	-	(135,000)	(113,345)	21,655	Appendix E1
Debt impairment	(11,400,000)	-	(11,400,000)	(15,502,787)	(4,102,787)	Appendix E1
Repairs and maintenance	(3,565,364)	-	(3,565,364)	(2,248,705)	1,316,659	Appendix E1
Grant and subsidies paid	(3,084,569)	696,000	(2,388,569)	(2,211,646)	176,923	Appendix E1
General Expenses	(31,199,000)	342,000	(30,857,000)	(33,577,520)	(2,720,520)	Appendix E1
Total expenditure	(100,872,933)	396,000	(100,476,933)	(106,155,772)	(5,678,839)	
Surplus before taxation	27,527,067	8,221,000	35,748,067	21,241,526	(14,506,541)	
Actual Amount on Comparable Basis as Presented In the Budget and Actual Comparative Statement	27,527,067	8,221,000	35,748,067	21,241,526	(14,506,541)	

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions are recognised when the municipality has a legal or constructive obligation as result of past events, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Useful lives of property plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the property plant and equipment and other assets. This estimation should be based on the expected pattern in which an asset's future economic benefits or service potential are to be consumed by the municipality.

Long service awards

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 16.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows. In the event that different rates were used, clear indication of the rate and the reason are given.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.5 Property, plant and equipment (continued)

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

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

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

Item	Depreciation method	Average useful life
Buildings	Straight line	10-60 years
Plant and machinery	Straight line	4-5 years
Furniture and fixtures	Straight line	5-30 years
Motor vehicles	Straight line	5-30 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	3 years
Computer software	Straight line	2-5 years
Infrastructure	Straight line	5-100 years
Other leased Assets	Straight line	10 years

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.

1.6 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.

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.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.7 Heritage assets (continued)

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

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.

Subsequent measurement

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

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

The municipality assesses 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.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one municipality and a financial liability or a residual interest of another municipality.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by a municipality on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Accounting Policies

1.8 Financial instruments (continued)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an municipality after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unfixed capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an municipality's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an municipality.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - It is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivable from exchange transactions	Financial asset measured at amortised cost
Receivable from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalent	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.8 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the municipality cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

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

Impairment and uncollectibility of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.8 Financial Instruments (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.9 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.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

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 - 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.

1.10 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.

Accounting Policies

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

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 tests 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 asset is determined using the following approach:

Recognition and measurement

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 assesses 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.

1.12 Employee benefits

Employee benefits are all forms of consideration given by the municipality in exchange for service rendered by employees.

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.12 Employee benefits (continued)

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an municipality pays fixed contributions into a separate municipality (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 municipality during a reporting period, the municipality 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 municipality 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.

Accounting Policies

1.12 Employee benefits (continued)

The municipality determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, a municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, a municipality shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Fetakgomo Local Municipality

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Accounting Policies

1.12 Employee benefits (continued)

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit 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 benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.13 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.

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.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

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

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Fetakgomo Local Municipality

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Accounting Policies

1.15 Revenue from exchange transactions

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.

Measurement

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

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.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions 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.

1.16 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.17 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.18 Borrowing costs

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

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
- 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 is expenditure that is contrary to the Municipal Finance Management Act (Act No.58 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 Budget information

Municipality 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.

Fetakgomo Local Municipality

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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 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 - Transitional provisions for medium and low capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions in the Standard of GRAP on Property, Plant and Equipment and the Standard of GRAP on Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that standard expires.

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 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.

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2. New standards and interpretations (continued)

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.

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 April 1, 2016.

Fetakgomo Local Municipality

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3. Intangible assets (continued)

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	15,553	50,593	(13,826)	(2,074)	50,246

Reconciliation of intangible assets - 2015

	Opening balance	Amortisation	Total
Computer software, other	17,275	(1,722)	15,553

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	406,000	-	406,000	116,000	-	116,000
Buildings	76,593,053	(14,685,887)	61,907,166	76,282,360	(11,914,621)	64,367,739
Plant and machinery	2,758,347	(899,720)	1,858,627	2,377,873	(223,712)	2,154,161
Furniture and fixtures	5,990,765	(1,936,021)	4,054,744	6,934,360	(2,075,930)	4,858,430
Motor vehicles	9,805,419	(2,466,945)	7,338,474	6,912,228	(2,320,528)	4,591,700
Computer equipment	1,339,378	(301,006)	1,038,372	1,145,175	(327,879)	817,296
Infrastructure	36,720,228	(3,213,499)	33,506,729	23,375,002	(1,672,986)	21,702,016
Other leased assets	456,221	(257,134)	199,087	456,221	(105,060)	351,161
Work In progress	24,926,885	-	24,926,885	11,985,101	-	11,985,101
Total	158,996,296	(23,750,212)	135,246,084	129,584,320	(18,640,716)	110,943,604

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4. Property, plant and equipment (continued)

The following properties which were classified as investment property (carried at fair value) were reclassified to property, plant and equipment:

1. Thusong services centre which is being leased out to various agencies in Aok.
2. 64 hectares of land situated in Hoeraroep farms 515 in Apel
3. A fair value adjustment of-R62 146 was recognised in the statement of financial performance prior to reclassification

5. Heritage assets

	2016			2015		
	Cost / Valuation	Accumulated Impairment losses	Carrying value	Cost / Valuation	Accumulated Impairment losses	Carrying value
Mayoral chain	105,000	-	105,000	105,000	-	105,000

Reconciliation of heritage assets 2016

	Opening balance	Total
Mayoral chain	105,000	105,000

6. Inventories

Consumable stores	208,626	400,671
Refuse bins	297,480	296,300
	506,106	696,971

7. Receivables from exchange transactions

Trade debtors	275,135	425,634
Secured deposits	1,018,494	1,018,494
	1,293,629	1,444,128

Included in receivables from exchange transactions:

Debtors - Hawkers stalls	24,060	12,750
Less: Allowance for Impairment	(22,525)	(7,759)
Debtors	273,600	420,643
Secured deposit	1,018,494	1,018,494
	1,293,629	1,444,128

8. Receivables from non-exchange transactions

Fines	5,454,032	4,039,104
Provision for fines	(4,786,267)	(3,258,003)
	667,765	781,101

9. VAT receivable

VAT	2,203,721	1,712,430
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11. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2016	June 30, 2015	June 30, 2014
Standard Bank current account - 030184532000	1,824,968	2,728,334	167,067	1,435,109	2,475,714	2,645,845
Standard Bank Call account - 418909202001	10,074,139	1,880,926	2,860,924	10,074,139	1,880,926	12,788,444
Nedbank call account - 7881071311	-	-	12,842,862	-	-	-
Cash on hand	-	-	-	506	250	250
Total	11,899,105	4,609,260	15,870,853	11,509,754	4,356,890	15,434,539

12. Payables from exchange transactions

Trade payables	1,092,295	2,671,351
Income received in advance	40,945	17,042
Deposits	20,683	18,158
Accruals	32,000	90,012
Retentions	3,718,844	1,755,515
Accrued bonus	797,701	616,382
	5,702,468	5,168,460

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Finance Management Grant (MFMG)	77	74
Municipal Infrastructure Grant (MIG)	9,731,798	-
	9,731,873	74

Movement during the year

Balance at the beginning of the year	74	9,289,173
Additions during the year	40,873,629	11,249,000
Income recognition during the year	(31,141,830)	(20,538,099)
	9,731,873	74

14. Provisions

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Total
Staff leave	3,632,312	428,444	(404,065)	3,656,691

Reconciliation of provisions - 2015

	Opening Balance	Additions	Total
Staff leave	2,326,873	1,305,439	3,632,312

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17. Revenue		
Income from agency services	296,954	354,685
Service charges	4,162,040	3,928,542
Rental of facilities and equipment	117,299	91,322
Public contributions and donations	2,414,890	759,835
Licences and permits	1,577,714	1,797,759
Other Income	549,881	620,123
Interest received - investment	1,640,938	1,506,611
Property rates	8,871,916	9,246,397
Property rates - penalties imposed	456,636	136,860
Government grants & subsidies	105,385,830	87,244,819
Fines	1,923,200	2,385,100
	127,397,298	108,072,053

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	4,162,040	3,928,542
Income from agency services	296,954	354,685
Rental of facilities and equipment	117,299	91,322
Public contributions and donations	2,414,890	759,835
Licences and permits	1,577,714	1,797,759
Other Income	549,881	620,123
Interest received - investment	1,640,938	1,506,611
	10,759,716	9,056,877

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Property rates	8,871,916	9,246,397
Property rates - penalties imposed	456,636	136,860
Transfer revenue		
Government grants & subsidies	105,385,830	87,244,819
Fines	1,923,200	2,385,100
	116,637,582	99,013,176

18. Service charges

Refuse removal	4,162,040	3,928,542
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19. Other income

Land use charges	28,092	10,697
Traffic escort	2,368	2,193
Proof of residence	113,450	70,636
Tender documents	254,131	266,394
Sundry income	126,817	250,750
Staff parking	23,523	19,453
Sale of dustbins	1,500	-
	549,881	620,123

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22. Government grants and subsidies (continued)

Municipal systems improvement grant (MSIG)

Current-year receipts	930,000	934,000
Conditions met - transferred to revenue	(930,000)	(934,000)

Conditions still to be met - remain liabilities (see note 13).

LG Seta grant

Current-year receipts	34,629	50,720
Conditions met - transferred to revenue	(34,629)	(50,720)

Conditions still to be met - remain liabilities (see note 13).

EPWP incentive grant

Current-year receipts	1,000,000	1,052,000
Conditions met - transferred to revenue	(1,000,000)	(1,052,000)

Conditions still to be met - remain liabilities (see note 13).

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23. Employee related costs (continued)

Remuneration of Director: Corporate Services - Phasha Ml

Annual Remuneration	564,200	568,590
Car Allowance	75,411	75,411
Performance Bonuses	57,520	-
Contributions to UIF, Medical and Pension Funds	368,179	314,448
Cellphone allowance	8,400	8,400
Subsistence allowance	8,399	4,502
	1,082,109	971,351

Remuneration of Director: Development Planning - Peu L

Annual Remuneration	354,050	202,885
Car Allowance	149,284	85,749
Performance Bonuses	80,272	-
Contributions to UIF, Medical and Pension Funds	287,654	123,005
Cellphone allowance	8,400	5,600
Subsistence allowance	35,745	7,847
	915,405	425,086

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand

2016

2015

24. Remuneration of councillors (continued)

Reconciliation of councillors - 2016

	Annual salary	Travel allowance	Cellphone allowance	Mobile data	Subsistence allowance	Company contributions	Backpay	Total
Lesufi MJ	225,859	40,925	20,868	3,600	18,316	2,576	7,770	319,914
Phasa MJ	166,959	40,925	20,868	3,600	3,212	2,054	6,055	243,673
Maisela NS	166,958	40,925	20,868	3,600	7,834	2,054	6,055	248,294
Moswane MW	225,859	40,925	20,868	3,600	21,810	2,576	7,771	323,409
Manala RE	166,959	40,925	20,868	3,600	-	2,054	6,055	240,461
Kupa MT	225,859	40,925	20,868	3,600	28,626	2,577	7,771	330,226
Maboa S	166,959	40,925	20,868	3,600	-	2,054	6,055	240,461
Malatji MP	14,418	3,410	1,739	300	-	150	-	20,017
Maesela MG	152,541	37,515	19,129	3,300	4,665	1,904	6,055	225,109
Molfo HK	166,959	40,925	20,868	3,600	-	2,054	6,055	240,461
Mawela TV	166,959	40,925	20,868	3,600	11,580	2,054	6,055	252,041
Mabotha MC	166,959	40,925	20,868	3,600	-	2,054	6,055	240,461
Mathipa MH	166,959	40,925	20,868	3,600	4,724	2,054	6,055	245,185
Marote ET	225,859	40,925	20,868	3,600	653	-	7,771	299,676
Mashabela MN	225,859	40,925	20,868	3,600	65,387	2,576	7,771	366,986
Diphofa DK	225,859	40,925	20,868	3,600	23,357	2,582	7,771	324,962
Makola MM	166,959	40,925	20,868	3,600	19,764	2,054	6,055	260,225
Maisela R.P	166,959	40,925	20,868	3,600	-	2,054	6,055	240,461
Makgopa IK	166,959	40,925	20,868	3,600	-	2,054	6,055	240,461
	3,358,661	736,650	375,824	64,800	209,928	37,535	119,285	4,902,483

Reconciliation of councillors - 2015

	Annual salary	Travel allowance	Cellphone allowance	Mobile data	Subsistence allowance	Company contributions	Total
Lesufi MJ	218,089	40,925	20,868	3,600	11,243	2,534	297,259
Phasa MJ	160,904	40,925	20,868	3,600	3,512	2,012	231,821
Maisela NS	160,904	40,925	20,868	3,600	3,715	2,012	232,024
Moswane MW	218,089	40,925	20,868	3,600	20,344	2,534	306,360
Manala RE	160,904	40,925	20,868	3,600	-	2,012	228,309
Kupa MT	218,089	40,925	20,868	3,600	13,958	2,534	299,974
Maboa S	160,904	40,925	20,868	3,600	454	2,012	228,763
Mosoana DM	134,087	34,104	17,390	3,000	-	1,677	190,258
Maesela MG	160,904	40,925	20,868	3,600	-	2,012	228,309
Molfo HK	160,904	40,925	20,868	3,600	-	2,012	228,309
Mawela TV	160,904	40,925	20,868	3,600	4,715	2,012	233,024
Mabotha MC	160,904	40,925	20,868	3,600	1,617	2,012	229,926
Mathipa MH	160,904	40,925	20,868	3,600	1,199	2,012	229,508
Marote ET	218,089	40,925	20,868	3,600	5,838	-	289,320
Mashabela MN	218,089	40,925	20,868	3,600	25,712	2,534	311,728
Diphofa DK	218,089	40,925	20,868	3,600	8,869	2,534	294,885
Makola MM	160,904	40,925	20,868	3,600	2,595	1,996	230,888
Maisela R.P	160,904	40,925	20,868	3,600	-	2,008	228,305
	3,212,565	729,829	372,146	64,200	103,771	36,459	4,518,970

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures In Rand	2016	2015
29. Auditors' remuneration		
Fees	2,526,914	1,823,235
30. Cash generated from operations		
Surplus	21,241,528	11,319,003
Adjustments for:		
Depreciation and amortisation	5,788,567	5,509,117
Loss on disposal of PPE	965,391	6,944,275
Loss on sale of intangible assets	13,826	-
Debt impairment	15,122,789	13,432,738
Movements in provisions	24,379	1,636,625
Impairment reversal	(14,883)	-
Other non cash items	(381,487)	-
Actuarial (gain)/Losses	-	178,349
Fair value adjustment on investment property	-	(62,146)
Expected benefit vesting	-	(15,866)
Current services costs	165,951	137,746
Interest costs: Defined benefit plan	72,173	49,315
Changes in working capital:		
Inventories	190,865	(477,742)
Receivables from exchange transactions	132,763	(10,541,751)
Consumer debtors	(13,266,583)	(451,829)
Receivables from non-exchange transactions	(1,411,959)	(1,739,030)
Payables from exchange transactions	534,008	(874,521)
VAT	(491,291)	(845,023)
Unspent conditional grants and receipts	9,731,799	(9,289,099)
	38,417,834	14,910,161
31. Commitments		
Authorised capital expenditure		
Approved and contracted for		
• Community assets	-	4,860,755
• Infrastructure	31,050,815	5,143,843
	31,050,815	9,804,598
Total capital commitments		
Already contracted for but not provided for	31,050,815	9,804,598
Authorised operational expenditure		
Already contracted for but not provided for		
• Commitment	9,901,703	5,472,613
Total operational commitments		
Already contracted for but not provided for	9,901,703	5,472,613

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand

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2015

33. Prior period errors

The errors on the prior year was adjusted as follows:

Increase in cost on assets	74,128
Increase in accumulated depreciation	(43,999)
Increase in accumulated surplus	(30,129)

During the assets verification items that were written off in prior year because they could not be verified were found. The restatement of these assets will have the effect on 2015 balances as above.

Decrease in accumulated depreciation	78,472
Decrease in cost	(128,600)
Decrease in accumulated surplus	48,128

During the year ended 2016 we discovered that a vehicle that was involved in an accident and written off in the prior year was still included in the PPE balance. The effect of the error on 2015 is as above.

Decrease in accumulated depreciation	4,736,961
Increase in accumulated amortisation	(1,202)
Increase in accumulated surplus	(4,735,759)

During the year ended 2016 we noticed that assessment of useful lives was not performed in prior years with the consequences that most of the assets had already exceeded their useful lives. The assessment of the useful lives indicated that accumulated depreciation balance is excessive and had an assessment carried out in the past, the balance would be significantly less what currently is. The effect of the error on 2015 balance is as above.

Accumulated Surplus	118,488
Vat receivable	(118,488)

During the year ended 30 June 2016 the municipality discovered that the vat receivable was overstated. The effect of the change on 2015 balances is as above.

Decrease in accumulated depreciation	33,573
Increase in accumulated surplus	(33,573)

During the year ended 2016 we discovered that an adjustment made in the prior year included an adjustment to 2014 accumulated depreciation on furniture items that had been disposed of in years previous years. The effect of the error on 2015 balance is as above.

Decrease in provision for leave	678,608
Increase in accumulated surplus	(678,608)

During the year ended 2015 leave payouts were erroneously paid out of salary votes instead provision for leave vote. The effect of the error on 2015 balance is as above.

Increase in trade payables	(112,646)
Decrease in accumulated surplus	112,646

During the year ended 2015 an outstanding invoice to a service provider was not raised as creditor resulting in understatement of trade payables. The effect of the error on 2015 balance is as above.

Increase in accounts receivables	133,763
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Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand

	2016	2015
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35. Irregular expenditure (continued)

Unauthorised Expenditure

Current year	3,221,843	
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36. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36(2) of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements. In terms of section 36(1)(a) of the Supply Chain Management Regulations, the accounting officer may dispense with the official procurement processes in the following instances:

- Sole Supplier
- Emergency
- Impracticality

In terms of section 36 of the Municipal Supply Chain Management Regulations, any deviation from the supply chain management policy needs to be approved/condoned by accounting officer and noted by Council. Deviations from the official procurement process during the financial year were approved by the accounting officer and noted by Council in terms of the delegations as stipulated and amount to approximately the following:

Deviation on goods and services less than R30 000	226,607	244,644
Deviation on goods and services between R30 000 and 200 000	916,296	5,243,289
	1,142,903	5,487,933

Fetakgomo Local Municipality

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand

40. Events after the reporting date

- The municipality will be amalgamated with Tubatse Local Municipality into one municipal area.
- An amount of R 6 479 for Human Communication (Pty) Ltd which is disclosed under contingent liabilities was subsequently settled after year end.

41. Additional disclosure in terms of Municipal Finance Management Act

Contributions to SALGA

Current year subscription / fee	500,000	500,000
Amount paid - current year	(500,000)	(500,000)

Audit fees

Current year subscription / fee	2,527,026	1,823,235
Amount paid - current year	(2,527,026)	(1,823,235)

PAYE and UIF

Current year subscription / fee	6,813,145	5,904,440
Amount paid - current year	(6,813,145)	(5,904,440)

Pension and Medical Aid Deductions

Current year subscription / fee	6,742,000	1,968,979
Amount paid - current year	(6,742,000)	(1,968,979)

VAT

VAT receivable	2,203,721	1,712,430
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Appendix D

Segmental Statement of Financial Performance for the year ended
Current Year 2016 **Prior Year 2015**

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality						
20,045,880	18,937,636	1,108,244	Executive & Council/Mayor and Council	17,911,400	18,872,173	(960,773)
21,294,278	32,770,022	(11,475,744)	Finance & Admin/Finance	19,379,176	30,618,459	(11,239,283)
26,857,152	22,970,829	3,886,323	Planning and Development/Economic Development/Plan	23,036,688	17,260,960	5,774,728
28,472,622	25,106,742	3,365,880	Comm. & Social/Libraries and archives	25,267,978	24,120,693	1,167,286
30,346,961	6,657,405	23,689,556	Road Transport/Roads	22,332,973	5,580,804	16,752,169
127,016,893	106,442,634	20,574,259		107,947,215	96,453,089	11,494,126
Municipal Owned Entities Other charges						
127,016,893	106,442,634	20,574,259	Municipality	107,947,215	96,453,089	11,494,126
127,016,893	106,442,634	20,574,259	Total	107,947,215	96,453,089	11,494,126

Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 66 of 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld				Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance	
		Jun	Sep	Dec	Mar	Jun	Jun	Sep	Dec	Mar	Jun	Jun	Sep				Dec
FMG	National	-	1,800	-	-	-	-	420	509	481	438	-	-	-	-	-	Yes/No
MIG	National	-	13,316	6,797	17,069	-	-	5,236	7,072	2,558	12,511	-	-	-	-	-	Yes
MSG	National	-	930	-	-	-	-	610	183	534	-	-	-	-	-	-	Yes
EPWP	National	-	400	300	300	-	-	472	472	66	-	-	-	-	-	-	Yes
LG Seta	National	-	34	-	-	-	-	34	-	-	-	-	-	-	-	-	Yes
		-	16,480	7,097	17,369	-	-	6,772	8,236	3,629	12,949	-	-	-	-	-	

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: Auditor General Opinion of Financial statements 2015/16

6.1 AUDITOR GENERAL REPORT 2015/2016

INTRODUCTION

Note: S188 (1)(b) of the Constitution of the Republic of South Africa states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all Municipalities. S45 of the Systems Act states that the results of performance measurement must be audited annually by the Auditor-General.

The Auditor-General South Africa (AGSA)'s Audit Report for the 2015/16 financial year in terms of which the Municipality obtained an **unqualified audit opinion** follows below.

APPENDIX A
SERVICE PROVIDERS' PERFORMANCE REPORT

SERVICE/PROJECT	SERVICE PROVIDER	PERIOD		REVISED COMPLETION DATE	PRINTED AMOUNT	PHYSICAL	CHALLENGES	INTERVENTIONS
		DATE OF APPROVAL/ COMMENCEMENT	END OF THE CONTRACT/ COMPLETION					
Planning, designing, project management and commissioning of infrastructure Project, Nkezebe Bridge	Szyva Consulting Services	29/01/2015	28/02/2016	N/A	R 1,678,594.95	Performance is at level 3.	Under performance was on the 1st contractor.	the 1st contractor was terminated
Construction of Nkezebe access street and culverts bridge	Sergale Trading	09/09/2015	Contract was extended	N/A	R 9,305,977.89	Although the physical progress recorded preclude completion, contractor's performance was at level 1 attracting termination. Base layer for access road complete. Culvert bridge is at 100%. Construction of reinforced houses is at 80%. Paving and asphalt surfacing is at 100%. Ancillary work (which includes verges, drains, gullions, road marking signs, etc) is at 95%. Performance is at level 1.	the contractor was terminated.	Another contractor was appointed.
Construction of traffic lighting station route	Leisemeng	29/09/2015	30/11/2015	N/A	R 1,545,978.30	The contract is on 100% completion certificate in place and 5% retention has been issued to contractor. Performance level at 3.	None	None
Construction of canals	Sergale Trading	12/09/2015	21/09/2015	N/A	R 1,805,000.00	The contract is on 100% completion certificate in place and 5% retention has been issued to contractor. Performance level at 3.	None	None
Construction of canals	LA - Magale Construction	12/05/2015	21/09/2015	N/A	R 2,285,051.00	The contract is on 100% completion certificate in place and 5% retention has been issued to contractor. Performance level at 3.	None	None
Designing of Fedakgomo canals	Makhothi Consulting and Project Engineer	12/05/2014	Mid Year	N/A	R 2,059,259.08	The contract is on 100% complete. Practical certificate issued. Performance level at 2.	None or slow responsiveness.	Continuous engagement with the service provider to ensure appropriate & prompt responsiveness.

PERFORMANCE	SERVICE PROVIDER	PERIOD			FINISHED AMOUNT	PHYSICAL	CHALLENGES	INTERVENTIONS
		DATE OF APPOINTMENT/ COMMENCEMENT	END OF THE CONTRACT/ COMPLETION	PERCENTAGE COMPLETED				
upgrading of telephone cabinets in ward 02, 03 & 04	La Moga Construction cc	1/9/2016	N/A	N/A	R 675 702.73	The contract is on 100% complete, completion certificate in place. Performance level at 3.	None	None
Preparation of Annual Financial Statement	Metsetha Inc	29/05/2015	N/A	N/A	R 861 480.00	Quarterly AFS prepared. Performance at level 3	None	None
Review of Fixed Asset Register	Price Warehouse Cooper	29/05/2015	N/A	N/A	R 248,383,14	Asset Register Maintained. Performance at level 3.	None	None
Architectural points converts drainage structures	Bagophela Projects Trading	05/02/2016	N/A	N/A	R 12,385 781.65	Physical progress to date stand at 15%. Site Establishment is complete. Performance at level 3.	None	None
Structural Nodeal joints concrete drainage structures	Mothlase Pindima Construction	22/04/2016	N/A	N/A	R 2 376 928,31	The contract is on 100% complete, completion certificate in place. Performance level at 3.	None	None
supply and delivery of microsoft licenses	Justel Solutions cc	18/12/2015	N/A	N/A	R 578 018,06	Installation of Microsoft Office 2013 and Windows 10 as a softwares were updated and activated on the 08th June 2016. The performance is at level 3.	None	None

DESCRIPTIVE NARRATIVE OF THE PERFORMANCE LEVELS

- Level: 5 Performance far exceeds the standard expected for the job in all areas of the manager
- Level: 4 Performance is significantly higher than the standard expected for the job in all areas.
- Level:3 Performance fully meets the standard expected for the job in all areas.
- Level: 2 Performance is below the standard required for the job in key areas.
- Level: 1 Performance does not meet the standard required for the job.

APPENDIX B

HUMAN RESOURCE POLICIES AND PLANS

	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Internship Policy	100 %	0%	29/09/2011
2	Staff Retention Policy	100%	0%	29/06/2009
3	Bursary Policy	100%	100%	07/05/2009
4	Council Delegations	100%	100%	27/09/2012
5	Disciplinary Code and Procedures	100%	N/A	*The SALGA Bargaining Council Disciplinary Code & Procedures applicable non- s56/57 employees. *Local Government: Disciplinary Regulations for Senior Managers, published under GG 34213 of 21 April 2011.
6	Traffic Management Policy	100%	100%	29/09/2011
7	Employee Assistance Programme Policy	100%	0%	2008/2009
8	Employment Equity Policy	100%	0%	29/10/2015
9	Exit Management	0%	0%	N/A
10	Grievance Procedures	100%	100%	Subsumed in Human Resource Policies and Procedures
11	HIV/Aids	100%	0%	13/12/2012
12	Human Resource Policies and Procedures	100%	100%	08/12/2008
13	Information Technology (password, laptop/nontebook)	100%	0%	17/12/2009
14	Job Evaluation	100%	0%	27/03/2013
15	Leave	100%	100%	Subsumed in Human Resource Policies and Procedures
16	Occupational Health and Safety Policy	100%	100%	29/09/2011
17	Attendance and Punctuality Policy	100%	0%	27/09/2012
18	IT Access Procedure Manual	100%	100%	27/09/2012
19	ICT Change Management Policy	100%	100%	27/03/2013

APPENDIX C

OUTLINE OF MUNICIPAL POWERS AND FUNCTIONS

APPENDIX D
A FULL LIST OF COUNCILLORS

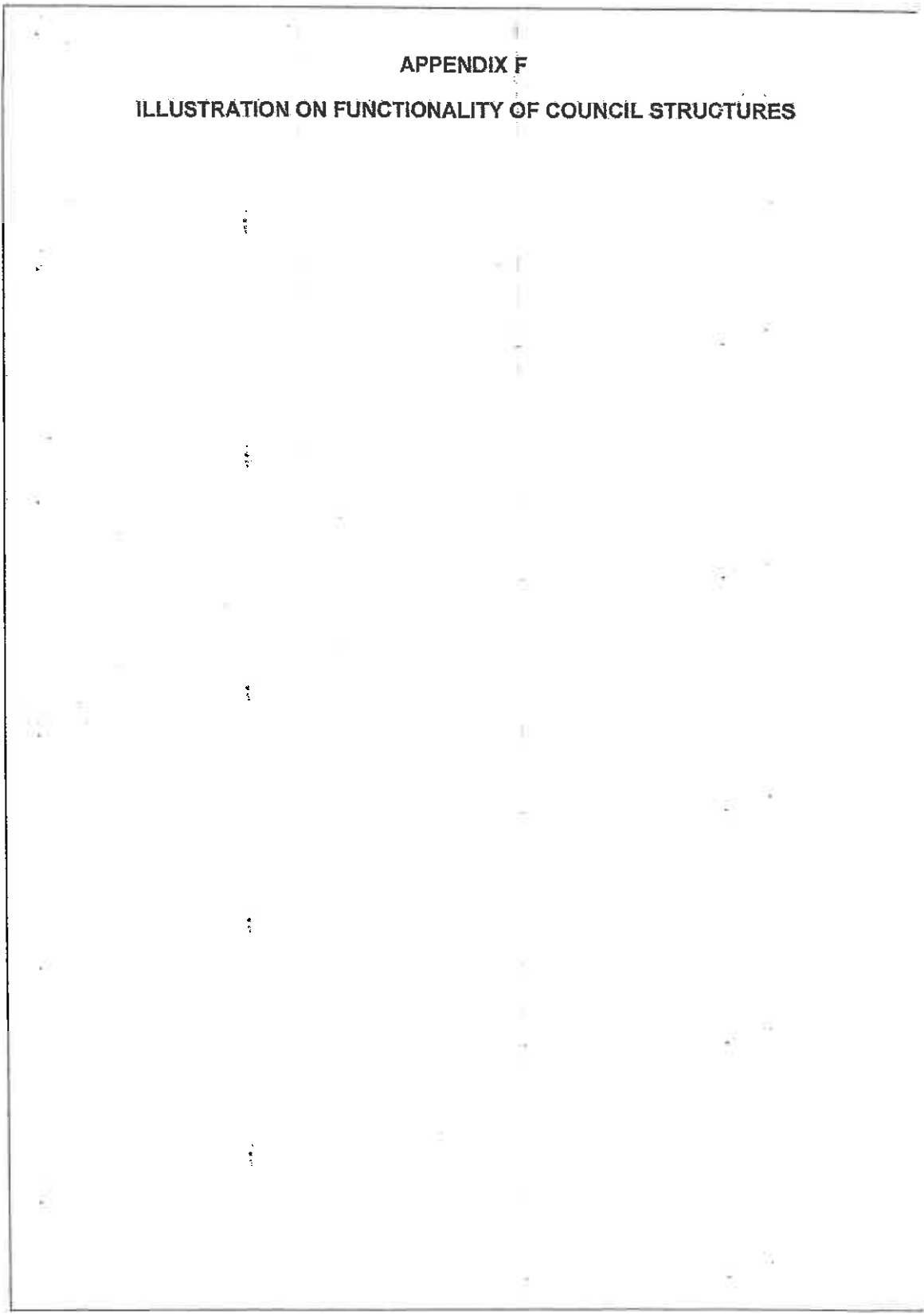
Manala Eviindah Ramaabele	Ward 13 Cllr	ANC	BTO Portfolio, MPAC, Rules & Ethics	072 508 4248
Phaladi Raphahle Catherine	PR Cllr	ANC	EXCO, BTO Portfolio	082 773 6235
Maisela Phyllistus Ramatsimele	PR Cllr	ANC	Community Services Portfolio	078 893 0781
Lesufi Jacky Mashwahle	PR Cllr	ANC	Corporate Services Portfolio	082 676 8551
Marote Tebatjo Emily	PR Cllr	ANC	Technical Services Portfolio, Chairperson of Chairpersons	072 861 7260
Phala Magoane Dapheney	PR Cllr	ANC	Exco Technical Services Portfolio	071 422 7939
Lentsoana Setlogane Aaron	PR Cllr	COPE	EXCO, DVP Portfolio	082 560 0393
Maesela Mapharashe Gibson	PR Cllr + District Representative	COPE	Technical Services Portfolio	076 420 7790
Makgopa Kl	PR Cllr	DA	MPAC B&T Portfolio Committee	071 042 6091
Maboa Simon	PR Cllr	AZAPO	Corporate Services Portfolio, MPAC & Rules & Ethics	072 328 2717

**APPENDIX E
COMMITTEES AND COMMITTEE PURPOSES**

Municipal Committee	Committee Purpose
Audit Committee (AC)	It is an independent advisory body of experts which advises the FTM on effective governance internal audit, financial and non-financial risks, accounting policies, performance management etc. Established in terms of s1 MFMA, it gives an objective & expert view in respect of affairs of the FTM i.e it casts an eye on the work/controls developed by the Internal Audit Unit. Although, it has no enforcement powers it makes advice recommendations to the Council
Municipal Public Account Committee (MPAC)	It is established in accordance with s79 of the Structures Act read concurrently with s129 of the MFMA to provide checks and balances on the work of the Executive Committee. It exercises oversight over the executive functionaries of Council. It promotes good governance by considering Annual Report. It does monitoring oversight.
Rules and Ethics Committee	It is a s79 Committee constituted to ensure adherence to rules and that ethical standards enshrined in the Systems Act are upheld.
Portfolio Committee: Technical Services	As a s79 Committee, it exercises oversight on matters relating to infrastructural development (i.e service delivery).
Portfolio Committee: Budget and Treasury	As a s79 Committee, it does oversight on matters relating to general financial management (i.e revenue, expenditure, assets, supply chain management etc).
Portfolio Committee: Development Planning	As a s79 Committee, it provides checks and balances on generic municipal planning (i.e spatial, economic, strategic planning, intergovernmental relations, corporate

APPENDIX F

ILLUSTRATION ON FUNCTIONALITY OF COUNCIL STRUCTURES



THIRD TIER ADMINISTRATIVE STRUCTURE

POSITION	TITLE & NAMES	PROFESSIONAL MEMBERSHIPS (IF ANY)	QUALIFICATIONS	INSTITUTION
Former Municipal Manager	Mr Matumane ND (071 462 1421 / 079 390 4281)	South African Monitoring and Evaluation Association (SAMEA) (Membership No. 752039006150)	Master of Governance Postgraduate Diploma in Monitoring and Evaluation Methods (PGD MEM) Postgraduate Diploma in Labour Law (PGDLL) Applied Population Science Training and Research (APSTAR) Certificate Programme in Management Development (CPMD) - Advanced Advanced Certificate in Education (ACE)	University of Free State (UFS) Stellenbosch University (SU) University of Johannesburg (UJ) University of Kwazulu Natal (UKZN) University of Witwatersrand (Wits Business School) University of Johannesburg (UJ)

POSITION	TITLE & NAMES	PROFESSIONAL MEMBERSHIPS (IF ANY)	QUALIFICATIONS	INSTITUTION
Former Chief Financial Officer	Mr MarediMF (084 411 5796)	Completed SAICA (South African Institute of Chartered Accountants) Articles	Bachelor of Commerce Honours Bachelor of Commerce Degree CPMD	University of Limpopo (UniL) University of Limpopo (UniL) University of Witwatersrand (Wits Business School)
Former Director Development Planning	Ms Peu LC (082 864 8996)	SACPLAN Professional Town Planner (PR: A/2221/2015)	B.Tech Town & Regional Planning Diploma Town & Regional Planning CPMD Certificate in Fundamentals of Project Management	University of Johannesburg (UJ) University of Johannesburg (UJ) Wits Business School Damelin

POSITION	TITLE & NAMES	PROFESSIONAL MEMBERSHIPS (IF ANY)	QUALIFICATIONS	INSTITUTION
Former Director Corporate Services	Mr MI Phasha (082 820 4996)	N/A	Bachelor of Public Admin N.Dip Public Admin	University of Pretoria University of Limpopo (Unil)
Director Technical Services	VACANT	N/A	ELMDP CPMD-Advanced N/A	University of Pretoria (UP) Wits Business School N/A

AUDITOR GENERAL REPORT

Report of the auditor-general to the Limpopo provincial legislature and the council on Fetakgomo Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the Fetakgomo Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and of 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 audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Fetakgomo Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Restatement of corresponding amounts

8. As disclosed in note 33 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during 2016 in the financial statements of the municipality at, and for the year ended, 30 June 2015.

Material underspending of the budget

9. As disclosed in 13 to the financial statements, the municipality has materially underspent conditional grants to the amount of R9 731 873. As a consequence, the municipality has not achieved some of its objectives as set out in its performance report for infrastructure grants

Significant uncertainties

10. With reference to note 32 to the financial statements, the municipality is the defendant in several legal claims. The municipality is opposing these claims as it believes the claims to be unfounded. 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.

Unauthorised expenditure

11. As disclosed in note 42 to the financial statements, unauthorised expenditure to the amount of R3 221 843 was incurred as a result of overspending on approved budget

Events after the reporting date

12. As disclosed in 40 to the financial statements, the municipality will be amalgamated with Tubatse local municipality into one municipal area.

Fruitless and wasteful expenditure

13. As disclosed in note 34 to the financial statements, the municipality incurred fruitless and wasteful expenditure amounting to R682 419 due to interests charged on late settlement of accounts and inadequate project management.

Additional matter

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

Unaudited supplementary schedules

15. 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.

Unaudited disclosure notes

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

Report on other legal and regulatory requirements

17. 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.

Predefined objectives

18. 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 the Fetakgomo Municipality for the year ended 30 June 2016:
 - Basic service delivery and infrastructure development on pages 89 to 102
 - Local and economic development on pages 103 to 113
19. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
20. 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 (FMPP)*.
21. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
22. I did not identify any material findings on the usefulness and reliability of the reported performance information for the development priorities.

Additional matter

23. I draw attention to the following matter. Our conclusion is not modified in respect of this matter.

Achievement of planned targets

24. Refer to the annual performance report on pages xx to xx for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

25. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic service delivery and infrastructure and local and economic development priority. As management subsequently corrected the misstatements, we did not identify any material findings on the usefulness and reliability of the reported performance information.

Unaudited supplementary information

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

Compliance with legislation

27. 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:

Annual financial statements, performance and annual reports

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.
29. Material misstatements of non-current assets, current assets/ liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

30. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 95(d) of the MFMA.
31. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA.

Internal control

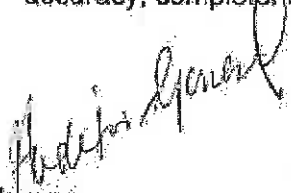
32. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for opinion, the findings on the annual performance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

Leadership

33. The accounting officer did not implement adequate internal controls to ensure the accuracy, completeness and reliability of the reported financial statements
34. The municipality developed a plan to address internal and external audit findings, but the accounting officer did not timeously monitor adherence to the plan

Financial and performance management

35. The municipality did not properly monitor and review the work done by the consultant appointed to prepare its financial statements.
36. The financial statements were not reconciled to the underlying records to ensure the accuracy, completeness and reliability of reported financial results.



Polokwane

30 November 2016



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

AUDIT ACTION PLAN

NO	FINANCIAL YEAR	2015/16	Greater Tugate		Fetakgomo		Completion Date
Municipality Name	Audit Opinion	Qualified	Unqualified			Start Date	Completion Date
Reporting Period	Category of Finding	Description of Finding	Finding status	Root Cause	AFS action plan Description	Start Date	Completion Date
1	Misstatement in financial statement	Matters affecting the auditor's report	Actuarial 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	Non-compliance with regulation	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 compilation 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 reconciliations 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	Greater Tugatse		Fetakgomo		Completion Date
	Municipality Name	Greater Tugatse	Qualified	Unqualified			Start Date
	Audit Opinion	2015/16	Description of Finding	Finding status	Root Cause	AFS action plan Description	Completion Date
	Reporting Period	2015/16					
	Audit Findings						
7	Employee costs	Misstatement in financial statement	Matters affecting the auditor's report	Employee cost- overtime not supported	1 The Information technology manager did not ensure that backups for payroll are done. The municipality experienced a crash on the system and they did not have proper back up to restore correct information. 2 Reconciliations between payroll and the financial system were not done to ensure that correct information is transferred	1. Monthly reconciliations between the HR system and versus to be performed and reviewed by the CFO; 2. Off site and in and out break up system to be implemented	01-Feb-17 30-Jun-17
8	Heading 1	Non-compliance with regulation	Matters affecting the auditor's report	SCM - Non-compliance with Section 32 of Municipal Supply chain management regulation	The Accounting officer did not ensure that the Municipal Supply chain regulation and MFMA are complied with when appointing these Service providers.	Enforce assurance on all section 32 procurement for compliance	01-Feb-17 30-Jun-17
9	Heading 1	Non-compliance with regulation	Matters affecting the auditor's report	SCM - Splitting of services to avoid competitive bidding	The Accounting officer did not ensure that the Municipal Supply chain regulation and MFMA are complied with when procuring services	Enforce compliance with MFMA regulations on procurement	01-Feb-17 30-Jun-17
10	Heading 1	Non-compliance with regulation	Matters affecting the auditor's report	SCM - Awards to the persons in the service of the state	The accounting officer does not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control to ensure that persons in service with the state are not awarded bids	Procure a system that assist in preventing awarding of tenders to persons who are in service of the state	01-Feb-17 30-Jun-17
11	Heading 1	Non-compliance with regulation	Matters affecting the auditor's report	SCM - Deviation from normal procurement process not disclosed on the AFS	The Accounting officer did not ensure that the Municipal Supply chain regulation and MFMA are complied with when procuring services.	Keep record of proper registration of deviation	01-Feb-17 30-Jun-17
12	Heading 1	Non-compliance with regulation	Matters affecting the auditor's report	CMU-Unauthorised, irregular or fruitless and wasteful expenditure not investigated	The Municipality did not ensure that investigations on Unauthorised, irregular or fruitless and wasteful expenditure are promptly concluded and individuals held liable or expenditure is written-off as approved by council	Implement the system of investigating fruitless, wasteful and unauthorised expenditure	01-Feb-17 30-Jun-17

NO	FINANCIAL YEAR	2015/16	Greater Tubatse		Feakgomo				
	Municipality Name	Greater Tubatse	Qualified		Unqualified				
	Audit Opinion	Qualified	2015/16						
	Reporting Period	2015/16	Description of Finding		Finding status		Root Causes		AFS action plan Description
	Audit Findings	Category of Finding	Matters affecting the auditor's report		Matters affecting the auditor's report		Matters affecting the auditor's report		Start Date
			Misstatement in financial statement		Misstatement in financial statement		Misstatement in financial statement		Completion Date
13	Heading 1	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	Compile monthly reconciliations of the irregular expenditure.
14	Heading 1	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	Compile an AFS action plan that allows sufficient time for CFO to do thorough review of the AFS.
15	Heading 1	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	Develop procedure manual and tracking system.
16	Heading 2	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	Develop quality assurance and compliance framework for section 32 appointments
17	Heading 2	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	Establish the contract management section in SCM to work together with Legal services.
18	Immovable assets	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	<ol style="list-style-type: none"> Compile an AFS action plan that allows sufficient time for CFO to do thorough review of the AFS; Quarterly assess management reporting
19	Leases	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	Implement contract management system

NO	FINANCIAL YEAR	2015/16	Fetakgomo				Completion Date
	Municipality Name	Greater Tubatse	Unqualified				
	Audit Opinion	Qualified	Unqualified				
	Reporting Period	2015/16	Unqualified				
	Audit Findings	Description of Finding	Finding Status	Root Cause	AFS action plan Description	Start Date	Completion Date
20	2015/16	Misstatement in financial statement	Expenditure - understated	The accounting officer did not implement controls to ensure that payment certificates for work done are signed by an appropriately competent official so that there are no inconsistencies between the signed payment certificate and other documents supporting the same payment claims.	Strengthen the system of payment, authorisation and process flow	01-Feb-17	30-Jun-17
21	2015/16	Matters affecting the auditor's report	AOPO - Difference between the trial balance and annual financial statement	The Chief Financial Officer did not properly review the annual financial statements to ensure that the figures reported in the AFS were reconciling to the underlying records.	Compile an AFS action plan that allows sufficient time for the CFO to do thorough review of the AFS.	01-Feb-17	30-Jun-17
22	2015/16	Matters affecting the auditor's report	AOPO - Inconsistency between planned indicator and reported indicator	The PMS Manager did not properly review the annual performance report	Monthly review of the PMS reports and assessment.	01-Feb-17	30-Jun-17
23	2015/16	Matters affecting the auditor's report	AOPO - Difference between reported information and information audited	The PMS Manager did not ensure that controls are implemented to ensure reliability and accuracy of the information reported on	Monthly review of the information on PMS targets.	01-Feb-17	30-Jun-17
24	2015/16	Matters affecting the auditor's report	AOPO - Inconsistency on the reported information and the source document	The PMS Manager did not ensure that controls are implemented to ensure reliability and accuracy of the information reported on	Monthly review of the information on PMS targets.	01-Feb-17	30-Jun-17
25	2015/16	Matters affecting the auditor's report	AOPO - Inconsistency between the planned target and reported target	The PMS Manager did not properly review the annual performance report	Monthly and quarterly review of the planned and reported targets.	01-Feb-17	30-Jun-17
26	2015/16	Matters affecting the auditor's report	AOPO - Reported performance or actual achievement for some of the performance targets could not be verified	Inadequate preparation of valid accurate and complete performance reports that are supported and evidenced by reliable information due to absence of verifiable records and collection systems.	Monthly review of the PMS.	01-Feb-17	30-Jun-17

NO	FINANCIAL YEAR	2015/16	Greater Tubatse	Fetakgomo									
	Municipality Name												
	Audit Opinion	Qualified		Unqualified									
	Reporting Period	2015/16	Description of Finding	Finding status	Root Cause	AFS action plan Description	Start Date	Completion Date					
	Audit Findings												
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					
Fetakgomo LM													
28	Other	Misstatement in financial statement	Matters affecting the Auditor's report	CM8 Ex46: VAT - Differences	The Accounting officer did not keep accurate and complete financial reports.	The audit finding was resolved during the audit process.	N/A	N/A					
29	Other	Non-compliance with regulation	Matters affecting Auditor's report	CM8 Ex58: 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.	The audit finding was resolved during the audit process.	N/A	N/A					
30	Other	Non-compliance with regulation	Matters affecting Auditor's report	CM10 Ex60: 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	The audit finding was resolved during the audit process.	N/A	N/A					
31	Other	Misstatement in financial statement	Matters affecting Auditor's report	CM8 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	The audit finding was resolved during the audit process.	N/A	N/A					
32	Employee cost	Misstatement in financial statement	Matters affecting Auditor's report	CM8 Ex57: 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.	The audit finding was resolved during the audit process.	N/A	N/A					
33	Movables assets	Misstatement in financial statement	Matters affecting the Auditor's report	CM8 Ex56:PPE: Incorrect classification of Fixed Assets	Management did not prepare accurate and complete financial statements that are supported and evidenced by reliable information.	The audit finding was resolved during the audit process.	N/A	N/A					

NO	FINANCIAL YEAR		2015/16		Greater Tubaise			Fetakgomo			
	Municipality Name	Audit Opinion	Reporting Period	Audit Findings	Category of Finding	Description of Finding	Finding status	Root Cause	AF's action plan Description	Start Date	Completion Date
			2015/16			Qualified	Unqualified				
34	Revenue	Misstatement in financial statement	Matters affecting the Auditors report	CM1 Ex4: Revenue from parking fees was not recognized through the year as per GRAP requirement	Revenue	Revenue	CM1 Ex4: Revenue from parking fees was not recognized through the year as per GRAP requirement	Revenue	The Accounting Officer did not implement controls to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with the prescribed standards and norms.	The audit finding was resolved during the audit process.	N/A

APPENDIX A
SERVICE PROVIDERS' PERFORMANCE REPORT

FETAKGOMO LOCAL MUNICIPALITY



FOURTH QUARTER SERVICE PROVIDERS PERFORMANCE REPORT FROM 01 JULY 2015 TO 30 JUNE 2016

SERVICE/PROJECT	SERVICE PROVIDER	PERIOD		POINTED AMOUNT	PHYSICAL	CHALLENGES	INTERVENTIONS
		DATE OF APPOINTMENT/ COMMENCEMENT	END OF THE CONTRACT/ COMPLETION DATE				
Banking Service	Standard bank	01/12/2012	30/11/2017	Monthly bank charges as per agreed SLA	Contract is in place. Performance is at level 3.	Slowness in the bank systems, sometimes causing delays	Meeting held with the bank to highlight the concern of delays resulted in improvement.
Financial System	CICS	18/01/2005	ONGOING	R 504,433.00	Performance at level 3	None	None
Payroll System	Sofline VIP	11/08/2004	ONGOING	R 527,352.00	Performance at level 3	None	None
Insurance	Alexander forbes	01/07/2011	30/2/2016	R 173,221.90	Contract has been extended with same terms and conditions. Performance level 1	None	None
Lease of Photocopy Machine	Nashua	14/01/2014	13/01/2017	R 14,797.44	Contract is in place. Performance is at level 3.	None	None
Provision of cash in transit	Fidelity Cash Solutions (PTY) Ltd	28/11/2012	3/8/2016	R 81,288.00	Performance at level 3. Contract extension with same terms and conditions.	None	None
Provision of Security Services	Boyana Chemicals	01/02/2015	31/01/2018	R 5,410,033.20	Performance is at level 3.	None	None
Completion of Fetakgomo Municipal General Valuation Roll	The Medel Hope Properties	22/09/2015	25/09/2016	R 298,452.00	valuation Roll completed. The Performance is at level 3.	None	None
Provision of Security Services at Abik, Sports Complex, Recreational.	Eam To Protect Services	25/08/2015	23/08/2018	R 7,134,003.00	Performance is at level 3.	None	None

SERVICE/PROJECT	SERVICE PROVIDER	PERIOD		REASSED COMPLETION DATE	POINTED AMOUNT	PHYSICAL	CHALLENGES	INTERVENTIONS
		DATE OF APPOINTMENT/COMPLETION	END OF THE CONTRACT/COMPLETION					
Planning, designing, project management and commissioning of infrastructure Project, Ntshabeng Bridge	Sereya Consulting Services	29/07/2015	28/02/2016	N/A	R 1,678,394,95	Performance is at level 3.	Under performance was on the 1st contractor.	the 1st contractor was terminated
Construction of Ntshabeng access street and culverts bridge	Seripole Trading	06/09/2015	Contract was extended	N/A	R 8,305,977,89	Although the physical progress recorded practical completion, contractor's performance was at level 1 attracting termination. Base layer for access road complete. Culvert bridge is at 100%. Construction of relocated houses is at 98%. Paving and asphalt surfacing is at 100%. Ancillary work (which includes walkways, v-drains, gabions, roadmarking signs, etc) is at 95%. Performance is at level 1.	the contractor was terminated.	Another contractor was appointed.
Construction of traffic testing station route	Jelesemang	22/09/2015	30/11/2015	N/A	R 1,645,378,30	The contract is on 100% completion certificate in place and 5% retention has been issued to contractor. Performance level at 3.	None	None
Construction of cemeteries	Seripole Trading	12/05/2015	21/09/2015	N/A	R 1,805,000,00	The contract is on 100% completion certificate in place and 5% retention has been issued to contractor. Performance level at 3.	None	None
Construction of cemeteries	La - Mogaile Construction	12/05/2015	21/09/2015	N/A	R 2,295,051,00	The contract is on 100% completion certificate in place and 5% retention has been issued to contractor. Performance level at 3.	None	None
Designing of Fetakgomo Cemeteries	Makhoosi Consulting and Project Engineer	12/05/2014	Mid year	N/A	R 2,059,295,08	The contract is on 100% complete. Practical certificate issued. Performance level at 2.	None or slow responsiveness.	Continous engagement with the service provider to ensure appropriate & prompt responsiveness.

SERVICE/PROJECT	SERVICE PROVIDER	PERIOD				PRIORITISED AMOUNT	PHYSICAL	CHALLENGES	INTERVENTIONS
		DATE OF APPOINTMENT COMMENCEMENT	END OF THE CONTRACT/COMPLETION	REVISED COMPLETION DATE					
Maintenance Services for street light and high mast lights	Reps Electro Mec	11/08/2015	10/08/2018	N/A	R 297,568,18	72 high mast lights are functional, 39 high mast lights waiting to be switched on 85 street lights are functional and 115 are non-functional. Performance at level 3	None	None	
Professional Service for Mphahama Nodal Point culverts drainage Structures	Maurmo Consulting Engineers	25/11/2015	N/A	N/A	R 436,686,04	Physical progress stands at 50%. Design report/preliminary report and tender document has been submitted. Consultants is busy with the supervision. Performance at level 3.	None	None	
Professional Service for Alak Nodal Point culverts drainage Structures	Muden Consulting Engineers	04/11/2015	N/A	N/A	R 878,806,16	Physical progress stands at 15%. Design report/preliminary report and tender document has been submitted. Consultants is busy with the supervision. Performance at level 3.	None	None	
Professional Services for Apel Nodal Point culverts drainage Structures	Maurmo Consulting Engineers	21/12/2015	N/A	N/A	R 543,708,25	Physical progress stands at 60%. Design report/preliminary report and tender document has been submitted. Consultants is busy with the supervision. Performance at level 3.	None	None	
Professional Geohydrologist for Planning, Implementation and Commissioning of Internal Water Supply at Mkhahleza MFCC, Mphahama Hall and upgrading of Fetakgomo cemeteries in ward B & 9	Nkato-Nkato Trading	11/11/2015	N/A	N/A	R 492,822,00	For Masesi Makhona is 100% complete, Mphahama is 100% complete and Mkhahleza is 88%. Performance at level 2.	None	None	
Apel nodal points culverts drainage structures	Sonefound Engineering Solution cc	23/04/2016	N/A	N/A	R 7 492 402,23	Physical progress recorded. Practical completion. Parade fence is at 100% and environment Tables is at 98%. Performance at level 3.	The contractor is busy with the snaglist	None	
Mphahama nodal points culverts drainage structures	Pqpopo & Son/Radia Invest. 107 JV	22/04/2016	N/A	N/A	R 3 575 023,83	Physical progress to date stand at 50%. Site Establishment is complete. Performance at level 3.	None	None	

SERVICE/PROJECT	SERVICE PROVIDER	DATE OF APPOINTMENT COMMENCEMENT	PERIOD			PRINTED AMOUNT	PHYSICAL	CHALLENGES	INTERVENTIONS
			END OF THE CONTRACT/COMPLETION	REvised COMPLETION DATE					
upgrading of Folegomo cemeteries in ward 02, 03 & 04	L.J. Mgqale Construction cc	14/2016	N/A	N/A	R 2 875 702.73	The contract is on 100% complete. completion certificate in place. Performance level at 3.	None	None	
Preparation of Annual Financial Statement	Matsiba Inc	29/06/2015	N/A	N/A	R 861,480.00	Quarterly AFS prepared. Performance at level 3	None	None	
Review of Fixed Asset Register	Pico Waterhouse Group	29/06/2015	N/A	N/A	R 248,563.14	Asset Register Maintained. Performance at level 3.	None	None	
Atok model points culverts drainage structures	Bagophela Projects Trading	6/6/2016	N/A	N/A	R 12 355 781.66	Physical progress to add stand at 15% Site Establishment is complete. Performance at level 3.	None	None	
Strydom Model points culverts drainage structures	Mahlaka Pradima Construction	22/04/2016	N/A	N/A	R 2 376 326.31	The contract is on 100% complete, completion certificate in place. Performance level at 3.	None	None	
supply and delivery of Microsoft Licences	Justnet Solutions cc	18/12/2015	N/A	N/A	R 576 018.06	Installation of Microsoft Office 2013 and Windows 70 as a softwares were updated and activated on the 08th June 2016. The performance is at level 3.	None	None	

DESCRIPTIVE NARRATIVE OF THE PERFORMANCE LEVELS

- Level: 5 Performance far exceeds the standard expected for the job in all areas of the manager
- Level: 4 Performance is significantly higher than the standard expected for the job in all areas
- Level: 3 Performance fully meets the standard expected for the job in all areas
- Level: 2 Performance is below the standard required for the job in key areas.
- Level: 1 Performance does not meet the standard required for the job.

APPENDIX B
HUMAN RESOURCE POLICIES AND PLANS

APPENDIX B

HUMAN RESOURCE POLICIES AND PLANS

	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Internship Policy	100 %	0%	29/09/2011
2	Staff Retention Policy	100%	0%	29/06/2009
3	Bursary Policy	100%	100%	07/05/2009
4	Council Delegations	100%	100%	27/09/2012
5	Disciplinary Code and Procedures	100%	N/A	*The SALGA Bargaining Council Disciplinary Code & Procedures applicable non- s56/57 employees. *Local Government: Disciplinary Regulations for Senior Managers, published under GG 34213 of 21 April 2011.
6	Traffic Management Policy	100%	100%	29/09/2011
7	Employee Assistance Programme Policy	100%	0%	2008/2009
8	Employment Equity Policy	100%	0%	29/10/2015
9	Exit Management	0%	0%	N/A
10	Grievance Procedures	100%	100%	Subsumed in Human Resource Policies and Procedures
11	HIV/Aids	100%	0%	13/12/2012
12	Human Resource Policies and Procedures	100%	100%	08/12/2008
13	Information Technology (password, laptop/notebook)	100%	0%	17/12/2009
14	Job Evaluation	100%	0%	27/03/2013
15	Leave	100%	100%	Subsumed in Human Resource Policies and Procedures
16	Occupational Health and Safety Policy	100%	100%	29/09/2011
17	Attendance and Punctuality Policy	100%	0%	27/09/2012
18	IT Access Procedure Manual	100%	100%	27/09/2012
19	ICT Change Management Policy	100%	100%	27/03/2013

20	Official Working Hours and Overtime	100%	0%	Subsumed in Human Resource Policies and Procedures
21	Travel and Subsistence Policy	100%	100%	27/03/2013
22	Payroll Procedure Manual	100%	0%	N/A (operational manual)
23	Performance Management Policy Framework	100%	100%	27/03/2013
24	Employment Practice Policy (guides recruitment, selection and appointments)	100%	100%	13/12/2012
25	Remuneration Framework for s56/57 Managers	100%	100%	02/08/2011. Remuneration for non-section 56/57 employee is through SALGA Bargaining Council
26	Transport Allowance and Policy	100%	100%	18/06/2013
27	Sexual Harassment	0%	0%	N/A
28	Workplace Skills Plan (WSP)	100%	100%	Reviewed June annually & submitted to LGSETA by management
29	Smoking	0%	0%	N/A
30	Special Skills	0%	0%	N/A
31	Work Organisation	0%	0%	N/A
32	Dress Code Policy	100%	0%	07/03/2013
33	Education, Training and Development Policy	100%	0%	29/06/2009
34	Bursary Policy	100%	0%	15/12/2011
35	Employment Equity Plan	100%	0%	29/06/2009
36	EPWP Policy	100%	0%	29/10/2015
37	LED Strategy	100%	100%	29/10/2015
38	Catering Policy	100%	0%	29/10/2015
39	Petition Policy	100%	0%	29/10/2015
40	Policy on Ward Committee	100%	0%	29/10/2015
41	Geographical Information Policy	100%	0%	29/10/2015

APPENDIX C
OUTLINE OF MUNICIPAL POWERS AND FUNCTIONS

APPENDIX C

AMENABLE POWERS AND FUNCTIONS OF THE MUNICIPALITY

FTM performs about 32% (12 out of 38) functions of local government as in the Constitution (RSA, 1996, s156 and 229 read with Part B of both Schedules 4 & 5 and Local Government: Municipal Structures Act, RSA1998, s83. These functions include:

- Cemeteries
- Municipal Planning
- Local Tourism
- Building regulations
- Street lighting
- Vehicle licensing and registration
- Learners' Drivers Licensing
- Billboards & advertising
- Internal streets
- Refuse removal
- Public Facilities
- Local sports facilities.

APPENDIX D
A FULL LIST OF COUNCILLORS

APPENDIX D

A FULL LIST OF COUNCILLORS (PR/WARD) AND COMMITTEES ALLOCATED

Total number of seats: = 25 (Twenty-five)

Surname & Names	Position	Party	Committees Allocated	Contact no.
Sefala Kukie Raesetja Elizabeth	Mayor (PR Cllr)	ANC	EXCO, IDP Steering Committee	082 964 0968
Phala Naume Tlakale	Chiefwhip (ward 03 Cllr)	ANC	DVP Portfolio, IDP Steering Committee	082 727 5175
Mamphekgo Kobaphiri Kenneth	Speaker (PR Cllr)	ANC	Rules & Ethics, IDP Steering Committee	082 776 2450
Seroka Kgowane Alpheus	Ward 01 Cllr	ANC	EXCO, Corporate & Community Services Portfolio	082 773 6223
Diphofa Klaas Diphofe	Ward 02 Cllr	ANC	Technical Services Portfolio	072 779 1646
Makola Mmadire Mologadi	Cllr + District Representative	ANC	Technical Services, Remuneration Committee	076 487 4503
Mawela Victor Tlhatlhusi	Ward 04 Cllr	ANC	BTO Portfolio	072 181 7986
Mashabela Mphage Nelson	Ward 05 Cllr	ANC	DVP	076 193 6791
Moifo Hendrick Khulong	Ward 06 Cllr + District Representative	ANC	DVP Portfolio	078 736 7466
Moswoane Wilson Makgapheetse	Ward 07 Cllr	ANC	DVP Portfolio, MPAC	076 496 8765
Mabotha Mphela Carton	Ward 08 Cllr	ANC	Community Services Portfolio & Rules & Ethics	082 820 2102
Maisela Nkgau Stephen	Ward 09 Cllr	ANC	Community Services & Remuneration Committee	072 945 5180
Mathipa Herbert Mogale	Ward 10 Cllr	ANC	Corporate & Remuneration Committee	082 578 7644
Phasha Maselekeng Julia	Ward 11 Cllr	ANC	Community Services Portfolio & MPAC	073 493 2374
Kupa Thomas Magate	Ward 12 Cllr	ANC	Budget and Treasury Remuneration Committee	076 940 7831

Manala Evlindah Ramaabele	Ward 13 Cllr	ANC	BTO Portfolio, MPAC, Rules & Ethics	072 508 4248
Phaladi Raphahle Catherine	PR Cllr	ANC	EXCO, BTO Portfolio	082 773 6235
Maisela Phyllistus Ramatsimele	PR Cllr	ANC	Community Services Portfolio	078 893 0781
Lesufi Jacky Mashwahle	PR Cllr	ANC	Corporate Services Portfolio	082 676 8551
Marote Tebatjo Emily	PR Cllr	ANC	Technical Services Portfolio, Chairperson of Chairpersons	072 861 7260
Phala Magoane Dapheney	PR Cllr	ANC	Exco Technical Services Portfolio	071 422 7939
Lentsoana Setlogane Aaron	PR Cllr	COPE	EXCO, DVP Portfolio	082 560 0393
Maesela Mapharashe Gibson	PR Cllr + District Representative	COPE	Technical Services Portfolio	076 420 7790
Makgopa KI	PR Cllr	DA	MPAC B&T Portfolio Committee	071 042 6091
Maboa Simon	PR Cllr	AZAPO	Corporate Services Portfolio, MPAC & Rules & Ethics	072 328 2717

APPENDIX E
COMMITTEES AND COMMITTEE PURPOSES

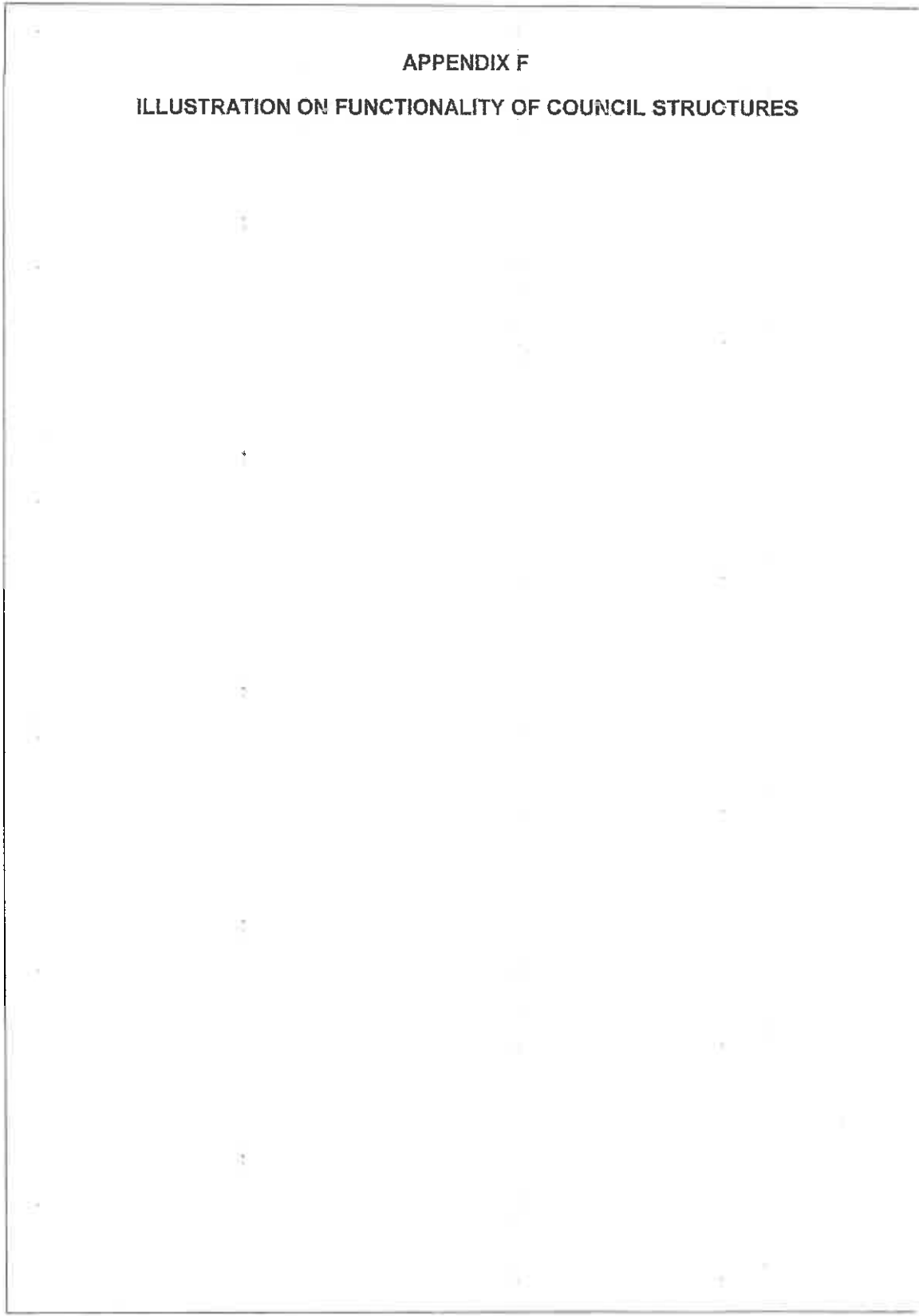
**APPENDIX E
COMMITTEES AND COMMITTEE PURPOSES**

Municipal Committee	Committee Purpose
Audit Committee (AC)	It is an independent advisory body of expert which advises the FTM on effective governance internal audit, financial and non-financial risks, accounting policies, performance management etc. Established in terms of s1 MFMA, it gives an objective & expert view in respect of affairs of the FTM i.e it casts an eye on the work/controls developed by the Internal Audit Unit. Although, it has no enforcement powers it makes advices & recommendations to the Council
Municipal Public Account Committee (MPAC)	It is established in accordance with s79 of the Structures Act read concurrently with s129 of the MFMA to provide checks and balances work of the Executive Committee. It exercises oversight over the executive functionaries of Council. It promotes good governance by considering Annual Report. It does monitoring oversight.
Rules and Ethics Committee	It is a s79 Committee constituted to ensure adherence to rules and that ethical standards enshrined in the Systems Act are upheld.
Portfolio Committee: Technical Services	As a s79 Committee, it exercises oversight matters relating to infrastructural development (i.e service delivery).
Portfolio Committee: Budget and Treasury	As a s79 Committee, it does oversight on matters relating to general financial management (i.e revenue, expenditure, assets, supply chain management etc).
Portfolio Committee: Development Planning	As a s79 Committee, it provides checks and balances on generic municipal planning (i.e spatial, economic, strategic planning, intergovernmental relations, corporate

	performance etc). The essential purpose is to improve the quality of governance and ultimately the sustainability of the Municipality.
Portfolio Committee: Corporate Services	As a s79 Committee, it exercises oversight over organizational development & municipal transformation (i.e human resource development, executive support, communications, marketing, publicity, records management, special programmes etc).
Portfolio Committee: Community Services	As a s79 Committee, it oversees community safety, sports, recreation, arts & culture, public facilities, law enforcement, drivers & vehicle licensing, emergency services, environment management etc).
IDP/Budget Steering Committee	It ensures credible preparations and development of IDP/Budget. It comprises both the officials and councillors.
Revenue Steering Committee	It ensures and monitors the implementation of revenue strategies performance against planned targets. It comprises both the officials and councillors.
Remuneration Committee	It was initially established to guide and advise Council structures on remuneration related matters. The Committee was subsequently dissolved by the Council.
NB: As embedded in s79 of the Local Government Municipal Structures Act (no.117 of 1998), the overarching purpose of the foregoing Committees is to help the Executive Committee and ultimately the Council to perform its functions in an effective and efficient manner. The Municipality has a substantial discretion as to the number of Committees to be established and how to structure them.	

APPENDIX F

ILLUSTRATION ON FUNCTIONALITY OF COUNCIL STRUCTURES



THIRD TIER ADMINISTRATIVE STRUCTURE

POSITION	TITLE & NAMES	PROFESSIONAL MEMBERSHIPS (IF ANY)	QUALIFICATIONS	INSTITUTION
Former Municipal Manager	Mr Matumane ND (071 462 1421 / 079 390 4281)	South African Monitoring and Evaluation Association (SAMEA) (Membership No. 752039006150)	Master of Governance Postgraduate Diploma in Monitoring and Evaluation Methods (PGD MEM) Postgraduate Diploma in Labour Law (PGDLL) Applied Population Science Training and Research (APSTAR) Certificate Programme in Management Development (CPMD) - Advanced Advanced Certificate in Education (ACE)	University of Free State (UFS) Stellenbosch University (SU) University of Johannesburg (UJ) University of Kwazulu Natal (UKZN) University of Witwatersrand (Wits Business School) University of Johannesburg (UJ)

POSITION	TITLE & NAMES	PROFESSIONAL MEMBERSHIPS (IF ANY)	QUALIFICATIONS	INSTITUTION
Former Chief Financial Officer	Mr MarediMF (084 411 5796)	Completed SAICA (South African Institute of Chartered Accountants) Articles	Bachelor of Commerce Honours Bachelor of Commerce Degree CPMD	University of Limpopo (UniL) University of Limpopo (UniL) University of Witwatersrand (Wits Business School)
Former Director Development Planning	Ms Peu LC (082 864 8996)	SACPLAN Professional Town Planner (PR: A/2221/2015)	B.Tech Town & Regional Planning Diploma Town & Regional Planning CPMD Certificate in Fundamentals of Project Management	University of Johannesburg (UJ) University of Johannesburg (UJ) Wits Business School Damelin

POSITION	TITLE & NAMES	PROFESSIONAL MEMBERSHIPS (IF ANY)	QUALIFICATIONS	INSTITUTION
Former Director Corporate Services	Mr MI Phasha (082 820 4996)	N/A	Bachelor of Public Admin N.Dip Public Admin ELMDP CPMD-Advanced	University of Pretoria University of Limpopo (Unil) University of Pretoria (UP) Wits Business School
Director Technical Services	VACANT	N/A	N/A	N/A

THIRD TIER ADMINISTRATIVE STRUCTURE

POSITION	TITLE & NAMES	PROFESSIONAL MEMBERSHIPS (IF ANY)	QUALIFICATIONS	INSTITUTION
Former Municipal Manager	Mr Matumane ND (071 462 1421 / 079 390 4281)	South African Monitoring and Evaluation Association (SAMEA) (<i>Membership No. 752039006150</i>)	Master of Governance Postgraduate Diploma in Monitoring and Evaluation Methods (PGD MEM) Postgraduate Diploma in Labour Law (PGDLL) Applied Population Science Training and Research (APSTAR) Certificate Programme in Management Development (CPMD) - Advanced Advanced Certificate in Education (ACE)	University of Free State (UFS) Stellenbosch University (SU) University of Johannesburg (UJ) University of Kwazulu Natal (UKZN) University of Witwatersrand (Wits Business School) University of Johannesburg (UJ)

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Director Technical Services	VACANT	N/A	ELMDP CPMD-Advanced N/A	University of Pretoria (UP) Wits Business School N/A

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Action Plan.

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