



FETAKGOMO – GREATER TUBATSE
LOCAL MUNICIPALITY



2016/17 DRAFT ANNUAL REPORT

Final Report

General Information

1. Executive Committee

No.	Surname & Initials	Designation
1.	Cllr. Phokane M.J	Mayor
2.	Cllr. Mamogale M.I	Portfolio Head: Budget and Treasury
3.	Cllr. Maila E.E	Portfolio Head: Infrastructures and Technical Services
4.	Cllr. Hlatswayo B.E	Portfolio Head: Local Economic Development
5.	Cllr. Moeng M.Q	Portfolio Head: Development and Planning
6.	Cllr. Pholwane M.B	Portfolio Head: Corporate Services
7.	Cllr. Mashego R.M.	Portfolio Head: Community Services
8.	Cllr. Mogoane M.K	Deputy Portfolio Head: Corporate services
9.	Cllr. Kgwedi J.L	Deputy Portfolio Head: Infrastructures and Technical Services
10.	Cllr. Makola J.V	Deputy Portfolio Head: Budget and Treasury

2. Address

Greater Tubatse Municipality

01 Kastania Street

P.O.Box 206

Burgersfort

1150

Tel: (013) 231 1000

Fax: (013) 231 7467

Website: <http://www.tubatse.gov.za> and www.fetakgomo.gov.za (www.fgtm.gov.za)

3. Contacts

NP Busane

Acting Municipal Manager

Email: nptbusane@tubatse.gov.za

Acronyms

No	Abbreviations	Abbreviations in full
1	AFS	Annual Financial Statement
2	A.G.	Auditor General
3	AGSA	Auditor General of South Africa
4	AIDS	Acquired immune Deficiency Syndrome
5	ANC	African National Congress
6	APC	African People convention
7	APR	Annual Performance Report
8	AR	Annual Report
9	CAC	Child Advisory Council
10	CDW	Community Development Worker
11	CFO	Chief Finance Officer
12	Cllr	Councillor
13	COGHSTA	Co – operative Governance, Human Settlement & Traditional Affairs
14	COPE	Congress of the people
15	CPMD	Certificate Programme in Management Development
16	DA	Democratic Alliance
17	DD	Due Diligences
18	Dev	Development
19	Dir	Director
20	DOE	Department of Energy

No	Abbreviations	Abbreviations in full
21	DSAC	Department of Sport, Art and Culture
22	ELD	Economic and Land Development
23	ELP	Executive Leadership Programme
24	EPWP	Extended Public work programme
25	ESKOM	Electricity Supply Commission
26	EXCO	Executive Committee
27	FBE	Free Basic Electricity
28	GRAP	General Recognised Accounting Practice
29	GTM	Greater Tubatse Municipality
30	HAST	HIV/AIDS STI and Tuberculosis
31	HIV	Human Immune Virus
32	HH	Households
33	ICT	Information Communication Technology
34	IDP	Integrated Development Plan
35	IGR	Intergovernmental Relations
36	INEP	Integrated National Electricity Programme
37	Km	Kilometre
38	KPA	Key Performance Area
39	KPI	Key Performance Indicator
40	LED	Local Economic Development
41	LEDET	Limpopo Economic Development Environment Tourism

No	Abbreviations	Abbreviations in full
42	LGSETA	Local Government Sector Education and Training Authority
43	LUMS	Land Use Management Scheme
44	MEC	Member of Executive Committee
45	MFMA	Municipal Finance Management Act
46	MIG BP	Municipal Infrastructure Grants Business Plan
47	MM	Municipal Manager
48	MPAC	Municipal Public Account Committee
49	MPCC	Multi Purpose community Centre
50	MSA	Municipal System Act
51	MTREF	Medium Term Revenue and Expenditure Framework
52	NDPG	Neighbourhood Development programme Grant
53	N/A	Not Applicable
54	No	Number
55	PAC	Pan African congress
56	PMS	Performance Management System
57	PMU	Project Management Unit
58	PPP	Public Private Partnership
59	PR	Proportional Representation
60	OHS	Occupational Health and Safety
61	R	Rand

No	Abbreviations	Abbreviations in full
62	RDP	Reconstruction and Development plan
63	RSA	Republic of South Africa
64	SCM	Supply Chain Management
65	SDBIP	Service Delivery and Budget Implementation Plan
66	SDM	Sekhukhune District Municipality
67	SETA	Sector Education and Training Authority
68	SLIMP	Senior Management Induction Programme
69	SOLMA	State of Local Municipal Address
70	STATSA	Statistic South Africa
71	STI	Sexually transmitted Infection
72	TAS	Technical Assistant Specialist
73	TB	Tuberculosis
74	TOR	Terms of Reference
75	TSC	Thusong Service Centre
76	TVR	Treasury Views and Recommendation
77	WSP	Work skill plan
78	UDM	United Democratic Movement
79	VIP	Ventilated improved pit

Table of content

Chapter	Content	Page
Chapter 01	MAYOR'S FOREWORD AND EXECUTIVE SUMMARY	16
	1.1. Mayor's foreword	17
	1.2. Municipal Manager's overview	23
	1.3. Municipal functions, population and environmental overview	26
	1.3.1. Powers and Functions of the Municipality	26
	1.3.2. Municipal Population	27
	1.3.3. Environmental overview	27
	1.4. Services Delivery Overview	27
	1.5. Financial Health Overview	34
	1.6. Organizational Development Overview	36
	1.7. 2015/16 Auditor General Report	37
	1.8. Statutory Annual Report Processes	37
Chapter 02	GOVERNANCE	39
	2.1. Introduction to Governance	39
	COMPONENT A: Political and Administrative Governance	40
	2.2. Introduction to Political and Administrative Governance	40
	2.3. Political Governance	40
	2.3.1. Introduction	40
	2.3.2. Political Structures	41
	2.3.2.1. The Mayor	41

Chapter	Content	Page
	2.3.2.2. The Speaker	42
	2.3.2.3. Chief whip	43
	2.3.2.4. Mayoral/Executive committee	44
	2.3.2.5. Councillors	47
	2.3.2.6. Traditional Leaders in Council	47
	2.3.2.7. Political Decision taking	47
	2.4. Administrative Governance	47
	2.4.1. Introduction	47
	2.4.2. Top Management	48
	2.4.2.1. Municipal Manager	48
	2.4.2.2. Chief Operation Officer	49
	2.4.2.3. Chief Finance Officer	50
	2.4.2.4. Deputy Chief Finance Officer	51
	2.4.2.5. Director corporate Services	52
	2.4.2.6. Director Community Services	53
	2.4.2.7. Director Development planning	54
	2.4.2.8. Acting Director Infrastructure Development and Technical services	55
	2.4.2.9. Director Local Economic development and Tourism	56
	COMPONENT B: Intergovernmental relations	57
	2.5.1. Intergovernmental relations	57
	2.6. COMPONENTC: Political Accountability and	57

Chapter	Content	Page
	Participation	
	2.6.1. Introduction	57
	2.6.2. IDP participation and alignment	60
	2.7. COMPONENT D: Corporate Governance	60
	2.7.1. Overview of corporate Governance	60
	2.7.2. Risk management	61
	2.7.2.1. Risk management committee	61
	2.7.2.2. Top ten Risks in the Municipality	62
	2.7.2.3. Fraud and ant- corruption strategy	67
	2.7.2.4. Supply chain Management	67
	2.7.2.5. By – Law	67
	2.7.2.6. Website	68
	2.7.2.7. Client Satisfaction survey	68
	2.7.2.8. Oversight report	68
Chapter 03	Service Delivery Performance (Performance Report part I)	69
	3.1. Introduction	70
	COMPONENT A: Basic service	70
	3.2. Introduction	70
	3.3. Electricity	70
	3.3.1.Free Basic Electricity (FBE)	74
	3.4. Waste Management	75
	3.5. Housing	75

Chapter	Content	Page
	Component B : Road and Transport	76
	3.6.1. Introduction	76
	3.6.2. Road Maintenance	88
	3.6.3. Traffic law enforcement	88
	3.6.4. Maintenance of Streetlights and Traffic lights	88
	COMPONENT C: Planning and Development	89
	3.7.1. Integrated Development Planning	89
	3.7.2. Spatial Rational	89
	3.7.3. Burgersfort by – pass/Western ring road	89
	3.7.4. Development of Ohrigstad development plan	89
	3.7.5. Building Plans	89
	3.7.6. Job created through Municipal initiatives	90
	3.7.7. Employees for Development Planning Department	91
	3.7.8. Financial performance of Development Planning Department	91
	COMPONENT D :Community and Social Services	92
	3.8.1. Maintenance of Community facilities	92
	3.8.2. Library programme	95
	3.9. COMPONENT E: Environmental Protection	97
	3.9.1. Beautification of Municipal Surrounding areas	97
	3.9.2. Disaster management	100
	3.9.3. Combating HIV/AIDS in municipal area	103

Chapter	Content	Page
	3.10. COMPONENT F: Sport and Recreation	105
	3.10.1.Sport and Cultural activities	105
	3.10.2.Sport activities	107
	3.10.3.Staff component of Community service Department	109
	3.10.4.Financial Performance of Community service Department	109
	COMPONENT G: Corporate policy and other services	110
	3.11.1.Human Resource Services	110
	3.11.1.1.Organizational Design	110
	3.11.1.2. Human Resource policies	111
	3.11.1.2.1. Employment Equity plan	111
	3.11.1.2.2. Performance Management system	112
	3.11.1.2.3. Occupational Health and safety	115
	3.11.1.2.4. Staff component of Corporate Service Department	118
	3.11.1.2.5.Financial performance of Corporate Service Department	118
	3.12.information and communication Technology (ICT) services	119
	3.12.1.ICT Report	119
	3.13.COMPONENT H: Organizational scorecard	121
Chapter 04	ORGANIZATIONAL DEVELOPMENT PERFORMANCE (Part II)	122

Chapter	Content	Page
	COMPONENT A: Introduction to Municipal Personnel	123
	4.1.1. Introduction	123
	4.1.2. Labour Turnover	124
	COMPONENT B: Managing the municipal workforce	124
	4.2.1. Human Resource policies	124
	4.3. Injuries, Sickness and suspensions	125
	4.3.1. Injuries	125
	4.3.2. Sick leaves	126
	4.3.3. Suspensions	128
	COMPONENT C: Capacitating the municipal workforce	130
	4.4.1. Skill development and training	130
	COMPONENT D: Managing workforce expenditure	131
	4.5. Employee expenditure	131
CHAPTER 05	FINANCIAL PERFORMANCE	132
	COMPONENT A : STATEMENT OF FINANCIAL PERFORMANCE	133
	5.1. STATEMENT OF FINANCIAL PERFORMANCE	133
	5.2. FINANCIAL PERFROMANCE OF OPERATIONAL SERVICES	138
	5.3. GRANTS	139
	5.4. ASSET MANAGEMENT	141
	5.5. REPAIR AND MAINTENANCE	143
	5.6. FINANCIAL RATIOS BASED ON KEY PERFROMANCE	144

Chapter	Content	Page
	INDICATORS	
	5.6.1. LIQUIDITY RATIO	144
	5.6.2. TOTAL OUTSTANDING SERVICE DEBTOR RATIO	144
	5.6.3. EMPLOYEE COST	144
	5.6.4. REPAIR AND MAINTENANCE	145
	COMPONENT B : SPENDING AGAINST CAPITAL BUDGET	145
	5.7. CAPITAL SPENDING OF FIVE LARGEST PROJECTS	145
	5.8. BASIC SERVICE AND INFRASTRUCTURE BACKLOG-OVERVIEW	148
	5.8.1. INTRODUCTION	148
	5.8.2. 2016/17 MIG SPENDING	149
	COMPONENT C : CASH FLOW MANAGEMENT AND INVESTMENT	150
	5.9. CASH FLOW	150
	5.10. BORROWING AND INVESTMENT	151
	5.11. PUBLIC PRIVATE PARTNERSHIP	152
	COMPONENT D : OTHER FINANCIAL MATTER	152
	5.12. SUPPLY CHAIN MANAGEMENT	152
	5.12.1. INTRODUCTION	152
	5.12.2. BID COMMITTEES	152
	5.12.3. OVERSIGHT ROLE OF COUNCIL	152
	5.15. GRAP COMPLIANCE	153

Chapter	Content	Page
Chapter 06	AUDITOR GENERAL AUDIT FINDINGS	154
	6.1. INTRODUCTIONS	155
	COMPONENT A : AUDITOR GENERAL OPINION OF 2015/16 FINANCIAL STATEMENT	155
	6.2. 2015/16 AUDITOR-GENERAL FINDINGS PROGRESS REPORT	155
	COMPONENT B : 2016/17 AUDITOR GENERAL OPINION	155
	6.3. 2016/17 AUDITOR GENERAL OPINION	155
	Annexure A: Council Profile	156
	Annexure B: List of council committees	167
	Annexure C: Organizational Structure of the municipality	169
	Annexure D : Powers and functions of the municipality	170
	Annexure E: Ward committee meetings	171
	Annexure F: Performance of service providers	175
	Annexure G: Capital Programme per project per ward	192
	Annexure H: Disclosure of financial interest	196
	Annexure I: Revenue collection performance by source	100
	Annexure J: Conditional Grants	201
	Annexure K: Municipal taxes and services charges	202
	Annexure L: 2015/16 Annual Performance Report	204
	Annexure M:2015/16 Audited financial statement	
	Annexure N: 2015/16 Audit committee report	

Chapter	Content	Page
	Annexure O: 2015/16 Auditor General Report	
	Annexure P: 2015/16 Auditor General Findings Action Plan	

Chapter: 01

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1. Mayor's foreword



His Worship the Mayor

Cllr. Phokane MJ

This report is prepared in compliance to section 121 (2) of Municipal Finance Management Act (MFMA) 56, 2003 to provide record of municipal activities; report on municipal performance against its budget and for the municipality to account to the local community for decisions made in 2016/17 financial year.

The report has also taken into cognises the guidelines of National treasury on Annual Report. The guideline divided the Annual Report into six chapters and Annexure depending on the size and competencies of the Municipality.

LIM 476 municipality is a new municipality established from the amalgamation of Greater Tubatse and Fetakgomo local municipalities post 3 August 2016 local government elections. It is just a one year old municipality.

a. Vision

The vision of LIM 476 (Fetakgomo Greater Tubatse) Municipality is **"Developed Platinum city for a sustainable Human settlement"** according to council resolution: **SC34/2017** adopted on 29 May 2017. When financial year ended the municipality was engaged in public participation processes to determine its new name.

b. Key policy developments

The following policies were tabled and adopted by Council on 29 May 2017:

- (i) Attendance and punctuality policy;
- (ii) Bursary policy;
- (iii) OHS policy;
- (iv) Overtime policy;
- (v) Performance management framework;
- (vi) Recruitment, selection and appointment;
- (vii) SCM policy;
- (viii) Secondment and acting on higher position policy;
- (ix) Subsistence and travel policy; and
- (x) Travel and out of pocket expenses for councillors the financial year under

c. Key Service Delivery Improvements made

Key Service delivery improvements made by the LIM 476 Municipality in 2016/17 financial year are depicted in the table below.

Table/Figure 01: Service delivery improvement

N0	Service provided	Improvement made
1.	Electricity provisioning	1.1. 1045 houses at Kampeng, Buffelshoek and Mareseleng were electrified by the end of the 2016/17 financial year. A detailed report is provided in chapter three (3) of the report
2.	Access Bridges	Ten(10) access bridges were completed when the financial year ended, namely:

N0	Service provided	Improvement made
		2.1. Bothashoek access bridge; 2.2. Motshana access bridge; 2.3. Mafarafara access bridge; 2.4. Madithongwana access bridge; 2.5. Diphala/Makhwaya access bridge; 2.6. Mabocha access bridge; 2.7. Legoleng access bridge; 2.8. Moraba access bridge; 2.9. Makopung access bridge; and 2.10. Legoleng access bridge.
3.	Provision of Free Basic Electricity (FBE)	5647 households benefited from free basic electricity 2016/17 financial year as follows: 3099 households benefited from ESKOM and 2548 households from solar energy.
4.	Fencing of Rural Cemeteries	29 cemeteries at 29 wards were fenced and equipped with ablution facilities in the former Greater Tubatse Area.
5.	Waste Removal	4913 households in proclaimed areas in the municipality benefitted from weekly refuse removal in the financial year under review.
6.	Acquisition of land for	Municipality has secured 693 hectors of

N0	Service provided	Improvement made
	development	land at Apiesdoring draai for development

d. Public Participation

Section 152 (e) of the Constitution of the Republic of South Africa mandates Municipalities to regularly consult their communities on matters of their interest and give them an opportunity to participate in the affairs of the municipalities. In compliance to the above mentioned piece of legislative LIM 476 Municipality has established four main fora for community consultation, namely IDP/PMS/Budget forum, Exco – Outreach; SOLMA and MPAC consultation on Annual report. A detailed report on this matter is reflected in chapter two (2) of this report.

e. Future Actions

The following are future plans for the municipality:

(i) Water authority and electricity provision license

Water and electricity provisioning in the municipality post a serious service delivery backlog. In order to address the backlog Council find it fit for the municipality to have authority to provide the abovementioned services. A task team is established to facilitate the acquisition of water authority and electricity license for the municipality.

(ii) Burgersfort stadium

The municipality do not have a better recreation facilities like stadium and others recreation centres. However a decision was taken for administration to facilitate acquisition of land for the development of stadium at Burgersfort. When the financial year ended the administration was engaged in the process of identifying a suitable land for the construction of Burgersfort stadium. This project is also included in the 2017/18 SDBIP

(iii) Animal and Vehicle pounds

The municipality is experiencing high level of road accidents caused by both animals and high volume of traffic on our roads. To address the challenge the

municipality has resolved for the construction of animal and vehicle pounds. Currently the municipality is in the process of identifying suitable lands for the two projects.

(iv) Traffic congestion in Burgersfort Town

The municipality is experiencing high level of traffic congestion in Burgersfort and Steelpoort towns. The situation gets worse during month end and festive holidays. To alleviate traffic congestion in Burgersfort town the municipality is engaging relevant land owners to give way for the municipality to construct a bypass (West ring road) which will join R555 and R37 roads on the other side of town at Leopard bush. The road when constructed will alleviate traffic in town as motorist who does not want to get in town can take it to the other side of town.

g. Conclusion

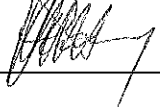
The municipality had 256 indicators to perform in year under review, by the end of the financial year 149 (58%) indicators were achieved and 107 (42%) not achieved. The table below gives detailed information.

Table/Figure 02: 2016/17 Annual Performance Report

Key Performance Indicators	2016/17			
	Total KPIs	KPI achieved	KPI not achieved	%
Spatial rational	16	5	11	31%
Institutional Transformation and Organizational Development	47	30	17	64%
Basic service Delivery and Infrastructure Development	68	39	29	57%
Local Economic Development	27	20	7	74%
Financial Viability and Management	26	14	12	54%
Good Governance and Public	72	41	31	56%

participation				
Total	256	149	107	58%

As I conclude, I would like to thank all people who contributed positively to the success of the municipality in the financial year under review. It was new financial year for most of us in a new municipality emanating from the amalgamation of both Fetakgomo and Greater Tubatse local municipalities.



Cllr. Phokane M.J

Mayor

1.2. Municipal Manager's overview

1.2.1. Introduction

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

1.2.2. Recruitments

No recruitment was made in 2016/17 financial year. The municipality was engaged on preliminary placement of staff on the organogram of the new municipality.

1.2.3. Labour turn over

18 employees left the municipality under various reasons, including resignation, dismissal and expiry of employment contract. Seven (7) employees resigned; Two (2) had their employment contract expired; four (4) dismissed; four (4) passed on and one (1) retired.

1.2.4. Training

122 municipal employees including councillors were trained in different courses in the financial year under review. A higher number (78) was trained in Municipal finance management programme and 24 in municipal Governance. A detailed training report is presented in chapter 04 of this document.

1.2.5. Performance management

Performance management system is introduced at institutional and senior management levels only. Assessment is done on institutional and senior management levels only. In the year under review the municipality has conducted four management review and four Exco – Makgotla sessions. Management reviews and Exco – makgotla are used to assess the performance of the municipality and of its departments. Four quarterly performance reports were produced; served in council and were subjected to public scrutiny through MPAC.

1.2.6. Capital projects

1.2.6.1. Access Bridges

When the financial year ended the municipality had already completed construction of 10 access bridges and the designs of four (4) access bridges.

1.2.6.2. Culvert drainage

Municipality has constructed four (4) culvert drainages at Atok, Apel, Mphanama and Strydskraal in 2016/17 financial year.

1.2.6.3. Sport complex

Construction of Radingwana sport complex was completed awaiting water provision when the financial year ended.

1.2.8. Implementation of A.G. Action plan

The municipality had 141 findings from AG in 2015/16 financial year. The findings were from former Fetakgomo and Greater Tubatse local municipalities. An action plan was developed to address the findings in 2017/18 financial year. By the end of the financial year 115 (81%) out of 141 findings were addressed.

1.2.9. Conclusion

In conclusion, on behalf of the administrative leadership (senior management) of the municipality I would like to thank the commitments and efforts demonstrated by the Municipal officials in the financial year under review. We are looking forward for the same or more effort in 2017/18 financial year.

Thanks



Mrs. Busane N.P

Acting Municipal Manager

1.3. Municipal Functions, Population and Environmental Overview

1.3.1. Powers and Functions of the Municipal

Powers and functions of the LIM 476 Municipality are as listed below:

1. Municipal planning;
2. Building regulations;
3. Local tourism;
4. Trading regulations;
5. Street trading;
6. Control of undertakings that sell liquor to the public;
7. Street lights;
8. Municipal roads;
9. Traffic and parking;
10. Municipal public transport;
11. Billboards and the display of advertisements in public places;
12. Local sport facilities;
13. Local amenities;
14. Refuse removal & refuse dumps;
15. Municipal cemeteries, funeral parlour and crematoria;
16. Public places; and
17. Municipal airport

1.3.2. Municipal Population

The total population of the LIM 476 municipality according to the 2011 STASA is approximately **429 470** with **106 050** households. This makes LIM 476 local Municipality the highest populated Municipality in the Sekhukhune district Municipality. It also appears from 2016 Community Survey as compared to the 2011 STASA results that the population of LIM 476 local Municipality has increased from 429 470 to **490 381** with households increased from 106 050 to **125 454** .

1.3.3. Environmental Overview

The LIM 476 municipality is located north of N4 highway, Middleburg, Belfast and Mbombela; and east of the N1 highway; Groblersdal and Polokwane. The municipal area of jurisdiction covers approximately **4550.001105 square kilometres or 45500.1105 ha** in size. The area is known as the middelveld as it is located between the Highveld and lowveld regions. It is located within the Sekhukhune District Municipality (SDM) in the Limpopo Province

The municipality comprises approximately **297** villages and 39 wards. The municipality is largely dominated by **rural** landscape with only **6** (six) proclaimed **townships**. Like most rural municipalities in the Republic of South Africa, LIM 476 is characterised by weak economic base, inadequate infrastructure, major service backlogs, dispersed human settlements and high poverty levels.

1.4. Service delivery Overview

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

Table/Figure 03: Service delivery Overview

N0	KPAs	Achievements
1.	KPA1: Spatial Rationale	<p>1.1. One agreement of sale out of 12 land owners on land earmarked for construction of Burgersfort by pass road (West ring road) project is signed;</p> <p>1.2. A desktop analysis has been conducted in the development of land invasion response strategy;</p> <p>1.3. A draft Ohrigstad development plan is in place and awaiting stakeholder consultation for it to be concluded;</p>

N0	KPAs	Achievements
		<p>1.4. Municipality has secured 693 hectares of land at Apiesdoring draai for township establishment;</p> <p>1.5. Terms reference s were developed for the development of municipal wide LUMS when the financial year ended;</p> <p>1.6. 69 building plans greater than 500m² received and 21 approved;</p> <p>1.7. 76 building plans less than 500m² received and 48 approved; and for greater than 500m²22 building were received and 13 approved.</p>
2.	KPA2: Municipal Transformation and Organizational Development	<p>2.1. Two security companies, namely Mabotwane and Brown dogs were appointed in the financial year under review to strengthen the security of municipal properties and employees;</p> <p>2.2. The municipality was able to develop its Employment Equity plan;</p> <p>2.3. 215 job descriptions were developed for the municipality;</p> <p>Work skill plan (WSP) for 2017/18 financial year is developed and submitted to the Department of labour on the 30th Aprilm2017;</p> <p>2.4. 47 councillors were registered for development/training ;</p> <p>2.5. The position of director Technical services was filled towards the end of the financial year;</p> <p>2.6. the municipality was able to develop two draft by – laws namely: Street trading and refuse removal by – laws;</p> <p>2.7. Eleven(11) HR policies including SCM policy were reviewed and approved by council ;</p>

NO	KPAs	Achievements
3.	KPA3: Basic Service Delivery and Infrastructure Development	<p>3.1. Development of designs for both Mapodile and Motodi sport complexes were is completed;</p> <p>3.2. 1045 houses at Kampeng, Buffelshoek and Mareseleng were electrified by the end of the 2016/17 financial year;</p> <p>3.3. Ten(10) access bridges were completed, namely:</p> <p>3.3.1. Bothashoek access bridge;</p> <p>3.3.2. Motshana access bridge;</p> <p>3.3.3. Mafarafara access bridge;</p> <p>3.3.4. Madithongwana access bridge;</p> <p>3.3.5. Diphala/Makhwaya access bridge;</p> <p>3.3.6. Mabocha access bridge;</p> <p>3.3.7. Legoleng access bridge;</p> <p>3.3.8. Moraba access bridge;</p> <p>3.3.9. Makopung access bridge; and</p> <p>3.3.10. Legoleng access bridge.</p> <p>3.4. four (4) designs for access bridges were completed by the end of the financial year, which are:</p> <p>3.4.1. Morokadieta access bridge;</p> <p>3.4.2. Ga – Malwane access bridge;</p> <p>3.4.3. Dithamaga access bridge;</p> <p>3.4.4 Thokwane access bridge; and</p> <p>3.4.5. Lefahla access bridge</p> <p>3.5. 29 cemeteries at 29 wards were fenced and equipped with ablution facilities;</p>

N0	KPAs	Achievements
		<p>3.6. Six (6) illegal dumps rehabilitated</p> <p>3.7. 100 trees planted in different municipal facilities</p> <p>3.8. designs for Tukakgomo access road are developed</p> <p>3.9. <u>Free basic electricity</u></p> <p>5647 households benefited from free basic electricity as follows: 3099 households benefited from ESKOM and 2548 households from solar energy</p> <p>3.10. Culvert drainage</p> <p>Four (4) culvert drainages constructed at:</p> <p>3.10.1. Atok;</p> <p>3.10.2. Apel;</p> <p>3.10.3. Mphanama; and</p> <p>3.10.4. Stydskraal</p> <p>3.11. Upgrading of Radingwana sport complex was completed by the end of financial year</p>
4.	KPA4: Local Economic Development	<p>4.1. Municipality has sustained the support of four Agricultural projects;</p> <p>4.2. construction of Burgersfort flea market is completed;</p> <p>4.3. 2017/18 IDP was adopted by council on 29 May 2017;</p> <p>4.4. 2561 jobs sustained as follows:</p> <p>4.4.1. 155 by EPWP;</p> <p>4.4.2. 2406 by CWP;</p> <p>4.4.3. 499 by MIG</p>

N0	KPAs	Achievements			
		4.5. one (1) MOU signed with SADA; and 4.6. five (5) mining engagement conducted.			
5.	KPA5: Financial Viability	5.1. <u>Financial Performance (Revenue)</u>			
		description	Budget 2016 2017	YTD	% spent
		Property rates	-118,090,000.00	-109,717,231.10	93
		Refuse removal charges	-12,971,058.00	-15,532,336.72	120
		Late payment	-11,259,536.00	-14,339,795.50	127
		Interest on outstanding debtors	-10,867,736.00	-2,032,658.66	19
		Interest on investments	-10,120,226.00	-9,722,354.00	96
		Licensing- change application fees	-4,535,000.00	-262,359.30	6
		Licensing- Commission on vehicle registration	-3,663,000.00	-3,301,944.25	90
		Fines-traffic	-2,230,500.00	-251,160.00	11
		Tender documents	-1,766,816.00	-488,986.23	28
		licensing-	-1,612,500.00	-2,650,979.22	164

N0	KPAs	Achievements																											
		Drivers licenses																											
		Totals	-177,116,372.00	-158,299,804.98	89																								
		5.2. Grants																											
		<table><tr><th>DESCRIPTION</th><th>BUDGET 2016 2017</th><th>Received</th></tr><tr><td>EQUITABLESHARE</td><td>- 232,252,00 0</td><td>- 232,252,00 0</td></tr><tr><td>GRANTS-MIGFUNDS</td><td>- 110,885,000</td><td>- 110,885,000</td></tr><tr><td>GRANTS-INEG- INTERNATELECGRANT</td><td>-80,000,000</td><td>-80,000,000</td></tr><tr><td>MUNICIPAL DERMACATION TRANSITIONAL GRANT</td><td>-13,414,000</td><td>-13414000</td></tr><tr><td>GRANTS-FMG- FINANCEMANAGEMENTGRAN T</td><td>-3,625,000</td><td>-3,625,000</td></tr><tr><td>EPWP GRANT</td><td>-2,121,000</td><td>-2,121,000</td></tr><tr><td>TOTALS</td><td>- 442,297,00 0</td><td>- 442,297,00 0</td></tr></table>				DESCRIPTION	BUDGET 2016 2017	Received	EQUITABLESHARE	- 232,252,00 0	- 232,252,00 0	GRANTS-MIGFUNDS	- 110,885,000	- 110,885,000	GRANTS-INEG- INTERNATELECGRANT	-80,000,000	-80,000,000	MUNICIPAL DERMACATION TRANSITIONAL GRANT	-13,414,000	-13414000	GRANTS-FMG- FINANCEMANAGEMENTGRAN T	-3,625,000	-3,625,000	EPWP GRANT	-2,121,000	-2,121,000	TOTALS	- 442,297,00 0	- 442,297,00 0
DESCRIPTION	BUDGET 2016 2017	Received																											
EQUITABLESHARE	- 232,252,00 0	- 232,252,00 0																											
GRANTS-MIGFUNDS	- 110,885,000	- 110,885,000																											
GRANTS-INEG- INTERNATELECGRANT	-80,000,000	-80,000,000																											
MUNICIPAL DERMACATION TRANSITIONAL GRANT	-13,414,000	-13414000																											
GRANTS-FMG- FINANCEMANAGEMENTGRAN T	-3,625,000	-3,625,000																											
EPWP GRANT	-2,121,000	-2,121,000																											
TOTALS	- 442,297,00 0	- 442,297,00 0																											

N0	KPAs	Achievements																								
		<p>5.3. Grants Expenditure</p> <table><tr><th>Grant Names</th><th>Received</th><th>Spent</th><th>%</th></tr><tr><td>FMG</td><td>R3 635 000</td><td>R3 635 000</td><td>100%</td></tr><tr><td>MIG</td><td>R 110 885 000</td><td>R 101 651 934</td><td>92%</td></tr><tr><td>Demarcation Grant</td><td>R13 414 000</td><td>R6 841 140</td><td>51%</td></tr><tr><td>INEG</td><td>R 80 000 000</td><td>R 0.00</td><td>0%</td></tr><tr><td>EPWP</td><td>R 2 121 000</td><td>R 2 121 000</td><td>100%</td></tr></table> <p>5.4. Supplementary valuation rolls compiled;</p> <p>5.5. 91.38% of bids are allocated to SMME; and 76.71% allocated to local SMME</p> <p>5.6. 2015/16 Annual Financial statement submitted to AGSA on 31 August 2016</p>	Grant Names	Received	Spent	%	FMG	R3 635 000	R3 635 000	100%	MIG	R 110 885 000	R 101 651 934	92%	Demarcation Grant	R13 414 000	R6 841 140	51%	INEG	R 80 000 000	R 0.00	0%	EPWP	R 2 121 000	R 2 121 000	100%
Grant Names	Received	Spent	%																							
FMG	R3 635 000	R3 635 000	100%																							
MIG	R 110 885 000	R 101 651 934	92%																							
Demarcation Grant	R13 414 000	R6 841 140	51%																							
INEG	R 80 000 000	R 0.00	0%																							
EPWP	R 2 121 000	R 2 121 000	100%																							
6.	KPA6: Good Governance and Public Participation	<p>6.1. Both risk management and Audit/Performance committees were functional in the financial year under review;</p> <p>6.2. Municipality was able to hold 4 Ordinary councils</p> <p>6.3. By the end of the financial year 81% of AGSA queries were addressed;</p> <p>6.4. 10 media and radio statements were made by the end of the financial year;</p> <p>6.5. SOLMA was held on 24 June 2017;</p> <p>6.6. Mayor approved 2017/18 SDBIP on 22 June 2017;</p>																								

N0	KPAs	Achievements
		6.7. Twickenham mine donated mobile office at Moopetse camp for the municipality to be utilized as traffic station.

1.5. Financial Health Overview

1.5.1. Municipal Revenue and Expenditure

Table /Figure 04: 2016/17 Municipal Revenue and Expenditure

N0	Details	Original Budget(R)	Adjusted Budget(R)	Actual(R)
1.	Grants	483 225 000.00	450 186 000.00	480 686 000.00
2.	Taxes, Levies and Tariffs	147 736 000.00	176 856 000.00	66 455 439.13
3.	Other income	2 503 000.00	3 448 000.00	210 587 857.70
4.	Sub Total	633 464 000.00	630 490 000.00	757 729 296.83
5.	Less Expenditure/ operational	481 092 000.00	509 906 000.00	370470493.2
6.	Net Total	152 372 000.00	120 584 000.00	387 258 803.67

1.5.2. Financial ratios

Table/Figure 05: Financial ratios

N0	Details	2016/17
1.	Employee costs	27%
2.	Repair and Maintenance	9%
3.	Finance charges and Depreciation	18%

1.5.3. Capital Expenditure

Table/figure 06: Capital Expenditure

N0	Detail	2016/17
1.	Original Budget	241 513 799
2.	Adjusted Budget	267 329 190
3.	Actual	113 983 005

1.6. Organizational Development Overview

1.6.1. Organizational Development Performance

1.6.1.1. Staff establishment

By the end of 2016/17 financial year the municipal had 347 employees; 148 were female and 199 were male.

1.6.1.2. Labour turn over

18 employees left the municipality under various reasons, including resignation, dismissal and expiry of employment contract. Seven (7) employees resigned; Two (2) had their employment contract expired; four (4) dismissed; four (4) passed on and one (1) retired.

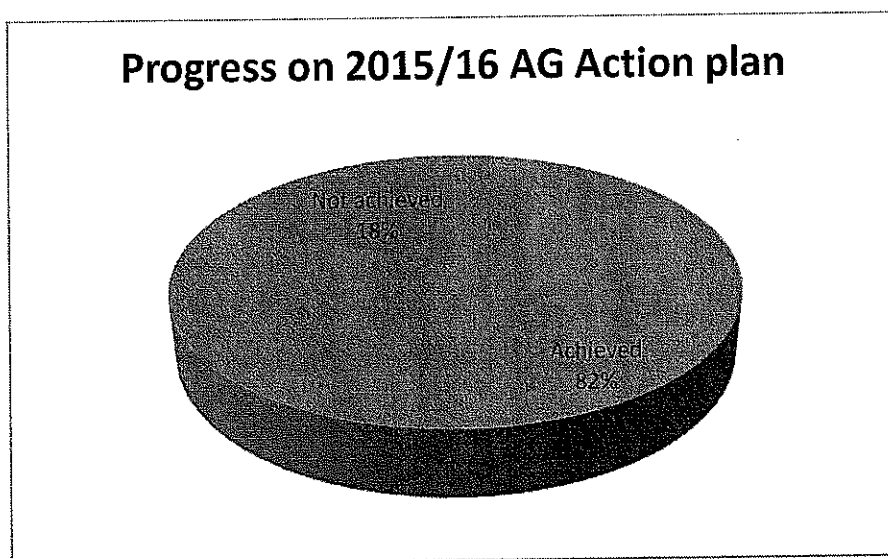
1.6.1.3. Local labour forum

The municipality had Local labour forum (LLF) which was established in November 2016. LLF comprises of Politicians and Administration components as part of management and two labour unions IMATU and SAMWU. Nine (9) LLF meetings were scheduled for the financial year under review but only six (6) meetings materialised.

1.7. 2015/16 Auditor General Report

The municipality had 141 findings from AG in 2015/16 financial year. The findings were from former Fetakgomo and Greater Tubatse municipalities. By the end of the financial year 115 (82%) out of 141 findings were addressed.

Chart 01: 2015/16 AG findings



1.8. Statutory Annual Report Processes

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

Table/Figure 07: Statutory Annual Report Processes

No.	Activity	Time frame
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	August

No.	Activity	Time frame
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	July - June
3	Finalise 4 th quarter Report for previous financial year	July
4	Submit draft Annual Performance Report to Audit Committee and Auditor-General	August
5	Audit/Performance committee considers draft Annual Performance Report of municipality	August
6	Auditor General releases audit opinions to Municipalities	November - December
7	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report and A.G. action plan	31 January
8	Council subject the Annual Report to public scrutiny through MPAC	February – 31 March
9	Accounting Officer make the Annual report public	February
10	Council adopts Oversight report	31 March
11	Oversight report is made public	April
12	Oversight report is submitted to relevant provincial councils	April
13	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	April
14	Adoption of final Budget and IDP	May
15	Approval of SDBIP by Mayor	June

CHAPTER TWO

Governance

2.1. Introduction to Governance

LIM476 local Municipality is a category B Municipality with a collective executive system combined with a ward participatory system. The municipality has 77 councillors; 39 are ward councillors and 38 are proportional representative councillors. The municipality have 39 wards with each having 10 ward committee members which are chaired by the ward councillors.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.2. Introduction: political and administrative governance

Municipality as an institution has both political and administrative leaderships. Politically the municipality is led by the Speaker and the Mayor. The speaker presides over all council sittings and the Mayor to all executive committee meetings. On quarterly basis the Mayor generate and submit reports to council while the Speaker take care of the activities of ward committees and public participations activities of the municipality

On administrative level, the Municipal manager (Accounting Officer) is the leader of the administration. The accounting Officer provides guidance and advice to the political structures, political office bearers and officials of the municipality.

2.3. Political Governance

2.3. 1. Introductions

To effectively perform its political role council has established various committees as guided by pieces of legislations. The following committees are established: Municipal Public account committee (MPAC), Audit committee, Rules, Ethics, petition & public participation committee and portfolio committees. The following portfolio committees were established: Corporate services, Budget and Treasury, community services, Infrastructure Development & Technical services, Development Planning and Local Economic Development and Tourism.

2.3.2. Political Structures

2.3.2.1. Mayor



Cllr Phokane M.J

Duties of the Mayor

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

2.3.2.2. Speaker

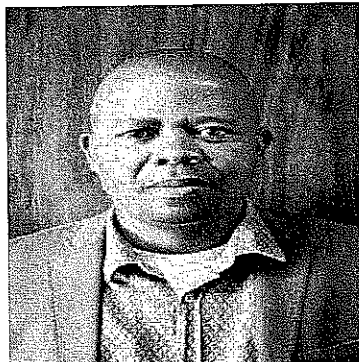


Cllr. Phala T.N

Duties of the Speaker

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

2.3.2.3. Chief whip

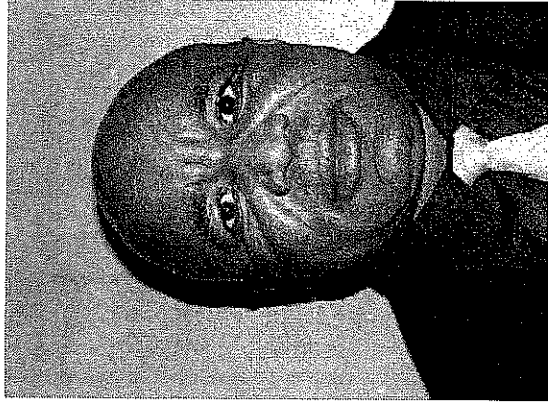


Cllr Shoba M.V

Duties of Chief whip

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

2.3.2.4. Mayoral/Executive committee



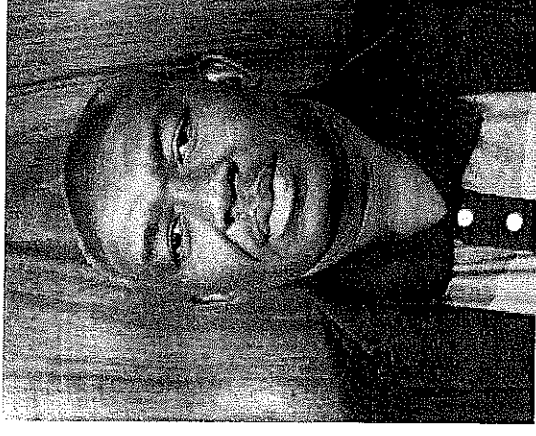
Cllr. Mamogale M.I

Head: Budget and Treasury



Cllr. Moeng Q.M

Head: Development & Planning



Cllr. Hlatswayo B.E

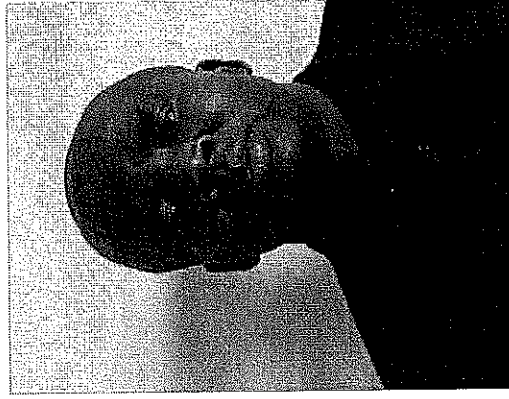
Head: Local Economic
Development & Tourism

Mayoral /Executive Committee



Cllr. Pholwane B.E

Head: Corporate Services



Cllr. Maila E.E

Head: Infrastructure Development
& Technical Services



Cllr. Mashego R.M

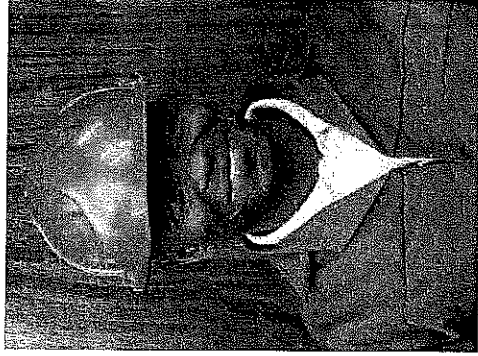
Head: Community Services

Mayoral/Executive Committee



Cllr Mogoane M.K

D/Head: Corporate Services



Cllr Makola J.V

D/Head: Budget & Treasury



Cllr Kgwedl L.J

**D/Head: Infrastructure Development
And Technical Services**

2.3.4. Councillors

The council has 77 councillors; 39 ward councillors and 38 proportional representative councillors. In terms of political representation the municipality comprises seven (7) political parties namely: African National Congress (ANC) 54 seats, Economic Freedom Fighters (EFF) 15 seats, Democratic Alliance (DA) 4 seats, Congress of the people (COPE) 1 seat, Azanian People's Organization (AZAPO) 1 seat, Pan Africanist Congress of Azania (PAC) and Socialist Agenda of Dispossessed Africans (SADA) 1 seat.

2.3.5. Traditional Leaders in council

The municipality has 38 traditional leaders. Twelve (12) traditional leaders are elected to represent the entire traditional leaders in council, namely: Kgoshi Kgoete T.A., Kgoshi Komane M.R, Kgoshi Manok B.K, Kgoshi Maroga M.S, Kgoshi Mohlala M.B, Kgoshi Phasha P.D, Kgoshi Ramaube S, Kgoshi Sekhukhune P.R, Kgoshigadi Dinkwanyane T.M, Kgoshigadi Kgoete S, Kgoshigadi Maisela S.M and Kgoshigadi Phasha T.M. Unfortunately Kgoshi Phasha P.D passed on before the end of the financial year. May his soul rest in Peace

2.3.6. Political decision - taking

Municipal council is a political decision taker in all affairs of the municipality. All other committees established under council make recommendations to council for adoption or approval. In the financial year under review the municipality had 13 council sittings; four (4) Ordinary and nine (9) special councils.

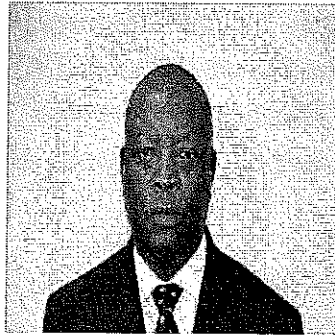
2.4. Administrative Governance

2.4.1. Introduction

In a municipal environment the municipal manager/Accounting Officer is the administrative head. The municipal manager is assisted by senior managers who are appointed by council in line with section 54/56 of the Municipal system act, act 11 of 2007. The senior managers assist the accounting Officer in managing and coordinating the financial administration of the municipality. In the financial year under review, LIM 476 local municipality had Nine(9) section 54/56 managers positions , which were: Municipal Manager, Chief Operating Officer, Chief Finance Officer, Deputy Chief Finance Officer, Director Corporate services, Director Infrastructure & Technical service, Director Development & Planning, Director community services and Director Local Economic Development & Tourism.

2.4.2. Top Management

2.4.2.1. Municipal Manager



Mr. Mohlala JNT

Duties of Municipal Manager

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

2.4.2.2. Chief Operation Officer



Mr. Matumane N.D

Duties of Chief Operation Officer

- Oversee all Operations of the Municipality
- Advise the municipal manager on operational matters

2.4.2.3. Chief Finance Office

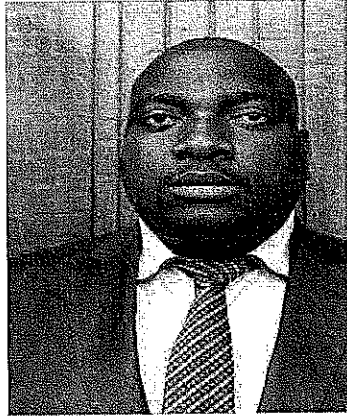


Mr. Ratau G.T

Duties of CFO

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

2.4.2.4. Deputy Chief Finance Officer



Mr. Maredi M.F

Duties of Deputy Chief Finance Officer

- Assist the Chief Finance Officer;
- Perform other Tasks as delegated by CFO

2.4.2.5. Director Corporate Services



Mr. Phasha M.I

Duties of Corporate Services Director

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

2.4.2.6. Director Community Services



Mrs. Busane N.P

Duties of Community services Director

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

2.4.2.7. Director Development Planning



Mrs. Monyepao M.A

Duties of Director Development & Planning

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

2.4.2.8. Acting Director Infrastructure Development & Technical Services



Mrs. Busane N.P

Duties of Director Infrastructure Development & Technical Services

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

2.4.2.9. Director Local Economic Development and Tourism



Ms. Peu L

Duties of Director Local Economic Development & Tourism

- Facilitate mining related matters;
- Support and promote Agricultural projects;
- Support and promote local Tourism;
- Provide support to local Business;
- Support of cooperatives; and
- Trading regulation

2.5. COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.5.1. Intergovernmental Relations

In 2016/17 financial year LIM 476 local municipality participated in various intergovernmental fora in both District and Province. In the province the municipality formed part of Provincial planning forum, Provincial PMS forum, CFO forum and Premier's Mayors forum. Through these fora the Municipality has improved its planning and reporting.

District fora in which the municipality participated are District PMS forums, District Back to basic forum, Municipal manager and CFO forum in the District and District planning forum. The Municipality has addressed some service delivery related challenges through advises collected from such fora in the district.

2.6. COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.6.1. Introduction

Section 152(1) (b) of the constitution of the republic of South Africa (RSA), 1996 mandates municipalities to involve communities and community organizations in its matters. The Municipality has established various fora for public involvement such as IDP/Budget/PMS forum, Ward committees, Mayor's Imbizos, State of municipality address (SOLMA) and Annual report presentation. The table below depicts number of public participation fora held, types and number of people who participated.

Table/Figure 08: Public participation forum

Nature of the Meeting	Purpose of the meeting	Date of the meeting	No. of councillors attended	No. of Administrators	No. of community members	No. raised by community	Issues addressed	manner of feedback given to community
IDP/PMS/ Budget forum	Communities to make inputs on the draft IDP / Budget/PMS documents	02 – 05 May 2017	49	93	1230	15	8	SOLMA ward committees report
Mayor's Imbizos	To attend to concerns especial Operation Mabone issue	3/11/2016, 6/12/2016, 23 March 2017, 14 ,19,20 &26 June 2017	10	15	1500	01	0	Quarterly ward committee meetings and council sittings
Quarterly ward manageme	To report and collect inputs from	Community Quarterly meetings	39	N/A	2300	15	10	Quarterly mass meetings

Nature of the Meeting	Purpose of the meeting	Date of the meeting	No. of councillors attended	No. of Administrators	No. of community members	No. raised by community	Issues by	No. Issues addressed	manner of feedback given to community
nt meetings	communities								
Annual Report	Review of the Annual Report by MPAC	February 2017	40	65	570	15		8	SOLMA and quarterly ward committee meetings
State of local Municipality address	To report last year performance and announce new projects to the public	24/06/2017	54	45	1543	None		None	None

2.6.2. IDP PARTICIPATION AND ALIGNMENT

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

Figure/Table 09: IDP participation and Alignment

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

2.7. COMPONENT D: CORPORATE GOVERNANCE

2.7.1. OVERVIEW OF CORPORATE GOVERNANCE

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

The municipality has appointed both Audit committee and Performance audit committee of four members. Risk management committee is also established and chaired by a member of Audit committee.

In the financial year under review the audit committee had seven (7) meetings and submitted four reports to Council. The following Risk based audits were conducted:

- 2.7.1.1. Revenue Management Audit;
- 2.7.1.2. Supply Chain Management Audit;
- 2.7.1.3. Information Technology;
- 2.7.1.4. Management Audit;
- 2.7.1.5. Expenditure Management;
- 2.7.1.6. Risk Management Audit;
- 2.7.1.7. Asset Management Audit; and
- 2.7.1.8. MSCOA

Apart from the Audit committee the municipality has also established Municipal Public Account committee (MPAC). MPAC reviews quarterly, half yearly and annual reports as and when submitted to them by Council.

2.7.2. Risk management

2.7.2.1. Risk management committee

As mentioned above the municipality had a risk management committee. The committee consists of one member from the each municipal department and chaired by one member from Audit committee.

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

2.7.2.2. Top ten risks for 2016/17 financial year

Table/Figure 10: Top ten risks for 2016/17 financial year

Item No.	Risk name	Root cause	Action plan	Progress as at 30 June 2017
1.	Inadequate record management.	Lack of efficient use of filing system. Lack of resources (human, storage, capacity). Non- adherence to records policy. Lack of monitoring of the implementation of record management system.	Review and approve policies and monitor implementation. Implement filing system as per National archive Act. Conduct awareness program on record management.	Not done due to amalgamation of the two municipalities.
2.	Loss of information	*Inadequate IT business continuity and disaster recovery plan. *Ageing ICT equipments. Poor records management. Limited capacity on IT servers.	Ensure compliance with National Archive Act. Procure new servers. Establish off-site storage. Continue using back-up tapes	IT Unit is in the process of Advertising a tender for DRP service provider

Item No.	Risk name	Root cause	Action plan	Progress as at 30 June 2017
		Unavailability of off-site IT storage.		
		Non adherence to the National Archive Act prescripts.		
3.	Under spending of the MIG funding.	Poor planning. Delays in appointment of service providers due to SCM processes. Fraud and corruption	Develop projects implementation plan. * Early advertisement of upcoming projects. Quarterly reporting on MIG spending. * Develop maintenance plan for roads.	*MIG spending has improved tremendously *MIG expenditure reported to EXCO on a monthly basis. *maintenance plan for roads developed and implemented.
4.	Poor implementation of LED projects	Red tape in supply chain unit	Ensure proper implementation of the LED projects. Develop monitoring tool for LED projects.	Identified Projects not implemented.

Item No.	Risk name	Root cause	Action plan	Progress as at 30 June 2017
5.	Failure to adhere to Occupational Health and Safety Act.	Lack of understanding of OHS regulations by staff. Lack of OHS awareness programs. Lack of OHS Audit. Lack of OHS risk assessment.	Develop Project implementation plans Conduct OHS awareness. Conduct and report on OHS audits. Conduct OHS risk assessment.	-OHS awareness not done -OHS audits done awaiting for the report -OHS risk assessment not done -Safety committees not established
6.	Inadequate monitoring of grant funding received	Insufficient business plan registered. Under spending on allocation. Lack of required reporting. Ineffective planning co-ordination. Shortage of skilled staff	Submission of business plans. Project management. Timeously reporting of spending.	*FMG & MIG business plans developed *S71 reports are submitted to Mayor and National Treasury quarterly
7.	Poor Asset Management.	Inadequate monitoring and management of assets,	Ensure proper implementation of asset	*Progress reports on assets verification in place

Item No.	Risk name	Root cause	Action plan	Progress as at 30 June 2017
		<p>Ineffective asset counts (yearly and ongoing).</p> <p>Ineffective procedures for disposal of assets</p> <p>*Incomplete asset register,</p>	<p>policy, Quarterly verification of asset,</p> <p>Quarterly asset awareness circulars.</p> <p>Develop procedure manual for disposal of assets.</p>	<p>* asset verification is conducted</p>
8.	Unauthorized access to Council buildings/property by public.	<p>Inadequate and ineffective access control.</p> <p>Ineffective guarding around Council property.</p> <p>Lack of management and supervision regarding the placing of security officers.</p> <p>Lack of access control policy.</p> <p>Inadequate fencing of Municipal properties.</p>	<p>Development of access control policy.</p> <p>* Erection of proper fence on all municipal properties.</p> <p>*Install security monitoring systems.</p>	<p>*Access control policy not developed and will be developed in the next financial year 2017/18.</p> <p>*Not all municipal properties are properly fence. A budget for installation of security monitoring system and proper municipal fence will be secured in 2017/18 financial year.</p>

Item No.	Risk name	Root cause	Action plan	Progress as at 30 June 2017
9.	Ineffective management of contracts.	<p>*Lack of communication and co-operation from or to Legal Services.</p> <p>*Lack of proper monitoring of contractual stipulations.</p> <p>*Contracts are concluded without the inclusion of the Legal Service Division.</p>	<p>*Proper implementation of the Recruitment Policy.</p> <p>*Implement the recommendation of the Skills Audit Report.</p> <p>*Implementation of the new approved structure.</p>	<p>*in progress</p> <p>*in progress</p> <p>*in progress</p>
10.	Insufficient monitoring of consultancy projects.	<p>Lack of monitoring and evaluation tool for projects management.</p> <p>*Ineffective contract management. Shortage of staff.</p>	<p>Develop monitoring and evaluation tool for projects management.</p>	<p>*Programme for monitoring of projects developed and implemented.</p> <p>*Number of PMU technicians has increased due to the amalgamation.</p>

2.7.2.3. FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality has a fraud and anti – corruption strategy. It has also introduced Whistle blower hotline services to curb fraud and corruption. The hotline number was publicized on local newspaper, municipal vehicles and all strategic areas in the municipal building. Suspected alleged fraud activities are reported and investigated. Fear of victimization by the Community renders the system ineffective.

In an attempt to curb fraud and corruption two frauds and anti – corruption awareness campaigns were scheduled but due to unavailability of time only one awareness campaign was conducted on 27 February 2017 and was effective.

2.7.2.4. SUPPLY CHAIN MANAGEMENT

The municipality has a functional supply chain management (SCM) unit. It has established all its relevant committees and the committees are reviewed by the municipal manager quarterly. A SCM policy was reviewed and adopted by council on 29 May 2017

In the financial year under review three SCM reports were submitted to council. A procurement plan was also developed and implemented. By the end of the financial year 98% of procurement that needed three quotations was done within 30 working days. These were procurements of service/goods that worth less than R200 000.

Almost all Capital projects were awarded within 90 working days from date of closing the tenders. The municipality has awarded 91.38% of its tenders to SMMEs and 76.71% to local SMMEs.

2.7.2.5. BY – LAW

The municipality did not develop nor gazette a by – law in 2016/17 financial year.

2.7.2.6. WEBSITE

Section 75 of MFMA, Act 56 of 2003 is precise on names of documents that municipalities upload on their websites. In the 2016/17 financial year the municipality uploaded the following documents on its website:

- i. IDP;
- ii. Budget and Budget related policies;
- iii. Annual Performance Agreements;
- iv. Adverts for tenders;
- v. Adverts for jobs;
- vi. Annual Reports for Former Fetakgomo and Greater Tubatse local municipalities

2.7.2.7. CLIENT SATISFACTION SURVEY ON MUNICIPAL SERVICES

The municipality could not conduct client satisfaction survey 2016/17 financial year; however a term of reference was developed for the appointment of service provider to conduct the survey.

2.7.2.8. OVERSIGHT REPORT ON ANNUAL REPORT

Section 129 of MFMA, Act 56 of 2003 mandates municipalities to consider their Annual reports within two months after the report was tabled and adopts an oversight report containing council comments on the report which must include statements which indicate whether the council approved the Annual report with or without reservations; has rejected the Annual report or has referred the annual report back for revision. In the financial year under review, the municipal council approved the 2015/16 annual reports for former Fetakgomo and Greater Tubatse municipalities without reservations.

CHAPTER THREE

Service delivery Performance (Performance Report Part I)

3.1. Introduction

Section 152(1) (b) of the constitution of Republic of South Africa mandates local government to ensure provision of services to communities in a sustainable manner. Section 152(2) of the same constitution requires municipalities to strive within its financial and administrative capacity to achieve the objectives as set in constitution.

COMPONENT A: Basic services

3.2. Introduction

Section 153(1)(a) of the constitution of the Republic of South Africa requires municipalities to structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community , and promote the social and economic development of the community. Schedule 5 part B of the constitution of Republic of South Africa is precise on the power and responsibilities of local government. LIM 476 has no power to provide basic services like water, housing and electricity. In most cases the municipality just facilitate for the provision of the services by relevant sector departments or stakeholders.

3.3. Electricity

LIM 476 municipality is not the electricity Authority nor Provider. This is the sole competency of ESKOM. The municipality is only responsible for the coordination of the service by ensuring that communities are consulted when compiling a priority list. The only provider of electricity in the region is ESKOM; which has installed basic infrastructure to provide electricity to the communities. Most of the rural populations in the former Greater Tubatse municipality do not have electricity.

In the financial year under review the municipality planned to electrify 9148 households through Operation Mabone project. By the end of the financial year 1045 households were energised. The project could not be concluded as the contractor (Mphaphuli consulting) abandoned it over payment dispute between the service provider and Municipality. By the end of the financial year municipality had appointed a senior counsel to assist in addressing the matter.

The second electricity project that the municipality engaged on was replacing wooden electricity pole at Mamogolo community with steel electricity poles. When the financial year ended the project was at specification stage. The project will be concluded in the 2017/18 financial year. The table below depicts the progress made on electricity projects in 2016/17 financial year:

Table/Figure 11: Electrification of Households

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of households electrified through Operation Mabone	<p>9148 Households electrified through Operation Mabone:</p> <ul style="list-style-type: none"> • Koppie (210HH); • Mandela Park(1300HH); • Barcelona (350HH); • Dibakwane(320HH); • Maputle (209HH); • Kampeng (108HH); • Kutullo (1800HH) • Mareseleng (890HH); • Taung (635HH); • Buffelshoek (47HH); 	<p><u>Target not achieved:</u></p> <p>1045 Households electrified as follows:</p> <p>*108 at Kampeng;</p> <p>*47 at Buffelshoek;</p> <p>and</p> <p>*890 at Mareseleng</p>	Service provider abandoned sites due disputes over payments	A legal route is taken to address the matter

	<ul style="list-style-type: none"> • Praktiseer ext 3 (1667HH); • Praktiseer ext 11 (1612HH) 				
Budget (R)	R42 000 000	R0.00	<u>Target not Achieved:</u> Project is at specification stage for approval to appoint contractor	Project was introduced during budget adjustment	The project to be implemented in 2017/18 financial year
Completion date for replacing wooden pole by steel poles at Mamogolo village	30 June 2017 Completion date for replacing wooden pole by steel poles at Mamogolo village				
Budget (R)	R5 000 000	R0.00			

3.3.1. Free basic Electricity (FBE)

Provision of free basic electricity is done through ESKOM. Only indigent households qualify for FBE. One campaign was conducted in 2016/17 financial year to lobby indigent household to register to FBE. 5647 Households received FBE by end of 2016/17 financial year; 3099households received from ESKOM and 2548 households are benefiting from Solar vision.

3.4. WASTE MANAGEMENT (REFUSE COLLECTIONS)

4913 households received weekly waste collection in the municipality. Areas that benefited are Burgersfort (1544households), Steelpoort (191Households); Praktiseer (2326Households); Ohrigstad (164households); Mapodile (688Households). The municipality could not sustained waste collection for 3550 households identified at Ga - Nkwana (439), Apel (692), Nchabeleng (993) and Mohlaletse (1226) due to reluctance of households to provide waste storage (refuse bags).

Apart from households, 16 institutions especially at Apel areas received waste collection services namely Bopedi shopping mall; 14 clinics; and Sekhukhune TVET.

3.5. Housing

Provision of Housing is the competency of Department cooperative Government Human Settlement and Traditional Affairs (COGHSTA), the municipality only identifies needy people who qualify for the RDP houses and submit the list to COGHSTA for approval and appointment of contractors to build the houses. In 2016/17 financial year COGHSTA allocated 868 RDP houses to Municipality. When the financial year ended 128 RDP houses were completed and 118 were on wall plate; 107 on slab level and 515 were untouched.

3.6. COMPONENT B: Roads and Transport

3.6.1. Introduction

LIM 476 municipality is responsible for the maintenance and construction of internal streets, access roads and access bridges. In the financial year under review the municipality constructed eleven (11) access bridges; three Access roads and approved seven (7) designs for new access bridges. Ten (10) access bridges namely: Bothashoek, Motshana, Mafarafara, Madithongwana, Diphala/Makhwaya, Mabocha, Moraba, Makopung and Legoleng access bridges were completed when the financial year ended. The table below depicts access bridges municipality planned and also constructed in 2016/17 financial year.

Table/Figure 12: 2016/17 Access bridges

Project Name	Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Bothashoek Access Bridge	Completion date in constructing Bothashoek Access Bridge	31/12/2016 Construction of Bothashoek access bridge practically complete: * Site Establishment *Excavation *Base slab	<u>Target achieved:</u> Bothashoek Access Bridge is completed on 20 October 2016	None	None

Project Name	Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		*Culverts *Road approaches *Gabions *Stone pitching			
	Budget (R)	R4 028 270	R4 028 270.73		
Motshana Access Bridge	Completion date in constructing Motshana Access Bridge	31/12/2016 Construction of Motshana access bridge practically complete: *Site Establishment, *Excavation *Base slab *Culverts *Road approaches *Gabions	<u>Target achieved:</u> Motshana access bridge is practically completed and signed off on 30 November 2016	None	None

Project Name	Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		*Stone pitching			
	Budget (R)	R4 846 899	R4 846 898.60		
Mafarafara Access Bridge	% progress in the construction of Mafarafara Access Bridge	100% progress in the construction of Mafarafara access bridge practically completed: * 10% Site hand-over *10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, *10% Gabions, * 10% Stone pitching,	<u>Target achieved:</u> Mafarafara Access Bridge is practically completed and is signed off on 11 April 2017	None	None

Project Name	Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		*10% finishing, *10% Close out			
	Budget (R)	R6 300 480	R6 300 480		
Mpuru Access Bridge	% progress in the construction of Mpuru Access Bridge	100% progress in the construction of Mpuru access bridge: * 10% Site hand-over, * 10% Site Establishment, * 10% Base slab, * 10% Culverts, * 10% Road approaches, * 10% Gabions, 10% Stone pitching, * 10% finishing, * 10% Close out	<u>Target not achieved:</u> 47% progress made in the construction of Mpuru Access Bridge: 10% Site hand-over, * 10% Site Establishment, * 10% Excavation, * 10% Base slab; and 7% Bridge/road approaches	Delay in delivery of materials on site	The contractor has been put on terms due to non-performance and instructed to provide revised programme of works
	Budget (R)	R6 651 397	R5 998 163.72		
Madithongwana	% progress in the	100% progress in the	<u>Target Achieved:</u>	None	None

Project Name	Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Access bridge	construction of Madithongwana Access Bridge	construction of Madithongwana Access Bridge access bridge: * 10% Site hand-over, * 10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, * 10% Gabions, 10% Stone pitching, * 10% finishing, * 10% Close out	The project is 100% completed and already for handed over to the community		
	Budget (R)	R6 124 910	R7 124 910.91		
Diphala/Makhwaya Access Bridge	% progress in the construction of Diphala/Makhwaya Access Bridge Access Bridge	100% progress in the construction of Diphala/Makhwaya Access Bridge access bridge: * 10% Site hand-over, * 10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road	<u>Target Achieved</u> Diphala/Makhwaya access bridge is practically completed on 14 December 2016	None	None

Project Name	Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		approaches, *10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out			
	Budget (R)	R10 380 761	R 10 380 761,05		
Mabocho Access Bridge	% progress in the construction of Mabocho Access Bridge	100% progress in the construction of Mabocho access bridge: * 10% Site hand-over, *10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, *10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out	<u>Target achieved:</u> Mabocho access bridge is practically completed	None	None
	Budget (R)	R3 773 665	R3 773 665.33		
Moraba Access Bridge	% progress in the construction of Moraba Access	100% progress in the construction of Moraba access bridge: * 10% Site hand-over, *10% Site Establishment, *	<u>Target achieved:</u> Construction of Moraba access bridge	None	None

Project Name	Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
	Bridge	10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, *10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out	is completed		
Makopung Access Bridge	% progress in the construction of Makopung Access Bridge	100% progress in the construction of Makopung access bridge.* 10% Site hand-over, *10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, *10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out	Target achieved: Construction of Makopung access bridge completed	None	None
Budget (R)	R5 671 584	R5 827 675.61			
Legoleng Access Bridge	% progress in the construction of Legoleng Access	100% progress in the construction of Legoleng access bridge.* 10% Site hand-over, *10% Site Establishment,	Target achieved: Construction of Legoleng access	None	None

Project Name	Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
	Bridge	* 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, *10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out	bridge is completed		
	Budget (R)	R9 554 079	R9 913 131,27		
Tjate Access Bridge	# of initiatives undertaken the construction of Tjate Access Bridge	3- initiatives undertaken the construction of Tjate Access Bridge: *Development of MIG BP; *Development of terms of reference for Consultant; *Development of Tjate Access bridge designs	<u>Target Achieved:</u> *Development of MIG BP; *Development of terms of reference for Consultant; *Development of Tjate Access bridge designs * The contractor has been appointed and currently done with site	None	None

Project Name	Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
			establishment		
	Budget (R)	R5 400 000	R2 660 845.39		
Morokadieta Access Bridge	# of initiatives undertaken construction of Morokadieta Access Bridge	3 - initiatives undertaken construction of Morokadieta Access Bridge; *Development of MIG BP; *Development of terms of reference for Consultant; *Development of Tjate Access bridge designs	<u>Target Achieved:</u> *Development of MIG BP; *Development of terms of reference for Consultant; *Development of Tjate Access bridge designs * The contractor has been appointed and currently has completed concrete base slab	None	None
	Budget (R)	R3 850 000	R R 226 926.64		

Project Name	Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Ga- Malwane Access Bridge	# of initiatives undertaken in the construction of Ga- Malwane Access Bridge	3 – initiatives undertaken in the construction of Ga- Malwane Access Bridge : *Development of MIG BP; *Development of terms of reference for Consultant; *Development of Ga – Malwane Access Bridge designs	<u>Target Achieved:</u> *Development of MIG BP; *Development of terms of reference for Consultant; *Development of Ga – Malwane Access Bridge designs	None	None
	Budget (R)	R1 600 000	R750 916,14		
Dithamaga Access Bridge	# of initiatives undertaken in the construction of Dithamaga Access Bridge	5 – initiatives undertaken in the construction of Dithamaga Access Bridge : * Development of MIG BP; *Development of terms of reference for Consultant;	<u>Target Achieved:</u> *Site hand-over, * Site Establishment, * Excavation of foundation	None	None

Project Name	Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		* development designs for Dithamaga Access Bridge ; *conducting Site hand-over, *Site Establishment,			
	Budget (R)	R5 000 000	R3 396 092.13		
Lefahla Access Bridge	# of initiatives undertaken in the construction of Lefahla Access Bridge	3 -- initiatives undertaken in the construction of Lefahla Access Bridge : *Development of MIG BP; *Development of terms of reference for Consultant; *Development of designs for Lefahla Access Bridge	<u>Target Achieved:</u> *Development of MIG BP; *Development of terms of reference for Consultant; *Development of designs for Lefahla Access Bridge	None	None
	Budget (R)	R1 000 000	R 333 458.28		

Project Name	Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Thokwane Access Bridge	# of initiatives undertaken in the construction of Thokwane Access Bridge	3 – initiatives undertaken in the construction of Thokwane Access Bridge; *MIG BP; *ToR Consultant; *Designs	<u>Target achieved:</u> Designs for Thokwane Access Bridge and a pre site handover meeting was held on 29 May 2017	None	None
	Budget (R)	R 4 850 000	R0.00		

3.6.2. Road maintenance

The municipality is responsible for the maintenance of municipal roads and internal streets. In the financial year under review the municipality graded a total of 2 200.20km of rural and urban roads; 502.20km grading was done as per grading programme the municipality developed; 1513.80km grading was done on internal street where there were funerals; 49km grading was done from disaster related request and 135.20km were grading in preparation for events. It is evident from the figures above that the municipality spend most of its maintenance time on grading roads in preparation for funerals. In order to address this challenge the municipality has planned numerous projects on upgrading of internal streets for 2017/18 financial year.

Apart from the above the municipality has also patched 8700.69m² of potholes and installed 15 road signs.

3.6.3. Traffic law enforcement

The Municipality conducted eleven (11) Road safety campaigns in 2016/17 financial year. Two (2) campaigns were arrive alive and nine (9) were joint operations with provincial traffic officers and South African police services.

3.6.4. Maintains of Streetlights and traffic lights

The Municipality has given itself turnaround time for fixing faulty traffic and street lights from the day the faulty was identified or reported to be 15 days. In the financial year under review the municipality performed well on the fixing of traffic lights, where on average a day was taken to fix traffic lights. Regarding the fixing of streetlights the municipality could not achieve the set target as on average the municipality took 22 days to fix faulty streetlights and high mast lights.

4.4. COMPONENT C: Planning and Development

4.4.1. Integrated Development Plan (IDP)

The Municipality adopted its 2016/17 IDP on 30 March 2016. The document was then taken through Public engagement from 02 to 05 May 2017 and the final IDP was approved by council on 29 May 2017. The Mayor then presented the final projects to the public in his state of local municipal address (SOLMA) on 24 June 2017 at Tswelepele sport ground.

4.4.2. Spatial Rational

The municipality has limited land for development. Most of the land in the municipality is under private, state and tribal authorities. Various engagements were made with department of rural development and land reform to allocate land for municipal development; by end of the financial year department (DRDLR) had already donated 639.17 hectares of land at Appiesdoorn draai to the Municipality.

4.4.3. Burgersfort by-pass/ western ring road

Western ring road is a proposed by – pass which will pass behind Burgersfort town and join R555 and R37 after the town. The Municipality want to purchase pieces of land on which it will construct this road. When concluded the road will reduce traffic congestion in town. Motorist who are travelling to Lydenburg from Polokwane areas and do not want to via town may use the road. Offer to purchase agreement is developed and sent to land owners to sign. Only one purchase agreement was signed with one land owner by the end of the financial year.

4.4.4. Development of Ohrigstad development plan

A draft Ohrigstad Development is competed and awaiting stakeholder consultation for the plan to be submitted to Council for approval.

4.4.5. Building plans

There are two types of building plans that the municipality approves for stakeholders. The plans differ according to sizes. There are those which are less than 500m² which municipalities are required to approve within 30 days from the day received and there are those which are greater than 500m² which are approved within 60 days. For building plans less than 500m² the municipality received 76 of them in the financial year under review and 48 were approved when the financial year ended. Regarding building plans greater than 500m²; 22 plans were received and 13 approved.

Common challenges that emerge regarding the approval of building plans are none compliance with building regulations and delays by clients to return their documents after advised of the outstanding information.

4.4.6. Job created through municipal initiatives

Total of 2561 jobs were sustained from the two former municipalities, namely Fetakgomo and greater Tubatse municipalities. Break down of the numbers were as follows: EPWP -155, CWP-2406 and MIG 499. 529 new jobs were created in the financial year under review from municipal initiatives.

3.7.7. Employees of Development planning Department

The department had 15 positions in the financial year under review; 7 posts were filled and 8 positions were vacant when the financial year ended. The municipality could not present the information in this section in terms of job levels because the Municipality has not concluded its job evaluation.

3.7.8 Financial performance of Development Planning Department

Table/figure 13: DVP expenditure

Details	2016/17			
	Original Budget	Adjusted Budget	Actual	Variance to budget
Expenditure:				
Employee cost	13 817 156	13 817 156	13 699 244.64	117 911.36
Repair and Maintenance	31 800	31 800	00	31 800
Other	25 570 625	25 570 625	18 060 496.06	7 510 128.94
Total operational expenditure	39 419 581	39 419 581	31 759 740.70	7 659 840.30

3.8. COMPONENT D: Community and Social Services

3.8.1. Maintenance of Municipal facilities

The Municipality has developed maintenance standards for its facilities. According to its standard all faulty municipal facilities should be fixed within 30 days from the date the fault was reported. In the financial year under review the municipality was able to fix the faulty facilities within the prescript time frame of 30 days. Two (2) Thusong centre outreach programmes were planned but only one was successful. The outreach was conducted on 08th November 2016.

Table/Figure 14: Maintenance of Municipal facilities

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Turnaround time in fixing faulty municipal property from the date reported	30 working days turnaround time in fixing faulty municipal property from the date reported	<u>Target Achieved</u> municipality fixed faulty properties within 30 days	None	None
# of quarterly Office cleaning report generated	3 cleaning quarterly reports generated	<u>Target Achieved</u> Three Cleaning Reports generated	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Budget(R)	R1 590 000	R1,132,989		
# of Thusong Centre operational reports generated	4 Thusong Centre operational reports generated	<u>Target achieved:</u> 4Thusong Centre operational reports generated	None	None
# of Thusong Centre Outreach Programs conducted	2 Thusong Centre Outreach Programs conducted:* Thusong services centre week,* Public service month	<u>Target not achieved:</u> 1x Thusong Service Centre outreach program conducted on the 28/11/2016.	Insufficient staff in the unit	Capacitate the unit in 2017/18 financial year
# of Local Inter-sectoral Steering Committee (LISSC) meetings held	4 - LISSC meetings held	<u>Target not achieved:</u> 2x LISSC meetings held on	Insufficient staff in the unit	Capacitate the unit in 2017/18 financial year

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		the 04/10 & 08/11/2016.		
Budget(R)	R100 000	R0.00		

3.8.2. Library programmes

Table/Figure 15: Library programmes

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of new books purchased	300 new books purchased	<u>Target Achieved:</u> 820 books acquired ; *6 16 books purchased; and *204 books acquired through donations	None	None
# of Library programs conducted	2 Library programmes conducted: * Library week *Wordbook day	<u>Target Achieved:</u> 3 Library programme conducted as follows: *26 November 2016 at Imbita international school; *27 March 2017 at Imbita international school * 30 March 2017 at Mapodile	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		Public Library		
Budget(R)	R500 000	R 202 815.63		

3.9. COMPONENT E: Environmental Protection

3.9.1. Beautification of municipal surrounding

As part of its beautification programme the municipality had in the financial year under review debushed its strategic areas; planted 100 trees in different areas and maintained its parks. The table below gives a detailed report on what happened in the 2016/17 financial year.

Table/Figure 16: Beautification of Municipal Surrounding

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Open space debushed	2 - Open space debushed within the municipality: *Tubatse crossing to Aloe Ridge stop sign; * Ohrigstad internal street	<u>Target achieved:</u> 2 - Open space debushed *Ohrigstad internal street ; and *Tubatse crossing to Aloe Ridge stop sign	None	None
Budget (R)	R 150 000	R149 129.65		

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of trees planted in Municipal facilities	80 trees planted in Municipal facilities: <ul style="list-style-type: none"> • Mapodile satellite station (6); • Mapodile Thusong Centre(6); • Ohrigstad satellite station (10); • Old municipal office (Tubatse) (10); • Burgersfort civic centre(Head office)(10) • Mohlaletse Thusong service centre (10); • Atok Thusong service 	<u>Target Achieved:</u> 100 trees planted in Municipal facilities as follows: <ul style="list-style-type: none"> • Burgersfort civic centre(Head office)(10); • Mohlaletse Thusong service centre(10); • Atok Thusong service centre(10); • Moses Mabotha civic centre(10); • Apel Regional Office(10); • Mapodile satellite station(6); • Mapodile Thusong 	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
	centre (10); <ul style="list-style-type: none"> • Moses Mabotha Civic Hall Centre (10); • Apel Regional office (8) 	Centre(6); <ul style="list-style-type: none"> • Ohrigstad satellite station(10); • Old municipal office (Tubatse)(10); • Mabopo Traffic Testing Station (6); • Mophalese community hall (12) 		
Budget (R)	R53 750	R 22 500.00		
# of Municipal Park reports generated	2 - Municipal Park reports generated	<u>Target Achieved</u> 02 reports– Municipal park maintained	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Budget (R)	R 300 000	R 28 000.00		

3.9.2. Disaster management

Disaster management is the competency of district municipality. In our case it is the competency of Sekhukhune district municipality. Local municipalities are only playing a facilitation role. In the financial year under review the municipality planned two disaster awareness campaigns, but only one disaster awareness campaign was held. The second campaign was hindered by the prolonged IDP consultation processes which clashed with the time planned for the second campaign. A detailed report on the disaster management in the municipality is given in the table below.

Table/Figure 17: Disaster management

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Disaster Awareness Campaigns conducted	2 - Disaster Awareness Campaigns conducted: * Fire awareness campaign; * Storm and floods	<u>Target Not Achieved:</u> 1 - Disaster Awareness	Time allocated for fire campaign was disturbed by prolonged IDP consultation	To be conducted in 2017/18 financial year

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
	awareness campaign	Campaigns conducted: * Storm and floods awareness campaign		
% of disaster victims qualifying for relief materials provided within seven days after assessments	100% of disaster victims qualifying for relief materials provided with relief materials within seven days after assessments	<u>Target Not Achieved:</u> 87 %(54/62) of qualifying disaster incident victims received relief materials within seven days. *123 disaster incidents reported; * 62 households qualified for relief material;'	Lack of sufficient material at storeroom	To have contract with service provider who supply relief material as and when needed

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		*54 Households received the relief materials		
Budget(R)	N/A	N/A		
# of Disaster vehicle purchased	1 - Disaster vehicle purchased	<u>Target not achieved:</u> Processes of procuring Disaster vehicle were at evaluation stage when the financial year ended	Delays in finalizing procurement processes	Vehicles to be purchased in the first quarter of 2017/18 financial year
Budget(R)	R500 000	R0.00		

3.9.3. Combating HIV/AIDS in the municipal

Table/Figure 18: HIV/AIDS programmes

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of HAST initiatives conducted	6 –HAST Initiatives conducted; *3x calendar events; *HAST indaba; *Community dialogue; *Community Health awareness campaign)	<u>Target not achieved:</u> 1)World AIDS day 07 /12/2016 2)TB Awareness (31/03/2017) 3)Launching of LAC(24/11/2017) 4. third Quarter LAC meeting 5. 4th quarter LAC meeting	HAST indaba; and community health awareness not conducted	Outstanding HAST initiatives to be conducted in 2017/18 financial year
# orphaned and vulnerable learners provided with School uniform	50 orphaned and vulnerable learners provided with School uniform	<u>Target not Achieved:</u> No orphan supported during the period	No policy in place to support orphans and vulnerable learners	Development of orphans and vulnerable learners policy
# of Local AIDS Council (LAC)Reports generated	4 LAC reports generated	<u>Target not Achieved:</u>	LAC was established in the 3rd	Reports to be generated on quarterly

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		2 reports generated	quarter due to the amalgamation of two former municipalities	basis
Budget(R)	R100 000	R441		

3.10. COMPONENT F: SPORT AND RECREATION

3.10.1. Arts and cultural activities

Six (6) Arts and culture activities were planned for the financial year under review as reflected in the table below, but when the financial year ended only five (5) were conducted. The outstanding one was Theatrical workshop. The activities were held at Sehlaku Technical High school at Driekop on 13th May 2017.

Table/Figure 19: Art and cultural activities

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of art and culture programmes conducted	6 art and culture programmes conducted: * Art confederation workshop; * Cultural competition; * Beauty pageant; * Music talent search; * Theatrical workshop; * Crafter workshop;	<u>Target Not achieved:</u> 05 arts and culture programme conducted at Sehlaku Technical High School on 13th May 2017: *Art and Crafter Confederation workshop; *Cultural competition; *Music Talent Search;	Theatrical workshop not conduct	Theatrical workshop will be conducted in 2017/18 financial year

			*Beauty Pageants ; and *Crafter workshop			
Budget (R)	R200 000		R 184 457			

3.10.2. Sports activities

Table/Figure 20: Sports activities

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Sports Lekgotla held	1 Sports Lekgotla held	<u>Target achieved:</u> Sport indaba/Lekgotla held at Moses Mabothe on 25 March 2017	None	None
# of Arts and Culture Lekgotla held	1 Arts and Culture Lekgotla held	<u>Target achieved:</u> Arts and Culture Lekgotla/ indaba held at Moses Mabothe on 25 March 2017	None	None
# of sporting programmes conducted	9 sporting programmes conducted: * Chess tournament; * Cricket tournament; * Tennis tournament ; * Volleyball tournament; * Indigenous, Golf ; * rugby tournaments ; * Mayoral	<u>Target not Achieved:</u> Five sporting programme conducted: * Indigenous games; * rugby tournament * Tennis tournament ; *Volleyball tournament are held	Mayor's cup and Mayor Marathon was not held due to budgetary constrains	Allocation of sufficient budget for sporting programme

	cup(marathon) and * farm sports conducted	* Golf day		
Budget (R)	R200 000	R 198 478.49		

3.10.3. Staff component of Community Service Department

Community services department had 190 positions in the financial year under review; 114 positions were filled and 76 positions were vacant when the financial year ended. The positions were not evaluated and that make it difficult for the municipality to determine their job level.

3.10.4. Financial Performance of Community service department

The table below depicts the financial performance of community service department.

Figure/Table 21: Financial Performance of Community Services

Details	2016/17			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure:				
Employees	38 740 092	38 740 092	35 122 385.38	3 617 706.62
Repairs and Maintenance	495 425	495 425	284 713.37	210 711.63
Other	33 900 943	33 900 943	20 256 661.94	13 644 281.06
Total Operational Expenditure	73 136 460	73 136 460	55 663 760.69	17 472 699.31

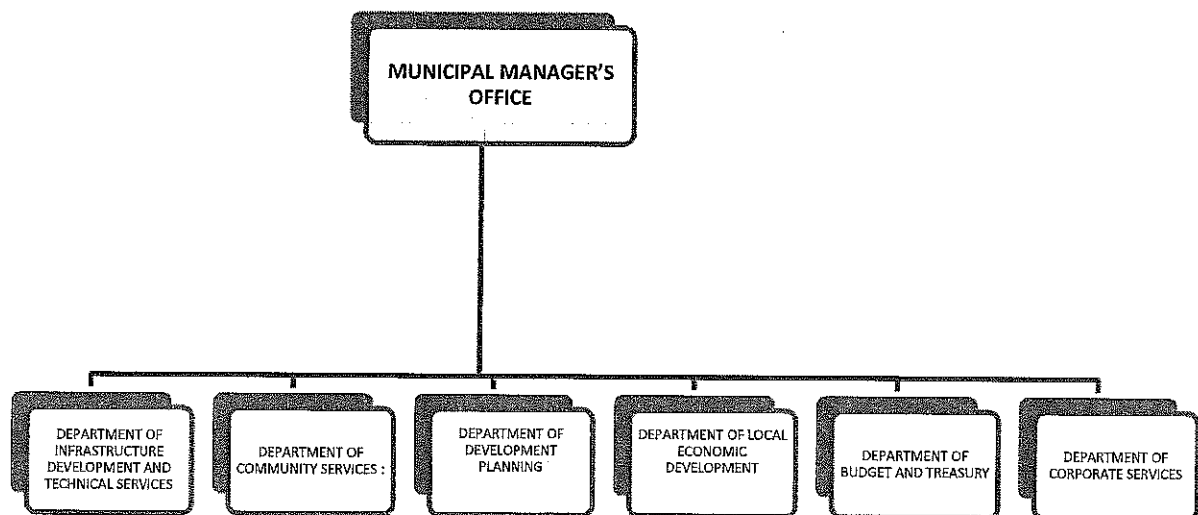
3.11. COMPONENT G: CORPORATE POLICY AND OTHER SERVES

3.11.1. Human Resources

3.11.1.1. Organizational Design

The municipality has six (6) departments as reflected in the Organogram below. All departments had departmental heads except Infrastructure development and Technical services. Director Community service Mrs. Busane NP acted in the position until its director was appointed. The director was appointed at end of June 2017 and he will commence working from 03 July 2017.

Chart 02: Organogram



3.11.1.2. Human Resource policies

3.11.1.2.1. Employment Equity plan

The Municipality had 564 positions on its organogram; 347 were filled and 212 were vacant in 2016/17 financial year. In terms of gender representation, the municipality had more male employees than female ones. 198 employees were male while 149 were female. In terms of race representation the municipality had only two races in its staff namely black and white. White are only two while the entire municipal staff comprises of Black peoples. The municipality has five (5) disable people and all of them are male.

3.11.1.2.2. Performance management

Performance Management system in the municipality is implemented only at institutional and senior management levels. The municipality is in the process of cascading it to other employees. The table below reflects a detailed report on work done under Performance management system in the municipality in 2016/17 financial year.

Table/Figure 23: Performance management

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for the review of 2016/17 PMS framework	31 May 2017 review of PMS framework completed	<u>Target achieved:</u> The 2016/17 PMS framework is reviewed on 18 – 20 May 2017 at Swadini Aventura and adopted by council on 29 May 2017	None	None
Budget(R)	R200 000	R88 842		
# of Performance Lekgotla held	4 - Performance Lekgotla held	<u>Target achieved:</u> 4 performance makgotla held in 2016/17 financial	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		year		
Budget(R)	R300 000	131 286.84		
# of in- year reports generated	4 in-year reports generated	<u>Target achieved:</u> 4 in – year reports generated	None	None
Tabling date of Draft 2015/16 Annual Report	31/01/2016 *Draft Annual Report tabled to Council	<u>Target achieved:</u> Draft Annual Report was tabled to council on 30 January 2017	None	None
Completion date in developing and signing of 2017/18 SDBIP by the Mayor	30 June 2017 completion date developing and signing of 2017/18 SDBIP by the Mayor	<u>Target achieved:</u> Mayor signed the 2017/18 SDBIP on 22 June 2017	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of performance agreements for section 54/56 managers developed & signed within legal framework ¹	8 - performance agreements for section 54/56 managers developed & signed within legal framework	<u>Target achieved:</u> 8 section 54/56 managers signed their performance agreements	None	None
Budget(R)	R300 000	R0.00		

¹ 30 days after the Mayor/ council has approved the SDBIP

3.11.1.2.3. Occupational Health and Safety

The table below depicts a detailed report of OHS work in the municipality in 2016/17 financial year.

Table/Figure 24: Occupational health and safety

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of OHS audits conducted	1 - OHS audit conducted	<u>Target achieved:</u> 1 OHS Audit Report in place	None	None
# of site inspection and monitoring of Capital projects reports produced	3 - site inspection and monitoring of Capital projects reports produced	<u>Target achieved:</u> Three site inspection reports produced	None	None
# of OHS committee meetings held	2 OHS Committee meetings	<u>Target Not Achieved:</u> Since the two municipalities merged there has never been an OHS Committee meeting	None establishment of OHS committee	OHS committee will be established after nominated employees are trained in the 1 st quarter 2017/18 financial year

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of OHS Representatives trained	29 OHS Representatives trained	<u>Target Not Achieved:</u> No training of OHS representatives conducted	Delays in nomination of OHS representatives	Nomination of OHS representative finalized and training scheduled for 1st Quarter of 2017/18 financial year
# of medical surveillance conducted	1- medical surveillance conducted	<u>Target Achieved:</u> 1- medical surveillance conducted	None	None
# of medical screening conducted	2- medical screening conducted	<u>Target achieved:</u> 2- medical screening conducted	None	None
# of fumigation and pest control conducted in the municipal offices	3 - fumigations and pest control conducted in the municipal offices	<u>Target Not achieved:</u> Two fumigations and pest control conducted	Budgetary constrains	fumigation and pest control to be conducted in the 1 st Quarter of 2017/18 financial year

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of reports on medical supply Provision produced	2- reports on medical supply Provision produced	<u>Target Achieved:</u> 2 medical supply reports generated	None	None
# of COIDA returns of earnings (Compensation Fund) submitted to Compensation Commissioner	1 COIDA returns of Earnings submitted to Compensation Commissioner	<u>Target achieved:</u> 1 COIDA returns of Earnings submitted to Compensation Commissioner	None	None
# of Compensation for Occupational Injuries and Diseases Act (COIDA)interventions report submitted to MM	2- COIDA interventions report submitted to MM	<u>Target Achieved:</u> No serious injuries on duty occurred as such there was no intervention needed	None	None
Budget(R)	R500 000	R343 128		

3.11.1.2.4. Staff component of Corporate Service Department

Corporate Services department in the financial year under review had 109 positions; 76 positions were filled and 33 were vacant. The Municipality could not categorise its staff component in terms of job level as expected by this chapter because by the end of the financial year job evaluation was not conducted to determine the correct job levels of the positions. The municipality will therefore not use the table as prescribed in the chapter.

3.11.1.2.5. Financial Performance of Corporate Service Department

Figure/Table 25: Financial performance of Corporate Services Department

Details	2016/17			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure:				
Employees	67 762 798	67 762 798	55 062 350.25	12 700 447.75
Repairs and Maintenance	1 715 000	1 715 000	1 171 552.55	543 447.45
Other	71 930 933	71 930 933	55 597 632	16 333 301
Total Operational Expenditure	141 408 731	141 408 731	111 831 534.80	29 577 196.20

3.12. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

3.12.1. ICT Report

Table/Figure 26 ICT report

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of ICT Broad band infrastructure quarterly Service Providers Performance Reports produced	2 Reports	<u>Target achieved:</u> Two reports generated	None	None
# of reports generated on municipal facilities connected ICT broad band infrastructure	2 - reports generated on ICT broad band infrastructure connection on the municipal facilities	<u>Target achieved:</u> Two reports generated	None	None
Budget(R)	R1 000 000	R957 845		
Completion date for reviewing IT Master Plan	31 May 2017 completion date for reviewing IT	<u>Target Not Achieved:</u> IT master plan not reviewed	Insufficient budget allocation	To be Reviewed in the First Quarter 2017/18 Financial

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
	Master Plan			year
Budget(R)	R500 000	R335,472		
Due date for Purchasing IT information system	31 March 2017 Due date for Purchasing IT information system	<u>Target Achieved</u> Purchased of Anti-virus and Installation of Firewall	None	None
Budget (R)	R630 000	R600 208		

3.13. COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD

In 2016/17 financial year the Municipality had 255 indicators to perform, by the end of the financial year 148 (58%) indicators were achieved and 108 (42%) not achieved. Section 46 (1) (a) (iii) of Municipal system Act, Act 32 of 2000 expect municipalities when reporting its annual performance to make a comparison of its performance in the previous financial year, but in this case due to the fact that LIM476 is new municipality we could not have a previous financial year to compare with. However, the performances of the former two municipalities, Fetakgomo and Greater Tubatse municipalities in 2015/16 financial year were as follows 94% and 35.6% respectively.

Table/Figure 27: Organizational Performance

Key Performance Indicators	2016/17			
	Total KPIs	KPI achieved	KPI not achieved	%
Spatial rational	16	5	11	31%
Institutional Transformation and Organizational Development	47	30	17	64%
Basic service Delivery and Infrastructure Development	68	39	29	57%
Local Economic Development	27	20	7	74%
Financial Viability and Management	26	14	12	54%
Good Governance and Public participation	72	41	31	56%
Total	256	149	107	58%

CHAPTER 4:

ORGANIZATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

4.1. COMPONENT A: INTRODUCTONAL TO THE MUNICIPAL PERSONNEL

4.1.1. Introduction

The Municipality had 559 positions on its organogram; 347 were filled and 212 were vacant. In terms of gender representation, the municipality had more male employees than female ones. 198 employees were male while 149 were female. Table/Figure 42: Municipal personnel

Table/Figure 28: Municipal staff

Departments	2016/2017			
	Approved Posts	Employees	Variance	Variance (%)
Municipal Manager	28	18	10	36%
Budget and Treasury	63	45	18	28%
Development and Planning	31	15	16	51%
Local Economic Development and Tourism	15	7	08	53%
Community Services	190	114	76	40%
Corporate Services	109	76	33	30%
Infrastructure Development and Technical Services	79	41	38	48%
Total	559	347	212	38%

4.1.2. Labour turnover

The table below depicts labour turn over in the municipality in 2016/17 financial year

Table/figure 29: Labour turns over

Contracts expired	Resignations	Retirement	Deceased	Dismissal	Total
02	07	01	04	04	18

4.2. COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2.1. Human Resource Policies

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

Figure/Table 30: Human Resource policies

HR Policies and Plans					
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt	
		%	%		
1	Occupational Health and safety policy	100%	N/A	29/05/2017	
2	Travel and subsistence policy	100%	N/A	29/05/2017	
3	Bursary Policy	100%	N/A	29/05/2017	
4	Secondment and acting in Higher position policy	100%	N/A	29/05/2017	
5	Performance Management framework	100%	N/A	29/05/2017	
6	Attendance and Punctuality policy	100%	N/A	29/05/2017	

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
	Higher position policy			
5	Performance Management framework	100%	N/A	29/05/2017
6	Attendance and Punctuality policy	100%	N/A	29/05/2017
7	Overtime Policy	100%	N/A	29/05/2017
8	Recruitment, selection and appointment policy	100%	N/A	29/05/2017
9	Travel and out of pocket expenses policy for councillors	100%	N/A	29/05/2017
10	Training and development	None	100%	Return back for improvement
11	Transport allowance policy	None	100%	Return back for improvement

4.3. INJURIES, SICKNESS AND SUSPENSIONS

4.3.1. Injuries

Table/Figure 31: Injuries on duty

N0	Nature of injury	Number of employees affected
1.	No serious injuries with cost implications	None

--	--	--

4.3.2. Sick Leaves

Figure/Table 32: Sick leaves

Number of sick leave and their Cost estimates						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R
Lower skilled (Levels 10-12)	101	2(3%)	18	52	6	50 345
Skilled (Levels 7-9)	217	1(0.5%)	29	99	7	82 579
Highly skilled production (levels 4 - 6)	306	7(2%)	47	112	6	41 475
Highly skilled supervision (levels 1 - 3)	201	3(1%)	23	58	9	263 913
MM and	5	0(0%)	1	8	2	16 406

Number of sick leave and their Cost estimates						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
S57						
Total	565	8	85	329	30	454 714

4.3.3. Suspensions

Figure/Table 33: Suspensions

Number and Period of Suspensions						
Item NO	Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised	
1.	Senior Building Inspector	Fraud/Insubordination	04/11/2016	The employee is dismissed	05/05/2017	
2.	Legal Manager	Insubordination/Financial misconduct/misleading the Accounting Officer and Council, bring the municipality in disrepute	21/09/2016	Employee resigned	08/12/2016	
3	Traffic superident	Failing to disclose his criminal records when got employed	22/02/2017	Employee dismissed	18/08/2017	
4.	Human Resource	Bringing the municipality into	17/01/2017	Employee	13/07/2017	

Number and Period of Suspensions					
Item NO	Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
	Manager	disrepute. Failing to take instruction from Accounting Officer		dismissed	
5.	Supervisor of Cleaners	Bringing the municipality into disrepute.	02/02/2017	Employee resigned	03/04/2017

Figure/Table 34: Disciplinary actions taken on case of financial misconduct

Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalised
Legal Manager	Financial misconduct of R1 400 000	Charged but he resigned in the process of hearing	08/12/2016

4.4. COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.4.1. SKILL DEVELOPMENT AND TRAINING

Table/Figure 35: Skill development and training

N0	Learning Programme	Number employees benefited
1.	Introduction to Payroll & payroll processing	01
2.	Introduction to Payroll administration & company parameter	01
3	Municipal Finance Management	78
4.	Development communication Certificate	01
5.	SAMTRAC intro	09
6.	RCA- Root cause Analysis	01
7.	Principle of payroll	4
8.	Municipal Governance	24

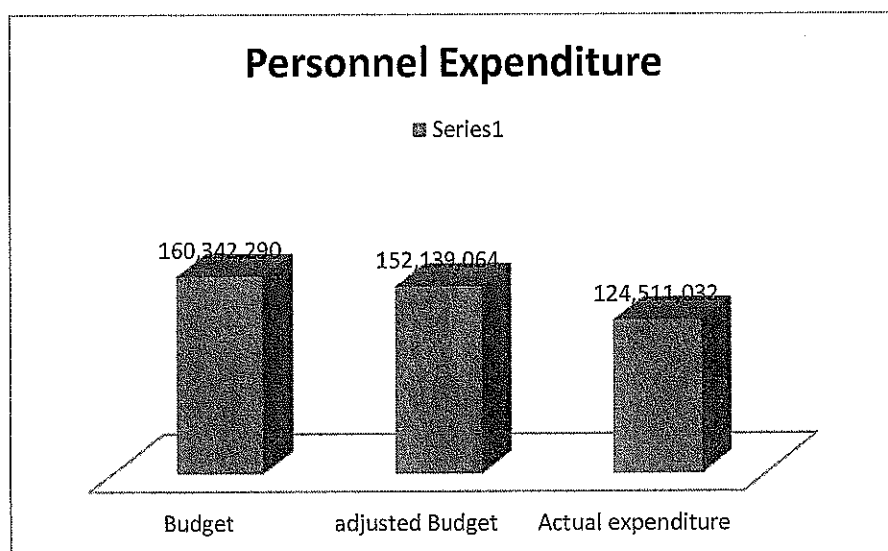
9.	Professional Certificate in Governance communication and marketing	3
	Total	122

COMPONENT D: MANAGING WORKFORCE EXPENDITURE

4.5. EMPLOYEE EXPENDITURE

R160 342 290 was budgeted in 2016/17 financial year for employee costs and adjusted to R152 139 064 during budget adjustment. At end of the financial year R124 511 032 was spent. The figure below depicts the picture.

Chart 03: Personnel Expenditure



CHAPTER 05:

FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5.1. Statement of Financial Performance

Table/figure 36: statement of financial performance

Description	2016/17			2016/17 Variance to actual	
	Original Budget(R)	Adjusted Budget(R)	Actual(R)	Final Budget	Original budget
<u>Financial Performance</u>					
Property rates	88 090 000	118 090 000	94 194 061	79%	106%
Service charges	12 925 877	12 971 058	14 208 601	109%	110%
Investment revenue	10 958 546	10 120 226	9 039 014	89%	82%
Transfers recognized - operational	478 660 481	543 925 609	450 999 246	83%	94%
Other own revenue	38 265 138	39 122 822	26 530 024	68%	69%
Total Revenue (excluding Capital transfers & contributions)	628 900 042	724 229 715	594 970 946	82%	94%

Description	2016/17			2016/17 Variance to actual	
	Original Budget(R)	Adjusted Budget(R)	Actual(R)	Final Budget	Original budget
Employee Cost	160 342 290	152 139 064	124 511 032	82%	78%
Remuneration of councillors	29 028 428	27 715 588	23 357 958	84%	80%
Debt impairment	30 387 000	24 537 000	23 461 270	96%	72%
Depreciation and asset impairment	44 183 000	41 233 169	95 738 973	232%	217%
Finance charges	1 652 500	1 652 500	2 667 330	161%	161%
Transfers and grants	5 425 000	5 425 000	5 465 250	100%	100%
Other expenditure	210 073 836	278 714 125	147 614 253	53%	70%
Total Expenditure	481 092 054	546 288 946	422 816 066	77%	88%
Total revenue(excluding capital transfers and contributions)	628 900 042	724 229 715	594 970 946	82%	95%
Total Expenditure	481 092 054	546 288 946	422 816 066	77%	88%
Surplus/(Deficit)	147 807 988	177 940 769	172 154 880	98%	116%

Description	2016/17			2016/17 Variance to actual	
	Original Budget(R)	Adjusted Budget(R)	Actual(R)	Final Budget	Original budget
Transfer recognized – Capital	160 885 000	190 885 000	178 933 125	94%	111%
Surplus /(Deficit) Capital transfer and contributions			11 951 875		
Surplus/(Deficit) after capital transfers and contributions			11 951 875		
Surplus /(Deficit) Capital transfer and contributions			11 951 875		
Surplus/(Deficit) for the year			11 951 875		
<u>Financial Position</u>					
Total current Asset			455 124 548		

Description	2016/17			2016/17 Variance to actual	
	Original Budget(R)	Adjusted Budget(R)	Actual(R)	Final Budget	Original budget
Total non – current Asset			2 396 794 578		
Total current liability			109 141 051		
Total non - current liability			66 575 993		
<u>Cash flow</u>					
Net cash flows from Operating activities			(128 984 893)		
Net cash flow from investing activities			(110 753 005)		
Net cash flow from financing activities			(911 215)		
Cash and cash equivalent at end of the year			208 340 741		

Description	2016/17			2016/17 Variance to actual	
	Original Budget(R)	Adjusted Budget(R)	Actual(R)	Final Budget	Original budget
<u>Asset Management</u>					
Repair and Maintenance			50 099 473		
<u>Free services</u>					
Cost of free Basic services provided			5 465 250		

5.2. Financial Performance of Operational Services

Table /Figure 37: Financial performance of Operational Services

Description	2016/17			2016/17 Variance		
	Original budget	Adjusted budget	Actual	Final Budget	Original budget	
Operational Costs						
Corporate service Administration	126 158 289	138 973 311	111,831,534,80	80%	87%	
Municipal Manager administration	22 834 761	20 212 761	17,550,935,48	87%	77%	
Finance administration	131 713 978	125 121 412	101,690,742,42	81%	77%	
Technical Services administration	67 628 141	103 108 481	87,954,977,13	85%	130%	
Community services administration	77 162 141	72 731 310	55,663,760,69	77%	72%	
Local Economic Development and Tourism and Development Planning	39,419,581,00	39 419 581,00	31,759,740,70	81%	81%	
Total	464 916 891	499 566 856	406 451 691	81%	87%	

5.3. Grants

Table/figure 38: Grants

Descriptions	2016/17			2016/17 variance	
	Original budget	Adjustment budget	Actual	Final Budget	Original Budget
<u>Operational transfers and grants</u>					
Equitable Share	232 252 000	232 252 000	256 467 000	110%	110%
Municipal system improvement	N/A	N/A	N/A	N/A	N/A
MIG	110 885 000	110 885 000	101 651 934	91%	91%
INEP	80 000 000	80 000 000	N/A	N/A	N/A
Finance management grant	3 625 000	3 625 000	3 625 000	100%	100%
NDPG	8 544 000	8 544 000	8 544 000	100%	100%

Descriptions	2016/17			2016/17 variance	
	Original budget	Adjustment budget	Actual	Final Budget	Original Budget
EPWP	2 121 000	2 121 000	2 121 000	100%	
MDTG	13 414 000	13 414 000	6 841 140	51%	100%
Total	450 841 000	450 841 000	379 250 074	84%	51%
					84%

5.4. Asset Management

Table/Figure 39: Asset management

Asset 1			
Name	Madithongwana Access Bridge		
Description	Construction of Access Bridge at Madithongwana		
Asset Type	Roads Infrastructure		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2016/17	2017/18	2018/19
	R6 000 000	R6 000 000	R7 000 000
Capital Implications	MIG		
Future Purpose of Asset	Improve road condition and viable Economy		
Describe Key Issues	Improve road condition		
Policies in Place to Manage Asset	Repair and Maintenance		

Asset 2			
Name	Tubatse High mast lights		
Description	Installation of High mast lights in the strategic area in the Municipality		
Asset Type	Provision of High mast lights		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2016/17	2017/18	2018/19

	17 373 175	18 654 257	N/A
Capital Implications	MIG		
Future Purpose of Asset	Crime prevention strategy		
Describe Key Issues	Crime prevention		
Policies in Place to Manage Asset	Repair and Maintenance		

Asset 3			
Name	Mafarafara Access Bridge		
Description	Construction of access bridge at Mafarafara		
Asset Type	Upgrading road Infrastructure		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2016/17	2017/18	2018/19
	3 524 000	6 000 000	N/A
Capital Implications	MIG		
Future Purpose of Asset	Improve road condition and viable Economy		
Describe Key Issues	Improve road condition and viable Economy		
Policies in Place to Manage Asset	Repair and Maintenance		

Asset 4			
Name	Mpuru Access bridge		
Description	Construction of access bridge at Mpuru		
Asset Type	Upgrading road Infrastructure		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2016/17	2017/18	2018/19
	7 500 000	5 3000 0000	N/A
Capital Implications	MIG		
Future Purpose of Asset	Improve road condition and viable Economy		
Describe Key Issues	Improve road condition and viable Economy		
Policies in Place to Manage Asset	Repair and Maintenance		

Asset 5			
Name	Motodi Sport Complex		
Description	Construction of sport complex at Ga - Motodi		
Asset Type	Sport and recreation		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2016/17	2017/18	2018/19
	600 000	2 500 000	5 222 343
Capital Implications	MIG		
Future Purpose of	Improve recreation in the municipality		

Asset	
Describe Key Issues	Improve sport activities and recreation in the municipality
Policies in Place to Manage Asset	Repair and Maintenance

5.5. Repair and Maintenance

The repair and maintenance budget for 2016/17 financial year was R70 399 169 and the end of the financial year 50 099 473 was spent. The table below depicts the picture.

Table/figure 40: Repair and maintenance

Descriptions	2016/17			2016/17 variance
	Original Budget	Adjusted Budget	Actual	Variance
Repair and Maintenance	32 417 125	70 399 169	50 099 473	71%

5.6. FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.6.1. Liquidation ratio

Liquidity ratio measures the ability of the municipality to convert its assets into cash to service its daily obligations. The higher the ratio, the higher is the ability of the municipality to convert its assets into cash for its daily obligations. In 2016/17 financial year the municipality had a liquidation ratio of 4

5.6.2. Total Outstanding Service debtors' ratio

This ratio measures the ability of the municipality/institution to produce enough cash to cover its debts. The higher the ratio is, the easier is it for the institution to obtain loan. A ratio lower than 1.0 indicates that the institution does not have enough cash flow to cover loan payments. The service debtors ratio for 2016/17 financial year is 1.68

5.6.3. Employee cost

The budget for employee cost of the municipality for the financial year under review was R152 139 064 and when the financial year ended R124 511 032 (81%) was spent.

5.6.4. Repair and Maintenance

The municipality budgeted R70 399 169 for repair and maintenance and when the financial year ended R50 099 473 (71%) was spent.

Component B: Spending against Capital Budget

The chart below compares the capital and operational expenditures of the municipality in 2016/17 financial years.

Figure/table 41: Capital expenditure v/s operational expenditure

Expenditure Type	% of Expenditure Budget	Original Budget	Adjustment Budget	Un-audited Full Year Total
Capital Expenditure	33%	241 513 799	267 329 190	113 983 005
Operating Expenditure	67%	481 092 054	546 288 946	422 816 066
Total expenditure	100%	722 605 853	781 911 850	536 799 071

5.7. Capital spending on five largest projects

Table/Figure 42: Capital spending on five largest projects

projects names	2016/17 financial year			Variance 2016/2017	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A – Bothashoek Access Bridge	4 028 270	4 028 270	4 028 270	0%	0%
B – Motshana Access Bridge	4 846 899	4 846 899	4 846 899	0%	0%
C – Mafarafara Access bridge	6 300 480	6 300 480	6 300 480	0%	0%
D – Madithongwana Access Bridge	6 124 910	6 124 910	7 124 910	171%	116%
E – Diphala/Makhw aya Access bridge	10 380 761	10 380 761	10 380 761	0%	0%

Name of Project - A	Bothashoek Access Bridge
Objective of Project	Improve connectivity between villages
Delays	None
Future Challenges	None
Anticipated citizen benefits	120 000

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

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

Name of Project - D	Madithongwana Access bridge
Objective of Project	Improve connectivity between villages
Delays	none
Future Challenges	none
Anticipated citizen benefits	2348

Name of Project - E	Diphala/Makhwaya Access bridge
Objective of Project	Improve connectivity between villages
Delays	None
Future Challenges	None
Anticipated citizen benefits	6900

5.8. Basic Service and Infrastructure Backlog – Overview

5.8.1. Introduction

As indicated in the overview in chapter 01 of this report, the municipality does not have authority to provide most of basic services. The table below highlights the status of basic service delivery in the LIM 476 local municipality.

Table/figure 43: Service delivery Backlog

No	Services	Access/connected	No Access/connection	% Access/connected
1.	Water (Pipe water)	58 255HH	67 208HH	46%
2.	Sanitation (Flushing toilets)	98 231HH	111 661HH	47%
3.	Electricity	107 770HH	17 692HH	87%
4.	Refuse Removal (at least once a week)	12 095HH	113 266HH	10%
5.	Housing (Formal)	107 477HH	17 976HH	87%

Source: FGTM IDP 2017/18

5.8.2. 2016/17 MIG spending

The table below depicts the municipal spending on MIG.

Table/Figure 44: MIG spending

N0	Project Description	Household benefited	Status	Expenditure
1.	Bothashoek Access Bridge	3200	Project completed	4 028 270
2.	Ga – Motshana Access bridge	2409	Project completed	4 846 898
3.	Mafarafara Access bridge	1500	Project completed	6 300 480
4.	Mpuru Access Bridge	2300	Project at 47% progress	6 998 163
r	Madithongwana Access Bridge	2139	Project completed	7 124 910
6.	Diphala/Makhwaya Access Bridge	3420	Project completed	10 380 761
7.	Mabocha Access Bridge	4300	Project completed	3 773 665
8.	Leboeng Access Bridge	2349	Project completed	5 827 675
9.	Legoleng Access Bridge	1456	Project completed	9 913 131
10.	Tubatse Fencing of Cemeteries phase 02	6702	Project completed	3 424 019
11.	Bothashoek Access road	2496	Excavation for foundation concluded	2 770 052

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENT

5.9. Cash flow

Table/Figure 45: cash flow management

Description	2016/17		
	Original budget	Adjusted budget	Actual
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services	53 235 012	53 235 012	53 235 012
Grants	478 660 481	543 925 609	448 806 599
Interest received	10 958 546	10 765 226	9 039 014
Employee cost	160 342 290	152 139 064	124 511 032
Suppliers			2 081 733
Financial cost	1 652 500	1 652 500	2 667 330
Net Cash flows from operating Activities	704 848 829	761 717 411	640 340 720
CASH FLOW FROM INVESTING ACTIVITIES			

Purchase of property, plant and Equipments			110 753 005
Net cash flows from investing Activities			110 753 005
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(Decrease) in cash held			911 215
Cash and cash Equivalents at the beginning of the year			191 020 068
Cash and Cash Equivalents at the End of the year			208 340 741

5.10. Borrowing and investment

Table/Figure 46: Borrowing and investment

Actual Borrowings 2016/17	
Instrument	2016/17
Long-Term Loans (annuity/reducing balance)	-
Long-Term Loans (non-annuity)	-
Financial Leases	76 426 456
Total	76 426 456

5.11. Public Private partnership

No public private partnership was entered into in the financial year under review.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12. Supply Chain management

5.12.1. Introduction

The municipality has a functional Supply chain management unit located in finance department. Supply chain management policy was reviewed and adopted by council on 29 May 2017. On quarterly basis the Municipality tables its SCM reports to council and report irregular expenditure to National treasury.

5.12.2. Bid committees

It is the competency of Municipal Manager to appoint Bid committees in the Municipality. In the financial year under review the municipality had all bid committees established, namely: specification, evaluation and adjudication committees. All bid committees were functional.

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

5.12.3. Oversight role of council

The municipality had the following committee to play oversight role to council and its committees: **Rules committees** which enforces council rules during council sittings; **Petition committee** which attend to petitions submitted to the municipality and report to council; **Ethic committee** which looks into the conduct of councillors; **Municipal Public account committee(MPAC)** which ensures accountability of administration to council and **Audit committee** which advises the municipal council, the political office

bearers, the accounting officer and the management staff of the municipality on matters as per reflected in section 166(2) of MFMA.

5.15. GRAP Compliance

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

Chapter 06

AUDITOR GENERAL AUDIT FINDINGS

6.1. Introduction

Section 188(1)(b) of the constitution of South Africa mandates Auditor General of South Africa to audit municipalities and report on their accounts, financial statements and financial management Annually. On the same breath section 45(b) of the Municipal System Act, 32 of 2000 mandates the Auditor General of South Africa to audit the results of performance measurement of municipalities. AGSA then give his/her audit opinion of the financial matters of municipalities.

6.2. Component A: Auditor General Opinion of 2015/2016 financial statement

The municipality is still new; it was established in 2016 after 03 August 2016 Local Government Election. It has not been audited by Auditor General of South Africa

COMPONENT B: 2016/17 AUDITOR GENERAL OPINION

6.3. 2016/17AUDITOR GENERAL OPINION

Annexure A: Council Profile

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
1.	Phala	Tlakale Naume	Full time	Speaker	ANC	100%	0%
2.	Phokane	Maudu Johannes	Full time	Mayor	ANC	100%	0%
3.	Shoba	Makgalema Vicent	Full time	Chief whip	ANC	100%	0%
4.	Maila	Edwin Eddie	Full time	Portfolio head Infrastructure Development and Technical Services	ANC	92%	8%
5.	Moeng	Queen Malekgale	Part time	Portfolio head Development Planning	ANC	54%	46%
6.	Pholwane	Maakgalake Benelwe	Full time	Portfolio head Corporate services	ANC	100%	0%
7.	Mashego	Raisibe Maria	Part time	Portfolio head Community services	ANC	92%	8%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
8.	Mamogale	Magatane Isaac	Full time	Portfolio head Budget and Treasury	ANC	92%	8%
9.	Hlatswayo	Buti Ephraim		Portfolio head Local Economic development and Tourism	Ward 06/ANC	54%	46%
46%	Kgwedi	Joseph Lethabile	Part time	Deputy Portfolio head infrastructure development and Technical Services	DA	54%	46%
11.	Mogoane	Mogaleadi Kgothatso	Part time	Deputy Portfolio head Corporate services	EFF	30%	70%
12.	Makola	Joseph Verwoerd	Part time	Portfolio head Budget and Treasury	EFF	62%	38%
13.	Mnisi	Fonda Gerry	Part time	MPAC	EFF	30%	70%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
14.	Mabelane	Motsebeg Morussia	Part time	Community Services & Rules, Rules, Ethics, Petition & public participation and Name change committee	Ward 01 /ANC	69%	31%
15.	Makine	Molelekwa Patrick	Part time	LED&T and Rules, Ethics, Petition & public participation	Ward 02/ ANC	69%	31%
16.	Radingwana	Maroale Release	Part time	LED&T	Ward 03/ANC	100%	0%
17.	Mamogale	Malebotse Frans	Part time	Corporate Services and Name change committee	Ward 04/ANC	69%	31%
18.	Maupa	Thabang Thomas	Part time	LED&T	Ward 05/ANC	85%	15%
19.	Riba	Mashego Rebotile	Part time	Community Services	Ward 07/ANC	69%	31%
20.	Mohubedu	Putaneng Simon	Part time	MPAC	Ward 08/ANC	77%	23%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
21.	Malakane	Oshalejeng Angelina	Part time	Community Services	Ward 09/ANC	87%	13%
22.	Mahlaba	Lucy Marema	Part time	Corporate services	Ward 10/ANC	87%	13%
23.	Magane	Mpone Timothy	Part time	Technical Services and Rules, Ethics, Petition & public participation and Name change committee	Ward 11/ANC	100%	0%
24.	Mahlake	Tola Victor	Part time	Chair of Chairs	Ward 12/ANC	92%	8%
25.	Moshwana	Xikhwane Emily	Part time	LED&T	Ward 13/ANC	87%	13%
26.	Makofane	Ntsabolane Nelly	Part time	MPAC	Ward 14/ANC	92%	8%
27.	Kgaphola	Mpho Andries	Part time	Corporate services	Ward 15/ANC	77%	23%
28.	Khoza	Maria Rinkie	Part time	Development Planning and Rules, Ethics, Petition & public	Ward 16/ANC	69%	31%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
				participation			
29.	Mphethi	Maria Mahwiti	Part time	Development planning	Ward 17/ANC	85%	15%
30.	Ngwatla	Themba Jackson	Part time	Development planning	Ward 18/ANC	85%	15%
31.	Malomane	Kapudi Hamilton	Part time	Community Services	Ward 19 /ANC	85%	15%
32.	Lekwadi	Manyala Irene	Part time	Technical services	Ward 20 /ANC	85%	15%
33.	Mokgotho	Lisbeth Letlabolo	Part time	Technical services	Ward 21 /ANC	77%	13%
34.	Malatji	Mpho Lydia	Part time	Corporate services	Ward 22 /ANC	77%	13%
35.	Maphakge	Ranchiyeng Agnes	Part time	Technical services	Ward 23 /ANC	92%	8%
36.	Mhisi	Hluphi Dindi	Part time	Community Services	Ward 24 /ANC	85%	15%
37.	Mosoma	Senwabjala Elijah	Part time	Budget and Treasury	Ward 25 /ANC	92%	8%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
38.	Molapo	Ntopi Trainer	Part time	Community Services	Ward 26 /ANC	85%	15%
39.	Makua	Lesotja Caiphus	Part time	Community Services	Ward 27 /ANC	92%	8%
40.	Rantho	Lekgemane Jim	Part time	Corporate Services	Ward 28/ANC	77%	13%
41.	Mariri	Mogudishetso Lenky	Part time	Development planning	Ward 29/ANC	69%	31%
42.	Thobejane	Motubatse Lot	Part time	MPAC	Ward 30/ANC	77%	23%
43.	Mohlala	Suzan Gaki	Part time	Budget and Treasury	Ward 31/ANC	77%	23%
44.	Maisela	Ramatsimele Philystus	Part time	Budget and Treasury	Ward 32/ANC	69%	31%
45.	Selepe	Malope Elias	Part time	Rules, Ethics, Petition & public participation	Ward 33/ANC	77%	23%
46.	Manale	Ramaabele Evinah	Part time	LED&T and Name	Ward 34/ANC	69%	31%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
				change committee			
47.	Ratsoma	Meselane Justice	Part time	Technical Services	Ward 35/ANC	77%	23%
48.	Moifo	Khulong Hendrik	Part time	Budget and Treasury	Ward 36/ANC	69%	31%
49	Diphofa	Diphofe Klaas	Part time	Rules, Ethics, Petition & public participation	Ward 37/ANC	92%	8%
50.	Makua	Moloke John	Part time	Development Planning and Name change committee	Ward 38/ANC	62%	38%
51.	Mashabela	Mphage Nelson	Part time	MPAC	Ward 39/ANC	46%	54%
52.	Mphethi	Ngwakwane Dorah	Part time	MPAC	ANC	69%	31%
53.	Phaladi	Raphahle Cathrine	Part time	Budget and Treasury & Name change committee	ANC	54%	46%
54.	Maphanga	Thato Promise	Part time	Budget and	ANC	69%	31%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
				Treasury			
55.	Gumede	Rose Thembisile	Part time	MPAC	ANC	92%	8%
56.	Magabe	Mogobo David	Part time	Corporate services and Rules, Ethics, Petition & public participation	ANC	31%	69%
57.	Mojalefa	Lerero Halindah	Part time	Development Planning	ANC	62%	38%
58.	Makhubedu	Ngwanyane Rhinah	Part time	LED & T	ANC	69%	31%
59.	Malapane	Sekatikele Surprise	Part time	Community Services	EFF	31%	69%
60.	Moagi	Sophy Patricia	Part time	Community service	EFF	38%	62%
61.	Mamokgopa	Lethube Dolly	Part time	Technical Services	EFF	77%	23%
62.	Kgoete	Mokgotlane Judas	Part time	Technical Services	EFF	30%	70%
63.	Seroka	Mahlodi Constance (Deceased)	Part time	Rules, Ethics, Petition & public	EFF	54%	46%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
				participation			
64.	Madire	Nkehwane Delta	Part time	Development Planning	EFF	77%	23%
65.	Mogofe	Abigail	Part time	Name change committee	EFF	77%	23%
66.	Thwala	Calvin Sipho	Part time	Development Planning	EFF	69%	31%
67.	Radingwane	Thembi Maatlale	Part time	LED&T	EFF	62%	38%
68.	Mphogo	Khutso Division	Part time	Rules, Ethics, Petition & public participation	EFF	77%	23%
69.	Kupa	Ramatsobane Breanda	Part time	Name change committee	EFF	69%	31%
70.	Mokgalaka	Conny Ramabele	Part time	Budget and Treasury	EFF	77%	23%
71.	Makofane	Isaac Thabo	Part time	MPAC	DA	77%	23%

No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
72.	Mashile	Mante Didi	Part time	Technical Services	DA	92%	8%
73.	Makgopa	Isaac Kapudi	Part time	Budget and Treasury & Rules, Ethics, Petition & public participation ; Name change committee	DA	69%	31%
74.	Mahlakwana	Makgoale Emma	Part time	Technical Services and Name change committee	AZAPO	92%	8%
75.	Lentsoana	Setlogane Aaron	Part time	Technical Services and Rules, Ethics, Petition & public participation and Name change committee	COPE	62%	38%
76.	Mohiala	Bonyana John	Part time	LED&T and Rules, Ethics, Petition & public participation	PAC	85%	15%

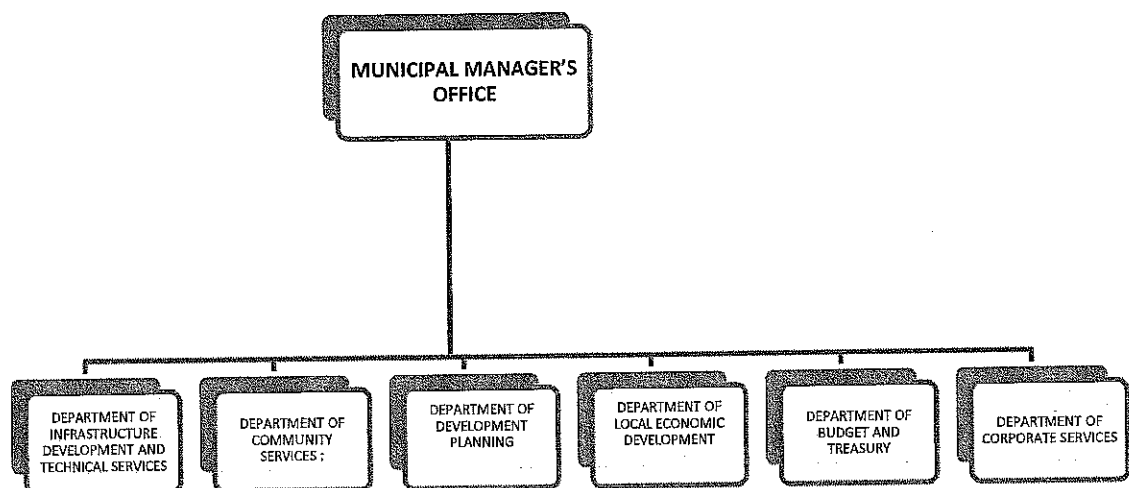
No.	Surname	Full Names	Full time/Part time	Committee allocated	Ward and/or party representing	% council meetings attendance	% Apologies for non attendance
				and Name change committee			
77.	Molapo	Tjekane Itumeng	Part time	Technical service and Rules, Ethics, Petition & public participation	SADA	85%	15%

ANNEXURE B: LIST OF MUNICIPAL COMMITTEES

Name change Committee	Ethics committee	Municipal Public Account committee	Audit committee
Purpose: To facilitate the process naming of municipal properties	Purpose: Look into the conduct of councillors	Purpose: To ensure accountability of administration to council	Purpose: To advise the municipal council, the political office bearers, the accounting officer and the management staff of the municipality on matters as per section 166(2) of MFMA
Members	Members	Members	Members
Chairperson: Cllr. Phaladi R.C	Chairperson: Cllr. Diphoho D.K	Chairperson: Cllr. Mphethi N.D	Chairperson: Mr. Mpjane NJ
Cllr. Makua M.J	Cllr. Makina M.P	Cllr. Mohubedu P.S	Mr. Simelane S
Cllr. Mamogale M.F	Cllr. Khoza M.R	Cllr. Mashabela M.N	Adv. Malatji TM
Cllr. Mabelane M.M	Cllr. Selepe M.E	Cllr. Makofane N	Mr. Semenya CC

Cllr. Magane M.T	Cllr. Magane M.T	Cllr. Thobejane M.L	
Cllr. Manale R.E	Cllr. Mabelane M.M	Cllr. Gumedede R.T	
Cllr. Kupa R.E	Cllr. Makgopa I.K	Cllr. Makofane I.T	
Cllr. Mohlala B.J	Cllr. Mohlaba B.J	Cllr. Molapo W.S	
Cllr. Mogofe A	Cllr. Molapo T.I		
Cllr. Makgopa I.K	Cllr. Lentsoana S.A		
Cllr. Mahlakwana M.E	Cllr. Seroka M.C		
Cllr. Lentsoana S.A	Cllr. Mphogo K.D		

ANNEXURE C: ORGANISATIONAL STRUCTURE OF THE MUNICIPALITY



ANNEXURE D: POWER AND FUNCTIONS OF FETAKGOMO GREATER TUBATSE LOCAL MUNICIPALITY

Powers and functions of the Fetakgomo Greater Tubatse Municipality are as listed below:

1. Municipal planning;
2. Building regulations;
3. Local tourism;
4. Trading regulations;
5. Street trading;
6. Control of undertakings that sell liquor to the public;
7. Street lights;
8. Municipal roads;
9. Traffic and parking;
10. Municipal public transport;
11. Billboards and the display of advertisements in public places;
12. Local sport facilities;
13. Local amenities;
14. Refuse removal & refuse dumps;
15. Municipal cemeteries, funeral parlour and crematoria;
16. Public places; and
17. Municipal airport

ANNEXURE E: WARD COMMITTEE MEETINGS

Functionality of Ward Committees						
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 01	Mabelane	Motsebeng Morussia	Yes	07	07	2
Ward 02	Makine	Molelekwa Patrick	Yes	07	07	2
Ward 03	Radingwana	Maroale Release	Yes	07	07	2
Ward 04	Mamogale	Malebotse Frans	Yes	07	07	2
Ward 05	Maupa	Thabang Thomas	Yes	07	07	2
Ward 06	Hlatswayo	Buti Ephraim	Yes	07	07	2
Ward 07	Riba	Mashego Rebotile	Yes	07	07	2
Ward 08	Mohubedu	Putaneng Simon	Yes	07	07	2
Ward 09	Malakane	Oshaleitjeng Angelina	Yes	07	07	2

Functionality of Ward Committees							
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year	
Ward 10	Mahlaba	Lucky Marema	Yes	07	07	2	
Ward 11	Magane	Mpone Timothy	Yes	07	07	2	
Ward 12	Mahlake	Tola Victor	Yes	07	07	2	
Ward 13	Moshwane	Xikhwane Emily	Yes	07	07	2	
Ward 14	Makofane	Ntsabolane Nelly	Yes	07	07	2	
Ward 15	Kgaphola	Mpho Andries	Yes	07	07	2	
Ward 16	Khoza	Maria Rinkie	Yes	07	07	2	
Ward 17	Mphethi	Maria Mahwiti	Yes	07	07	2	
Ward 18	Ngwatle	Themba Jackson	Yes	07	07	2	
Ward 19	Malomane	Kapudi Hamilton	Yes	07	07	2	
Ward 20	Lekwadi	Manyala Irene	Yes	07	07	2	

Functionality of Ward Committees						
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 21	Mokgotho	Lisbeth Letlabolo	Yes	07	07	2
Ward 22	Malatji	Mpho Lydia	Yes	07	07	2
Ward 23	Maphakge	Ranchiyeng Agnes	Yes	07	07	2
Ward 24	Mnisi	Hluphi Dindi	Yes	07	07	2
Ward 25	Mosoma	Senwabjale Elijah	Yes	07	07	2
Ward 26	Molapo	Ntopi Trainer	Yes	07	07	2
Ward 27	Makua	Lesotja Caiphus	Yes	07	07	2
Ward 28	Rantho	Lekgema Jim	Yes	07	07	2
Ward 29	Mariri	Mogudishetso Lenky	Yes	07	07	2
Ward 30	Thobejane	Motubatse Lot	Yes	07	07	2
Ward 31	Mohlala	Suzan Gaki	Yes	07	07	2

Functionality of Ward Committees							
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year	
Ward 32	Maisela	Ramatsimela Philystus	Yes	07	07	2	
Ward 33	Selepe	Malope Elias	Yes	07	07	2	
Ward 34	Manale	Ramaabele Eviindah	Yes	07	07	2	
Ward 35	Ratsoma	Meselane Justice	Yes	07	07	2	
Ward 36	Moifo	Khulong Hendrik	Yes	07	07	2	
Ward 37	Diphofa	Diphofe Klaas	Yes	07	07	2	
Ward 38	Makua	Moloke John	Yes	07	07	2	
Ward 39	Mashabela	Mphakge Nelson	Yes	07	07	2	
Total				273	273	78	

ANNEXURE F: PERFORMANCE OF SERVICE PROVIDERS

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/VARIANCE	MITIGATION/COMMENT
1.	Payday Software	Payroll Software	IT Unit (Corporate Services)	01/07/2014	31/07/2017	R 42 778.50	Good	The contract is about to expire on 31 July 2017	Renewal of contract
2.	Mashcorp 2008 (Pty) Ltd	Support of Surveillance, CCTV and Maintenance	IT Unit (Corporate Services)	01/08/2014	31/07/2017	R9011091.24	Good	The contract is about to expire on 31 July 2017	Renewal of contract
3.	SITA	Website Hosting, support and	IT unit (Corporate)	24/11/2015	25/11/2018	Payment is made per	Good	None	None

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/VARIANCE	MITIGATION/COMMENT
		maintenance	Services)			work done			
4.	Business Connection	Annual Software License & Maintenance	IT Unit (Corporate)	29/03/2009	Renew annually	Payment is made per work done	Good	None	None
5.	Conekt Business Group (PTY) LTD	Microsoft Licence	IT Unit (Corporate)	30-Oct-15	31-Oct-18	R 573 783.98	Good	None	None
6.	T-T Property Consultants	Compilation of Valuation Roll	BTO (Revenue)	01/07/2015	30/07/2019	R 2 960 000.00	<u>Good</u>	None	None
7.	Brown Dogs Security	Security Services	Corporate Services	01/10/2016	31/09/2018	R8 752 845.84	Good	None	None

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/VARIANCE	MITIGATION/COMMENT
8.	Mabotwane Security	Security Services	Corporate Services	01/10/2016	31/09/2018	R 11 987 618.88	Good	None	None
9.	Born to Protect Security Services	Security Services	Corporate Services	01/10/2016	31/09/2018	R 11 152 279.92	Good	None	None
		Security Services (Apel & Atok region)	Corporate Services	25/08/2015	24/08/2018	R 7 134 003.00	Good	None	None
10.	Sejagobe Engineers	Dithamaga Access Bridge (Technical Proposal)	Technical	07/11/2016	2017/07/11	14% of construction Budget	<u>Good</u>	None	None

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/ COMMENCEMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/ VARIANCE	MITIGATION/ COMMENT
		Morokadieta Access Bridge(Technical Proposal)	Technical	2016/07/11	2017/07/11	14% of construction Budget	<u>Good</u>	None	None
		Lefatla Access Bridge(Technical Proposal)	Technical	19/12/2016	19/12/2017	14% of construction Budget	Good	None	None
11.	Kipp Consulting Engineers	Ga-Motodi Sports Complex(Technical Proposal)	Technical	01/11/2016	30/06/2017	14% of construction Budget	<u>Good</u>	None	None
		Tukagomo RDP Houses Internal streets(Technical Proposal)	Technical	2016/04/11	03-Nov-17	14% of construction Budget	<u>Good</u>	None	None

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/VARIANCE	MITIGATION/COMMENT
12.	Mont Consulting Engineers	Ga-Malwane Access Bridge(Technical Proposal)	Technical	19/12/2016	19-Dec-17	14% of construction Budget	<u>Good</u>	None	None
13.	Tubatse Properties	Rental of Municipal Offices	Corporate Services	2010 (Lease of offices)	2020	R 1 555 000.00 (Monthly Rental)	Good	None	None
14.	Telkom	Rental of telephone	Corporate Services	01/07/2014	On-going	Monthly rental	Good	None	None
15.	Standard Bank	Banking Services	Budget and treasury	01/12/2012	30/11/2017	Monthly bank charges as per SLA	Good	None	None

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/VARIANCE	MITIGATION/COMMENT
16.	Boyane Chemicals	Security Services (Apel cluster)	Corporate Services	01/02/2015	31/01/2018	R 5 410 033.20	Good	None	None
17.	Colmab Electrical	Repairs and Maintenance of traffic lights within GTM for 12 Months on as and when basis.	Technical	19/08/2016	18 /08/2017	Rates based	Good	None	None
		Repairs and Maintenance of Street lights within GTM for 12 Months	Technical	19/08/2016	18 /08/2017	Rates based	Good	None	None
18.	Raps Electro Mec	Maintenance Services for street light and high mast lights	Technical	11/06/2015	10/06/2018	R 297 568.18	Good	None	None

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/VARIANCE	MITIGATION/COMMENT
19.	TMS Consulting	Tjate Access Bridge (Technical Proposal)	Technical Services	2016/12/04	2017/11/04	14% Construction budget	<u>Good</u>	None	None
		Bothashoek Access Road (Technical proposal)	Technical Services	2016/12/04	2017/11/04	14% Construction budget	<u>Good</u>	None	None
20.	F M Maluleke Attorneys	Debt Collection	Budget and treasury (Revenue)	05/05/2013	On-going (until the whole amount is recovered)	15% of the recovered amount	<u>Poor</u>	Not collecting any debt as per SLA	Contract to be reviewed
21.	Rachoe Attorneys	Debt Collection	Budget and treasury	09/09/2013	On-going (until the whole amount is recovered)	15% of the recovered amount	<u>Poor</u>	Not collecting any debt as	Contract to be

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/VARIANCE	MITIGATION/COMMENT
			(Revenue)		recovered)	amount		per SLA	reviewed
22.	Mbowane Attorneys	Debt Collection	Budget and treasury (Revenue)	09/09/2013	On –going (until the whole amount is recovered)	15% of the recovered amount	<u>Poor</u>	Not collecting any debt as per SLA	Contract to be reviewed
23	Noko Maimela	Debt Collection	BTO (Revenue)	09/09/2013	On –going (until the whole amount is recovered)	15% of the recovered amount	<u>Poor</u>	Not collecting any debt as per SLA	Contract to be reviewed
24.	KPMG Services (Pty) Ltd	Panel of Consultants for Audit, Risk Management and Accounting Professional	Finance	29/6/2015	28-Jun-18	Payment is made per work done	Not utilized in the municipality	N/A	N/A

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/VARIANCE	MITIGATION/COMMENT
		Services							
25.	PWC Inc	Panel of Consultants for Audit, Risk Management and Accounting Professional Services	Finance	29/6/2015	28-Jun-18	Payment is made per work done	<u>Good</u>	None	None
26.	Camelsa Consulting Group (Pty) Ltd	Panel of Consultants for Audit, Risk Management and Accounting Professional	Finance	29/6/2015	28-Jun-18	Payment is made per work done	Not utilized in the municipality	N/A	N/A

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/ COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/ VARIANCE	MITIGATION/ COMMENT
		Services							
27.	PK Financial Consultant CC	Panel of Consultants for Audit, Risk Management and Accounting Professional Services	Finance	29/6/2015	28-Jun-18	Payment is made per work done	Not utilized in the municipality	N/A	N/A
28.	Matseba Inc	Panel of Consultants for Audit, Risk Management and Accounting Professional Services	Finance	29/6/2015	28-Jun-18	Payment is made per work done	<u>Good</u>	None	None
29.	Ramabulana Management	Panel of Consultants for	Finance	29/6/2015	28-Jun-18	Payment is made per	Not utilized in the	N/A	N/A

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/VARIANCE	MITIGATION/COMMENT
	Services	Audit, Risk Management and Accounting Professional Services				work done	municipality		
30.	Grant Thornton Advisory (Pty) Ltd	Panel of Consultants for Audit, Risk Management and Accounting Professional Services	Finance	29/6/2015	28-Jun-18	Payment is made per work done	Not utilized in the municipality	N/A	N/A
31.	Mushavhi Morwe Ndlovu Advisory (Pty) Ltd	Panel of Consultants for Audit, Risk Management and Accounting Professional	Finance	29/6/2015	28-Jun-18	Payment is made per work done	Not utilized in the municipality	N/A	N/A

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/ COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/ VARIANCE	MITIGATION/ COMMENT
		Services							
32.	SEMA Integrated Risk Solutions (Pty) Ltd	Panel of Consultants for Audit, Risk Management and Accounting Professional Services	Finance	29/6/2015	28-Jun-18	Payment is made per work done	Not utilized in the municipality	N/A	N/A
33	Loge Construction	Construction of Dithamaga Access Bridge	Technical	2017/05/04	30/09/2017	R 9 145 340.49	<u>Good</u>	None	None
		Construction of Bothashoek Access Road	Technical	24/5/2017	31-Jan-18	R 13 983 817.98	<u>Good</u>	None	None
		Construction of Tjate Access Road	Technical	2017/01/06	31-Jan-18	R 10 208 245.94	<u>Good</u>	None	None

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/COMMENCEMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/VARIANCE	MITIGATION/COMMENT
		Construction of Thokwane Access Road	Technical	24/5/2017	30-Jun-19	R 5 858 870.40	<u>Good</u>	None	None
34	Engnet Solution	Debtor Ledger Cleansing	Budget and Treasury (Revenue)	17/10/2016	16/10/2017	R 1 613 328,00	Good	None	None
35.	Stonefound Engineering Solutions	Construction of Morokadieta Access Bridge	Technical services	2017/01/06	31/12/2017	R 8 871 686.34	Good	None	None
36.	Ingwe Waste Management	Waste Collection	Community	2017/01/07	30-Jun-19	R 5 858 870.40	Good	None	None
		Waste Collection	Community	2017/01/07	30-Jun-19	R 7 397 844.00	Good	None	None

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/VARIANCE	MITIGATION/COMMENT
37.	BCM Didgisol cc t/a Ricoh Limpopo	Supply, Deliver, Configure, Support and maintenance and Network Multi-function Printer/Copier on Lease and Integrated Fax solution	IT Unit (Corporate)	2017/01/08	31-Jul-19	R 5 128 171.77	Good	None	None
38.	Casnan Civils	Construction of Burgersfort Flea Market	Technical Services	15/04/2014	01/08/2017	R9 145 626	Good	None	None
39	Seripele trading cc	Construction of Mabocha access	Technical services	01/02/2016	11/04/2017	R12 160 541	<u>Good:</u>	None	None

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/COMMITMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/VARIANCE	MITIGATION/COMMENT
		bridge							
		Construction of Mafafara access bridge	Technical services	01/02/2016	11/04/2017	R16 829 450	<u>Good:</u>	None	None
40.	4 Arrows Ruwacon JV	Construction of Bothashoek access bridge	Technical services	08/02/2016	11/04/2016	R9 646 916	<u>Good:</u>	None	None
		Construction of Leboeng Access bridge	Technical services	08/02/2016	02/11/2016	R17 550 534	<u>Good:</u>	None	None
41.	Mphaphuli consulting	Electrification of Households	Technical services	29/08/2013	02 June 2014(But extended	R168 856 689.07	<u>Poor</u>	The project is litigated	Municipality has appointed senior counsel to address the

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/ COMMENCEMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/ VARIANCE	MITIGATION/ COMMENT
42.	Bokgobo construction and projects	Fencing rural cemeteries (ward 18,19 & 20)	Technical service	11/03/2016	31/05/2016	R716 588	<u>Good:</u>	None	matter
		Fencing rural cemeteries (ward 15,16 & 22)	Technical service	11/03/2016	31/05/2016	R730 118	<u>Good:</u>	None	None
		Fencing rural cemeteries (ward 7,11 & 12)	Technical service	11/03/2016	31/05/2016	R716 588	<u>Good:</u>	None	None
43	Rekakgone Trading services	Fencing rural cemeteries (ward 4,5 & 25)	Technical	11/03/2016	21/06/2016	R597 307.80	<u>Good:</u>	None	None
44.	Bathobohle Investment	Radingwana Sports Facility	Technical service	08/07/2016	09/12/2016	R 6,212,299.34	<u>Good:</u>	None	None

No	COMPANY NAME	SERVICE/PROJECT	DEPARTMENT	APPOINTMENT/ COMMENCEMENT DATE	END OF THE CONTRACT	TENDER AMOUNT	PERFORMANCE	CHALLENGES/ VARIANCE	MITIGATION/ COMMENT
45.	Engnet Solution/Grant Thornton/Koba Technologies JV	GRAP Compliant Asset Register	Budget and Treasury (Assets)	05/05/2014	30/04/2018	R 2 302 800,00	<u>Good:</u>	None	None
46.	Verveen Attorneys	Legal facilitation for acquisition of road reserve for Burgersfort Western Ring road	Corporate Services	Apr-14	Until the matter is finalized	Payment is made per work done	<u>Good:</u>	None	None

ANNEXURE G: CAPITAL PROGRAMME PER PROJECT PER WARD

NO	Name of projects	Ward(s)	2016/17 Budget	2017/18 Budget	2018/19 Budget
1.	Construction of Mapodile sports complex phase 02	2	R11 000 000	00	00
2.	Praktiseer library	13	R1 000 000	00	R4 000 000
3.	Makua library	27	00	R1 000 000	R4 000 000
4.	Leboeng library	1	00	R1 000 000	00
5.	Electrification of Koppie Village	31	R500 000	00	00
6.	Electrification of Dithamaga Village	31	R500 000	00	00
7.	Electrification of Ga- Makofane Village	21	R2 590 000	R2 500 000	00
8.	Electrification of Mandela park	4	R10 838 000	R3 100 000	R3 350 000
9.	Electrification of France Village	07	R7 000 000	00	00
10.	Electrification of Barcelona Village	19	R5 000 000	00	00
11.	Electrification of Dibakwane Village	11	R500 000	00	00
12.	Electrification of Maputle Village	11	500k	00	00
13.	Electrification of Kampeng Village	7	500k	00	00
14.	Electrification of Buffelshoek Village	31	R1 000 000	00	00
15.	Electrification of Kutullo Village	27	R7 570 000	00	00
16.	Electrification of Mareseleng Village	25	R9 500 000	00	00
17.	Electrification of Praktiseer / Bothashoek Villages	13/20	R30 000 000	00	00
18.	Motodi sports complex	22	R1 000 000	R6 000 000	R6 000 000
19.	Bothashoek Access Road	20	R5 900 000	R6 000 000	00

20.	Praktiseer Storm water Drainage System	13	00	R5 000 000	R11 000 000
21.	Tubatse rehabilitation of waste	18	R3 000 000	00	00
22.	Tubatse High mast Lights in Rural Villages	1 - 31	R1 000 000	R15 000 000	00
23.	Bothashoek Access Bridge	20	R3 000 000	00	00
24.	Ga-Motshana Access Bridge	16	R6 000 000	00	00
25.	Maafafara Access Bridge	23	R2 000 000	00	00
26.	Mpuru Access Bridge	6	R15 000 000	00	00
27.	Madithongwana Access Bridge	4	R15 000 000	00	00
28.	Diphala/Makwaya Access Bridge	8	R12 000 000	00	00
29.	Mabocha Access Bridge	30	R9 700 000	00	00
30.	Leboeng Area Access Bridges (Moraba and Mokopung Villages)	1	R4 100 000	00	00
31.	Legoleng Access Bridge	24	R7 000 000	00	00
32.	Tjate Access Bridge	8	R1 000 000	R5 000 000	R5 000 000
33.	Morokadieta Access Bridge	12	R1 000 000	R5 000 000	R1 000 000
34.	Ga-Malwane Access Bridge	19	R1 000 000	R5 000 000	R5 000 000
35.	Dithamaga Access Bridge	31	R1 000 000	R3 000 000	00
36.	Lefahla Access Bridge	16	R1 000 000	R2 000 000	R4 000 000

37.	Ga-Maroga Access Bridge	11	00	R1 000 000	R5 000 000
38.	Ga-Mabelane (Motodi) Access Bridge	22	00	R1 000 000	R5 000 000
39.	Ga-Makganyane Access Bridge	12	00	R1 000 000	R6 000 000
40.	Ga-Maswikeng Access Bridge	19	R100 000	R2 500 000	R100 000
41.	Kgwedi Access Bridge	24	R100 000	R1 500 000	R100 000
42.	Matimatjati Access Bridge	2	R100 000	R1 500 000	R2 000 000
43.	Masago Access Bridge		R100 000	00	R1 000 000
44.	Moeng Access Bridge	11	R100 000	00	R3 000 000
45.	Nonyane Access Bridge	11	R100 000	00	R2 000 000
46.	Sekabate Access Bridge	19	00	R100 000	R3 500 000
47.	Mankganyane access bridge	12	00	R100 000	R3 500 000
48.	Makakatela access bridge	27	00	R100 000	R2 500 000
49.	Mphana access bridge		00	R100 000	R2 500 000
50.	Swale access bridge	12	00	R100 000	R2 500 000
51.	Mokgethi access bridge	6	00	R100 000	R3 500 000
52.	Difateng access bridge	07	00	R100 000	R3 500 000
53.	Molekane access bridge	29	00	R100 000	R3 500 000
54.	Maatadi access bridge	29	00	00	R3 500 000

55.	Moajoe-a-Kgoro access bridge	28	00	00	R3 500 000
56.	Mamphahlane to Ga-Mpuru access bridge	12	00	00	R3 500 000
57.	Ga-Maapea to Ga-Podile Access bridge	17	00	00	R3 500 000
58.	Maphopha access bridge	29	00	00	R3 500 000
59.	Sengange access bridge		00	00	R3 500 000
60.	Sekopung access bridge	15	00	00	R3 500 000
61.	Fencing of cemeteries in all wards	1 - 31	R5 000 000	R6 500 000	R7 000 000
62.	Construction of Culvert Drainage	37	R12 000 000	00	00
63.	Construction of V Drainage structure	35	R100 000	R150 000	R200 000
64.	Upgrading Radingwana sports Facility	38	R2 000 000	00	00
65.	Construction of Fetakgomo Market Stalls	37	R1 000 000	00	00

Annexure H: Disclosure of Financial Interest for Councillors

No.	Surname	Full Names	Disclosure
1.	Phala	Tlakale Naume	None
2.	Phokane	Maudu Johannes	None
3.	Shoba	Makgalema Vicent	None
4.	Maila	Edwin Eddie	None
5.	Moeng	Queen Malekgale	None
6.	Pholwane	Maakgalake Beneilwe	None
7.	Mashego	Raisibe Maria	None
8.	Mamogale	Magatane Isaac	None
9.	Hlatswayo	Buti Ephraim	None
10.	Kgwedi	Joseph Lethabile	None
11.	Mogoane	Mogaleadi Kgothatso	None
12.	Makola	Joseph Verwoerd	None
13.	Mnisi	Fonda Gerry	None
14.	Mabelane	Motsebeng Morussia	None
15.	Makine	Molelekwa Patrick	None
16.	Radingwana	Maroale Release	None
17.	Mamogale	Malebotse Frans	None
18.	Maupa	Thabang Thomas	None
19.	Riba	Mashego Rebotile	None
20.	Mohubedu	Putaneng Simon	None
21.	Malakane	Oshaletjeng Angelina	None

No.	Surname	Full Names	Disclosure
22.	Mahlaba	Lucy Marema	None
23.	Magane	Mpone Timothy	None
24.	Mahlake	Tola Victor	None
25.	Moshwana	Xikhwane Emily	None
26.	Makofane	Ntsabolane Nelly	None
27.	Kgaphola	Mpho Andries	None
28.	Khoza	Maria Rinkie	None
29.	Mphethi	Maria Mahwiti	Crèche Mphemasedi
30.	Ngwatla	Themba Jackson	None
31.	Malomane	Kapudi Hamilton	None
32.	Lekwadi	Manyala Irene	None
33.	Mokgotho	Lisbeth Letlabolo	None
34.	Malatji	Mpho Lydia	None
35.	Maphakge	Ranchiyeng Agnes	None
36.	Mnisi	Hluphi Dindi	None
37.	Mosoma	Senwabjala Elijah	None
38.	Molapo	Ntopi Trainer	None
39.	Makua	Lesotja Caiphus	None
40.	Rantho	Lekgemane Jim	None
41.	Mariri	Mogudishetso Lenky	None
42.	Thobejane	Motubatse Lot	None
43.	Mohlala	Suzan Gaki	None
44.	Maisela	Ramatsimele Philystus	None
45.	Selepe	Malope Elias	None

No.	Surname	Full Names	Disclosure
46.	Manale	Ramaabele Evlinah	None
47.	Ratsoma	Meselane Justice	None
48.	Moifo	Khulong Hendrik	None
49.	Diphofa	Diphofe Klaas	None
50.	Makua	Moloke John	None
51.	Mashabela	Mphage Nelson	None
52.	Mphethi	Ngwakwane Dorah	None
53.	Phaladi	Raphahle Cathrine	None
54.	Maphanga	Thato Promise	None
55.	Gumede	Rose Thembisile	None
56.	Maruga	Tlaishego Treggy	None
57.	Mojalefa	Lerero Halindah	None
58.	Makhubedu	Ngwanyane Rhinah	None
59.	Malapane	Sekatikele Surprise	None
60.	Moagi	Sophy Patricia	None
61.	Mamokgopa	Lethube Dolly	None
62.	Kgoete	Mokgotlane Judas	None
63.	Seroka	Mahlodi Constance (Deceased)	None
64.	Madire	Nkehwane Delta	None
65.	Mogofe	Abigail	None
66.	Thwala	Calvin Sipho	None
67.	Radingwane	Thembi Maatlale	None
68.	Mphogo	Khutso Division	None
69.	Kupa	Ramatsobane Breanda	None

No.	Surname	Full Names	Disclosure
70.	Mokgalaka	Conny Ramabele	None
71.	Makofane	Isaac Thabo	None
72.	Mashile	Mante Didi	Rooms (R4500)
73.	Makgopa	Isaac Kapudi	None
74.	Mahlakwana	Makgoale Emma	None
75.	Lentsoana	Setlogane Aaron	None
76.	Mohlala	Bonyana John	None
77.	Molapo	Tjekane Itumeng	None

Annexure I: Revenue collection performance by sources

N0	Source	Collection(R)
1.	Property rate	94 194 061
2.	Service Charge	14 208 601
3.	Rental of facilities and Equipment	270 704
4.	Licences and permit	7 160 403
5.	Interest on investment	9 039 014
6.	Traffic fine	3 213 550
7.	Government grants and subsidies	450 999 246
8.	Fees earned	282 230
9.	Other income	2 549 175
	Total	581 916 984

Annexure J: Conditional Grants

N0	Description	Budget	Actual income	Percentage %
1.	Equitable share	-232,252,000	-232,252,000	100%
2.	MDTG	-13,414,000	-13414000	100%
3.	FMG	-3,625,000	-3,625,000	100%
4.	INEP	-80,000,000	-80,000,000	100%
5.	EPWP	-2,121,000	-2,121,000	100%
6.	MIG	-110,885,000	-110,885,000	100%
	Total	-442,297,000	-442,297,000	100%

Annexure K: Arrears on Municipal Taxes and services charges

1.1. Analysis of outstanding debts as at 30 June 2017

Table 1: Outstanding debts according to Township/cycle

CYCLE	CURRENT	30 Days	60 Days	90 Days plus	TOTAL (Net debits)
Steelpoort	942 587,40	369 386,40	279 345,50	5 866 517,08	6 989 341,48
Ohrigstad	96 023,19	88 503,48	79 233,59	2 794 295,02	2 937 412,83
Burgersfort	3 575 425,32	2 149 577,89	1 649 288,00	33 685 109,33	38 190 155,29
Mapodile	213 038,60	211 367,20	209 978,80	10 713 823,61	11 300 666,79
Mecklenburg	27 884,50	27 884,50	27 884,50	4 916 982,11	4 859 881,80
Tubatse	760 851,20	755 450,20	750 400,04	33 228 903,88	35 432 910,21
Apel	2 622 501,35	1 837 961,03	1 822 796,38	49 234 424,04	55 265 958,24
Farms	3 082 125,49	2 623 455,20	2 577 414,96	121 234 970,70	128 596 088,00
TOTAL	11 320 437,01	8 063 585,83	7 396 341,29	263 565 025,80	283 542 414,60

Table 2: Outstanding debts according to type of debtor as at 30 June 2017

TYPE	Current	30 days	60 days	90 plus days	Net debits
Domestic	4 188 140,40	3 361 531,91	3 135 763,78	87 981 755,03	94 034 247,75
Government	1 370 450,99	1 365 207,75	1 361 199,15	109 724 715,40	112 264 702,30
Business	3 945 639,78	2 095 127,67	1 665 948,50	25 773 445,02	32 912 771,23
Other	1 816 205,84	1 241 718,50	1 233 429,86	40 085 110,38	44 330 693,32

Total	11 320 437,01	8 063 585,83	7 396 341,29	263 565 025,80	283 542 414,60
--------------	----------------------	---------------------	---------------------	-----------------------	-----------------------

The total debt for June 2017 amounts to **R 283 542 414, 60** and for May 2017 it was **R281 325 749, 89**

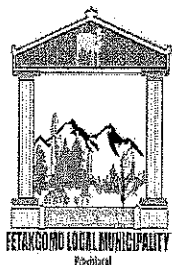
1.2. Challenges:

Governments Debt:

The government debt is growing from month to month.

Debt Collection:

The revenue unit of the Municipality is engaged with the government departments to collect rates and taxes.



LIM476



2016/17

ANNUAL PERFORMANCE REPORT

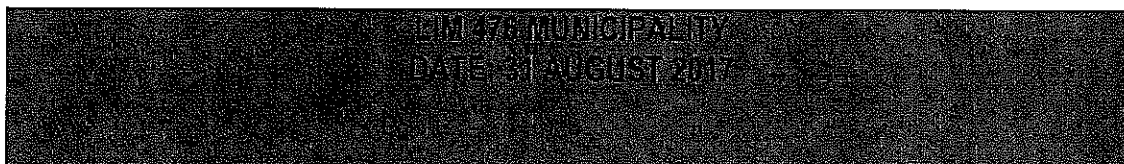


TABLE OF CONTENTS

N0	CONTENTS	PAGE
1.	General Information	3
2.	Legislative Requirement	4
3.	Summary of Municipal performance per KPA	4
4.	Hindrance/Challenges to performance and measures taken to improve performance	5
5.	Review of Service Delivery and Budget implementation plan (SDBIP)	5
6.	Spatial Rational	9
7.	Institutional Transformation and Organizational development	19
8.	Basic Service Delivery and Infrastructure Development	35
9.	Local Economic Development	69
10.	Financial Viability and Management	80
11.	Good Governance and Public Participation	89
12.	Conclusion	117

1. GENERAL INFORMATION

I. Executive Committee

- (i) Cllr. M.J. Phokane (Mayor)
- (ii) Cllr. M.I. Mamogale (Portfolio Head: Budget and Treasury)
- (iii) Cllr. E.E. Maila (Portfolio Head: Infrastructure Development and Technical Services)
- (iv) Cllr. B.E. Hlatswayo (Portfolio Head: Local Economic Development)
- (v) Cllr. M.Q. Moeng (Portfolio Head: Development and Planning)
- (vi) Cllr. M.B. Pholwane (Portfolio Head: Corporate Services)
- (vii) Cllr. R.M. Mashego (Portfolio Head: Community Services)
- (viii) Cllr. M. K. Mogoane (Deputy portfolio Head: Corporate Services)
- (ix) Cllr. J.L. Kgwedi (Deputy Portfolio Head: Infrastructure Development and Technical Services)
- (X) Cllr. Makola J.V (Deputy portfolio Head: Budget and Treasury)

II. Addresses

The Fetakgomo - Greater Tubatse Municipality
No.01 Kastania Street
Box 206
Burgersfort
Burgersfort
1 150

Tel: (013) 231 1000

Fax: (013) 231 7467

Website: <http://www.tubatse.gov.za> and www.fetakgomo.gov.za (www.fgtm.gov.za)

III. Contacts

Mrs. Busane NP
Acting Municipal Manager

Email: npbusane@tubatse.gov.za

The document is prepared in compliance with Section 46(1) of the Local Government: Municipal System Act 32 of 2000.

2. Legislative Requirement

This report is prepared in line with Section 46(1) of Municipal system act, act 32 of 2000 which mandates municipalities to prepare for each financial year a performance report reflecting the following:

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

3. Summary of Municipal Performance per Key Performance Area (KPA)

Lim476 is a category B municipality established in terms of the provision of section 12 of Municipal Structure Act, act 117 of 1998 notice Gazette no. 2629 dated 11 November 2016. It is an amalgamation of former Fetakgomo and Greater Tubatse local municipalities.

In the financial year under review the Lim476 municipality had 255 indicators to perform, by the end of the financial year 148 (58%) indicators were achieved and 108 (42%) not achieved. Section 46 (1) (a) (iii) expect municipalities when reporting its annual performance to make a comparison of its performance in the previous financial year, but in this case due to the fact that LIM476 is new municipality we could not have a previous financial year to compare with. However, the performances of the former two municipalities, Fetakgomo and Greater Tubatse municipalities in 2015/16 financial year were as follows 94% and 35.6% respectively.

Key Performance Indicators	2016/17			
	Total KPIs	KPI achieved	KPI not achieved	%
Spatial rational	16	5	11	31%
Institutional Transformation and Organizational Development	47	30	17	64%
Basic service Delivery and Infrastructure Development	68	39	29	57%

Local Economic Development	27	20	7	74%
Financial Viability and Management	26	14	12	54%
Good Governance and Public participation	72	41	31	56%
Total	256	149	107	58%

4. Hindrance/challenges to performance and measures taken to improve Performance

The table below depicts summary of challenges/hindrances for the performance of the municipality and measures taken to address them as required by section 46 (1) (a) (iii) of Municipal System Act, Act 32 of 2000.

Challenges	Measures taken to improve performance
1. protracted dispute between the Municipality and Mphaphuli consulting over payments on Operation Mabone project (electricity project)	The municipality has appointed a senior counsel to assist in resolving the dispute
2. prolonged recruitment processes for the appointment of Director in Technical Service department	Director Technical services was appointed towards the end of the financial year and commenced work on 03 July 2017
3. Prolonged process of preliminary Placement of staff	Almost 95% of the municipal staff is placed toward the end of the financial year.
4. Delays in rationalization of HR and other policies	Nine HR and SCM policies rationalized and Adopted by Council.
5. Prolonged job evaluation processes	130 out 216 job evaluated

5. Review of Service Delivery and Budget implementation plan (SDBIP)

The municipality had in the financial year review reviewed its SDBIP twice; that is after the mid – year budget adjustment and in May 2017 after the Municipality had received R30 000 000 for spending its MIG well.

5.1. Mid – year SDBIP Review

29 projects and indicators were reviewed during mid – year SDBIP review. 18 projects were withdrawn from the SDBIP; seven new projects introduced from the IDP and three indicators were amended. A detailed report is depicted on the tables below. The changes were made per Key performance Areas (KPA's).

5.1.1. Spatial Rational

No.	Projects withdrawn and Reason	Projects which Indicators are changed
1.	Develop land acquisition and disposal policy: The project was withdrawn as its budget was shifted to Western Ring road project to supplement its initial budget	Acquire land for Road servitudes: Measurement has changed from number (#) to be measured in percentages (%)
2.	Development of corridors strategy: The project has been discontinued due to a similar project being undertaken by Housing Development Agency (HDA) called Dilokong Corridor Spatial Transformation Plan.	
3.	Upgrading of informal settlements: The project withdrawn because it is the same project with developing acquired land (Appiesdooring)	
4.	Geographical information system (GIS): The Project budget was shifted to other projects during budget adjustment hence the project was withdrawn	

No.	Projects withdrawn and Reason	Projects which Indicators are changed
5.	Review / development of precinct plans: It was discovered during implementation that the project was covered as it is part of Dilokong Corridor Spatial Transformation Plan to be implemented by HDA and hence the project was withdrawn from the SDBIP and its budget allocated to other projects	

5.1.2. *Institutional Transformation and Organizational Development*

No.	Projects withdrawn and Reason	Projects which Indicators are changed
1.	Implementation of internal communication strategy: It was discovered during the implementation that the strategy is covered in Public communication strategy and to avoid duplication the project was withdrawn from the SDBIP	
2.	SLA Management: The budget for the project was shifted to projects and not allocated budget after budget adjustment, hence the project was withdrawn from SDBIP	
3.	Renting of Municipal building: project was initially measured in R – value and that was the same as budget column in the SDBIP in an attempt to avoid using R – value measurements the project was withdrawn from the SDBIP ;	
4.	Capacity Building project: The project is collapsed into the Skill Development programme	

5.1.3. Basic Service Delivery and Infrastructure Development

No.	Projects withdrawn and Reason	Projects which Indicators are changed
1.	Construction of Fetakgomo market stalls: Budget for Project was shifted to implementation of other projects and the project was not having budget after budget hence was withdrawn from SDBIP.	Operation mabone: All Operation Mabone projects indicators are collapsed to one indicator to align the project with its spending as payments are not done per project
2.	Relocation of Burgersfort Taxi facility: The budget for the project was shifted to other projects and the project was not budgeted for in the adjustment budget	
3.	Projects brought in during Budget Adjustment	
	1.Makua Library (R600 000); 2.Mpuru Access bridge (R12 193 271); 3.Mamogolo electrification project (R5 000 000) 4Tukakgomo Access roads (R1 000 000) 5.Magobading cemeteries (R500 000); 6.Vehicle pound (R30 000); 7.Praktiseer testing station(R3 480 000)	

5.1.4. Local Economic Development

No.	Projects withdrawn and Reason	Projects which Indicators are changed
1.	Construction of Mecklenburg shopping: The project is not in the competency of the municipality, the municipality has just facilitation role hence withdrawn for now.	SMME support programme and utilization of Burgersfort flea market: The projects collapsed into one name called <u>management of informal trade</u>
2.	Youth enterprise support: the project consolidated into Mayor special programme	
3.	GTM public skills development (Bursaries): The project merged internal and External bursaries and called capacity building (Internal bursaries & External bursaries) and placed in KPA 02	
4.	Capacity Building project: The project is collapsed into the Skill Development programme	

5.1.5. Financial Viability and Management

No.	Projects introduced and Reason	Projects which Indicators are changed
1.	Implement revenue enhancement strategy: This project was introduced during Budget adjustment	

5.1.6. Good Governance and Public participation

No.	Projects withdrawn and Reason	Projects which Indicators are changed
1.	Develop and implement stakeholder engagement strategy: Budget for this project was shifted during budget adjustment to other projects and no budget was allocated for this project after budget adjustment and hence the project was withdrawn from the SDBIP	
2.	Review and implement delegation policy: The project was withdrawn as policy was already reviewed	

5.2. Second review of Service Delivery and Budget Implementation Plan (SDBIP)

5.2.1. The municipality reviewed its SDBIP for the second time following the second adjustment of Budget emanating from it receiving additional R30 000 000 from MIG for spending it well. During the second review of SDBIP two new projects namely, Mapodile sport complex phase 02 and Upgrading of Fetakgomo Cemeteries.

4.2.2. Two projects namely Motaganeng Access Bridge and Tukakgomo Access Bridge were withdrawn from SDBIP as their budget were reviewed.

4.1.3. Some targets were amended following the internal audit findings that they were not specific, measurable, achievable, and realistic and time bound (SMART). In most projects percentage (%) indicators were changed to number (#) indicators.

6. KPA 1: SPATIAL RATIONAL

OBJECTIVE: To promote integrated human settlements and agrarian reform

PROJECT SP/16/17/03: Planning on donated land (Appies)/institutionalization of informal settlement

Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in planning township on donated land (Aapiesdooringdraai 296KT)	2 - initiatives undertaken in planning township on donated land (Aapiesdooringdraai 296KT) *development of terms of reference; *Appointment of service provider	<u>Target not Achieved:</u> Terms of reference developed	Terms of reference referred back to end user department for refinement	Refine terms of reference and implement in 2017/18 financial year
Budget(R)	R800 000	R0.00		

PROJECT SP/16/17/04: Acquire land for Road servitudes

Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken towards the acquisition of 24.5 hectares of land for road servitude in the construction of Burgersfort west – ring road(By – pass)	2 - initiatives undertaken towards the acquisition of 24.5 hectares of land for road servitude in the construction of Burgersfort west – ring road(By – pass): *Signing purchase offer in the acquisition of 24.5 ha of land for road servitudes; * initiating registration of the servitude with Deeds registry office in acquisition of 24.5 ha of land for road servitudes	<u>Target Not Achieved:</u> 1 agreement of sale signed out of 12	Unrealistic demands and lack of commitment from the land owners.	The Municipality to consider Expropriation of land as recommended in the legal opinion on the same matter
Budget(R)	R3 600 000	R0.00		

PROJECT SP/16/17/08: Land invasion response strategy

Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in the development of land invasion response strategy	2 - initiatives undertaken in the development of land invasion response strategy: *Desktop analysis *Legislative review	<u>Target not achieved:</u> Desktop Analysis report generated'	The project implementation commenced late in the financial year hence Legislative review was not concluded	Conduct Legislative review in 2017/18 financial year
Budget(R)	R700 000	R14 250		

PROJECT SP/16/17/09: Ohrigstad Development plan

Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in development of	1 - initiative undertaken in development of Ohrigstad development plan:	<u>Target Not achieved:</u> Development planning portfolio committee	Stakeholder consultation could not be conducted pending that the plan be	The plan will be submitted to council in 2017/18 financial year

Ohrigstad development plan	*conducting Stakeholder consultation	councillors were workshopped on the plan from 16 to 18 May 2017 in Swadini Forever resort	adopted by council	for adoption before subjected to public consultation
Budget(R)	R250 000	R0.00		

PROJECT SP/16/17/10: REVITALIZATION OF TUBATSE TOWNSHIP

Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in the revitalization of Tubatse Township	1 - initiatives undertaken in the revitalization of Tubatse Township: * development designs for street scapes for revitalized Tubatse township	<u>Target not achieved:</u> No designs were developed	Municipality struggled to obtain S - Build designs for Tubatse Township from TCE (Tubatse consulting engineers)	Engage TCE to provide the designs
Budget(R)	R1 000 000	R0.00		

PROJECT SP/16/17/12: BURGERSFORT Ext 10 SOCIAL HOUSING

Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiative undertaken in the development of Burgersfort Ext. 10 Social Housing	4 - initiatives undertaken in the development of Burgersfort Ext. 10 Social Housing: *Identification of alternative land; *Data collection; *Preparation of application *stakeholder consultation	<u>Target not Achieved:</u> 639 Ha of land (Appiesdoorndraai 298 KT) has been secured for township establishment & relocation of qualifying beneficiaries	Delays in approval and issuing of advert for appointment of Service Provider to lodge rezoning application	Advertisement and appointment of service provider will be done in 2017/18 financial year
Budget(R)	R200 000	R0.00		

PROJECT SP/16/17/15: HOUSING SECTOR PLAN

Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in the development of Housing sector plan	2 - initiatives undertaken in the development of Housing sector plan: *preparation of status qua analysis report; Preparation of inception report	<u>Target not achieved</u> Terms of reference developed	Delays in issuing out adverts for development of Housing sector plan	Advertisement of the housing sector plan will be done in 2017/18 financial year
Budget(R)	R400 000	R0.00		

PROJECT SP/16/17/19: SPLUMA IMPLEMENTATION

Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiative undertaken in the review of former Greater Tubatse municipality LUMS to cover former Fetakgomo Municipal area	3 - initiatives undertaken in the review of former Greater Tubatse municipality LUMS to cover former Fetakgomo Municipal area: *Development of Terms of reference; * Consultation and verification of baseline information on existing land use rights; * Review and consolidation of data	<u>Target Not Achieved:</u> Terms of reference developed	Delays in appointment of service provider	Appointment of service provider to be done in 2017/18 financial year
Budget (R)	R2 860 000	R 880 958.00		

Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of workshop held with Magoši on land use & spatial planning	1 workshop held with Magoši on land use & spatial planning	<u>Target achieved:</u> Magoši workshoped on SPLUMA on 27 -28 June 2017 at Blydepoort with councillors	None	None
Budget(R)	R500 000	R72.00		
Turnaround time in processing land use applications from the date received	12 months (As per SPLUMA Regulations)	<u>Target not achieved:</u> No land use application processed	Ineffective District planning Tribunal	Engage District to improve the functionality of the tribunal
Turnaround time in approving Building Plans from the date	30 days ($\leq 500\text{m}^2$) 60 days ($\geq 500\text{m}^2$)	<u>Target Not Achieved:</u> 1. 76 Building plans $\leq 500\text{m}^2$ received:	None compliance to building regulations; and customer delays in resubmitting the outstanding	Providing checklist to customer

Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
submitted		<p>*36 approved within 30days</p> <p>*12 approved beyond 30 days</p> <p>*26 not approved;</p> <p>*2 were still within time frame when the financial year ended</p> <p><u>2. 22 Building plans ≥ 500m² received:</u></p> <p>*10 approved within 60 days;</p> <p>*3 approved beyond 60 days;</p> <p>*5 disapproved;</p> <p>*4 were still within time frame when financial year</p>	documents	

Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		ended		
Budget(R)	(R435 375)	-R280 286.78		

PROJECT FTM/SR 2: TOWNSHIP ESTABLISHMENT OF HOERAROEP FARM 515 KS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives ² towards the servicing of portion 2 of the farm Hoeraroep	4 initiatives towards the servicing of portion 2 of the farm Hoeraroep	<p><u>Target Achieved:</u></p> <p>Three meetings held as follows:</p> <p>* 07/12/2016 at Sekhukhune District Municipality;</p> <p>*31 March 2017 SDM district office;</p> <p>* 13 June 2017 at Groblersdal;</p>	None	None

²Correspondence / meetings / w/shops.

		one correspondence made to Chief Finance Office on 12 December 2016		
# of initiatives ³ towards tenure upgrading of portion 3 and 4 of the farm Hoeraroep 515KS	4 initiatives towards tenure upgrading of portion 3 and 4 of the farm Hoeraroep 515KS	<p><u>Target Achieved:</u></p> <p>Three meetings held as follows:</p> <p>* 07/12/2016 at Sekhukhune District Municipality</p> <p>**31 March 2017 SDM district office;</p> <p>* 13 June 2017 at Groblersdal</p> <p>* one correspondence made to Chief Finance Office on 12 December 2016</p>	None	None
# of initiatives undertaken in the establishment on township on portions 5, 6 and 7 of the farm	6 - initiatives undertaken in the establishment on township on portions 5, 6 and 7 of the farm Hoeraroep	<p><u>Target not achieved</u></p> <p>Terms of reference developed</p>	Delays in appointment of service provider	The service provider to be appointed in 2017/18 financial year

³Correspondence / meetings / w/shops.

Hoeraroep 515 KS	515 KS: *Issuing of Public notice for township establishment; *appointment of service providers *Issuing of draft Studies report *development of TOR; *Issuing of draft layout plan *Conducting Stakeholder consultation			
Budget(R)	R3 000 000	R0.00		

PROJECT FTM/SR 5: LOCAL GEOGRAPHICAL NAMES CHANGE COMMITTEE (LGNC)

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of LGNC Committee meetings held	3 LGNC Committee meetings	<p><u>Target achieved:</u></p> <p>*Six LGNCC meetings held as follow;</p> <p>* 18 January 2017;</p> <p>*24 February 2017;</p> <p>*02 March 2017;</p> <p>*27 March 2017;</p> <p>*02 June 2017;</p> <p>*20 June 2017;</p> <p>*One Political and Technical Name change committee meeting held on 23 May 2017 ; and</p> <p>*One Public participation consultative meeting on Name</p>	None	None

		change on 24 May 2017 at Moses Mabothe hall		
# of Reports on the implementation of the Local Geographical Names Change Policy (LGNC) generated	2 LGNCC Reports generated	<u>Target Achieved:</u> Three LGNCC reports generated and submitted to council	None	None
Budget R	R150 000	R0.00		

7. KPA 2: INSTITUTIONAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT
OBJECTIVE: TO BUILD MUNICIPAL CAPACITY BY WAY OF RAISING INSTITUTIONAL EFFICIENCY, EFFECTIVENESS AND COMPETENCY
PROJECT ID16/17/01: REVIEW INTERNAL COMMUNICATION STRATEGY

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date in reviewing the Internal Communication Strategy	30 June 2017 Completion date in reviewing the Internal Communication Strategy	<u>Target Not Achieved</u> Advert issued out to seek suitable service provider to review the Internal Communication Strategy	All tendered bidders failed to meet the requirements	The strategy will be reviewed 2017/18 financial year
Budget (R)	R100 000	R85115.69		

PROJECT ID/16/17/03: DEVELOPMENT AND CAPACITATING TRANSPORT UNIT

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date in the establishment of transport unit in the Municipality	30 May 2017 Completion date in the establishment of transport unit in the Municipality	<u>Target not Achieved</u> Transport unit not established	The transport unit was not catered for on the organogram of LIM476	The project will be dealt with during the review of the organogram in 2017/18 financial year
Budget(R)	R0.00	R0.00		

PROJECT ID/16/17/04: PURCHASE RECORD MANAGEMENT SYSTEMS (ARCHIVES)

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for the purchase of Record	30 April 2017 Completion date for the	<u>Target Not Achieved</u>	Implementation of the project was hold up	To be done in the 2nd

management system	purchase of Record management system	Project not yet implemented	pending finalization of mSCOA	quarter of 2017/18
Budget(R)	R100 000	R44,126		

PROJECT ID/16/17/05: PHYSICAL SECURITY PROGRAMS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Commencement date of the new security company in Tubatse(Head office)	3rd October 2016 New security company in Tubatse(Head office) commenced	<u>Target achieved:</u> Two Security companies namely; Mabotwane security service and Brown dogs security units appointed and started working on the 1 st of October 2016.	None	None

# of quarterly security reports submitted to the office of the municipal manager	3 quarterly security reports submitted to the office of the municipal manager	<u>Target Not Achieved:</u> Four monthly Security reports submitted to the office of the Municipal Manager	Focus was given to Monthly reports due numerous burglary in the Apel regional office	Adherence to quarterly reports in 2017/18 financial year
Budget(R)	R19 500 000	R17 781 343.81		

PROJECT ID/16/17/06: REVIEW AND IMPLEMENT EMPLOYMENT EQUITY PLAN

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date of developing EEP for	30 June 2017 Completion date of	<u>Target Achieved</u> EE Plan developed and completed	None	None

the municipality	developing EEP for the municipality	before 30 June 2017		
# of employment equity committee meetings held	2 quarterly EEP committee meetings held	<u>Target Achieved</u> 2 Meetings held *26/06/2017 *29/06/2017	None	None
Budget	N/A	N/A		

PROJECT ID/16/17/07: MAINTENANCE OF MUNICIPAL BUILDINGS AND FACILITIES

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Turnaround time in fixing faulty municipal property from the date reported	30 working days turnaround time in fixing faulty municipal property from the date reported	<u>Target Achieved</u> municipality fixed faulty properties within 30 days	None	None
# of quarterly Office cleaning report	3 cleaning quarterly reports generated	<u>Target Achieved</u> Three Cleaning Reports	None	None

generated		generated	
Budget(R)	R1 590 000	R1,132,989	

PROJECT ID/16/17/09: LITIGATION REDUCTIONS (LEGAL FEES)

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of monthly litigation reports submitted to municipal manager	6 monthly litigation reports submitted to municipal manager	<u>Target Not Achieved:</u> Three reports generated and submitted	Generated reports were referred for refinement	Resubmission of reports that were referred back for refinement
# of quarterly litigation reports submitted to council	3 quarterly litigation reports submitted to council	<u>Target Not Achieved:</u> One quarterly Litigation report submitted to council	The unit is understaffed	One additional post advertised in the unit for 2017/18 financial year
Turnaround time in responding to legal matters from the date reported	21 turnaround time in responding to legal matters from the date reported	<u>Target Achieved</u> Matters referred to legal are responded within 21	None	None

		days		
Budget(R)	R13 700 000		R8 025 384	

PROJECT ID/16/17/10: IT SYSTEMS AND NETWORK

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Turnaround time in fixing IT related items from the date on which were reported	5 working days turnaround time in fixing IT related items from the date on which were reported	<u>Target Achieved</u> 5 working days turnaround time in fixing IT related items from the date on which were reported	None	None

# of ICT functionality reports generated	3 ICT functionality reports generated	<u>Target Achieved</u> 3 ICT functionality reports generated	None	None
# of ICT Steering Committee Meetings held	2 Meetings	<u>Target Not Achieved</u> One meeting held on the 20 June 2017	Delays in development of ICT steering committee charter	The ICT charter developed and the steering committee established
Budget(R)	R3 110 000	R 609 742		

PROJECT ID/16/17/13: LABOUR RELATIONS PROGRAMS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of LLF meetings held	9 LLF meeting to be held	<u>Target Not Achieved:</u> 6 LLF Meetings held as follows: *28 October 2016; *10 November 2016 *21 November 2016. *19 January 2017; *02 February 2017 *2 March 2017	Some meetings were postponed due to lack of quorum	Improvement coordination of LLF meetings
# of LLF reports submitted to Municipal manager	3 quarterly LLF reports to municipal manager	<u>Target Achieved:</u> 3 monthly LLF reports submitted to Municipal Manager	None	None
% implementation	100% implementation of LLF resolutions	<u>Target Not Achieved:</u> Not all LLF resolutions were	Some LLF resolutions could not	Implementation of all LLF resolutions

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
of LLF resolutions		implemented	be implemented	
Turnaround time in initiating Disciplinary hearing Matters	90 days in initiating disciplinary matter	<u>Target Not Achieved:</u> Not all disciplinary initiated within 90 days	Commencement of some cases were delayed due commitments of members	Adherence to 90 days turnaround time
Budget(R)	R 50 000	R47 520		

PROJECT ID/16/17/14: WORK STUDY AND JOB EVALUATION

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for the development of job descriptions	21 March 2017 Completion date for the development of job	<u>Target Achieved:</u> 215 Job descriptions	None	None

	descriptions	developed		
Completion date for conducting job evaluation	30 June 2017 Completion date for conducting job evaluation	<u>Target Not Achieved:</u> 130 jobs out of 215 evaluated	Delays by District Job Evaluation Unit to finalize evaluation	The matter is been referred to SALGA HR working group
Budget(R)	R0.00	R0.00		

PROJECT ID/16/17/15: IT MASTER PLAN

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for reviewing IT Master Plan	31 May 2017 completion date for reviewing IT Master Plan	<u>Target Not Achieved:</u> IT master plan not reviewed	Insufficient budget allocation	To be Reviewed in the First Quarter 2017/18 Financial year
Budget(R)	R500 000	R335,472		

PROJECT ID/16/17/16: IT INFORMATION SECURITY SYSTEMS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Due date for Purchasing IT information system	31 March 2017 Due date for Purchasing IT information system	<u>Target Achieved</u> Purchased of Anti-virus and Installation of Firewall	None	None
Budget (R)	R630 000	R600 208		

PROJECT ID/16/17/18: SKILL DEVELOPMENT PROGRAMME

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Submission date for 2017/18 WSP ⁴	30 th April 2017 2017/18 WSP submitted	<u>Target achieved:</u> 30 th April 2017 2017/18 WSP submitted	None	None
# of employees & councillor training	2 employees & councillor training reports submitted to	<u>Target achieved:</u>	None	None

⁴ Workplace Skills Plan.

reports submitted to Council	Council	Two training reports submitted to Council		
Budget (R)	R300 000	R 61 403.51		
# of internal bursary reports produced	2 internal bursary reports produced	<u>Target achieved:</u> 2 internal bursary reports produced	None	None
Budget(R)	R600 000	R111 400		
# of external bursary reports produced	2 external bursary reports produced	<u>Target Achieved:</u> Two external bursary reports produced	None	None
# of Skills development committee meetings held	2 Skills development committee meetings held	<u>Target achieved:</u> Two skills development meetings held *28/02/2017 *20/04/2017	None	None

Budget(R)	R1 500 000	R1 186 513	
-----------	------------	------------	--

PROJECT ID/16/17/19: TRAINING OF COUNCILLORS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of councillors registered for skill development program	32 councillors registered for Skill development program	<u>Target achieved:</u> 47 councillors registered for training	None	None
Budget(R)	R950 000	R945,380		

PROJECT ID/16/17/20: DEVELOP SERVICE STANDARDS, PROCEDURE MANUALS AND POLICIES

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments

Completion date for rationalization Service standard and procedure manual for customer framework	31 May 2017 Completion date for rationalization Service standard and procedure manual for customer framework	<u>Target Not Achieved:</u> Draft service standards and procedure manuals in place	Time constrain due to the high volume of the policies to be rationalized	Policies to be streamlined in the 2017/18 financial year.
Budget(R)	N/A	N/A		

PROJECT ID/16/17/21: FILLING OF BUDGETED VACANT POSTS (EMPLOYEE RECRUITMENT)

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Final date for issuing out advert for the recruitment of Director Technical service	31 December 2016 final date for issuing out advert for the recruitment of Director Technical service	<u>Target Achieved:</u> The position of Director Technical was advertised in September 2016	None	None
Budget(R)	R111 300	R112,895		

PROJECT ID/16/17/22: REVIEW POLICIES AND BY-LAWS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of municipal by-laws reviewed	1 Municipal by-law reviewed	<u>Target Not Achieved:</u> Draft rationalized by-laws in place	Lack of Human Capital in Legal Service Unit	Position of legal service manager is advertised and will be filled in 2017/18 financial year
# of municipal by-laws developed	1 draft municipal by-law developed	<u>Target achieved:</u> Two by-laws drafted: *draft Street trading by-law; *Draft refuse removal, Refuse Dump and solid waste disposal by-law	None	None
# HR Policies to be Rationalized	9 HR policies rationalized: *Bursary Policy;	<u>Target achieved:</u> 9 HR policies	None	None

	*Travelling Policy; *Training and Development Policy; *Secondment and Acting Policy; *Subsistence Allowance Policy *Attendance & Punctuality *Employee Wellness Policy *Overtime Policy *Leave Policy	rationalized and adopted by Council: *OHS policy; *Travel and subsistence Policy; *Bursary Policy; * Secondment and Acting in high position Policy; *PMS framework; *Attendance & Punctuality policy *Overtime policy; *recruitment, selection and appointment policy; *travel and out of pocket expenses policy for Councillors		
--	--	---	--	--

Budget(R)	R470 000	R0.00			

PROJECT ID/16/17/23: OHS PROGRAMS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of OHS audits conducted	1 - OHS audit conducted	<u>Target achieved:</u> 1 OHS Audit Report in place	None	None
# of site inspection and monitoring of Capital projects reports produced	3 - site inspection and monitoring of Capital projects reports produced	<u>Target achieved:</u> Three site inspection reports produced	None	None
# of OHS committee meetings held	2 OHS Committee meetings	<u>Target Not Achieved:</u> Since the two municipalities merged there has never	None establishment of OHS committee	OHS committee will be established after nominated employees are trained in the 1 st

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		been an OHS Committee meeting		quarter 2017/18 financial year
# of OHS Representatives trained	29 OHS Representatives trained	<u>Target Not Achieved:</u> No training of OHS representatives conducted	Delays in nomination of OHS representatives	Nomination of OHS representative finalized and training scheduled for 1st Quarter of 2017/18 financial year
# of medical surveillance conducted	1- medical surveillance conducted	<u>Target Achieved:</u> 1- medical surveillance conducted	None	None
# of medical screening conducted	2- medical screening conducted	<u>Target achieved:</u> 2- medical screening conducted	None	None
# of fumigation and pest control conducted in the	3 - fumigations and pest control conducted	<u>Target Not achieved:</u> Two fumigations and pest	Budgetary constrains	fumigation and pest control to be conducted in the 1st Quarter of

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
municipal offices	in the municipal offices	control conducted		2017/18 financial year
# of reports on medical supply Provision produced	2- reports on medical supply Provision produced	<u>Target Achieved:</u> 2 medical supply reports generated	None	None
# of COIDA returns of earnings (Compensation Fund) submitted to Compensation Commissioner	1 COIDA returns of Earnings submitted to Compensation Commissioner	<u>Target achieved:</u> 1 COIDA returns of Earnings submitted to Compensation Commissioner	None	None
# of Compensation for Occupational Injuries and Diseases Act (COIDA) interventions report submitted to MM	2- COIDA interventions report submitted to MM	<u>Target Achieved:</u> No serious injuries on duty occurred as such there was no intervention needed	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Budget(R)	R500 000	R343 128		

PROJECT ID/16/17/25: CAPACITATION OF SUPPLY CHAIN

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for the review of SCM Policy	31 March 2017 Completion date for the review of SCM Policy	<u>Target achieved:</u> Supply Chain Policy adopted by council on 29 May 2017	None	None
# of SCM training arranged	2 - SCM training arranged	<u>Target Achieved:</u> Two SCM training provided	None	None
Budget (R)	R380 000	R 80 648.00		

PROJECT ID/16/17/26: IMPLEMENTATION OF BACK TO BASIC

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Quarterly Back to Basic (B2B) reports submitted to COGHSTA	4 Back to Basic (B2B) reports submitted to COGHSTA	<u>Target Achieved:</u> Four B2B reports submitted to COGHSTA	None	None
Budget (R)	N/A	N/A	N/A	N/A

8. KPA 3 : BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT
OBJECTIVE: TO FACILITATE FOR BASIC SERVICES DELIVERY AND INFRASTRUCTURAL DEVELOPMENT / INVESTMENT

Project BSD/16/17/01: Construction of Mapodile sports complex phase 02

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for developing designs for Mapodile sport complex phase 02	30 June 2017 development of designs Mapodile sport complex phase 02 completed	<u>Target Achieved:</u> Designs developed and the Project is currently on tender stage to appoint the contractor to implement the project	None	None
Budget (R)	R1 500 000	R0.00		

Project BSD/16/17/02: Praktiseer library

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken regarding the	3 - initiatives undertaken regarding the construction of	<u>Target not achieved:</u> Terms of reference	Project was introduced during	Designs to be developed in 2017/18 financial year

construction of Praktiseer Library	Praktiseer Library: *Development of MIG BP; *Development of Terms of reference *Development of Praktiseer library designs	developed	budget adjustment	
Budget (R)	R600 000	R0.00		

Project BSD/16/17/03: Makua library

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken regarding the construction of Makua Library	3 - initiatives undertaken regarding the construction of Makua Library: *Development of MIG BP *Development of Terms of reference *Development of Makua library designs	<u>Target not Achieved:</u> 1 – initiative undertaken regarding the construction of Makua Library Terms of reference developed	Project was introduced during budget adjustment	Designs to be developed in 2017/18 financial year
Budget (R)	R600 000	R0.00		

Project BSD/16/17/04: Tubatse arts and culture centre

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of art and culture programmes conducted	6 art and culture programmes conducted: * Art confederation workshop; * Cultural competition; * Beauty pageant; * Music talent search; * Theatrical workshop; * Crafter workshop;	<u>Target Not achieved:</u> 05 arts and culture programme conducted at Sehla Technical High School on 13th May 2017: * Art and Crafter Confederation workshop; * Cultural competition; * Music Talent Search; * Beauty Pageants ; and * Crafter workshop	Theatrical workshop not conduct	Theatrical workshop will be conducted in 2017/18 financial year
Budget (R)	R200 000	R 184 457		

Project BSD/16/17/07; BSD/16/17/11; BSD/16/17/16; BSD/16/17/26; BSD/16/17/29 -30: Electrification of Households through Operation Mabone

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of households electrified through Operation Mabone	9148 Households electrified through Operation Mabone: <ul style="list-style-type: none"> • Koppie (210HH); • Mandela Park(1300HH); • Barcelona (350HH); • Dibakwane(320HH); • Maputle (209HH); • Kampeng (108HH); • Kutullo (1800HH) • Mareseleng (890HH); • Taung (635HH); • Buffelshoek (47HH); • Praktiseer ext 3 (1667HH); • Praktiseer ext 11 (1612HH) 	<u>Target not achieved:</u> 1045 Households electrified as follows: *108 at Kampeng; *47 at Buffelshoek; and *890 at Mareseleng	Service provider abandoned sites due disputes over payments	A legal route is taken to address the matter
Budget (R)	R42 000 000	R0.00		
Completion date for replacing wooden pole by	30 June 2017 Completion date for replacing wooden pole by steel poles at Mamogolo village	<u>Target not Achieved:</u> Project is at specification stage for	Project was introduced during budget adjustment	The project to be implemented in 2017/18 financial year

steel poles at Mamogolo village		approval to appoint contractor	
Budget (R)	R5 000 000	R0.00	

Project BSD/16/17/46: Motodi Sport Complex

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken regarding the construction of Motodi Sports complex	3 - initiatives undertaken regarding the construction of Motodi Sports complex: *Development of MIG BP; *Development of Terms of reference for Consultant; *Development of Motodi sport complex designs	<u>Target achieved:</u> 3 - initiatives undertaken regarding the construction of Motodi Sports complex: *Development of MIG BP; *Development of Terms of reference for Consultant; *Development of Motodi sport complex designs	None	None
Budget (R)	R1 500 000	R0.00		

PROJECT BSD/16/17/47: BOTHASHOEK ACCESS ROAD

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in the construction of 2km of Bothashoek access road	1 - initiatives undertaken in the construction of 2km of Bothashoek access road: *site establishment	<u>Target Achieved:</u> Site establishment and excavation for foundation concluded	None	None
Budget (R)	R4 000 000	R2 770 052.33		

PROJECT BSD/16/17/50: TUBATSE HIGH MAST LIGHTS IN RURAL VILLAGES

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of high mast lights installed in rural villages	155 high mast lights installed in rural villages	<u>Target not achieved:</u> No mast highlight was installed	The project interdicted	Municipality has appointed senior counsel to assist in addressing the matter
# of initiatives undertaken towards operationalization of 111 High Mast Lights	4 initiatives undertaken towards operationalization of 111 High Mast Lights : *4 meetings / letters	<u>Target Not Achieved:</u> A Letter written to Eskom attention but not responded to	ESKOM not responding to letters addressed to them	Strengthening working relationship with Eskom
# of reports generated on functionality of the High Mast Lights	4 reports generated on functionality of the High Mast Lights	<u>Target Not Achieved:</u> 3 report generated on functionality of the High Mast Lights	The fourth report was generated outside the reporting period	The indicator to be corrected in 2017/18 financial year
Budget (R)	R2 270 389	R0.00		

PROJECT BSD/16/17/51: BOTHASHOEK ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date in constructing Bothashoek Access Bridge	31/12/2016 Construction of Bothashoek access bridge practically complete: * Site Establishment *Excavation *Base slab *Culverts *Road approaches *Gabions *Stone pitching	<u>Target achieved:</u> Bothashoek Access Bridge is completed on 20 October 2016	None	None
Budget (R)	R4 028 270	R4 028 270.73		

PROJECT BSD/16/17/52: MOTSHANA ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date in constructing Motshana Access Bridge	31/12/2016 Construction of Motshana access bridge practically complete: *Site Establishment, *Excavation *Base slab *Culverts *Road approaches *Gabions *Stone pitching	<u>Target achieved:</u> Motshana access bridge is practically completed and signed off on 30 November 2016	None	None
Budget (R)	R4 846 899	R4 846 898.60		

PROJECT BSD/16/17/53: MAFARAFARA ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
% progress in the construction of Mafarafara Access Bridge	<p>100% progress in the construction of Mafarafara access bridge practically completed:</p> <ul style="list-style-type: none"> * 10% Site hand-over * 10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, * 10% Gabions, * 10% Stone pitching, * 10% finishing, * 10% Close out 	<p><u>Target achieved:</u></p> <p>Mafarafara Access Bridge is practically completed and is signed off on 11 April 2017</p>	None	None

Budget (R)	R6 300 480	R6 300 480	
------------	------------	------------	--

PROJECT BSD/16/17/54: MPURU ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
% progress in the construction of Mpuru Access Bridge	100% progress in the construction of Mpuru access bridge: * 10% Site hand-over, * 10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, * 10% Gabions, 10% Stone pitching, * 10% finishing, * 10% Close out	<u>Target not achieved:</u> 47% progress made in the construction of Mpuru Access Bridge: 10% Site hand-over, * 10% Site Establishment, * 10% Excavation, * 10% Base slab, and 7% Bridge/road approaches	Delay in delivery of materials on site	The contractor has been put on terms due to non-performance and instructed to provide revised programme of works
Budget (R)	R6 651 397	R5 998 163.72		

PROJECT BSD/16/17/55: MADITHONGWANA ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
% progress in the construction of Madithongwana Access Bridge	100% progress in the construction of Madithongwana Access Bridge access bridge: * 10% Site hand-over, * 10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, * 10% Gabions, 10% Stone pitching, * 10% finishing, * 10% Close out	<u>Target Achieved:</u> The project is 100% completed and already for handed over to the community	None	None
Budget (R)	R6 124 910	R7 124 910.91		

PROJECT BSD/16/17/56: DIPHALA/MAKHWAYA ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
% progress in the construction of Diphala/Makhwaya Access Bridge	100% progress in the construction of Diphala/Makhwaya Access Bridge access bridge: * 10% Site hand-over, * 10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches,	<u>Target Achieved</u> Diphala/Makhwaya access bridge is practically completed on 14 December	None	None

	*10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out	2016		
Budget (R)	R10 380 761		R 10 380 761,05	

PROJECT BSD/16/17/57: MABOCHA ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
% progress in the construction of Mabocho Access Bridge	100% progress in the construction of Mabocho access bridge: * 10% Site hand-over, *10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, *10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out	<u>Target achieved:</u> Mabocho access bridge is practically completed	None	None
Budget (R)	R3 773 665	R3 773 665.33		

PROJECT BSD/16/17/58: LEBONG AREA ACCESS BRIDGES (MORABA AND MOKUPUNG VILLAGES)

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
% progress in the construction of Moraba Access Bridge	100% progress in the construction of Moraba access bridge.* 10% Site hand-over, *10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, *10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out	<u>Target achieved:</u> Construction of Moraba access bridge is completed	None	None
% progress in the construction of Makopung Access Bridge	100% progress in the construction of Makopung access bridge.* 10% Site hand-over, *10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, *10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out	<u>Target achieved:</u> Construction of Makopung access bridge completed	None	None
Budget (R)	R5 671 584	R5 827 675.61		

PROJECT BSD/16/17/59: LEGOLENG ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
% progress in the construction of Legoleng Access Bridge	100% progress in the construction of Legoleng access bridge.* 10% Site hand-over, *10% Site Establishment, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, *10% Gabions, 10% Stone pitching, *10% finishing, *10% Close out	<u>Target achieved:</u> Construction of Legoleng access bridge is completed	None	None
Budget (R)	R9 554 079	R9 913 131,27		

PROJECT BSD/16/17/60: TJATE ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken the construction of Tjate Access Bridge	3- initiatives undertaken the construction of Tjate Access Bridge : *Development of MIG BP; *Development of terms of reference for Consultant; *Development of Tjate Access	<u>Target Achieved:</u> *Development of MIG BP; *Development of terms of reference for Consultant; *Development of Tjate	None	None

bridge designs	Access bridge designs * The contractor has been appointed and currently done with site establishment		
Budget (R)	R5 400 000	R2 660 845.39	

PROJECT BSD/16/17/61: MOROKADIETA ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken construction of Morokadieta Access Bridge	3 - initiatives undertaken construction of Morokadieta Access Bridge: *Development of MIG BP; *Development of terms of reference for Consultant; *Development of Morokadieta Access Bridge designs	<u>Target Achieved:</u> *Development of MIG BP; *Development of terms of reference for Consultant; *Development of Tjate Access bridge designs * The contractor has been appointed and currently has completed concrete base slab	None	None
Budget (R)	R3 850 000	R R 3 226 926.64		

PROJECT BSD/16/17/62: GA- MALWANE ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in the construction of Ga-Malwane Access Bridge	3 – initiatives undertaken in the construction of Ga-Malwane Access Bridge : *Development of MIG BP; *Development of terms of reference for Consultant; *Development of Ga – Malwane Access Bridge designs	<u>Target Achieved:</u> *Development of MIG BP; *Development of terms of reference for Consultant; *Development of Ga – Malwane Access Bridge designs	None	None
Budget (R)	R1 600 000	R750 916,14		

PROJECT BSD/16/17/63: DITHAMAGA ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in the construction of Dithamaga Access Bridge	5 – initiatives undertaken in the construction of Dithamaga Access Bridge : * Development of MIG BP; *Development of terms of reference for Consultant; * development designs for Dithamaga Access Bridge ; *conducting Site hand-over, *Site Establishment,	<u>Target Achieved:</u> *Site hand-over, * Site Establishment, * Excavation of foundation	None	None
Budget (R)	R5 000 000	R3 396 092.13		

PROJECT BSD/16/17/64: LEFAHLA ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in the construction of Lefahla Access Bridge	3 – initiatives undertaken in the construction of Lefahla Access Bridge : *Development of MIG BP; *Development of terms of reference for Consultant; *Development of designs for Lefahla Access Bridge	<u>Target Achieved:</u> *Development of MIG BP; *Development of terms of reference for Consultant; *Development of designs for Lefahla Access Bridge	None	None
Budget (R)	R1 000 000	R 333 458.28		

PROJECT BSD/16/17/90: FENCING OF CEMETERIES IN ALL WARDS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of cemeteries fenced in the former Greater Tubatse municipality	29 cemeteries in the former Greater Tubatse municipality fenced	<u>Target Achieved:</u> 29 Cemeteries has been fenced in the former Greater Tubatse Municipality	None	None
Budget (R)	R1 000 000	R3 424 019.69		
Completion date of fencing Magobading Cemeteries	30 June 2017 fencing Magobading Cemeteries practically completed	<u>Target Not achieved:</u> Project not completed	Project introduced late in the financial year	Project to be implemented in 2017/18 financial year
Budget (R)	R500 000	R0.00		

PROJECT BSD/16/17/91: EPWP PROGRAM

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of EPWP implementation reports submitted to municipal manager	4-EPWP implementation reports submitted to municipal manager	<u>Target Achieved:</u> 4 -EPWP implementation report submitted to Municipal manager	None	None
Budget (R)	R2 121 000	R528 739.48		

PROJECT BSD/16/17/93/FTM/SD 10: PLANT AND EQUIPMENT/SUPPLY AND DELIVERY OF INFRASTRUCTURE VEHICLE AND MACHINERY

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Plant and Equipments purchased	7 - Plant and Equipments purchased: 2x10m ³ tipper truck; 1x graders; 1x low bed truck; and Roller; 1x Cherry Picker	<u>Target Not achieved:</u> *Two Isuzu 10cm ³ tipper truck; lowbed semi trailer; two motor graders	Roller and Cherry picker not purchase	Roller and Cherry picker to be purchase in 2017/18 financial year
Budget (R)	R15 115 819	R5 836 184.06		
# of Infrastructure Machineries Purchased	4 – infrastructure machineries purchased: *10 Ton Truck * Long Base Bakkie; * Asphalt cutting saw rammer; *Roller	<u>Target not achieved:</u> 2 – infrastructure machineries purchased: *Hino 700 *Bomag BW211 D – 40, single drum roller , cab	Financial constrain, most purchased items were purchased during former Fetakgomo municipality	Outstanding items to be purchase in 2017/18 financial year

			area	
Budget	R 1 290 000		R0.00	

PROJECT BSD/16/17/95: SPOTS ART AND CULTURE PROGRAMS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Sports Lekgotla held	1 Sports Lekgotla held	<u>Target achieved:</u> Sport indaba/Lekgotla held at Moses Mabothe on 25 March 2017	None	None
# of Arts and Culture Lekgotla held	1 Arts and Culture Lekgotla held	<u>Target achieved:</u> Arts and Culture Lekgotla/ indaba held at Moses Mabothe on 25 March 2017	None	None

# of sporting programmes conducted	9 sporting programmes conducted: * Chess tournament; * Cricket tournament; * Tennis tournament ; * Volleyball tournament; * Indigenous, Golf ; * rugby tournaments ; * Mayoral cup(marathon) and * farm sports conducted	<u>Target not Achieved:</u> Five sporting programme conducted: * Indigenous games; * rugby tournament * Tennis tournament ; *Volleyball tournament are held * Golf day	Mayor's cup and Mayor Marathon was not held due to budgetary constrains	Allocation of sufficient budget for sporting programme
Budget (R)	R200 000	R 198 478.49		

PROJECT BSD/16/17/96: CONSTRUCTION OF DRIVER'S LICENSE OFFICE IN GTM

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for developing designs for the construction of Praktiseer testing station	30 June 2017 completion date for developing designs for the construction of Praktiseer testing station	<u>Target Not Achieved:</u> Project at tender stage	Delays in concluding terms of references	Project designs to be developed in 2017/18 financial year
Budget (R)	R3 480 000	R0.00		

PROJECT BSD/16/17/99/108/FTM/SD13: REFUSE REMOVAL

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of households receiving weekly waste collection	6000 household receiving weekly waste collection(Burgersfort; Steelpoort; Praktiseer; Ohrigstad; Mapodile	<u>Target Not Achieved:</u> 4913 households receiving weekly waste collection (Burgersfort (1544), Steelpoort (191); Praktiseer (2326); Ohrigstad (164); Mapodile (688))	Contractual limitations and currently only service points that are on valuation roll receive the service	Service review to include and cover additional areas after bid evaluation of the new contracts
# of villages sustained refuse removal services	4 villages sustained refuse removal services (Ga - Nkwana, Apel, Nchabeleng and Mohlaletse)(3550HH)	<u>Target Not Achieved:</u> 3550 households identified at Ga - Nkwana (439), Apel (692), Nchabeleng (993) and Mohlaletse (1226) to be served with refuse removal. The collection was done	Reluctance of Households to providing waste storage (refuse bags)	Conduct Public Participation to encourage the communities to provide waste storage (Refuse bags)

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		December 2016 and collapsed		
# of Institutions sustained refuse removal services	16 institutions sustained refuse removal services: 1 Shopping Mall (Bopedi shopping mall) ; 14 Clinics and 1 TVET	<u>Target Achieved:</u> 16 institutions sustained refuse removal services *Bopedi shopping mall; *14 clinics; and *Sekhukhune TVET	None	None
Budget (R)	(R12 971 057)	-R15 532 336.72		

PROJECT BSD/16/17/100/101/102/49: LAND FILL SITE MANAGEMENT/REHABILITATION OF WASTE FACILITY

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Landfill site operations and maintenance reports generated	4 Landfill site operations and maintenance reports generated	<u>Target Achieved:</u> 4 Landfill site operations and maintenance report generated.	None	None
# of illegal dumps rehabilitated	4 illegal dumps rehabilitated	<u>Target Achieved:</u> 6-illegal dumps rehabilitated and cleared as follows: *Riba cross; *Mecklenburg Hospital; *Bothashoek *Burgersfort town; *Platinum complex; * R555 next to Khumula lodge;	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		* Moses Mabothe civic hall		
Budget (R)	R848 000	R 771 578.96		
Completion date of purchasing Landfill site	30 June 2017 new Landfill site purchased	<u>Target Not Achieved:</u> The negotiations with the private property owners did not yield the necessary results	Negotiations with the owners of the Apies Landfill site collapse	Seek for alternative land for the development of Landfill site
Budget (R)	R15 000 000	R0.00		

PROJECT BSD/16/17/103: GRAVELLING AND ROADS MAINTENANCE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Turnaround time in fixing potholes from the identified date	15 workdays Turnaround time in fixing potholes from the identified date	<u>Target not Achieved:</u> Identified potholes were on average patched with 22 days	Pothole patchwork were delayed due to awaiting for approval	Ensure attainment of 15 days turn around period in 2017/18 financial year

				of budget adjustment	
% of road grading request Executed	100% of road grading request Executed	<u>Target not achieved:</u> 59/183 (32%) requests on road grading Executed	Insufficient and continuous break down of machinery	Fastrack the purchase of new machineries	
# of road maintenance report generated	4 - road maintenance report generated	<u>Target achieved:</u> 4 - road maintenance report generated	None	none	
Budget (R)	R55 000 000	R48 209 452.35			

PROJECT BSD/16/17/104 and BSD 16/17/105: ROBOTS/TRAFFIC LIGHT STREETLIGHT MAINTENANCE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Turnaround time in fixing Robots from the identified date	15 workdays turnaround time in fixing Robots from the identified date	<u>Target Achieved</u> 01 working days turnaround time in fixing Robots from the identified date	None	None
Turnaround time in fixing streetlight from	15 workdays turnaround time in fixing streetlight	<u>Target not Achieved</u> 39 workdays turnaround time	Encountered delay for re-connection of	Strengthen working relationship with Eskom

the identified date	from the identified date	in fixing streetlight from the identified date	streetlight by Eskom	
Budget (R)	R4 000 000	R182 518.51		

PROJECT BSD/16/17/106: CEMETERIES MAINTENANCE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of cemeteries maintenance reports generated	2 - cemeteries maintenance reports generated	<u>Target achieved:</u> 2 cemeteries maintenance reports generated	None	None
Budget (R)	R200 000	R0.00		

PROJECT BSD/16/17/109: ESTABLISH ANIMAL POUND

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for purchasing land for establishment of Animal	30 June 2017 land purchased for establishment of Animal	<u>Target Not Achieved:</u> Still seeking for land	Lack of Land for establishment of animal pound	Seek alternative land for development of animal pound

pound in the Municipality	pound in the Municipality	for Animal pound		
Budget (R)	R500 000	R0.00		
Completion date of constructing Vehicle pound	30 June 2017 Vehicle pound constructed	<u>Target Not Achieved:</u> Still seeking for suitable land	Lack of Land for vehicle pound	Seek alternative land for development of Vehicle pound
Budget (R)	R30 000	R0.00		

PROJECT BSD/16/17/111/FTM/SD11: GREENING OF MUNICIPAL FACILITIES

Performance Indicator		2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of trees planted in Municipal facilities	80 trees planted in Municipal facilities:		<u>Target Achieved:</u> 100 trees planted in Municipal facilities as follows: <ul style="list-style-type: none"> Mapodile satellite station (6); Mapodile Thusong 	None	None

	<p>Centre(6);</p> <ul style="list-style-type: none"> • Ohrigstad satellite station (10); • Old municipal office (Tubatse) (10); • Burgersfort civic centre(Head office)(10) • Mhlaletse Thusong service centre (10); • Atok Thusong service centre (10); • Moses Mabotha Civic Hall Centre (10); • Apel Regional office (8) 	<p>centre(Head office)(10);</p> <ul style="list-style-type: none"> • Mhlaletse Thusong service centre(10); • Atok Thusong service centre(10); • Moses Mabotha civic centre(10); • Apel Regional Office(10); • Mapodile satellite station(6); • Mapodile Thusong Centre(6); • Ohrigstad satellite station(10); • Old municipal office (Tubatse)(10); • Mabopo Traffic Testing Station (6); • Mhlaletse community hall (12) 		
Budget (R)	R53 750	R 22 500.00		
# of Municipal Park reports generated	2 - Municipal Park reports generated	<u>Target Achieved</u> 02 reports– Municipal park maintained	None	None
Budget (R)	R 300 000	R 28 000.00		

PROJECT BSD/16/17/112: ENVIRONMENTAL CAMPAIGNS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Open space debushed	2 - Open space debushed within the municipality: *Tubatse crossing to Aloe Ridge stop sign; * Ohrigstad internal street	<u>Target achieved:</u> 2 - Open space debushed *Ohrigstad internal street ; and *Tubatse crossing to Aloe Ridge stop sign	None	None
Budget (R)	R 150 000	R149 129.65		

PROJECT BS/16/17/113: LEBOENG ACCESS ROAD

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for establishing project site for the	30 June 2017 completion date for establishing project site for the	<u>Target not Achieved:</u> Project is currently on hold	Over committed on 2017/18 MIG	Project rescheduled for 2018/19 financial

construction of Leboeng Access Road	construction of Leboeng Road	pending MIG approval	allocation	year allocation
Budget (R)	R4 267 773	R0.00		

PROJECT BSD/16/17/114: TUKAKGOMO ACCESS ROAD

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for developing designs for Tukakgomo access road	30 June 2017 Completion date for developing designs for Tukakgomo access road	<u>Target achieved:</u> Designs for Tukakgomo access road are developed	None	None
Budget (R)	R1 000 000	R 690 192.71		

PROJECT BSD/16/17/116: THOKWANE ACCESS BRIDGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in the construction of Thokwane Access Bridge	3 – initiatives undertaken in the construction of Thokwane Access Bridge: *MIG BP; *ToR Consultant; *Designs	<u>Target achieved:</u> Designs for Thokwane Access Bridge and a pre site handover meeting was held on 29 May 2017	None	None
Budget (R)	R 4 850 000	R0.00		

PROJECT/TM/SD 1: FREE BASIC ELECTRICITY

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of FBE campaigns held	12 FBE campaigns	<u>Target not Achieved:</u> 01 FBE Campaign at Ga-Nchabeleng	Insufficient personnel to run the programme	Public participation unit to lead the programme
# of indigent households receiving FBE	3430 indigent households receiving FBE	<u>Target achieved:</u> 5647 Households received FBE by end of 2016/17 financial year: * 3099households received FBE from ESKOM by the end of June 2017; * 2548 households are benefiting from Solar vision	Fewer households than configured are collecting FBE from ESKOM	Intensive FBE campaigns to have high number of Households collecting FBE
Budget (R)	R5 425 000	R5 957 901.35		

PROJECT/TM/SD 3: CONSTRUCTION OF CULVERT DRAINAGE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date of constructing Apel Nodal points culvert drainage structure (Apel: ward 03, 05, 06 &08)	30 June 2017 Apel nodal points culvert drainage structure(Apel: ward 03, 05, 06 &08) completed	<u>Target Achieved:</u> The project is completed	None	None
Budget (R)	R4 316 241	R5 767 232.74		
Completion date of constructing Atok Nodal points culvert drainage structure(Atok: ward 10,11,01& 13)	31 March 2017 Atok nodal points culvert drainage structure(Atok: ward 10,11,01& 13) completed	<u>Target Achieved:</u> Project is completed	None	None
Budget (R)	R8 501 330.00	R7 661 940.74		

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date of constructing Mphanama Nodal points culvert drainage structure(ward 01, 02 & 4)	30 June 2017 Mphanama nodal points culvert drainage structure(ward 01, 02 & 4) completed	<u>Target Achieved:</u> The project is completed	None	None
Budget (R)	R2 515 222	R3 521 417.88		

PROJECTFTM/SD 4: CONSTRUCTION OF V DRAINAGE STRUCTURES

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for the Construction of V-Drain Structures (D4190, D4200, Nchabeleng, Nkwana and Apel Areas)	30 th June 2017 *Construction of V-Drain through EPWP Laborers Structures(stone/concrete pitching)	<u>Target Not Achieved:</u> Excavation done and stone collected	Insufficient budget to complete the project	Budget more to complete the project in 2017/18 financial year
Budget (R)	R 3 103 268	R532 075.17		

PROJECTFTM/SD 5: INFRASTRUCTURE CONSULTANTS FEES

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of designs designed for Fetakgomo Internal Streets	4 – designs designed for Fetakgomo internal streets: * Fetakgomo Township Extension 1 Internal Streets ;	<u>Target not achieved:</u> Designs for Fetakgomo Township Extension 1 and Fetakgomo Traditional	*Fetakgomo Access Roads (D5013, D4127, D4127) not done. The above projects were	Engage RAL for possible SLA

	<p>* Fetakgomo Access Roads (D5013-Ga-Phasha/Mampa; D4127-Mooliyk/Shushubung; and D5013 Ledingwe Bridge)</p> <p>*Fetakgomo Traditional Authority Internal Streets (Baroka Ba Nkwana; Tau Nchabeleng; Mashamakopole; India and Seroka)</p> <p>*Fetakgomo Internal Streets leading to Municipal Community Halls (Mohlaleitse CH, Mphanama CH and Stydskraal CH)</p>	Authority Internal Streets are completed	found to be belonging to RAL not Municipal Roads.	
Budget	R 2 827 089			

PROJECT TFM/MSD 6: UPGRADING⁵ OF RADINGWANA SPORTS FACILITY

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in Upgrading Radingwana Sports Facility	6 - initiatives undertaken in Upgrading Radingwana Sports Facility: *advertisement of the tender; * appointment of contractor; *Drilling and equipping of borehole *Refurbishment of courts; *Laying of instant lawn *Construction of office and guard house	<u>Target achieved:</u> Upgrading of Radingwana sport complex is completed	None	None
Budget (R)	R 1 666 001	R2 207 336.00		

⁵ Construction of office & guard house, refurbishment of courts, borehole & equipping, lawn laying.

PROJECTFTM/SD 8: CONSTRUCTION OF EMERGENCY EXIT FOR SCM OFFICE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in the construction of Emergency Exit for SCM office at Apel	<p>5 - initiatives undertaken in the construction of Emergency Exit for SCM office at Apel:</p> <ul style="list-style-type: none"> * Design of the steel stairs and steel balcony; * Advertisement of tender; * Appointment of service provider; * Disassembling of glass window and installation of new door; * Installation of steel stairs and steel balcony 	<p><u>Target not Achieved:</u></p> <p>Contractor has been appointed</p>	Contractor has declined the offer	Re-advertise the project
Budget (R)	R 50 000	R0.00		

PROJECT/FTM/SD 9: MUNICIPAL FACILITIES INTERNAL WATER SUPPLY

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of initiatives undertaken in the installation/purification of municipal facilities internal water supply at Apel municipal area	<p>5 - initiatives undertaken in the installation/purification of municipal facilities internal water supply at Fetakgomo Traffic Testing Station; Atok Thusong Service Center; Mphanama Community Hall; Mohlaletse Community Hall; and Seokodibeng Community Hall:</p> <p>* advertisement of the tender</p> <p>*appointment of service provider</p> <p>*Geo-hydrologist/ Sitting report</p> <p>*Drilling and Equipping boreholes;</p> <p>*Commissioning</p>	<p><u>Target not achieved</u></p> <p>The project is on hold.</p>	Budget adjusted	The project to be resuscitated in the 2017/18 financial year
Budget	R300 000	R0.00		

PROJECT/SD 12: MAINTENANCE OF COMPLETED INFRASTRUCTURE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of reports generated on infrastructure maintenance of completed projects	4 reports generated on infrastructure maintenance of completed projects	<u>Target Not Achieved:</u> 2 reports generated on infrastructure maintenance of completed projects	No maintenance of complete infrastructure done in the third and fourth quarters	To generate report on maintenance of complete infrastructure in 2017/18 financial year
Budget (R)	N/A	N/A		

9. KPA 4: LOCAL ECONOMIC DEVELOPMENT

OBJECTIVE: TO CREATE AN ENVIRONMENT THAT PROMOTES GROWTH AND DEVELOPMENT THEREBY FACILITATING JOB CREATION

PROJECT LED/16/17/01: ESTABLISH IGR/LED STRUCTURES

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of IGR /LED structures established	2 - IGR/LED structures established	<u>Target achieved:</u> Two IGR/LED structures established namely: <ul style="list-style-type: none"> • LED forum; • Agricultural forum 	None	None
Budget(R)	N/A	N/A		

PROJECT LED/16/17/03: ICT BROADBAND INFRASTRUCTURE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of ICT Broad band infrastructure quarterly Service Providers Performance Reports produced	2 Reports	<u>Target achieved:</u> Two reports generated	None	None
# of reports generated on municipal facilities connected ICT broad band infrastructure	2 - reports generated on ICT broad band infrastructure connection on the municipal facilities	<u>Target achieved:</u> Two reports generated	None	None
Budget(R)	R1 000 000	R957 845		

PROJECT LED/16/17/04: LOCAL FARMERS SUPPORT (AGRICULTURE PROJECTS SUPPORT)

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of New Agriculture projects support by the municipality	6 new agriculture projects supported by the municipality	<u>Target not Achieved:</u> One Agricultural project: Ratanang Makua Farming Cooperative (Poultry starter pack 1000 chicks) has been supported	Delays in procurement processes	The project will be supported in 2017/18 financial year
# of Agriculture projects support sustained by the municipality	4 Agriculture projects support sustained by the municipality	<u>Target achieved:</u> 4 Agriculture projects sustained *Kgoboko Poultry (Chicken Poultry Starter Pack) *Mankaba Vegetable Farm (4 ha fence, 2 x5000 jojo tanks, generator and pressure) *Retswelapele Poultry (fencing material 3ha) *Ikholofeleng Agricultural Cooperative (fencing material	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		3ha) (
# of farmer support initiatives/workshops coordinated	2 farmer support initiatives/workshops coordinated	<p><u>Target achieved:</u></p> <p>2 farmer support initiatives/workshops coordinated as follows:</p> <ul style="list-style-type: none"> • Basic business training on 28 -31 March 2017; • Tendering skills on 26 November 2016 	None	None
Budget (R)	R500 000	R 118 369.27		

PROJECT LED 16/17/08 & LED/16/17/09: MANAGEMENT OF INFORMAL TRADE (SMME SUPPORT PROGRAMME & UTILIZATION OF BURGERSFORT FLEA MARKET)

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Reports on the operationalization ⁶ of Apel market stall	4 Reports on the functionality and maintenance of Apel Market Stalls	<u>Target not Achieved:</u> 2 report on Operationalization of Municipal Hawkers Stalls including Apel Stalls in place.	Stalls not fully functional due to inadequate servicing of the stalls.	Budget to be made available for servicing of existing stalls in the 2017/18 f/y.
# of new market stalls allocated	100 new market stalls allocated	<u>Target not achieved:</u> 18/100stalls allocated at Praktiseer	*Delays in completion of stalls on Eddie Sedibe Street and Flee Market not completed. *Reluctance to occupy stalls due to lack of	*Budget available for servicing of stalls (own funding), and Dwarsrivier Mine commitment to service some of the stalls

⁶ Functionality and maintenance of market stalls

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
			services	
Budget (R)	R500 000	R0.00		
Completion date for the construction of Burgersfort Flea market	31 May 2017 construction of Burgersfort Flea market completed	<u>Target achieved:</u> The project is completed	None	None
Budget (R)	R3 019 545	R2 721 196		
# of Economic activities ⁷ held in Burgersfort Flea Market	2- Economic exhibitions held in Burgersfort Flea Market	<u>Target not Achieved:</u> 0 Economic activities held	Late completion of Burgersfort Flea Market	Construction of Burgersfort Flea Market is concluded

⁷Burgersfort Flea Market Day, Sector (Subsistence Farming, Arts and Crafts) Exhibitions

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Budget (R)	R 3 019 546	R0.00		

PROJECT LED/16/17/10: PROMOTION OF TOURISM

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of new accommodation facilities graded	3 new accommodation facilities graded	<u>Target not achieved:</u> 0/3 accommodation facility graded	The identified accommodation facilities are current not gradable	There have been continuous engagements with the Tourism grading Council of South Africa (TGCSA) to assist in first capacitating the most gradable facilities. Draft MoU with TGCSA developed.
# number of tourist attractions centres adopted and supported	2 tourist attractions adopted and supported	<u>Target achieved:</u> Municipality has adopted and is supporting two tourist attraction centre	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		<p>namely:</p> <ol style="list-style-type: none"> 1. Mamogolo Mankele Bridge-Promotion of Tourism at Penge; and 2. Eco Caves Promotion of Tourism <p>Two meetings were held with the above tourist centre as follows: *29 June 2017 Mamogolo Mankele Bridge-Promotion of Tourism at Penge and</p> <p>*30 June 2017 Eco Caves Promotion of Tourism</p>		

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date in development of tourism information database	30 June 2017 development of tourism information database completed	<u>Target not Achieved:</u> A draft tourism Information Database is developed	Insufficient skill in the department to perform the function	To be further designed professionally through the Communications Unit
Budget (R)	R200 000	R0.00		

PROJECT FV/16/17/11: DEVELOPMENT OF 17/18 IDP

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Preparation of a credible IDP/Budget for 2017/18	Process Plan for 2017/18 IDP/Budget review in place	<u>Target Achieved:</u> 2017/18 IDP Process plan adopted by council	None	None
	Consolidated Analysis Phase	<u>Target Achieved:</u>	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
	in place	Consolidated Analysis Phase is adopted by council		
	Conduct strategic planning session	<u>Target achieved:</u> Strategic planning conducted in 15 – 16 March 2017	None	None
	Draft 2017/18 IDP/Budget in place	<u>Target achieved:</u> Draft 2017/18 IDP adopted by council on 30 March 2017	None	None
	2017/18 IDP and Budget public participation conducted on drafts	<u>Target achieved:</u> Public participation conducted on 8th - 12 th May 2017	None	None
	Final IDP/Budget for 2017/18 f/y adopted	<u>Target achieved:</u> Final 2017/18 IDP was approved by council on 29 May 2017	None	None
Budget(R)	R900 000	R883 107	None	None

PROJECT FTW/LED 4: LOCAL BUSINESS SKILLS SUPPORT

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of SMMEs empowerment initiatives held	6 SMMEs empowerment initiative held: Facilitate 6 Trainings/Workshops for SMMEs	<u>Target Not achieved:</u> Four initiatives conducted as follows: 1. Business Compliance Seminar coordinated with SDM (09 March 2017); 2. IMEDP SMMEs Training (10 March 2017) 3. National Empowerment Fund Information session (8/06/2017) 4. Informal Traders Consultative session. (27/06/2017)	Insufficient Human Capital	Capacitate the department t
# of SMME exhibition held	1 SMME exhibition held	<u>Target Achieved:</u> 1 SMME exhibition held *Sekhukhune	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		Youth EXPO 09/06/2017		
Budget (R)	N/A	N/A		

PROJECT FTM/LED 5: JOB OPPORTUNITIES SUSTAINED AND CREATED

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of job opportunities sustained through municipal supported initiatives	1000 job opportunities sustained through Municipal supported initiatives	<u>Target Achieved</u> 2561 jobs opportunities sustained through opportunities sustained through Municipal supported initiatives. *155: EPWP	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		*2406: CWP *499: MIG		
# of new job opportunities created through municipal supported initiatives	100 new job opportunities created through Municipal supported initiatives	<u>Target Achieved</u> 529 new job opportunities created	None	None
Budget (R)	N/A	N/A		

PROJECT FTM/LED 6: STRATEGIC PARTNERSHIPS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of meetings held towards facilitation of strategic partnerships	04 meetings held	<p><u>Target Achieved:</u></p> <p>04 Strategic meetings held</p> <p>*20 June 2017 Meeting with SEDA</p> <p>*22 June 2017 Meeting with DMR on Electrification of Ngwaabe;</p> <p>*2nd September 2016 meeting with Road agency Limpopo</p> <p>*25 October 2016 meeting with Vodacom</p>	None	None
# of LED MoUs/SLA signed through strategic partnerships	02LED MoUs/SLA signed through strategic partnerships	<p><u>Target Not Achieved:</u></p> <p>MoU signed with SE</p> <p>DA</p>	Anticipated MOU could not be finalised in 2016/17 financial year as envisaged	The MOU to be finalised in 2017/18 financial year
Budget(R)	N/A	N/A		

PROJECT FTM/LED 8: MINING ENGAGEMENT FACILITATION

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of mining engagements held	4 mining engagement sessions held	<u>Target achieved:</u> 5 engagements made as follows: * 11 November 2016 * 09 December 2016; * 09 February 2017; * 15 February 2017; * 22 March 2017;	None	None
# of reports produced on monitoring of Mining Engagements and Social Labour Plans	4 reports produced on Mining Engagements and Social Labour	<u>Target achieved:</u> 4 report produced on Mining Engagements and Social Labour Plans monitored	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
	Plans monitored			
Budget (R)	N/A	N/A		

10. KPA 5: FINANCIAL VIABILITY AND MANAGEMENT

OBJECTIVE: To improve overall municipal financial management

PROJECT FV/16/1701: ASSET MANAGEMENT

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Asset reports submitted to council	4 - Asset report submitted to council	<u>Target Not achieved:</u> 3 asset report submitted to council	Delays in rationalizing the two Asset register from former Fetakgomo and Greater Tubatse Municipalities	Asset registers were rationalized in May 2017
Budget(R)	R1 500 000	R1 147 114.00		

PROJECT FV/16/17/02: IMPLEMENTATION OF FMG GRANT

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date	31 December 2016	<u>Target achieved:</u>	None	None

for the recruitment of finance interns		Five (05) interns were placed.		
# of monthly FMG reports submitted to National Treasury	11 monthly FMG reports submitted to National Treasury	<u>Target Achieved:</u> Eleven (11) FMG reports were submitted to National Treasury	None	None
Budget(R)	R3 635 000	-R3 635 000.00		

PROJECT FV/16/17/03: AUCTION OF OLD ASSETS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of auctioning old assets of municipality conducted	1 - auctioning old assets municipality of conducted	<u>Target not Achieved:</u> Auctioned not undertaken during the current year.	Consolidation of assets for both Municipalities concluded late.	Auctioning will be conducted in 2017/18 financial year.
Budget(R)	R0	R0		

PROJECT FV/16/17/04: VALUATION ROLL

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of supplementary valuation roll compiled	1 Supplementary roll compiled	<u>Target achieved:</u> Supplementary valuation was performed.	None	None
Budget(R)	R1 900 000	R2 739 812		

PROJECT FV/16/17/05: DATA CLEANSING

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of data cleansing	1 Data cleansing report	<u>Target Achieved:</u>	None	None

reports generated	generated	One (01) Data cleansing report generated		
Budget(R)	R500 000	R456 000		

PROJECT FV/16/17/06: MFMA REPORTS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of section 71 reports submitted to the Mayor & National Treasury	10 reports submitted to the Mayor & National Treasury	<u>Target achieved:</u> Ten (10) section 71 reports submitted to Mayor & Treasury	None	None
# of section 75 of MMFA uploaded on Municipal website	12 section 75 of MMFA items uploaded on Municipal website	<u>Target Achieved:</u> 17 Documents uploaded on website. financial year	None	None
Budget(R)	R0.00	R0.00		

PROJECT FV/16/17/07: REVIEW AND IMPLEMENT SCM POLICY

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date of reviewing SCM policy	31 May 2017	<u>Target achieved:</u> Supply Chain Policy reviewed and adopted by council on 29 May 2017	None	None
# of SCM quarterly reports submitted to council	4 - SCM quarterly reports submitted to council	<u>Target Not achieved:</u> Four (03) SCM report generated and still to be submitted to council	Late tabling of reports in council	SCM reports to serve in council quarterly
Turnaround time in procuring Operational items for municipal departments	30 days turnaround time in procuring Operational items for municipal department	<u>Target not achieved:</u> 98.92% procured within 30 days	Bidders being non-responsive because of the experience required in some RFQs	Resolved to require experience only on RFQs that are associated with the safety of the people
turnaround time in the procurement of Capital	90 days turnaround time in the procurement of	<u>Target achieved:</u> All capital projects were awarded	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
projects	Capital projects	within 90 days		
# of contract performance reports submitted to Council	4 contract performance reports submitted to council	<u>Target Not achieved:</u> Four (04) service provider performance reports has been generated	Reports not submitted to council	Report to serve in council
% bids awarded to SMMEs.	80% of bids awarded to SMMEs.	<u>Target achieved:</u> 91.38% Bids awarded to SMMEs	None	None
% of bids awarded to local SMMEs	50 % of total procurement to local SMMEs	<u>Target Achieved:</u> 76.71% procurement awarded to local SMMEs	None	None
% of tenders above R100 000 submitted to National Treasury	100% of tenders above R100 000 submitted to National Treasury	<u>Target achieved:</u> 100% of Tenders above R100 000 were submitted to treasury	None	None
% of construction tenders advertised on the CIDB	100% of construction tenders advertised on the	<u>Target Achieved:</u>	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
website	CIDB website	100% of tenders above R 100 000 were advertised on the CIDB.		
Budget (R)	N/A	N/A		

PROJECT FV/16/17/08: MSCOA COMPLIANCE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments

# of mSCOA implementation reports generated	4 of mSCOA implementation reports generated	<u>Target Not achieved:</u> One (01) mSCOA implementation reports generated.	Reports were deferred back for refinement	Refine the deferred reports
Budget(R)	N/A	N/A		

PROJECT FV/16/17/09: ANNUAL FINANCIAL STATEMENT

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Submission date for Annual Financial Statements (AFS) to AGSA	31 August 2016 Annual Financial Statements (AFS) submitted to AGSA	<u>Target achieved:</u> Annual Financial Statement submitted to AGSA on 31 August 2016	None	None
Budget(R)	R7 200 000	R1 566 056		

PROJECT FV/16/17/10: REVIEW REVENUE ENHANCEMENT STRATEGY

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date of reviewing the Revenue Enhancement Strategy	31 March 2017 Review of Enhancement completed	<u>Target not achieved:</u> Revenue enhancement strategy not reviewed	Revenue enhancement strategy reviewed not	To be reviewed in 2017/18 financial year
Budget(R)	R0.00	R0.00		

PROJECT FV/16/17/11: IMPLEMENT REVENUE ENHANCEMENT STRATEGY

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
% reduction of outstanding debts above 60 days	10% reduction of outstanding service debts(Domestic, Business & Other) above 60 days	<u>Target not achieved:</u> Service debts increased 90.7%, due to increased debtors' book from	*Reluctant by rural communities; schools and business on payment of the billed services;	*Review billing system for rural business and domestic; *Public works should pay schools in rural areas

		former Fetakgomo Local Municipality.		
% reduction of Government debts	5% reduction of government debts	<u>Target not achieved:</u> Government debt increased by 37.7%	Difficult to find debts owners e.g. Lebowa Govt, RSA, Bapedi tribe	*Engaged Treasury *Extend data cleansing to all government departments
% of billed revenue collected	75% of billed revenue collected	<u>Target Not achieved:</u> 48.47% billed revenue collected(R136 423 848/R66 455 439)	*None payment from Tubatse Ext. 2 and Mecklenburg areas; * None payment from Rural Domestic and Business billed; *Billing of Indigent households there no payment received.	* conduct public participation in Tubatse Ext.02; *Review billing in rural areas; *Remove Mecklenburg from billing; *Commence with compilation of Indigent register
Budget(R)	R0.00	R0.00		

PROJECT FV/16/17/12: REVIEW INDIGENT POLICY

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/	Mitigation /comments

			variance	
Completion date of reviewing indigent policy	31 December 2016	<u>Target Achieved:</u> Indigent policy were not reviewed	None	None
Budget(R)	R0.00	R0.00		

PROJECT FV/16/17/13: REVIEW INDIGENT REGISTER

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date of reviewing indigent register	31 March 2017 Review of indigent register completed	<u>Target not achieved:</u> Indigent register process plan approved by Council	Late approval of indigent register process plan	The indigent register will be reviewed in 2017/18 financial year
Budget(R)	R0.00	R0.00		

PROJECT FV/16/17/15: ASSET AUDIT AND RISK MANAGEMENT SYSTEM

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/	Mitigation /comments
-----------------------	----------------	---------------------	------------	----------------------

				variance	
Purchase date of Asset audit and risk management system	30/06/2017	Purchase of Asset audit and risk management system	<u>Target Not Achieved:</u> Asset audit and management system not purchased.	Specification not finalized	Advertise in the first quarter of the new financial year
Budget(R)	R2 750 000		R2 095 368.31		

11. KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

OBJECTIVE: To promote a culture of participatory and good governance

PROJECT GP/16/17/01: REVIEW GTM POWER AND FUNCTIONS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Establishment date of municipal powers and functions task team	31 December 2016	<u>Target Not achieved:</u> Task team not established	Delays in establishing the task team	The task team to be established in 2017/18 financial year
# of engagements ⁸ made with relevant stakeholders	3 - engagements made with relevant stakeholders	<u>Target not Achieved:</u> None engagement made with stakeholders	Committee could not meet since its establishment	The task team start engagement with relevant stakeholders
Budget(R)	R100 000	R0.00		

⁸ Meetings, letters and signing of service level agreement

PROJECT GP/16/17/04: IMPLEMENT ANTI-FRAUD AND CORRUPTION STRATEGY (FRAUD AWARENESS)

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of fraud awareness campaigns conducted	2 - fraud awareness campaigns conducted	<u>Target Not Achieved:</u> 1 Fraud awareness campaign was conducted on the 21 February 2017	The second awareness campaign could not be conducted due IDP public participation programme scheduled on the same time	Fraud awareness campaign will be conducted in 2017/18 financial year
Budget(R)	R145 000	R0.00		

PROJECT GP/16/17/05: RISK MANAGEMENT PROGRAM

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Risk management	3 - Risk management	<u>Target achieved:</u>	None	None

meetings held	meetings held	3 meetings held for this financial year		
# of risk management committee reports submitted to Audit Committee	3 risk management committee reports submitted to Audit Committee	<u>Target achieved:</u> 3 reports were submitted to Audit committee	None	None
Budget(R)	R100 000	R8 604		

PROJECT GP/16/17/06: PURCHASE OF SECURITY MANAGEMENT SYSTEM

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Purchase date of security management system	30 June 2017	<u>Target Not Achieved:</u> Purchase of security alarm system for Apel testing station at procurement	Insufficient Budget	Purchase to be done in 2017/18 financial year

		stage		
Budget(R)		R500 000	R0.00	

PROJECT GP/16/17/07: REPORTS ON THE IMPLEMENTATION OF COUNCIL RESOLUTIONS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of ordinary council meetings held	4 - Ordinary Council meetings held	<p><u>Target achieved:</u></p> <p>4 Ordinary Council Meetings held as follows:</p> <p>*17/08/2016;</p> <p>*27/10/2016;</p> <p>*30/01/2017; and</p> <p>*26/04/2017;</p>	None	None
# of consolidated council resolution reports submitted to council	2 consolidated council resolution reports submitted to council	<p><u>Target not Achieved:</u></p> <p>Consolidated council resolution register developed and</p>	None submission of council resolution progress report to	Submission of council resolution progress reports quarterly to

		circulated to department to update progress	council	council
Budget(R)	R0.00	R0.00		

PROJECT GP/16/17/08: PURCHASE RECORDING SYSTEMS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for purchasing recording system.	31 May 2017 recording system bought	<u>Target achieved:</u> Recording Systems Procured in May 2017	None	None
Budget(R)	R1 120 000	R 822 374.88		

PROJECT GP/16/17/09: DISASTER MANAGEMENT

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Disaster Awareness Campaigns conducted	2 - Disaster Awareness Campaigns conducted:	<u>Target Not Achieved:</u>	Time allocated for fire campaign was	To be conducted in 2017/18 financial

	* Fire awareness campaign; * Storm and floods awareness campaign	1 - Disaster Awareness Campaigns conducted: * Storm and floods awareness campaign	disturbed by prolonged IDP consultation	year
% of disaster victims qualifying for relief materials provided with relief materials within seven days after assessments	100% of disaster victims qualifying for relief materials provided with relief materials within seven days after assessments	<p><u>Target Not Achieved:</u></p> <p>87 %(54/62) of qualifying disaster incident victims received relief materials within seven days.</p> <p>*123 disaster incidents reported;</p> <p>* 62 households qualified for relief material;'</p>	Lack of sufficient material at storeroom	To have contract with service provider who supply relief material as and when needed

			*54 Households received the relief materials			
Budget(R)		N/A	N/A			

PROJECT GP/16/17/10: EXTERNAL AUDIT / AUDIT FEES

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments

% progress in the implementation of 2015/16 AG action plan	100% progress in the implementation of 2015/16 AG action plan	<u>Target Not Achieved:</u> 115/141(81%) of 2015/16 AG action plan implemented	Completion of some findings will be done when complying 2016/17 Annual financial statement *assessment directors of 2015/16 financial year still outstanding	Municipality to fast track assessment of section 54/56 managers in 2017/18 year
Budget(R)	R5 600 000	R6 862 466		

PROJECT GP/16/17/11: AUDIT COMMITTEE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Audit committee meetings held	3- Audit committee meeting held	<u>Target Achieved:</u> *14 Dec 16 *13 Jan 17 *27 Jan 17 *24 Apr 17 *10 May 17	None	None

# of Performance Audit committee meetings held	3 - Performance Audit committee meetings held		*14 Jun 17 *24 Jul 17 <u>Target achieved:</u> *14 Dec 16 *27 Jan 17 *10 May 17 *14 Jun 17 *24 Jul 17	None	None	
# of Audit committee reports submitted in council	3- Audit committee reports submitted in council		<u>Target achieved:</u> 3- Audit committee reports submitted in council	None	None	
# of performance audit committee reports submitted in council	3- performance audit committee reports submitted in council		<u>Target Achieved:</u> 3- Audit committee reports submitted in council	N/A	N/A	
Budget(R)	R1 200 000		R565 613			

PROJECT GP/16/17/12: INTERNAL AUDIT

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of risk based audits conducted	05 risk based audits conducted	<u>Target Achieved:</u> *Revenue Management Audit *Supply Chain Management Audit *Information Technology Management Audit *Expenditure Management *Risk Management Audit *Asset Management Audit *MSCOA	None	None
# of PMS audits conducted	3 PMS audit conducted	<u>Target Achieved:</u> *1st Quarter PMS *2nd Quarter PMS *Special PMS (Mid-year)	N/A	N/A

			*Adjusted SDBIP) review *3rd Quarter PMS *4th Quarter PMS			
Completion date in reviewing Internal Audit Plan	31 December 2016		<u>Target Achieved:</u> Approved on the 14 th December 2016	None		None
Completion date in reviewing Internal Audit Charter Review	31 December 2016		<u>Target Achieved:</u> Approved on the 14 th December 2016	None		None
Completion date in reviewing Audit Committee Charter	31 December 2016		<u>Target Achieved:</u> Approved on the 14 th December 2016	None		None
Budget(R)	R190 000		R178 238			

PROJECT GP/16/17/13: PUBLIC PARTICIPATION PROGRAM

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/	Mitigation /comments

				variance	
# of IDP/Budget public participation sessions held	5 sessions *1 Municipal wide session *4 Sectoral	<u>Target Achieved</u> *Business sector held on 05/05/2017 * Ward Cllrs, CDWs, Ward committee session held on the 07/05/2017 * Traditional Authority 2/05/2017 * 16 municipal wide sessions held from 08 th – 05 May 2017	None	None	
# of mayoral Imbizos held	12 mayoral Imbizos held	<u>Target Not Achieved</u> Seven (7) Mayoral Imbizos held as follows: *03 /11/ 20116 – Kutullo; * 06/12/2016 - Bothashoek; * 23 March 2017 – Leboeng; *14/06/2017 (Phala sports	Mayoral Imbizos replace by other municipal programme .e.g. IDP/Budget, Annual report and Name change consultations	Adherence to Mayoral Imbizos programme	

			ground) *19/06/2017 (Ga-Maroga Moshate) *20/06/2017 (Kopie village) *26/06/2017 (Praktiseer sports ground)		
Budget(R)		R1 100 000	R943 034.60	None	None

PROJECT GP/16/17/14: REVIEW AND IMPLEMENT PUBLIC COMMUNICATION STRATEGY

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for the review of Public Communication Strategy	31 January 2017	<u>Target not Achieved:</u> the communication strategy not completed	No bidder met the requirements	The new advert to be issued with revised terms of references
Budget(R)	R100 000	R8,561.	R00	R00

PROJECT GP/16/17/15: MEDIA RELEASE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of newsletters issued	3 newsletters issued	<u>Target not Achieved:</u> 2 newsletter issued	Appointment of service provider for the third newspaper was delayed due to closing of the financial year	To expedite the appointment of the service provider and to distribute in the first quarter of the new financial year
Budget(R)	R400 000	R198 948		
# of print media	9 print media	<u>Target achieved:</u>	None	None

statements released	statement released	10 media statement issued		
# of electronic (Radio) media statements released	12 electronic (Radio) media statements released	<u>Target achieved:</u> 12 radio statements issued	None	None
Budget(R)	R500 000	R452 744.90		

PROJECT GP/16/17/16: SOLMA

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Due date for hosting SOLMA	30 June 2017	<u>Target achieved:</u> SOLMA held 24 June 2017	None	None
Budget(R)	R800 000	R137 269.95		

PROJECT GP/16/17/18: MARKETING AND BRANDING

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments

# of Branding materials for the new municipality distributed	21 554 Branding materials for the new municipality distributed: Diaries (600), Calendars (10 000), Posters(5000), Banners(6), Door Tags(120), Signage(20) and Name Tags(408)	<u>Target not achieved:</u> Branding materials for the Municipality procured	Door tags could be procured as we are awaiting the finalization of the new logo	New branding will be branded with the new name and logo
Budget(R)	R700 000	R404 203		

PROJECT GP/16/17/19: ADVERTISEMENTS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Turnaround time in Processing ⁹ adverts after received from end user Department	3 days turnaround time in processing adverts after received from end user department	<u>Target achieved:</u> Adverts are processed within 3 days	None	None
Budget(R)	R850 000	R829 367.59		

⁹Processing – generating procurement memorandum and seeking quotations

PROJECT GP/16/17/20: CORPORATE IDENTITY MANUALS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for developing Corporate identity manual	31 May 2017 development of Corporate identity manual completed	<u>Target not Achieved:</u> The Corporate Identity Manual (CIM) was not developed	The CIM could not be developed as the Municipality embarked on a process of changing the name and logo	CI Manual will be developed after the completion of the name change process
Budget(R)	R100 000	R0.00		

PROJECT GP/16/17/21/22/23/24: PMS MANAGEMENT

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date for the review of 2016/17 PMS framework	31 May 2017 review of PMS framework completed	<u>Target achieved:</u> The 2016/17 PMS framework is reviewed on 18 – 20 May 2017 at	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		Swadini Aventura and adopted by council on 29 May 2017		
Budget(R)	R200 000	R88 842		
# of Performance Lekgotla held	4 - Performance Lekgotla held	<u>Target achieved:</u> 4 performance makgotla held in 2016/17 financial year	None	None
Budget(R)	R300 000	131 286.84		
# of in- year reports generated	4 in-year reports generated	<u>Target achieved:</u> 4 in -- year reports generated	None	None
Tabling date of Draft 2015/16 Annual Report	31/01/2016 *Draft Annual Report tabled to Council	<u>Target achieved:</u> Draft Annual Report was tabled to council on 30 January 2017	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date in developing and signing of 2017/18 SDBIP by the Mayor	30 June 2017 completion date developing and signing of 2017/18 SDBIP by the Mayor	<u>Target achieved:</u> Mayor signed the 2017/18 SDBIP on 22 June 2017	None	None
# of performance agreements for section 54/56 managers developed & signed within legal framework ¹⁰	8 - performance agreements for section 54/56 managers developed & signed within legal framework	<u>Target achieved:</u> 8 section 54/56 managers signed their performance agreements	None	None
Budget(R)	R300 000	R0.00		

¹⁰ 30 days after the Mayor/ council has approved the SDBIP

PROJECT GP/16/17/25: CLIENT SATISFACTION SURVEY

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date in conducting Client satisfaction survey	30 June 2017 Completion date in conducting Client Satisfaction Survey	<u>Target not Achieved:</u> Terms of reference developed	Delays in procuring Service provider to conduct the survey	Survey to be conducted in 2017/18 financial year
Budget(R)	R450 000	R0.00		

PROJECT GP/16/17/26: CUSTOMER CARE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Due date for the establishment of Customer Care	30 June 2017 due date for establishment of Customer care	<u>Target not achieved:</u> No customer care	Lack of terms of reference	Seek terms of reference from COGHSTA

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
committee	committee	committee established		
# of Customer Care Reports generated	4 Customer Care Reports generated	<u>Target not achieved:</u> No report generated	Lack of customer care committee	Establishment of customer committee
Budget(R)	R200 000	R0.00		

PROJECT GP/16/17/27: SPECIAL PROGRAMS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of youth development initiatives ¹¹ unfolded	4 youth development initiatives	<u>Target achieved:</u> Seven youth development	None	None

¹¹Youth indaba, Conferences , symposiums and Youth day celebration

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		<p>initiatives unfolded</p> <p>1) Youth against drugs and substance abuse(09/09/2016)</p> <p>2) Youth development and talent show(01/10/2016)</p> <p>3) Digital journalism training (3-7/10/2016) 4) National rural youth services corps (07/02/17</p> <p>5) Jumboree Career Expo=(24/02/17)</p> <p>6) Youth empowerment workshop on chapter 09 institutions (01 March 2017)</p> <p>7) Consumer empowerment workshop (02/03/17)</p> <p>*Indaba/Consultative meeting</p>		

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		30/06/2017		
Budget(R)	R1 200 000	R1,195,897		
# of disabled people initiatives ¹² unfolded	4 disabled people initiatives ¹³ unfolded	<u>Target achieved:</u> 1) Celebrating international day for the disabled (07/12/2017) 2) Establishment of disability forum (24/02/2017) 3) Induction of newly established forum 4) Albinism awareness campaign (02/06/2017) 5) Sign language workshop (twin camping) (19-24/06/2017)	None	None

¹²Disability month celebration and symposiums

¹³Disability month celebration and symposiums

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of children initiatives ¹⁴ unfolded	3 children initiatives ¹⁵ unfolded	<u>Target achieved:</u> 1) Distribution of toys to Early Childhood Development (25/11/2016) 2) Mayor celebrating Christmas party and distributing gifts to children(20/12/2017) 3) Workshop on ECD Funding models and other affected NPO(28/04/2017) 4) Children protection week session(18/05/2017)	None	None
# of gender support programs initiated ¹⁶	2 gender support programs initiated ¹⁷	<u>Target achieved:</u> 1) Dialogue in 16 days of	None	None

¹⁴ Teenage pregnancy and conference

¹⁵ Teenage pregnancy and conference

¹⁶ 16 days activism and Gender conference

¹⁷ 16 days activism and Gender conference

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		activism against GBV(30/11/2016 & 02/12/2016 2)Gender and human rights empowerment workshop(28/02/2017) 3)Participation women's commission lekgotla (22/03/2017) 4)Establishment of Gender Task Team(31/03/2017)		
# of elderly programs ¹⁸ supported	2 elderly programs ¹⁹ supported	<u>Target achieved:</u> 1)Elder persons participating in Golden Games 2)Older persons celebrating Christmas party and receiving present from the	None	None

¹⁸Elderly indaba; Elderly conference

¹⁹Elderly indaba; Elderly conference

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		Mayor(21/12/2017)		
# of initiatives ²⁰ conducted towards Mandela Day	2 initiatives towards Mandela Day	<u>Target Achieved:</u> *stakeholder mobilization done; * Programme and list areas for visit were identified	None	None
# of Moral Re- generation initiatives ²¹ supported	2 Moral Re-generation initiatives ²² supported	<u>Target Achieved:</u> 1)Stakeholder empowerment workshop on MRM (01/03/2017 2) Jumboree career expo targeting the girls (15/03/2017) 3) Establishment of Traditional Healers Practitioners' Forum (27/03/2017) 4)MRM stakeholder consultative	None	None

²⁰Stakeholder mobilization, Identify areas and their needs for attention on Mandela day;

²¹Alcohol and drug abuse awareness and back to school campaign

²²Alcohol and drug abuse awareness and back to school campaign

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		meeting in anticipating establishment of Local committee (27/06/2017)		
Budget(R)	R600 000	R540 825		

PROJECT GP/16/17/28: PURCHASE TRAFFIC FLEET

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of traffic vehicles purchased	3 - traffic vehicles purchased	<u>Target Not Achieved:</u> Processes of purchasing traffic vehicles were at evaluation	Delays in finalizing procurement processes	Vehicles to be purchased in the first quarter of 2017/18 financial

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		stage when the financial year ended		year
Budget(R)	R1 200 000	R0.00		

PROJECT GP/16/17/30: PURCHASE SPEED EQUIPMENTS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of speed equipments purchased	1 - Purchase of speed trap equipment	<u>Target Achieved:</u> 1x speed equipment in place	None	None
Budget(R)	R500 000	R0.00		

PROJECT GP/16/17/31: ONE STOP TRAFFIC STATIONS IN OHRIGSTAD AND MECKLENBURG

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Completion date of establishing one stop traffic station at Ohrigstad	30 June 2017 Establishment of one stop traffic station at Ohrigstad completed	<u>Target Not Achieved:</u> None	Delays in development of terms of reference	Project to be implemented in 2017/18 Financial year
Completion date of establishing one stop traffic station at Mecklenburg	30 June 2017 Establishment of one stop traffic station at Mecklenburg completed	<u>Target Achieved</u> Twickenham Mine donated Mobile Office at Moopetse Camp	None	None
Budget(R)	R200 000	R0.00		

PROJECT GP/16/17/33: TWO WAY RADIO CONTROL ROOM

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of two ways radio control room established	1 - two ways radio control room established	<u>Target Not Achieved:</u> None	None responsive bidders	The project will be re-advertised in 2017/18 financial year
Budget(R)	R500 000	R0.00		

PROJECT GP/16/17/34: WARD COMMITTEE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of consolidated ward committee reports submitted to council	2 - consolidated ward committee reports submitted to council	<u>Target not Achieved:</u> One Consolidated ward committee report developed and submitted to council	Incapacity of ward committee secretaries to generate reports.	Training of ward committees secretaries in the 2017/18 F/Y

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Ward committee conference held	1 Ward Committee conference held	<u>Target not Achieved:</u> No ward committee conference held	Prolonged IDP consultation processes.	Ward Committee conference rescheduled for 2017/18 financial year.
# of Ward Committees Induction conducted	1 - Ward Committees Induction conducted	<u>Target Achieved:</u> Ward Committees Induction conducted 05/12/2016 at Moses Mabothe community hall	None	None
Budget(R)	R2 000 000	R787,500		

PROJECT GP/16/17/35: MUNICIPAL PUBLIC ACCOUNT COMMITTEE (MPAC)

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of MPAC meetings held	3 MPAC meetings held	<u>Target achieved:</u> 10 MPAC meetings held	None	None
Due date for MPAC to table Oversight report on 2015/16 Annual Report to council	31/03/2016 *Oversight Report on 2015/16 Annual Report submitted to Council	<u>Target achieved:</u> 2015/16 Annual Report submitted to Council on 31/03/2016	None	None
# of MPAC reports served in Council	3 MPAC reports served in Council	<u>Target Not Achieved:</u> Two MPAC reports served in council	Insufficient human capital to assist the MPAC	To fill the post of MPAC Researcher
Budget(R)	R150 000	R96 159.33		

PROJECT GP/16/17/36 & GP/16/17/41: LAW ENFORCEMENT AND SAFETY PROGRAMS & ARRIVE ALIVE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of joint operations conducted	Ten(10) Joint Operations conducted	<u>Target Achieved:</u> 09 operations joint operations Conducted as follow: *09 December 2016; *23 December 2016 *24 December 2016; *30 December 2016; * 3 March 2017	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		*4 March 2017 & * 28 June 2017 *29 June 2017 * 30 June 2017		
# of rural safety meetings attended	12 rural safety meetings attended	<u>Target Not Achieved:</u> 07 rural safety meeting conducted: 16/08/2016 20/09/2016 18/10/2016 15/11/2016 18/04/2017 16/05/2017 20/06/2017	Conflicting municipal programmes with rural safety meetings	Development of event calendar

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Pedestrian road safety campaigns held	One (1) Pedestrian road safety campaign	<u>Target not achieved:</u> No Pedestrian road safety campaign held	The pedestrian road safety campaign conflicted with IDP consultation programme	Pedestrian road safety campaign rescheduled to the 1 st Quarter of the 2017/18 Financial Year
# of Arrive alive campaigns conducted	2 - Arrive alive campaigns conducted	<u>Target achieved:</u> Two arrive alive campaigns conducted as follows: *15 November 2016; and * 15 December 2016	None	None
Budget(R)	R360 000	R 167 248		

PROJECT GP/16/17/39: CO-ORDINATION OF COMMUNITY FACILITIES

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Thusong Centre operational reports generated	4 Thusong Centre operational reports generated	<u>Target achieved:</u> 4Thusong Centre operational reports generated	None	None
# of Thusong Centre Outreach Programs conducted	2 Thusong Centre Outreach Programs conducted.* Thusong services centre week;* Public service month	<u>Target not achieved:</u> 1x Thusong Service Centre outreach program conducted on the 28/11/2016.	Insufficient staff in the unit	Capacitate the unit in 2017/18 financial year
# of Local Inter-sectoral Steering Committee (LISSC) meetings held	4 - LISSC meetings held	<u>Target not achieved:</u> 2x LISSC meetings held on the 04/10 & 08/11/2016.	Insufficient staff in the unit	Capacitate the unit in 2017/18 financial year

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Budget(R)	R100 000	R0.00		

PROJECT GP/16/17/40: PURCHASE OF DISASTER VEHICLE

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of Disaster vehicle purchased	1 - Disaster vehicle purchased	<u>Target not achieved:</u> Processes of procuring Disaster vehicle were at evaluation stage when the financial year ended	Delays in finalizing procurement processes	Vehicles to be purchased in the first quarter of 2017/18 financial year
Budget(R)	R500 000	R0.00		

PROJECT GP/16/17/42: TRAINING RECYCLERS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of recyclers trained	30 recyclers trained	<u>Target not Achieved:</u> 13 recyclers trained at Tubatse Crossing Conference Centre at 16 -19 May 2017	Low turnout of recycler	Improve communication with recyclers
Budget(R)	R37 625	R0.00		

PROJECT FTM/DSAC1: LIBRARY AND ARCHIVES

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of new books purchased	300 new books purchased	<u>Target Achieved:</u>	None	None

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
		820 books acquired ; *6 16 books purchased; and *204 books acquired through donations		
# of Library programs conducted	2 Library programmes conducted: * Library week *Wordbook day	<u>Target Achieved:</u> 3 Library programme conducted as follows: *26 November 2016 at Imbita international school; *27 March 2017 at Imbita international school * 30 March 2017 at Mapodile Public Library	None	None
Budget(R)	R500 000	R 202 815.63		

PROJECT FTM/GPP2: HIV/AIDS (HAST) PROGRAMS

Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
# of HAST initiatives conducted	6 –HAST Initiatives conducted; *3x calendar events; *HAST indaba; *Community dialogue; *Community Health awareness campaign)	<u>Target not achieved:</u> 1)World AIDS day 07 /12/2016 2)TB Awareness (31/03/2017) 3)Launching of LAC(24/11/2017) 4. third Quarter LAC meeting 5. 4th quarter LAC meeting	HAST indaba; and community health awareness not conducted	Outstanding HAST initiatives to be conducted in 2017/18 financial year
# orphaned and vulnerable learners provided with School uniform	50 orphaned and vulnerable learners provided with School uniform	<u>Target not Achieved:</u> No orphan supported during the period	No policy in place to support orphans and vulnerable learners	Development of orphans and vulnerable learners policy
# of Local AIDS Council (LAC) Reports generated	4 LAC reports generated	<u>Target not Achieved:</u> 2 reports generated	LAC was established in the 3rd quarter due to the amalgamation of two former municipalities	Reports to be generated on quarterly basis


Performance Indicator	2016/17 target	2016/17 Performance	Challenge/ variance	Mitigation /comments
Budget(R)	R100 000	R441		

12. Conclusion

I find it appropriate as the acting accounting officer of the newly established municipality Lim476 to take this opportunity to appreciate the work well done in the municipality in the financial year under review. We have successfully achieved the following:

- ❖ Amalgamated the two Municipalities namely Fetakgomo and Greater Tubatse Municipalities into one Municipality;
- ❖ Consulted the community on Annual Reports for both Fetakgomo and Greater Tubatse Municipalities;
- ❖ Collected and consolidated community comments/inputs on 2017/18 IDP/Budget and;
- ❖ Conducted community consultation on naming of the new Municipality(Lim476);
- ❖ The naming process was towards conclusion when the financial year ended; and
- ❖ On 24 June 2017 the municipality hosted its first State of Local Municipality address (SOLMA) at Tswelopele sport ground.

The municipality would like to thank those who have positively participated in the building of the new municipality both municipal staff and public. We are looking forward for the same support in this financial year. The municipality is still committed to the development of a platinum city for the benefit of all. Please be part of us as we build a new history for our people. With your support the sky is the limit.



Mrs. Busane NP

Acting Municipal Manager



Date

LIM 476 Local Municipality
(Registration number Lim 476)

**Annual Financial Statements
for the period ended 30 June 2017**

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

General Information

Legal form of entity	Local Municipality
Councillors	
The Mayor	Phokane MJ
The Speaker	Phala TN
The Chief Whip	Shoba MV
	Mamogale MI
	Moeng QM
	Hlatswayo BE
	Pholoane BM
	Maila EE
	Mashego RM
	Kgwedi LJ
	Mogoane MK
	Makine MP
	Radingwana MR
	Mamogale MF
	Maupa TT
	Riba MR
	Mohubedu PS
	Malakane OA
	Mahlaba LM
	Magane MT
	Mabelane MM
	Mahlake TV
	Moshwane XE
	Makofane NN
	Kgaphola MA
	Khoza MR
	Mphethi MM
	Ngwatla TJ
	Malomane HK
	Lekwadi MI
	Mokgotho LL
	Malatji LM
	Maphakge RA
	Mnisi HD
	Mosoma SE
	Molapo NT
	Makua LC
	Rantho LJ
	Mariri ML
	Thobejane ML
	Mohlala SG
	Maisela RP
	Selepe ME
	Manale RE
	Ratsoma MJ
	Moifo KH
	Diphofa DK

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

General Information

	Makau M
	Mashabela MN
	Makhubedu NR
	Magabe MD
	Mphethi ND
	Phaladi RC
	Maphanga TP
	Mojalefa LH
	Gumede RT
	Malapane SS
	Kupa RB
	Madire ND
	Mamokgopa LD
	Makola JV
	Moagi SP
	Thwala CS
	Mogofe A
	Mphogo KD
	Radingwane TM
	Seroka MC
	Mpokgalaka CR
	Makofane IT
	Mashile MD
	Makgopa IK
	Mohlala BJ
	Molapo TI
	Mahlakwana ME
	Lentsoane SA
Grading of local authority	Grade 4
Chief Finance Officer (CFO)	MOHLALA JNT
Registered office	RATAU GT
Business address	Greater Tubatse Municipality 1 Kastania Street Burgersfort 1150
Postal address	P. O. Box 206 Burgersfort 1150
Auditors	Auditor General South Africa
Nature of business and principal activities	Municipality
Bankers	Standard Bank Burgersfort
Attorneys	Noko Maimela Incorporated FM Maluleka Incorporated

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

General Information

Phambani Mokone Incorporated
Modise Mabule Attorneys
Verveen Attorneys
SA Thobane Attorneys
Shongwe Attorneys
Raphela Attorneys
BDK Attorneys
Rachoene Attorneys
Osman Attorneys and Makgoba, Kgomo
Makgaleng Attorneys

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Index

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

Index	Page
Accounting officer's Responsibilities and Approval	5
Audit Committee Report	6 - 7
Accounting Officer's Report	8 - 9
Statement of Financial Position	10
Statement of Changes in Net Assets	12
Statement of Financial Performance	11
Cash Flow Statement	13
	14
Accounting Policies	16
Notes to the Annual Financial Statements	40 - 75

Abbreviations

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting officer's Responsibilities and Approval

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

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

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

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


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

The Accounting Officer has reviewed the Municipality's cash flow forecast for the period to 30 June 2017 and, in the light of this review and the current financial position, he is satisfied that the Municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

I certify that the salaries, allowances and benefits of Councillors and payments made to Councillors for loss of office, if any, as disclosed in note 27 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on page 6 to 72 which have been prepared on the going concern basis, were approved by the Acting Accounting Officer on 31 August 2017 and were signed on its behalf by:



Acting Accounting Officer:
Ms NP Busane

30 November 2017

Date:

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

We are pleased to present our report for the financial year ended 30 June 2017.

Audit committee members and attendance

The audit committee consists of the independent members listed hereunder and should meet at least for four (4) times per annum as per approved terms of reference. During the current year six (6) meetings were held.

Name of Member	Number of meetings attended
Mr Joseph Nakedi Mpjane (Chairperson)	6 (Appointed as Chairperson 7 November 2016)
Adv. Letsepe Thubakgale	0 (Resigned 7 November 2016)
Mr Siyakhula Simelane	5
Adv. Tebogo Martin Malatjle	6
Mr Charles Choene Semenya	6 (Appointed 7 November 2016)
Ms Maria Makhongela	1 (Appointed 7 November 2016 and Resigned 02 February 2017)

The term of the current audit committee was extended on the 3rd of May 2017 for the period of two years.

Audit Committee Responsibility

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

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

The Effectiveness of Internal Controls

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

There has been improvement in the system of internal controls of the municipality during the year and the risk management process are applied to manage the risk the entity is facing. The audit committee notes management's commitment to correct the deficiencies.

Evaluation of Annual Financial Statements

The audit committee has:

- reviewed and discussed the unaudited annual financial statements, to be submitted to the Auditor-General South Africa, with the accounting officer and senior management of the municipality;
- reviewed the municipalities compliance with legal and regulatory provisions.

Evaluation of Draft Performance Report

The audit committee has:

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

Internal Audit

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

Auditor-General of South Africa

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Audit Committee Report

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

Mr J.N Mpjane CA (SA) RA

Chairperson: Audit Committee

Date: _____

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Officer's Report

The Accounting Officer submits the report for the period ended 30 June 2017.

1. Review of activities

Main business and operations

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

Net surplus of the Municipality was R 123,185,619. -.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Refer to Note 49.

3. Subsequent events

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

4. Accounting officer's interest in contracts

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

5. Accounting policies

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

6.

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

Name	Nationality	Changes
Mohlala, Johannes Nkhono Tshepo	RSA	Contract expired on 30 June 2017.

Mr JNT Mohlala's contract expired on 30 June 2017. Ms NP Busane has been appointed as the Acting Municipal Manager effective from 1 July 2017.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Officer's Report

7. Corporate governance

General

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

Councillors

The councillors:

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

Mayor

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

Audit Committee meetings

The Audit Committee has met on 6 separate occasions during the financial period. The Audit Committee meets at least 4 times per annum.

Audit committee

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

1. Mr Joseph Nakedi Mpjane (Chairperson of the Audit and Performance Committee)
2. Mr Siyakhula Simelane (Member of the Audit and Performance committee and also Chairperson of the Risk Committee)
3. Adv Tebogo Martin Malatji (Member of the Audit and Performance Committee)
4. Mr Choene Charles Semenya (Member of the Audit and Performance Committee)

8. Bankers

The municipality banks primarily with Standard Bank.

9. Auditors

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Statement of Financial Position

Figures in Rand	Note(s)	30 June 2017
Assets		
Current Assets		
Inventories	8	1,294,230
Receivables from exchange transactions	9	1,337,030
Receivables from non-exchange transactions	10	1,737,606
VAT receivable	11	45,394,838
Consumer debtors from exchange transactions	12	66,023,589
Consumer debtors from non-exchange transactions	12	129,665,529
Cash and cash equivalents	13	208,340,741
		453,793,563
Non-Current Assets		
Investment property	3	162,495,000
Property, plant and equipment	4	2,222,689,504
Intangible assets	5	47,954
Heritage assets	6	1,068,300
		2,386,300,758
Total Assets		2,840,094,321
Liabilities		
Current Liabilities		
Other financial liabilities	14	991,325
Finance lease obligation	15	125,368
Operating lease liability	38	3,739,161
Payables from exchange transactions	18	74,352,009
Unspent conditional grants and receipts	16	92,760,514
Provisions	17	11,190,742
		183,159,119
Non-Current Liabilities		
Other financial liabilities	14	12,816,906
Operating lease liability	38	13,841,694
Employee benefit obligation	7	24,637,311
Provisions	17	10,420,008
		61,715,919
Total Liabilities		244,875,038
Net Assets		2,595,219,283
Accumulated surplus		2,595,219,283

* See Note

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Statement of Financial Performance

Figures in Rand	Note(s)	30 June 2017
Revenue		
Revenue from exchange transactions		
Service charges	21	14,208,601
Rental of facilities and equipment	32	270,704
Licences and permits		7,160,403
Fees earned		282,230
Other income	24	2,549,175
Interest received - investment	28	9,039,014
Total revenue from exchange transactions		33,510,127
Revenue from non-exchange transactions		
Taxation revenue		
Property rates	20	94,194,061
Property rates - penalties imposed	20	13,053,962
Transfer revenue		
Government grants & subsidies	22	377,036,609
Traffic fines	23	3,213,550
Total revenue from non-exchange transactions		487,498,182
Total revenue	19	521,008,309
Expenditure		
Employee related costs	26	124,147,168
Remuneration of councillors	27	23,357,958
Depreciation and amortisation	29	95,738,973
Impairment loss/ Reversal of impairments		3,089,294
Finance costs	30	2,667,330
Lease rentals on operating lease		13,103,134
Debt Impairment / (Reversal of Impairment)	45	(23,461,270)
Repairs and maintenance		50,099,473
Bulk purchases		153,957
Contracted services	33	50,995,496
Transfers and Subsidies	34	5,465,250
General Expenses	25	75,594,927
Total expenditure		420,951,690
		-
Fair value adjustments	46	23,129,000
Surplus for the period		123,185,619

* See Note

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Adjustments	2,472,033,664	2,472,033,664
Accumulated surplus assumed	<u>2,472,033,664</u>	<u>2,472,033,664</u>
Restated* Balance at 01 July 2016		
Changes in net assets	123,185,619	123,185,619
Surplus for the period	<u>123,185,619</u>	<u>123,185,619</u>
Total changes	<u>2,595,219,283</u>	<u>2,595,219,283</u>
Balance at 30 June 2017		

* See Note

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Cash Flow Statement

Figures in Rand	Note(s)	30 June 2017
Cash flows from operating activities		
Receipts		
Sale of goods and services		50,002,184
Government Grant and subsidies		445,629,111
Interest income		9,039,014
Other receipts		15,031,261
		<u>519,701,570</u>
Payments		
Employee costs		(141,387,724)
Suppliers		(247,792,223)
Finance costs		(1,536,730)
		<u>(390,716,677)</u>
Net cash flows from operating activities	35	<u>128,984,893</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	4	(110,753,005)
Proceeds from sale of property, plant and equipment	4	-
Net cash flows from investing activities		<u>(110,753,005)</u>
Cash flows from financing activities		
Repayment of other financial liabilities		-
Finance lease payments		(911,215)
Net cash flows from financing activities		<u>(911,215)</u>
Net increase/(decrease) in cash and cash equivalents		<u>17,320,673</u>
Cash and cash equivalents at the beginning of the year		191,020,068
Cash and cash equivalents at the end of the year	13	<u>208,340,741</u>

* See Note

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Revenue	Approved Budget	Adjustments	Final budget	Actual Amounts	Difference between Final Budget & Actual	Reference
Revenue from exchange transactions						
Service charges	12,925,877	45,181	12,971,058	14,208,601	1,237,543	N1
Rental of facilities and equipment	1,092,101	(554,500)	537,601	270,704	(266,897)	N2
Licences and permits	6,472,400	(2,000)	6,470,400	7,160,403	690,003	N3
Fees earned	10,763,397	103,603	10,867,000	282,230	(10,584,770)	N4
Other income	2,503,437	945,000	3,448,437	2,549,175	(899,262)	N5
Interest received - investment	10,958,546	(193,320)	10,765,226	9,039,014	(1,726,212)	N6
Agency fees	3,994,780	(332,000)	3,662,780	-	(3,662,780)	N7
Total revenue from exchange transactions	48,710,538	11,964	48,722,502	33,510,127	(15,212,375)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	88,037,912	30,052,581	118,090,493	94,194,061	(23,896,432)	N8
Property rates - penalties imposed	11,259,536	-	11,259,536	13,053,962	1,794,426	N9
Transfer revenue						
Government grants & subsidies	478,660,481	65,265,128	543,925,609	377,036,609	(166,889,000)	N10
Fines, Penalties and Forfeits	2,231,575	-	2,231,575	3,213,550	981,975	N11
Total revenue from non-exchange transactions	580,189,504	95,317,709	675,507,213	487,498,182	(188,009,031)	
Total revenue	628,900,042	95,329,673	724,229,715	521,008,309	(203,221,406)	
Expenditure						
Personnel	(160,342,290)	8,203,226	(152,139,064)	(124,147,168)	27,991,896	N12
Remuneration of councillors	(29,028,428)	1,312,840	(27,715,588)	(23,357,958)	4,357,630	N13
Depreciation and amortisation	(44,183,000)	2,949,831	(41,233,169)	(95,738,973)	(54,505,804)	N14
Impairment loss/ Reversal of impairments	-	-	-	(3,089,294)	(3,089,294)	N13
Finance costs	(1,652,500)	-	(1,652,500)	(2,667,330)	(1,014,830)	N15
Lease rentals on operating lease	(17,550,000)	-	(17,550,000)	(13,103,134)	4,446,866	N16
Debt impairment	(30,387,000)	5,850,000	(24,537,000)	23,461,270	47,998,270	N17
Repairs and maintenance	(32,417,125)	(37,982,044)	(70,399,169)	(50,099,473)	20,299,696	N18
Bulk purchases	-	-	-	(153,957)	(153,957)	
Contracted Services	(41,820,000)	(12,665,000)	(54,485,000)	(50,995,496)	3,489,504	N19
Transfers and Subsidies	(5,425,000)	-	(5,425,000)	(5,465,250)	(40,250)	N20
General Expenses	(118,286,711)	(32,865,745)	(151,152,456)	(75,594,927)	75,557,529	N21
Total expenditure	(481,092,054)	(65,196,892)	(546,288,946)	(420,951,690)	125,337,256	
Operating surplus	147,807,988	30,132,781	177,940,769	100,056,619	(77,884,150)	
Fair value adjustments	-	-	-	23,129,000	23,129,000	
Surplus before taxation	147,807,988	30,132,781	177,940,769	123,185,619	(54,755,150)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	147,807,988	30,132,781	177,940,769	38,751,297	(139,189,472)	

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Budget on Accrual Basis

Figures in Rand

- N1** - The consolidated billing for former municipalities was under stated for during the budget process.
- N2** - Non functional of properties earmarked for revenue collection / resistance of customer s to utilise the properties being rented
- N3** - High demand of service.
- N4** - Resistance of customers to pay for levied rates and taxes
- N6** - The projected interest on investment was based on the current investments made. The deduction of the Equitable share from the second trench allocation stopped the Municipality from investing more cash as a result of cash flow projections.
- N7** - Included in Licences and permits is commission earned as a result of third party collection.
- N8** - The consolidated billing for former municipalities was overstated for during the budget process. The new valuation roll shows properties that were exempted from being levied.
- N9** - More Customers were defaulted from paying of rates.
- N10** - Included in the budget for current year is an allocation for former GTM which was not excluded when compling the LIM476 budget. In this regard the budget for current year was overstated. The unspent conditional grant which emanates from former GTM for 2015/2016 was deducted from the 2nd trench of Equitable share.
- N11** - Resistance of defaulters to pay for traffic fines.
- N12** - Vacant posts budgeted for but not filled during the year.
- N13** - The new council was elected during August and were only paid from Septembes and prorata payment for the period of August.
- N14** - The consolidated asset register included other assets from former FTM which were not accountated for on the asset register for former FTM
- N16** - Rental of municipal building was overstated during the budget process.
- N17** - Less 10%.
- N18** - The variance emanates from the regravelling of roads which was over budgted.
- N19** - Less 10%.
- N20** - Less 10%.
- N21** - This variance emanates from operating projects savings on other operating projects during the year.

The accounting policies on page 16 and the notes on pages 40 to 75 form an integral part of the annual financial statements.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

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

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

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Mergers

Definitions

Carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position.

Combined municipality is a new reporting entity formed from the combination of two or more entities.

Combining entities are the entities that are combined for the mutual sharing of risks and benefits in a merger.

Control is the power to govern the financial and operating policies of another municipality so as to benefit from its activities.

A merger is the establishment of a new combined municipality in which none of the former entities obtain control over any other and no acquirer can be identified.

Merger date is the date on which entities are combined for the mutual sharing of risks and benefits and when the assets and liabilities are transferred to the combined municipality.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another municipality.

A merger is the establishment of a new combined municipality in which none of the former entities obtains control over any other and no acquirer can be identified. As no acquirer can be identified, a merger does not result in a municipality having or obtaining control over any of the entities that are involved in the transaction or event, as the combining entities are not controlled entities of each other, either before or after the merger.

Identifying the combined entity and combining entities

For each merger a combined municipality and combining entities is identified. All relevant facts and circumstances are considered in identifying the combined municipality and combining municipality.

The binding arrangement usually sets out which entities are to be combined as a result of the merger, and identifies the new reporting municipality after the merger.

Determining the merger date

The combined municipality and the combining entities identify the merger date, which is the date on which the new reporting municipality obtains control of the assets and liabilities and the combining entities loses control of their assets and liabilities.

All relevant facts and circumstances are considered in identifying the merger date.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.2 Mergers (continued)

Assets acquired [transferred] and liabilities assumed [derecognised]

The recognition of assets and liabilities by the entity as combined entity are subject to the following conditions:

The assets and liabilities that qualify for recognition in a merger are part of what had been agreed in terms of the binding arrangement, rather than the result of separate transactions.

Other criteria for the entity (as the combined entity)

The assets and liabilities that qualify for recognition as set out in the binding arrangement meets the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the merger date.

Costs that the entity expects but which the municipality is not obliged to incur in the future to effect its plan to exit an activity of the combining entities or to terminate the employment of, or relocate the combining entities' employees, is not be accounted for as part of the liabilities at the merger date. The entity does not recognise those costs as part of a merger. Instead, the municipality recognises these costs in its annual financial statements after the merger has occurred, in accordance with the applicable Standards of GRAP.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.2 Mergers (continued)

Accounting by the entity as the combined entity

Initial recognition and measurement

As of the merger date, the municipality recognises all the assets acquired and liabilities assumed. The assets acquired and liabilities assumed are measured at their carrying amounts.

If, prior to the merger, a combining municipality was not applying the accrual basis of accounting, that combining municipality changes its basis of accounting to the accrual basis of accounting prior to the merger.

The difference between the carrying amounts of the assets acquired and the liabilities assumed is recognised in accumulated surplus or deficit.

Measurement period

If the initial accounting for a merger is incomplete by the end of the reporting period in which the merger occurs, the municipality reports in its annual financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the municipality retrospectively adjust the provisional amounts recognised at the merger date to reflect new information obtained about facts and circumstances that existed as of the merger date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the municipality receives the information it was seeking about facts and circumstances that existed as of the merger date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the merger date.

The municipality considers all relevant factors in determining whether information obtained after the merger date should result in an adjustment to the provisional amounts recognised or whether that information results from events that occurred after the merger date. Relevant factors include the date when additional information is obtained and whether the municipality can identify a reason for a change to provisional amounts.

The municipality recognises an increase (decrease) in the provisional amount recognised for an asset (liability) by means of decreasing (increasing) the excess of the purchase consideration paid over the carrying amount of the assets acquired and liabilities assumed previously recognised in accumulated surplus or deficit.

During the measurement period, the municipality recognises adjustments to the provisional amounts as if the accounting for the merger had been completed at the merger date. Thus, the municipality revises comparative information for prior periods presented in annual financial statements as needed, including making any change in depreciation, amortisation or other income effects recognised in completing the initial accounting.

After the measurement period ends, the municipality revises the accounting for a merger only to correct an error in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Expenditure incurred in relation to the merger

Expenditures incurred in relation to the merger are costs that the entity incurs to effect the merger. These costs include advisory, legal, accounting and other professional or consulting fees, general administrative costs, costs to furnish information to owners of the combining entities, and salaries and other expenses related to services of employees involved in achieving the merger. It also includes costs or losses incurred in combining the assets and liabilities of the combining entities. The municipality accounts for such expenditure as expenses in the period in which the costs are incurred.

Subsequent measurement

The municipality subsequently measures any assets acquired and any liabilities assumed in a merger in accordance with the applicable Standards of GRAP.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.2 Mergers (continued)

At the merger date, the municipality classifies or designates the assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequently. The municipality makes those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, the operating or accounting policies and other relevant conditions as these exist at the merger date. An exception is that the municipality classifies the following contracts on the basis of the contractual terms and other factors at the inception of the contract (or, if the terms of the contract have been modified in a manner that would change its classification, at the date of that modification, which might be the merger date):

- classification of a lease contract as either an operating lease or a finance lease in accordance with the Standard of GRAP on Leases; and
- classification of a contract as an insurance contract in accordance with the International Financial Reporting Standard on Insurance Contracts.

The annual financial statements of the municipality are prepared using uniform accounting policies for similar transactions and other events or similar circumstances.

Accounting by entity as the combining entity

Assets transferred and liabilities de-recognised

As of the merger date, the municipality as the combining entity transfer and de-recognise from its annual financial statements, all the assets and liabilities de-recognised at their carrying amounts.

Until the merger date, the municipality continues to measure these assets and liabilities in accordance with applicable Standards of GRAP.

The difference between the carrying amounts of the assets transferred and the liabilities de-recognised are recognised in accumulated surplus or deficit.

1.3 Significant judgements and sources of estimation uncertainty

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

Trade receivables

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

Traffic Debtors

The traffic fines will be impaired when the probability of collecting the outstanding amount is uncertain. The traffic fine shall be assess "in each reporting period" individually to determine the **recoverability rate** of the amount collected and thereafter determine percentage for provision to be made based on the calculation recoverability rate. The provision for doubtful debts on traffic fines will be informed by the recoverability rate.

Impairment of Consumer and other receivables

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

The calculation in respect of the impairment of debtors is based on the municipality's approved policy on calculation of doubtful debts. In accordance with GRAP 104 (Financial Instruments), an objective assessment of financial assets is made at year end to determine possible impairment. Impairment loss is recognised as an expense in the Statement of Financial Performance. The determination of the impairment loss is guided by the following principles as per GRAP 104 . The municipality assesses financial assets individually, when assets are individually significant, and individually or collectively for financial assets that are not individually significant. (Individual Debtors' balances that constitute at least 5 percent of the total debtors book are considered to be individually significant by the municipality).

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

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

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

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

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

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 17.

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

The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Additional information is disclosed in note 7.

Classification as investment property

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

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

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

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

1.4 Investment property

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

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

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

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

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

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

Fair value

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

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

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

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

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

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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

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

Property, plant and equipment is initially measured at cost.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.5 Property, plant and equipment (continued)

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

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

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

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

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

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 is carried at cost less accumulated depreciation and any impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. 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 asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.5 Property, plant and equipment (continued)

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

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

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

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

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.5 Property, plant and equipment (continued)

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

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

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

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

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.

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

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

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

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

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

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.

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.6 Intangible assets (continued)

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

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

1.7 Heritage assets

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

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

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

Heritage assets are measured at cost.

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

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

Impairment

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

1.8 Financial instruments

Classification

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

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

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

Initial recognition and measurement

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

Subsequent measurement

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

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

Impairment of financial assets

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.8 Financial instruments (continued)

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

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

Impairment losses are recognised in surplus or deficit.

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

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

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

Financial instruments designated as at fair value through surplus or deficit

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

Receivables from exchange transactions

Receivables from exchange transactions comprise of:

- Consumer debtors

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

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

Consumer and other receivables are classified as loans and receivables.

Payables from exchange transactions

Payables from exchange transactions comprise of:

- Trade payables
- Payments in advance.

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

Cash and cash equivalents

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.8 Financial instruments (continued)

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

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

Derivatives

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

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

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

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

Held to maturity

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

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

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

Payables from exchange transactions

Payables from exchange transactions comprise of:

- Trade payables
- Payments in advance

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

Gains and losses

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

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

Derecognition

Financial assets

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.8 Financial instruments (continued)

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

- the rights to receive cash flows from the asset have expired;
- the municipality has transferred its rights to receive cash flows from the asset and either
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

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

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.

Finance leases - lessee

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

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

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

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

Operating leases - lessor

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

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

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

Operating leases - lessee

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

1.10 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.

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.10 Inventories (continued)

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

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

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

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

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

1.11 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

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

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

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

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

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

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

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

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

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

Reversal of impairment loss

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

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

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

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

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

1.12 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

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

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

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

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

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

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

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

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

Useful life is either:

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

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

Identification

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

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

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

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

Value in use

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

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

Depreciated replacement cost approach

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Reversal of an impairment loss

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

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

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

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

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

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

Redesignation

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

1.13 Accumulated surplus / (deficit)

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

1.14 Employee benefits

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

Post-employment benefits: Defined contribution plans

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

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

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

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.14 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

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

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

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

Other long-term employee benefits

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

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

1.15 Leave

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

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

1.16 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.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.16 Provisions and contingencies (continued)

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

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

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

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

Provisions are not recognised for future operating deficits.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or a present obligation that arises from past events but is not recognised because:

- it is not probable than an outflow of resources embodying economic benefits or service potential will be required; and
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

Decommissioning, restoration and similar liability

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

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.11.

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
 - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.16 Provisions and contingencies (continued)

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

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

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

1.17 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.18 Revenue

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

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

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

Revenue from non-exchange transactions comprises of:

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

Measurement

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

Sale of goods

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.18 Revenue (continued)

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.

Interest

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

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

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

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

1.19 Service charges

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.19 Service charges (continued)

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Fines

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

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

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

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

1.20 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.

1.21 Comparative figures

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

1.22 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 period 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.

1.23 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 period 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.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.24 Irregular expenditure

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

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

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

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

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

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

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

1.25 Investments

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

1.26 Conditional grants and receipts

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

1.27 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.

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

The approved budget covers the fiscal period from 11/08/2016 to 30/06/2017.

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Accounting Policies

1.27 Budget information (continued)

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

1.28 Related parties

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

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

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

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

1.29 Events after reporting date

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

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

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

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

1.30 Prior period error

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

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

1.31 Change in accounting policy

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

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

30 June
2017

Figures in Rand

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current period

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

GRAP 105: Transfers of Functions Between Entities Under Common Control

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

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

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

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

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

The municipality has adopted the standard for the first time in the 2017 annual financial statements.

The impact of the standard is not material.

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

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

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

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

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

The municipality has adopted the standard for the first time in the 2017 annual financial statements.

The impact of the standard is not material.

GRAP 107: Mergers

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

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

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

The municipality has adopted the standard for the first time in the 2017 annual financial statements.

The impact of the standard is not material.

IGRAP 11: Consolidation – Special purpose entities

An entity may be created to accomplish a narrow and well-defined objective (e.g. to effect a lease, research and development activities or a securitisation of financial assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity. SPEs often are created with legal arrangements that impose strict and sometimes permanent limits on the decision-making powers of their management over the operations of the SPE.

Frequently, these provisions specify that the policy guiding the ongoing activities of the SPE cannot be modified, other than perhaps by its creator or sponsor (ie they operate on so-called 'autopilot').

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

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

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

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

The municipality has adopted the standard for the first time in the 2017 annual financial statements.

The impact of the standard is not material.

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

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

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

The issues are:

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

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

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

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

The municipality has adopted the standard for the first time in the 2017 annual financial statements.

The impact of the standard is not material.

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

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

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

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

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

The municipality has adopted the standard for the first time in the 2017 annual financial statements.

The impact of the standard is not material.

GRAP 7 (as revised 2010): Investments in Associates

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

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

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

The municipality has adopted the standard for the first time in the 2017 annual financial statements.

The impact of the standard is not material.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

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

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

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

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

The municipality has adopted the standard for the first time in the 2017 annual financial statements.

The impact of the standard is not material.

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

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

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

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

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

The municipality has adopted the standard for the first time in the 2017 annual financial statements.

The impact of the standard is not material.

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2017 or later periods but are not relevant to its operations:

GRAP 20: Related parties

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

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

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

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

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

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

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

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

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

The standard elaborates on the definitions and identification of:

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

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

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

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

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

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

GRAP 32: Service Concession Arrangements: Grantor

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

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

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

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

GRAP 108: Statutory Receivables

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

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

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

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

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

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

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

This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time.

The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

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

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.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

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

GRAP 16 (as amended 2015): Investment Property

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GRAP 109: Accounting by Principals and Agents

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

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

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

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

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

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

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

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

Summary of changes:

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

General definitions:

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

- Cash generating assets and non-cash-generating assets

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

- Identifying an asset that may be impaired:

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

- Reversing an impairment loss:

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

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

- Disclosures:

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

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

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

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

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

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

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

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

Summary of changes:

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

- General definitions:

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

- Cash generating assets and non-cash-generating assets:

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

- Disclosures:

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

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

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

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

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

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

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

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

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

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

LIM 476 Local Municipality

(Registration number Lim 476)
Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand

3. Investment property

	2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	162,495,000	-	162,495,000

Reconciliation of investment property - 2017

	Opening balance / Merger	Fair value adjustments	Total
Investment property	139,366,000	23,129,000	162,495,000

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

LIM 476 Local Municipality

(Registration number Lim 476)
Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand

4. Property, plant and equipment

	2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	114,431,392	-	114,431,392
Buildings	87,060,053	(19,789,842)	67,270,211
Plant and machinery	34,960,558	(10,343,510)	24,617,048
Furniture and fixtures	11,538,209	(6,414,306)	5,123,903
Motor vehicles	6,876,761	(3,263,936)	3,612,825
Office equipment	2,712,406	(1,424,756)	1,287,650
IT equipment	8,645,815	(4,897,009)	3,748,806
Infrastructure	2,320,070,191	(507,582,933)	1,812,487,258
Community	59,210,071	(6,773,038)	52,437,033
Work In Progress	137,140,801	-	137,140,801
Other assets	964,217	(431,640)	532,577
Total	2,783,610,474	(560,920,970)	2,222,689,504

Reconciliation of property, plant and equipment - 2017

	Opening balance / Merger	Additions	Disposals	Transfers	Impairment	Depreciation	Total
Land	111,701,392	2,730,000	-	-	-	-	114,431,392
Buildings	70,086,676	-	-	-	-	(2,816,465)	67,270,211
Plant and machinery	26,952,492	27,500	-	-	-	(2,362,944)	24,617,048
Furniture and fixtures	5,947,195	25,666	-	-	-	(848,958)	5,123,903
Motor vehicles	4,287,242	27,000	-	-	-	(701,417)	3,612,825
Office equipment	1,565,276	7,499	-	-	-	(285,125)	1,287,650

(Registration number Lim 476)
Annual Financial Statements for the period ended 30 June 2017

Figures in Rand

Reconciliation of Work-in-Progress 2017

5. Intangible assets

Reconciliation of intangible assets - 2017

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

	30 June 2017
Figures in Rand	

5. Intangible assets (continued)

	Opening balance / Merger	Amortisation	Total
Intangible assets	88,339	(40,385)	47,954

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
-----------------	-----------------

6. Heritage assets

	2017		
	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	1,068,300	-	1,068,300

Reconciliation of heritage assets 2017

	Opening balance / Merger	Total
Art Collections, antiquities and exhibits	1,068,300	1,068,300

7. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(21,550,688)
Actuarial gains (losses)	613,246
Current service cost	(2,180,246)
Interest cost	(1,693,472)
Benefits paid	173,849
	<u>(24,637,311)</u>

Net expense recognised in the statement of financial performance

Current service cost	2,180,246
Interest cost	1,693,472
Actuarial (gains) losses	(613,246)
Settlement	(173,849)
	<u>3,086,623</u>

Calculation of actuarial gains and losses

Actuarial (gains) losses – Obligation	<u>(787,095)</u>
---------------------------------------	------------------

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9.66 %
Medical cost trend rates	8.03 %

Financial variable (Post employment medical aid benefits)

Discount rate	2017 Yield Curve
CPI	Difference between nominal and yield curves
Medical aid contribution inflation	CPI+ 1%
Net effective discount rate	Yield curve based
Financial variable (Long service leave)	
Discount rate	Yield Curve

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

30 June
2017

Figures in Rand

7. Employee benefit obligations (continued)

CPI

Difference between nominal and real yield
curve

Normal Salary Increase Rate

Equal to CPI+1%

Net effective discount rate

Yield curve based

Defined contribution plan

Post Employment Medical Aid

It is the policy of the municipality to provide post employment medical aid benefits to all its employees. A post employment medical aid defined contribution provident fund, which is subject to the Pensions Fund Act exists for this purpose. It is the policy of the municipality to provide retirement benefits to all its employees as per employee defined benefits on their specific relevant contracts.

The municipality is under no obligation to cover any unfunded benefits.

Discount rate

GRAP 25 defines the determination of the Discount rate assumption to be used as follows:

"The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve."

Statement of Financial Position

The nominal and real zero curves as at 30 June 2017 supplied by the JSE to determine our discount rates and CPI assumptions at each relevant time period was used. For example, a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years.

Medical Aid Inflation

The Medical Aid Contribution Inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period.

South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. We do not consider these increases to be sustainable and have assumed that medical aid contribution increases would out-strip general inflation by 1% per annum over the foreseeable future.

Average Retirement Age

The average retirement age for all active employees was assumed to be 63 years. This assumption implicitly allows for ill-health and early retirements.

Normal Retirement Age

The normal retirement age (NRA) for all active employees was assumed to be 65 years.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
-----------------	-----------------

7. Employee benefit obligations (continued)

Mortality Rates

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry. Mortality post-employment (for pensioners) has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS.

Spouses and Dependants

The actuaries assumed that the marital status of members who are currently married will remain the same up to retirement. It was also assumed that 90% of all single employees would be married at retirement with no dependent children. Where necessary it was assumed that female spouses would be five years younger than their male spouses at retirement and vice versa.

LONG SERVICE AWARD

Discount rate

GRAP 25 defines the determination of the Discount rate assumption to be used as follows:

"The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve."

Statement of Financial Position

The nominal and real zero curves as at 30 June 2017 supplied by the JSE to determine our discounted rates and CPI assumptions at each relevant time period was used. Previously only one discount rate was used to value all the liabilities.

Net effective discount rate

The Net Effective Discount Rate is different for each relevant time period of the yield curves' various durations and therefore the Net Effective Discount Rate is based on the relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Salary Inflation for each relevant time period.

Normal salary inflation rate

We have derived the underlying future rate of consumer price index inflation (CPI inflation) from the relationship between the (yield curve based) Conventional Bond Rate for each relevant time period and the (yield curve based) Inflation-linked Bond rate for each relevant time period. Our assumed rate of salary inflation was set as the assumed value of CPI plus 1%. The salaries used in the valuation include an assumed increase on 01 July 2016 of 6%. The next salary increase was assumed to take place on 01 July 2017.

8. Inventories

Consumables	1,294,230
-------------	-----------

9. Receivables from exchange transactions

Sundry debtors	1,337,043
Other receivables	(13)
	<u>1,337,030</u>

10. Receivables from non-exchange transactions

Traffic Fines	782,721
Other receivables	954,885
	<u>1,737,606</u>

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
11. VAT receivable	
VAT	<u>45,394,838</u>
The VAT is disclosed as a receivable of R45,394,838.	
VAT receivable movement are disclosed in note 44.	
12. Consumer debtors	
Gross balances	
Rates	191,802,510
Refuse	47,429,784
Other	50,741,738
	<u>289,974,032</u>
Less: Allowance for impairment	
Rates	(62,136,981)
Refuse	(15,330,857)
Other	(16,817,076)
	<u>(94,284,914)</u>
Net balance	
Rates	129,665,529
Refuse	32,098,927
Other	33,924,662
	<u>195,689,118</u>
Included in above is receivables from exchange transactions	
Refuse	32,098,927
Other	33,924,662
	<u>66,023,589</u>
Included in above is receivables from non-exchange transactions (taxes and transfers)	
Rates	129,665,529
	<u>195,689,118</u>
Net balance	
Rates	
Current (0 -30 days)	7,501,527
31 - 60 days	9,415,139
61 - 90 days	3,947,155
91 - 120 days	3,897,006
121 - 360 days	43,979,441
> 365 days	123,062,242
	<u>191,802,510</u>
Refuse	
Current (0 -30 days)	1,812,292
31 - 60 days	2,414,527
61 - 90 days	1,135,473
91 - 120 days	1,130,387
121 - 365 days	8,653,961
> 365 days	32,283,143

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
-----------------	-----------------

12. Consumer debtors (continued)

	47,429,783
Other	
Current (0 -30 days)	2,074,029
31 - 60 days	3,630,261
61 - 90 days	1,873,698
91 - 120 days	1,596,123
121 - 365 days	9,903,942
> 365 days	31,663,685
	50,741,738

Consumer debtors pledged as security

None of the consumer debtors were pledged as security.

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,551
Bank balances	45,589,524
Other cash and cash equivalents	162,748,666
	208,340,741

The municipality had the following bank accounts

Account number / description	Bank balance 30 June 2017	Cash Book balance 30 June 2017
FNB BANK - CALL ACCOUNT - 620-623-0699	36,798	36,798
FNB BANK - CHEQUE ACCOUNT - 565-500-22466	6,707,626	3,935,547
FNB BANK - BUSINESS MONEY MARKE - 621-714-33982	206,904	206,904
FNB BANK - CALL ACCOUNT - 620-275-10818	952,725	952,725
FNB BANK - CALL ACCOUNT - 616-550-0887	76,816	76,816
NEDBANK - 90DAYS NOTICE - 7881096004/0024	89,127,688	89,127,688
STANDARD BANK - BUSINESS ACCOUNT - 030164532000	4,258,619	4,258,619
STANDARD BANK - BUSINESS ACCOUNT - 330062891000	37,395,226	37,395,359
VBS MUTUAL BANK - CALL ACCOUNT- 10058988001	31,418,013	31,418,013
VBS MUTUAL BANK -CALL ACCOUNT- 10058988002	40,929,723	40,929,723
PETTY CASH	17	2,551
Total	211,110,155	208,340,743

14. Other financial liabilities

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
14. Other financial liabilities (continued)	
At amortised cost	
DBSA LOAN 102904/1&2	12,469,120
Loan 102904/1 - Interest bearing at a rate of 10.415% per annum over a loan period of 20 years.	
Loan 102904/2 - Interest bearing at a rate of 5% per annum over a loan period of 20 years.	
DBSA LOAN 13585/102	1,339,111
Loan 13585/102 - Interest bearing at a rate of 5% per annum over a loan period of 20 years.	
Total financial liabilities	13,808,231
Total other financial liabilities	13,808,231
Non-current liabilities	
At amortised cost	12,816,906
Current liabilities	
At amortised cost	991,325
15. Finance lease obligation	
Minimum lease payments due	
- within one year	129,794
	129,794
less: future finance charges	(4,426)
Present value of minimum lease payments	125,368
Present value of minimum lease payments due	
- within one year	125,368
It is municipality policy to lease plant and equipment under finance leases.	
The average lease term was 3-5 years and the average effective borrowing rate was 9.25%.	
Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.	
The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer to note 4.	
16. Unspent conditional grants and receipts	
Unspent conditional grants and receipts comprises of:	
Unspent conditional grants and receipts	
MDTG	3,584,879
FMG Grant	77
EPWP Grant	46,035
MIG Grant	585,523
INEP Electrification Grant	80,000,000
Neighbourhood Development Grant	8,544,000
	92,760,514

See note 22 for reconciliation of grants from National/Provincial Government.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
-----------------	-----------------

17. Provisions

Reconciliation of provisions - 2017

	Opening Balance / Merger	Additions	Total
Environmental rehabilitation	9,289,408	1,130,600	10,420,008
Leave accrual	10,161,209	1,029,533	11,190,742
	19,450,617	2,160,133	21,610,750
Non-current liabilities			10,420,008
Current liabilities			11,190,742
			21,610,750

Environmental rehabilitation provision

The landfill site was full as at 30 June 2017 thus the Landfill rehabilitation and closure cost of R10,420,008 as determined by the actuaries as at 30 June 2017 was fully recognised in the 2017 AFS. It is expected that the provision will be utilised in the 2017-18 financial year for the rehabilitation and closure costs.

18. Payables from exchange transactions

Trade payables	20,146,006
Unallocated receipts	20,253,280
Accrued bonus	3,729,906
Retention creditors	19,691,782
Other payables	3,681,263
Consumer debtors in credit	6,849,772
	74,352,009

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
19. Revenue	
Service charges	14,208,601
Rental of facilities and equipment	270,704
Licences and permits	7,160,403
Fees earned	282,230
Other income	2,549,175
Interest received - investment	9,039,014
Property rates	94,194,061
Property rates - penalties imposed	13,053,962
Government grants & subsidies	377,036,609
Fines, Penalties and Forfeits	3,213,550
	521,008,309
The amount included in revenue arising from exchanges of goods or services are as follows:	
Service charges	14,208,601
Rental of facilities and equipment	270,704
Licences and permits	7,160,403
Fees earned	282,230
Other income	2,549,175
Interest received - investment	9,039,014
	33,510,127
The amount included in revenue arising from non-exchange transactions is as follows:	
Taxation revenue	
Property rates	94,194,061
Property rates - penalties imposed	13,053,962
Transfer revenue	
Government grants & subsidies	377,036,609
Fines, Penalties and Forfeits	3,213,550
	487,498,182
20. Property rates	
Rates received	
Property rates	98,771,155
Less: Income forgone	(4,577,094)
	94,194,061
Property rates - penalties imposed	13,053,962
	107,248,023
Valuations	
Residential	2,998,592,000
Commercial	2,254,530,000
Government	131,026,000
Municipal	88,713,000
Small holdings and farms	1,847,941,000
Schools	798,085,000
Mines	676,680,000
Churches	18,440,000
	8,814,007,000

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
-----------------	-----------------

20. Property rates (continued)

Valuations on land and buildings are performed every 4 years. The latest general valuation came into effect on 1 July 2016. The municipality requested an extension the validity of the valuation roll from the office of the MEC of Local Government. The extension was granted. Supplementary valuations are processed on a need basis to take into account changes in individual property values due to alterations and subdivisions.

A general rate is applied to property valuations to determine assessment rates. Rebates of 30% are granted to residential and state property owners.

Rates are levied on an annual basis and paid on monthly basis. Interest at prime plus 1% per annum and a collection fee of is levied on rates outstanding two months after due date.

21. Service charges

Refuse removal	14,208,601
----------------	------------

22. Government grants and subsidies

Operating grants

Equitable share	256,467,000
Municipal Demarcation Transitional Grant	9,843,121
EPWP	2,121,000
FMG	3,635,000
	<u>272,066,121</u>

Capital grants

Municipal Infrastructure Grant	104,970,488
	<u>104,970,488</u>
	<u>377,036,609</u>

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive 100% subsidy on a monthly basis for rates and refuse, which is funded from the grant.

MDTG

Balance unspent at beginning of period / Merger	5,372,000
Current-year receipts	8,056,000
Conditions met - transferred to revenue	(9,843,121)
	<u>3,584,879</u>

Conditions still to be met - remain liabilities (see note 16)

FMG

Balance unspent at beginning of period / Merger	77
Current-year receipts	3,635,000
Conditions met - transferred to revenue	(3,635,000)
	<u>77</u>

Conditions still to be met - remain liabilities (see note 16)

The grant is used to cater for the finance management interns, their training and any other financial management reforms.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
-----------------	-----------------

22. Government grants and subsidies (continued)

EPWP

Balance unspent at beginning of period / Merger	46,035
Current-year receipts	2,121,000
Conditions met - transferred to revenue	(2,121,000)
	<u>46,035</u>

Conditions still to be met - remain liabilities (see note 16)

The grant is used for salaries of employees for the Extended Public Works Programme.

MIG

Balance unspent at beginning of period / Merger	18,796,013
Current-year receipts	110,885,000
Conditions met - transferred to revenue	(104,970,490)
Amount paid to Treasury	(24,125,000)
	<u>585,523</u>

Conditions still to be met - remain liabilities (see note 16)

This grant is for the implementation of projects approved by MIG.

INEP

Current-year receipts	<u>80,000,000</u>
-----------------------	-------------------

Conditions still to be met - remain liabilities (see note 16).

Neighbourhood Development Grant

Current-year receipts	<u>8,544,000</u>
-----------------------	------------------

Conditions still to be met - remain liabilities (see note 16).

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
23. Other revenue	
Fees earned	282,230
Fines, Penalties and Forfeits	3,213,550
Other income	2,549,175
Licences and permits	7,160,403
	13,205,358
24. Other income	
Outdoor Advertisement	2,142,274
Sundry Income	406,901
	2,549,175
25. General expenses	
Allowances traditional leaders	368,751
Advertisements	854,729
Auditors remuneration	7,429,629
Bank charges	1,568,595
Debt collection	589,578
Entertainment	687,764
Insurance	1,192,004
IT management	8,467,088
Promotions and sponsorships	364,370
Magazines, books and periodicals	293,322
EPWP - Implementation of grant	2,632,025
Fuel and oil	963,892
Printing and stationery	984,664
Protective clothing	63,645
Royalties and license fees	17,643
Occupational health and safety	343,128
Employee wellness	98,460
Subscriptions and membership fees	3,390,087
Telephone and fax	1,901,251
Training	2,215,743
Travel - local	7,571,369
Refuse	48,246
Special programs	6,957,603
Ward committee	2,963,497
Skills development program	1,186,513
Implementation of FMG grant	1,865,087
Other expenses	19,901,041
Rent of equipment and offices	675,203
	75,594,927
26. Employee related costs	
Basic	74,659,248
Medical aid - company contributions	6,104,115
UIF	515,337
Industrial council levy	31,317
Skills development levy	1,156,476
Leave pay provision charge	1,029,533
Defined contribution plans	13,698,389
Overtime payments	2,337,558
Long-service bonus provision	775,099

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

	30 June 2017
Figures in Rand	
26. Employee related costs (continued)	
13th Cheques	6,269,628
Acting allowances	22,537
Car allowance	13,665,105
Housing benefits and allowances	1,220,918
Telephone allowance	1,349,186
Other allowance	86,575
Post Employment Health Care Benefit Current Cost	1,226,147
	124,147,168
Remuneration of Municipal Manager	
Salary	800,091
Car allowance	213,548
Telephone allowance	38,695
Travel claim	115,249
Subsistence allowance	1,734
Housing allowance	168,523
Remote allowance	50,759
	1,388,599
Remuneration of Chief Finance Officer	
Salary	601,591
Telephone allowance	26,160
Car Allowance	256,155
Travel claim	6,528
Subsistence allowance	774
Remote allowance	34,376
	925,584
Remuneration of Municipal Manager (Former FTM)	
Salary	890,380
Car Allowance	7,928
Telephone Allowance	16,842
Travel Claim	11,142
Subsistence Allowance	1,380
Leave pay	169,928
	1,097,600
Remuneration of Deputy Chief Finance Officer	
Salary	867,924
Car Allowance	137,871
Telephone Allowance	21,474
Travel Claim	45,094
Subsistence Allowance	6,785
Housing Allowance	-
Reallocation	72,607
	1,151,755

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
26. Employee related costs (continued)	
Remuneration of Corporate and Human Resources (Corporate Services)	
Salary	748,466
Car Allowance	65,106
Telephone allowance	21,000
Travel claim	12,147
Subsistence allowance	91,508
Reallocation Allowance	61,355
	999,582
Remuneration of Community Services	
Salary	782,873
Car Allowance	190,894
Travel claim	38,209
Subsistence allowance	8,259
Telephone allowance	26,160
Remote allowance	39,017
	1,085,412
Remuneration of Director Economic and Planning	
Salary	753,420
Car Allowance	178,251
Telephone allowance	26,160
Travel claim	8,419
Housing allowance	61,774
	1,028,024
Remuneration of Director Development and Planning	
Salary	576,221
Car Allowance	116,073
Telephone allowance	22,660
Travel claim	31,598
Subsistence Allowance	4,697
Reallocation Allowance	55,692
Remote allowance	17,101
	824,042

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
27. Remuneration of councillors	
Mayor	728,034
Speaker	682,110
Chief Whip	581,473
Councillors	21,366,340
	23,357,957
In-kind benefits	
The Mayor, Speaker and Chief Whip are full time and provided with office space and secretarial support at the cost of the Council.	
The executive committee consists of full time and part time members.	
The Mayor has the right of use of a municipal vehicle including a driver.	
Remuneration of Mayor	
Car allowance	175,588
Cellphone allowance	25,682
Salary	526,764
	728,034
Remuneration of Speaker	
Car allowance	140,470
Telephone allowance	25,682
Travel claim	71,581
Subsistence allowance	960
Salary	443,417
	682,110
Remuneration of Chief Whip	
Car allowance	133,748
Telephone allowance	20,343
Travel claim	25,259
Subsistence allowances	880
Salary	401,243
	581,473
Remuneration of Councillors	
Salary and allowances	21,366,340
28. Investment revenue	
Interest revenue	
Bank	1,036,231
Interest on investment	8,002,783
	9,039,014

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
29. Depreciation and amortisation	
Property, plant and equipment	95,738,973
30. Finance costs	
Non-current borrowings	1,130,600
Current borrowings	951,258
Other interest paid	585,472
	2,667,330
31. Auditors' remuneration	
Fees	6,862,466
Consulting	1,550
Audit committee	565,613
	7,429,629
32. Rental of facilities and equipment	
Premises	270,704
33. Contracted services	
Professional services	8,238,676
Cash collection cost	127,100
Specialist Services	7,187,507
Security and Other Contracted Services	35,442,213
	50,995,496
34. Grants and subsidies paid	
Other subsidies	
Free Basic Electricity	5,465,250
35. Cash generated from operations	
Surplus	123,185,619
Adjustments for:	
Depreciation and amortisation	95,738,973
	-
Fair value adjustments	(23,129,000)
Finance costs	(1,536,730)
Debt impairment / (Reversal of Impairment)	(20,371,976)
Movements in provisions	1,130,599
Actuarial gains/losses	(787,095)
Current service cost	2,180,246
Interest cost on employee benefits	1,693,473
Provision for leave	1,029,533
Changes in working capital:	
Inventories	(197,295)
Receivables from exchange transactions	(10,495,012)
Other receivables from non exchange transaction	(52,971,060)

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
-----------------	-----------------

35. Cash generated from operations (continued)

Payables from exchange transactions	(31,111,435)
VAT	(23,966,449)
Unspent conditional grants and receipts	68,592,502
	128,984,893

36. Mergers

Mergers occurring during the current reporting period

On 10 August 2016 a merger between Greater Tubatse Local Municipality and Fetakgomo Local Municipality took place establishing a new combining entity called Fetakgomo Greater Tubatse Local Municipality. This was due to new legislation which determined that Greater Tubatse Local Municipality and Fetakgomo Local Municipality assets and liabilities should be combined. No acquirer could be identified.

The results of the merger are included in the 2017 financial statements of the combined entities.

Comparative information is not required to be restated or adjusted.

Value of assets acquired and liabilities assumed

	Greater Tubatse Local Municipality / Audited 10 August 2016	Fetakgomo Local Municipality / Audited 10 August 2016	Adjustments	LIM 476 Local Municipality / Take on Balances 11 August 2016
Assets acquired				
Property, plant and equipment	1,328,858,551	149,370,228	727,782,519	2,206,011,299
Investment property	139,366,000	-	-	139,366,000
Intangible assets	38,345	49,994	-	88,339
Heritage assets	963,298	105,000	-	1,068,298
Inventory	545,366	551,569	-	1,096,935
Operating lease asset	2,909,538	-	(1,447,583)	1,461,955
Receivables from exchange transactions	52,763	1,290,538	-	1,343,301
Receivables from non-exchange transactions	4,862,737	658,288	(2,234,491)	3,286,534
VAT receivable	14,132,977	4,350,317	786,042	19,269,336
Consumer debtors from exchange transactions	34,228,113	928,488	-	35,156,601
Consumer debtors from non-exchange transactions	92,193,698	-	(23,487,597)	68,706,101
Cash and cash equivalents	180,616,686	1,261,078	321,879	182,199,643
	1,798,768,072	158,565,500	701,720,769	2,659,054,341
Liabilities assumed				
Finance lease obligation	302,446	86,679	-	389,125
Other financial liabilities	14,864,428	-	-	14,864,428
Operating lease liability	19,793,296	-	(1,447,583)	18,345,713
Employee benefit obligation	20,466,000	1,084,688	-	21,550,688
Provisions	9,289,408	3,985,532	-	13,274,940
Payables from exchange transactions	83,806,793	7,755,536	11,685,867	103,248,196
Unspent Conditional Grant	22,087,168	9,139,686	(7,058,843)	24,168,011
Cashbook overdraft	8,820,424	-	(17,640,851)	(8,820,424)
	179,429,966	22,052,121	(14,461,409)	187,020,678
Difference between the carrying amounts of the assets acquired and the liabilities assumed and any adjustments required to the basis of accounting, in net assets	1,619,338,106	136,513,379	716,182,178	2,472,033,663

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
-----------------	-----------------

37. Contingent Assets and Liabilities

Contingent assets

LIM476 vs Mphaphuli Consulting (Pty) Ltd

The municipality has taken legal action and is in the process of seeking to recover money that was paid to Mphaphuli Consulting (Pty) Ltd regarding the electrification of villages. The SIU has taken over the case and summons have been issued to Mphaphuli Consulting (Pty) Ltd.

The possible financial exposure is R41,184,331.

Contingent liabilities

The following are the Contingent liabilities assumed:

1 Mopicon Costruction VS GTM . The Contractor (Mopicon Construction) was appointed to construct the Burgersfort Main Road which the contractor failed to do. He was eventually terminated for poor performance. The contractor then sued the Municipality for R2,000,000 for breach of contract. The possible financial exposure is R2,571,001	2,571,001
2 Matladi Family Trust vs GTM. The Matladi Family Trust was interdicting development on the Leeuwvallei farm which is mainly the CBD of Burgersfort Town. The implication if the interdict of granted will mean that the all development in town will come to a halt. The possible financial exposure is nil.	-
3 Loncon Developments (Pty) Ltd vs GTM. Loncon is suing the Municipality for failing to protect a land which was reserved for RDP Houses construction which land was invaded by squatters. They are suing for specific performance i.e. for R89 million or alternatively availing land of the same value to them. The possible financial exposure is R89 million.	89,000,000
4 Thushanang Construction vs GTM. The Municipality is sued for R615,000.00 by Thushanang Construction who claimed that the Municipal officials instructed him to proceed with the construction of Praktiseer Stadium and budget allocation will follow later. When budget allocation did not materialize the Thushanang Construction sued the Municipality for incurring extra costs without reimbursement. The possible financial exposure is R614 919.	764,919
5 Puladitsela Consulting v GTM. The consultant was appointed by the GTM for planning, design and implementation of electrification on several villages within the GTM. They claim that the Municipality is using their designs for implementation of Operation Mabone. The claim amount is R95m. The possible financial exposure is R9.5m.	95,500,000
6 Limpopo Road Binders vs GTM. Case relating to a cession agreement, the matter is currently postponed. The amount claimed is R376,148. The matter is being financed by COGHSTA. The possible financial exposure is R376 147.	376,147
7 Amella Mashego vs GTM. Case relating to an offer of employment, the matter is currently postponed. The amount claimed is R2,8million. The matter is being financed by COGHSTA. The possible financial exposure is R2 958 000.	2,958,000
-	-
8 Sebesho Caiphus vs Greater Tubatse . Dispute regarding contract of employment. Trial date is awaited. The possible financial exposure is R754,706.	1,044,706
9 Edward Maleni Property Consultants vs FLM. A dispute by Edward Maleni Property Consultants has been raised against the municipality to the value of R2,591,350 for failure to make payment for services rendered. The municipality denies the liability and counterclaim amount paid for services not rendered. The dispute is still in progress. The possible financial exposure is R2,591,350.	2,591,350
-	-
10 Performance bonus for s56/57 The section 56 and 57 employees had signed performance agreement for the payment of performance bonus subject to performance evaluation and meeting the set target. The performance evaluation had not been conducted. The financial exposure is Rnil.	-
11 Bernard Nchabeleng vs FLM. Bernard Nchabeleng claims an amount of R590,000 against the municipality for land. The matter is still in progress. The possible financial exposure is R590,000.	590,000
12 Mathibe Benedict vs FLM. Mathibe Benedict Mamogolo instituted a claim against the municipality for failure to effect payment after designing the logo for the municipality, the claim is estimated to be R1,000,000. Council resolved that a new logo be designed. The municipality is still awaiting further action from claimant. The possible financial exposure is R1,000,000.	1,000,000
13 MAMS Architecture vs FLM. MAMS Architecture alleges that upon completion of the project the full payment was not effected. The claim against the municipality is to the value of R157,603. A letter of demand has been issued but legal proceedings have not yet been instituted. The possible financial exposure is R157,603.	157,603

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
37. Contingent Assets and Liabilities (continued)	
14 GTM vs Mosoma O.N. The Municipality dismissed the former Supply Chain Manager sequel being fingered in the Mapotene Forensic report. He challenged his dismissal which was later confirmed by the arbitration. He has since approached the Labour Court on review to set aside his dismissal. The possible financial exposure is R1 319 798.	1,919,798
15 N.A Koko vs GTM. Review application: parties are now awaiting a directive from the Labour Court regarding heads of argument. The possible financial exposure is R955 621.	1,305,621
16 E.H Hassim vs FT-GTM. E.H Hassim alleges that the unsigned cession agreement between him and the main contract should be executed by the municipality. The financial exposure is R1 034 618	1,834,618
17 SuperQuick vs FTGM. The plaintiff alleges fixed punctures and change tyres on municipal vehicles. The financial exposure is R8 342.	8,342
18 GTM vs Marathi Inc. The main contractor appointed by GTM failed to pay their subcontractor and the subcontractor obtained judgment against GTM. The financial exposure is R453 720	653,720
	202,275,825
38. Commitments	
Authorised capital expenditure not completed	
Already contracted for but not provided for	
• Capital expenditure	56,410,505
Total capital commitments	56,410,505
Already contracted for but not provided for	
Authorised operational expenditure	
Already contracted for but not provided for	
• Operational expenditure	49,279,466
Total operational commitments	49,279,466
Already contracted for but not provided for	
Total commitments	
Total commitments	
Authorised capital expenditure	56,410,505
Authorised operational expenditure	49,279,466
	105,689,971
This committed expenditure relates to plant and equipment and will be financed by existing cash resources and grants.	
Operating leases - as lessee (expense)	
Minimum lease payments due	
- within one year	17,247,040
- in second to fifth year inclusive	47,417,385
	64,664,425

LIM 476 Local Municipality leases a building from Tubatse Properties (Pty) Ltd for a period of 10 years, effective from 1 July 2010. The lease payment is R877 800 per month with an annual escalation of 10%. No contingent rent is payable. The lease agreement is not renewable at the end of the lease term.

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	30 June 2017
-----------------	-----------------

39. Comparative figures

No comparative figures have been presented as these are the first annual financial statements of the municipality.

40. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and cashflow budgeting.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial instrument	2017
Receivables from exchange transactions	1,337,031
Receivables from non-exchange transactions	2,982,105
Consumer debtors from non-exchange transactions	66,023,589
Consumer debtors from exchange transactions	129,665,529
Cash and cash equivalents	217,721,448

41. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The municipality merged with the Fetakgomo local municipality following the 2016 local government elections and will continue operations as the new merged entity, and has therefore been accounted for as a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

42. Fruitless and wasteful expenditure

Opening balance / Merger	7,544,138
Incurred during current year	3,064,485
Less: Amount written-off by Council	(1,849,325)
	<u>8,759,298</u>

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand

42. Fruitless and wasteful expenditure (continued)

Council has referred this amount to the MPAC for investigation and subsequent ratification.

43. Irregular expenditure

Opening balance / Merger	195,680,789
Expenditure incurred current year	56,241,875
Less: Amount written-off by Council	(137,819,362)
	114,103,302

Council has referred this amount to the MPAC for investigation and subsequent ratification.

Details of irregular expenditure – current year

	Disciplinary steps taken/criminal proceedings	
Bauba Marumo Waste Management (Landfill site management) - SCM processes not followed during appointment of service provider.	Currently under investigation	11,136,796
Fawcet Security Services (Security services) - Tender processes were not followed.	Currently under investigation	1,533,673
Focus Outsourcing (Processing monthly rates and services accounts) -	Currently under investigation	254,616
MGL Engineering (Maintenance of machinery) - Tender processes were not followed.	Currently under investigation	1,022,206
Exagystix CC t/a XLP Document Solution (Rental of printers)	Currently under investigation	2,680,424
Brown Dogs Security Services	Currently under investigation	4,135,125
Mascon Treading CC	Currently under investigation	1,440,000
Marsh (Pty) LTD	Currently under investigation	287,841
Nashua	Currently under investigation	90,125
Mabotwane Security Services	Currently under investigation	3,133,294
Colmab Electrical	Currently under investigation	1,750,881
Leshabane Technologies	Currently under investigation	262,400
Colmab Electrical	Currently under investigation	262,017
Born to Protect Security Services	Currently under investigation	3,438,620
Engnet solutions	Currently under investigation	1,080,720
Sejagobe Engineers -Morokadieta Access Bridge(Technical Proposal)	Currently under investigation	794,480
KIPP Consulting Engineers - Ga-Motodi Sports complex(Technical proposal)	Currently under investigation	2,287,252
KIPP Consulting Engineers - Tukakgomo RDP Houses internal streets(Technical Proposal)	Currently under investigation	357,645
Mont Consulting	Currently under investigation	750,916
Optron Pty Ltd	Currently under investigation	1,004,292
Loge Construction - Dithamaga Access Bridge	Currently under investigation	656,520
Loge Construction - Bothashoek Access Road	Currently under investigation	1,572,288
Loge Construction - Tjate Access Bridge	Currently under investigation	1,792,593
Stone Found Engineering Solutions	Currently under investigation	3,502,354
Bravo-Pro 216	Currently under investigation	39,646
FM Maluleka attorneys	Currently under investigation	799,636
Delloite Consulting	Currently under investigation	1,715,964
Noko Maimela Attorneys	Currently under investigation	399,685
Raphela Incorporated Attorneys and Conveyancers	Currently under investigation	1,124,983
Verveen Attorneys	Currently under investigation	339,594
Vhugi Protection Services	Currently under investigation	593,712
Machaba Incorporated Attorneys	Currently under investigation	1,509,103
Sejagobe Engineers - (Dithamaga Access Bridge(Technical Proposal) and Lefahla Access Bridge(Technical Proposal)	Currently under investigation	715,661
Forever Resorts Blyde Canyon	Currently under investigation	130,374
CTP LTD T/A Lowveld Media	Currently under investigation	40,185

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand

43. Irregular expenditure (continued)

CTP LTD T/A Lowwld Media	Currently under Investigation	18,302
Loge Construction CC	Currently under Investigation	188,932
Kgomo Brothers Trading CC	Currently under Investigation	91,200
Garden Court OR Tambo International	Currently under Investigation	11,200
Bauba Marumo Waste	Currently under Investigation	396,737
Tlapeng La Mogau (PTY) Ltd	Currently under Investigation	41,791
Makgone General Construction CC	Currently under Investigation	153,923
Mmago Ngwana General Construction	Currently under Investigation	13,470
RRT Catering Services	Currently under Investigation	7,500
Afrika Youth Consortium	Currently under Investigation	1,428,597
Mamagase Trading	Currently under Investigation	57,000
Leshabane Technologies	Currently under Investigation	381,285
Thaeli General Trading	Currently under Investigation	229,000
Big O Trading 926	Currently under Investigation	37,373
Masete Investment Holdings	Currently under Investigation	34,350
Palax Projects	Currently under Investigation	15,510
Li Media	Currently under Investigation	55,500
Vmb Manufacture And Projects	Currently under Investigation	22,620
WJJ Projects		27,821
TMK Entertainment		2,300
Sensory Solutions (PTY) LTD		11,700
Sejagobe Engineers		380,142
		<u>56,241,874</u>

44. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Current year fee	7,963,703
Amount paid - current year	(7,963,703)
	<u>-</u>

SALGA Fees

Current year subscription / fee	1,338,704
Amount paid - current year	(1,338,704)
	<u>-</u>

PAYE and UIF

Current year subscription / fee	24,075,366
Amount paid - current year	(24,075,366)
	<u>-</u>

Pension and Medical Aid Deductions

Current year subscription / fee	35,269,224
Amount paid - current year	(35,269,224)
	<u>-</u>

VAT receivable

Opening balance / Merger	14,882,233
Total claimed from SARS during the year	38,542,659
Total amount received during the year	(9,869,251)

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand

44. Additional disclosure in terms of Municipal Finance Management Act (continued)

43,555,641

All VAT returns have been submitted by the due date throughout the period. The municipality is registered on the cash basis and the timing of payments to/from SARS is at the end of each month.

Supply chain management regulations

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 the Municipal Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Incident

Emergency expenditures	999,891
Sole suppliers	832,085
Exceptional expenditures	8,818,043
	<u>10,650,019</u>

Councillors' arrear consumer accounts

The following Councillors had arrear accounts on 30 June 2017 .

30 June 2017	Outstanding more than 30 days	Total
Councillor M P Makine	1,912	1,912
Councillor I T Makofane	31,205	31,205
	<u>33,117</u>	<u>33,117</u>

45. Debt impairment

Debt impairment	(23,461,270)
Contributions to debt impairment provision	-
Bad debts written off	-
	<u>(23,461,270)</u>

46. Fair value adjustments

Investment property (Fair value model)	23,129,000
Other financial liabilities	-
• Other financial assets (Held for trading)	-
• Fair value through profit or loss	-
	<u>23,129,000</u>

47. Related parties

Relationships	
Directors	Refer to note 26
Councillors	Refer to note 27

LIM 476 Local Municipality

(Registration number Lim 476)

Annual Financial Statements for the period ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand

47. Related parties (continued)

The Directors and Councillors are related parties and their transactions are included in note 27 and 28. The municipality has various processes in place to identify and note any related party transactions. These processes range from disclosure by bidders on the bid documents (MBD4) to maintenance of a conflict of interest register. For councillors, the disclosure register is kept in the Office of the Speaker whilst for other senior managers it is kept by the Corporate Services Directorate.

Councillors and Directors are related parties and their transactions are included in the notes to the financial statements.

48. Unauthorised expenditure

Opening balance	91,866,608
Incurred current year	-
Written off by Council	(88,644,765)
Transfer to receivables for recovery	-
	<hr/>
	3,221,843

AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 30 June 2017.

Audit Committee Members and Attendance

The audit committee consists of four independent members listed hereunder, who collectively have sufficient qualifications and experience to fulfil their duties. In terms of the approved terms of reference, we should meet at least four times per annum. During the year under review, nine meetings were held, including special meetings.

Name of Member	Number of meetings attended
Mr. Mpjane JN (Chairperson)	9
Mr. Semanya CC	9
Adv. Malatji TM	9
Mr. Siyakhula S	8

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury.

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

The Effectiveness of Internal Controls

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

There has been an improvement in the system of internal control of the municipality. Several deficiencies in the system of internal control and/or deviations that were reported by Internal Auditors were reduced during the Auditor-General's audit.

Evaluation of Annual financial statements

The Audit Committee has:

- Reviewed and discussed the annual financial statements to be included in the annual report, with the Auditor General and Accounting Officer report;
- Reviewed the Auditor General of South African's management report and management's responses thereto;
- Reviewed and noted that there were no significant changes in accounting policies and practices;
- Reviewed the municipalities compliance with legal and regulatory provisions; and
- Reviewed significant adjustment resulting from the Audit.

Evaluation Result on Performance Report

The Audit Committee has:

- * Reviewed and discussed the performance report prepared by the municipality before submission to the Auditor General of South Africa
- * Reviewed the reasons provided by management for material deviations from the planned targets.

Internal Audit

Audit Committee is partially satisfied that the Internal Audit function is operating effectively and that it has addressed some risks pertinent to the municipality and its audit. We are of the view that the internal Audit is under staffed taking into account the size of the municipality

Risk Management

Progress on the Municipality risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee is satisfied that the actual management of risk is receiving attention, although there are areas that still require improvement. Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Risk Officer to further enhance the performance of the Municipality

Auditor-General of South Africa

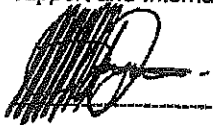
The audit committee has met with the Auditor General of South Africa to ensure that there are no unresolved issues.

The Audit Committee concurs and accepts the conclusion of the Auditor General on the Annual Financial Statement and is of the opinion that the audited Financial Statements be accepted and read together with the report of the Auditor-General.

The audit committee noted and accepted the qualified opinion.

Conclusion

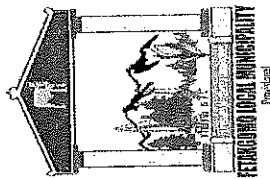
The Audit Committee wishes to acknowledge the commitment from Council, management and staff of the municipality. We would also like to thank the Mayor, Councilors, senior management for their unwavering support and Internal Audit for their vast contribution in ensuring our effectiveness.



MR J N MPJANE CA (SA) RA

CHAIRPERSON: AUDIT COMMITTEE

DATE: 20 DECEMBER 2017



**FETAKGOMO – GREATER
TUBATSE
LOCAL
MUNICIPALITY**



South Africa's first democratic platinum city

4th QUARTER REPORT

2016/17 AUDIT COMMITTEE RESOLUTIONS IMPLEMENTATION REGISTERS (CUMULATIVE)

No.	DATE OF THE MEETING	TYPE OF THE MEETING	ITEM DESCRIPTION	RESOLUTION	TIME FRAME	PROGRESS/ CHALLENGES	MITIGATION	RESPONSIBLE UNIT/DEPARTMENT	COMMENT BY THE AC (APPROVED/ NOT APPROVED)
1.	14 Dec 16	Performance Audit Committee Meeting	Amalgamation	It was resolved that Delloite should present the progress report on job evaluation in the next Audit Committee meeting.	Jan 2017	<u>Done:</u> Delloite has completed the job evaluation and the report was presented to the Municipal Manager.	None	Director Corporate Services/ Municipal Manager	
2.	14 Dec 16	Performance Audit Committee Meeting	Amalgamation	It was indicated that the placement process will be finalized by the end of January 2017.	Jan 2017	<u>Not Done</u>	To be completed by end of May 17	Municipal Manager	

No.	DATE OF THE MEETING	TYPE OF THE AC MEETING	ITEM DESCRIPTION	RESOLUTION	TIME FRAME	PROGRESS/ CHALLENGES	MITIGATION	RESPONSIBLE UNIT/DEPARTMENT	COMMENT BY THE AC (APPROVED/ NOT APPROVED)
3.	14 Dec 16	Performance Audit Committee Meeting	Performance Report	It was resolved that performance report should be detailed and submitted in the next audit committee meeting.	Jan 2017	Done	None	Director Development Planning	
4.	14 Dec 16	Performance Audit Committee Meeting	Performance monitoring	It was resolved that the performance should be monitored monthly.	Monthly	Done	None	Municipal Manager	
5.	14 Dec 16	Performance Audit Committee Meeting	1 st Quarter Performance Report- former Fetakgomo Municipality	It was resolved that 1 st quarter performance report for the former Fetakgomo Municipality should be presented in the next meeting.	Jan 2017	Done	None	Chief Operating Officer	
6.	14 Dec 16	Performance Audit Committee Meeting	Performance Report	It was resolved that the detailed audit report from internal audit for both former Fetakgomo and Greater Tubatse be presented in the next audit committee meeting.	Jan 2017	Done	None	Chief Audit Executive	
7.	14 Dec 16	Ordinary Audit Committee Meeting	Operation Mabone	It was resolved that ambulation and operation mabone be on standing agenda item during audit committee meetings.	Ongoing	Done Continuously	None	Municipal Manager	
8.	14 Dec 16	Ordinary Audit Committee Meeting	Risk Management Report	It was resolved that the Risk Management Report should be discussed by Risk Committee.	Jan 2017	Done Continuously	None	Risk Management committee chairperson	
9.	14 Dec 16	Ordinary Audit Committee Meeting	Risk Management Report	It was resolved that the Municipal Manager should appoint the other members of the risk management committee.	Jan 2017	Done Continuously	None	Municipal Manager	
10.	14 Dec 16	Ordinary	Risk	It was resolved that the	Jan 2017	Done	None	Municipal	

No.	DATE OF THE MEETING	TYPE OF THE AC MEETING	ITEM DESCRIPTION	RESOLUTION	TIME FRAME	PROGRESS/ CHALLENGES	MITIGATION	RESPONSIBLE UNIT/DEPARTMENT	COMMENT BY THE AC (APPROVE D/ NOT APPROVED)
		Audit Committee Meeting	Management Report	management should come up with a plan on spending the MIG.				Manager	
11.	14 Dec 16	Ordinary Audit Committee Meeting	Risk Management Report	It was resolved that the IT Manager should ensure that the new servers are procured and installed.	Jan 2017	Done	None	IT Manager	
12.	14 Dec 16	Ordinary Audit Committee Meeting	Risk Management Report	It was resolved that the top ten risks should be done in terms of ranking and recurring risk should be indicated.	Jan 2017	Done	None	Risk Management Committee Chairperson	
13.	14 Dec 16	Ordinary Audit Committee Meeting	MSCOA	It was resolved that progress on the implementation MSCOA should be reported to Audit Committee and Council.	Jan 2017	Done	None	Municipal Manager	
14.	14 Dec 16	Ordinary Audit Committee Meeting	MSCOA	It was also resolved that MSCOA should be a standing agenda item during audit committee meetings.	Jan 2017	Done	None	Audit Committee Chairperson and Chief Audit Executive	
15.	14 Dec 16	Ordinary Audit Committee Meeting	Internal Audit Report- PMS former Fetakgomo and Greater	It was resolved that the detailed PMS report and the detailed audit report from internal audit for both former Fetakgomo and Greater Tubatse be presented in the next audit committee meeting.	13 Jan 17	Done	None	Municipal Manager	
16.	14 Dec 16	Ordinary Audit Committee Meeting	Audit Committee Charter	It was resolved that the Audit committee charter be provisionally approved pending discussion of paragraph 8 and 11 with the Municipal Manager	Jan 2017	Done	None	Chief Audit Executive	

No.	DATE OF THE MEETING	TYPE OF THE AC MEETING	ITEM DESCRIPTION	RESOLUTION	TIME FRAME	PROGRESS/ CHALLENGES	MITIGATION	RESPONSIBLE UNIT/DEPARTMENT	COMMENT BY THE AC (APPROVE D/ NOT APPROVED)
17.	14 Dec 16	Ordinary Audit Committee Meeting	Placement of processes of the internal audit staff	It was resolved that the municipal manager should fast track the placement processes of the internal audit staff	Jan 2017	Not Done:	Placement letters not provided to some employees	Municipal Manager/ Corporate Services	
18.	14 Dec 16	Ordinary Audit Committee Meeting	Division of Revenue and Lost Control Audits	It was resolved that division of revenue and lost control audit should be included in the annual plan.	Jan 2017	Done	None	Chief Audit Executive	
19.	14 Dec 16	Ordinary Audit Committee Meeting	Internal Audit Plan - Migration Audit	It was resolved that the audit on migration be a stand-alone audit.	Jan 2017	Done	None	Chief Audit Executive	
20.	14 Dec 16	Ordinary Audit Committee Meeting	Audit Action plan	Action plan for Fetakgomo and Greater Tubatse should be combined.	Jan 2017	Done	None	Chief Operation Officer	
21.	14 Dec 16	Ordinary Audit Committee Meeting	Financial Activities Reports	It was resolved that financial reports should be timely submitted to Internal Audit for packaging and presented to the next audit committee meeting.	Jan 2017	Done Continuously	None	Chief Financial Officer	
22.	14 Dec 16	Ordinary Audit Committee Meeting	Information Technology (ICT) Report	The following subjects should be covered in the report: <ul style="list-style-type: none"> • Systems, venue finance and payroll for HR • Contract, signing and expiry date. • Report on amalgamation, finding from AG and IA as to how are being addressed. • MSCOA • Reporting line for staff 	Jan 2017	Done	None	Director Corporate Services	

No.	DATE OF THE MEETING	TYPE OF THE AC MEETING	ITEM DESCRIPTION	RESOLUTION	TIME FRAME	PROGRESS/ CHALLENGES	MITIGATION	RESPONSIBLE UNIT/DEPARTMENT	COMMENT BY THE AC (APPROVE D/ NOT APPROVED)
				<ul style="list-style-type: none"> Assets ICT steering committee, terms of reference and resolutions. Budget <p>It was resolved that free Wi-Fi should be provided in all the municipal offices.</p>					
23.	14 Dec 16	Ordinary Audit Committee Meeting	Information Technology (ICT) Report	It was resolved that the updated consolidated legal report be presented in the next audit committee meeting	Jan 2017	<u>Not Done</u> Due to budget constraints	To engage the Budget and Treasury unit to assist with funding of the project	IT Manager	
24.	14 Dec 16	Ordinary Audit Committee Meeting	Legal Report	It was resolved that the updated consolidated legal report be presented in the next audit committee meeting	13 Jan 17	<u>Done</u>	None	Municipal Manager	
25.	14 Dec 16	Ordinary Audit Committee Meeting	Legal Report	It was agreed that senior council should be appointed to handle the operation mabone issues	13 Jan 17	<u>Done</u>	None	Manager: Legal Services	
26.	14 Dec 16	Ordinary Audit Committee Meeting	Legal Report	It was resolved that the list of all contracts concluded between the municipality and service providers be provided in the next meeting.	13 Jan 17	<u>Done</u>	None	Manager: Legal Services	
27.	06 Jan 17	Special Audit Committee Meeting	Remuneration of the Audit Committee	It was resolved that the matter will have to be looked into by the Management and reference to relevant legislative guidelines, and resolutions should be used to make a recommendation.	Feb 2017	<u>Done</u>	None	Municipal Manager and Chief Audit Executive	

No.	DATE OF THE MEETING	TYPE OF THE MEETING	ITEM DESCRIPTION	RESOLUTION	TIME FRAME	PROGRESS/ CHALLENGES	MITIGATION	RESPONSIBLE UNIT/DEPARTMENT	COMMENT BY THE AC (APPROVE D/ NOT APPROVED)
28.	06 Jan 17	Special Audit Committee Meeting	Remuneration of the Audit Committee	Payment rates for PMS settings be updated in line with recent SAICA rates	Feb 2017	Done	None	Municipal Manager and Chief Audit Executive	
29.	06 Jan 17	Special Audit Committee Meeting	Remuneration of the Audit Committee	Sittings for audit committee meetings (except for PMS) remains regulated by National Treasury regulations and that preparation be paid out to the maximum of 3 hours. It was resolved that before the framework could be sent out the AC members it should be first reviewed internally by the Municipal Manager and the Internal Audit unit.	Feb 2017	Done	None	Manager Municipal and Chief Audit Executive	
30.	06 Jan 17	Special Audit Committee Meeting	Remuneration of the Audit Committee	It was resolved that before the framework could be sent out the AC members it should be first reviewed internally by the Municipal Manager and the Internal Audit unit.	Feb 2017	Done	None	Manager Municipal and Chief Audit Executive	
31.	06 Jan 17	Special Audit Committee Meeting	Term of office of Audit Committee members.	Municipal Manager to look into the rationalisation of the duration of the contracts.	Feb 2017	Done	None	Municipal Manager/ Chief Audit Executive	
32.	06 Jan 17	Special Audit Committee Meeting	Term of office of Audit Committee members.	It was resolved that letters on formation and development will be sent out to the Audit Committee members for the new municipality, Fetakgomo- Greater Tubatse Municipality.	Apr 2017	Done	None	Manager Municipal and Chief Audit Executive	
33.	06 Jan 17	Special Audit Committee Meeting	Functionality of the Risk Management Committee	It was resolved that the Risk Committee chairperson should communicate with the MM regarding any challenges and proceedings of the risk committee.	Feb 2017	Done Continuously	None	Municipal Manager and Risk Committee Chairperson.	

No.	DATE OF THE MEETING	TYPE OF THE MEETING	ITEM DESCRIPTION	RESOLUTION	TIME FRAME	PROGRESS/ CHALLENGES	MITIGATION	RESPONSIBLE UNIT/DEPARTMENT	COMMENT BY THE AC (APPROVE D/ NOT APPROVED)
34.	13 Jan 17	Special Audit Committee Meeting	Preparation of the AFS	The municipality to start from zero balances when preparing the annual financial statements for the 2016/2017 financial year.	Jul 2017	<u>Done</u> Being addressed as part of the opening balances for 2016/17 FY	None	Chief Financial Officer	
35.	13 Jan 17	Special Audit Committee Meeting	Preparation of the AFS	PWC to continue preparing the AFS and will start on the 01 February 2017.	Feb 2017	<u>Not Done</u>	Started in May 2017 s there was a delay in the finalisation of scope work	Chief Financial Officer	
36.	13 Jan 17	Special Audit Committee Meeting	Policies Rationalization- Budget and Treasury-	CFO to present a progress report to the audit committee on development of finance policies and procedure manuals (in the next meeting).	Feb 2017	<u>Done</u>	None	Chief Financial Officer	
37.	13 Jan 17	Special Audit Committee Meeting	Staffing of the internal audit unit	Staffing of the internal audit unit be looked at (restructured) taking into account the size of the new municipality.	Feb 2017	<u>Not Done</u> In progress: Internal Audit need to send inputs to the IDP department for approval.	Done	Director Corporate Services and Chief Audit Executive	
38.	13 Jan 17	Special Audit Committee Meeting	Audit Committee packages	Audit Committee packages (for ordinary AC meetings) to be submitted to the audit committee in both hard and soft copy format, on/or seven days before the day of the meeting.	Quarterly	<u>Not Done</u> On-going	Delay in finalisation of the reports. Lack of scheduled for AC meeting	Audit Committee Chairperson and Chief Audit Executive	
39.	13 Jan 17	Special Audit Committee Meeting	Induction of audit committee members	It was resolved that the CAE should prepare an induction package and submit to the audit committee member.	27 Jan 17	<u>Done</u>	None	Chief Audit Executive	

No.	DATE OF THE MEETING	TYPE OF THE MEETING	ITEM DESCRIPTION	RESOLUTION	TIME FRAME	PROGRESS/ CHALLENGES	MITIGATION	RESPONSIBLE UNIT/DEPARTMENT	COMMENT BY THE AC (APPROVE D/ NOT APPROVED)
40.	27 Jan 17	Performance Meeting	Request for Information	It was resolved that information requested by the internal audit during the audit processes be submitted on time.	Mar 2017	<u>Done</u> Continuously	None	Municipal Manager	
41.	27 Jan 17	Performance Meeting	Request for Information	It was resolved that internal audit perform alternative procedures if information was not provided such as physical verification audit if possible.	Mar 2017	<u>Done</u> Continuously	None	Chief Audit Executive	
42.	27 Jan 17	Performance Meeting	Capital projects spending	It was resolved that the spending of the capital projects should be aligned to the budget.	Mar 2017	<u>Done</u> The adjusted budget allocated funds to projects to ensure that there are no overspending.	None	Chief Financial Officer	
43.	27 Jan 17	Performance Meeting	Reconciliation and onvenus and annual budget	It was resolved that the reconciliation should be performed for the budget between the venus and annual budget.	Mar 2017	<u>Done</u>	None	Chief Financial Officer	
44.	27 Jan 17	Performance Meeting	Review of Management comments	It was resolved that internal audit should pay attention to the management's respond.	Mar 2017	<u>Done</u> Continuously	None	Chief Audit Executive	
45.	27 Jan 17	Performance Meeting	Payment processes	It was resolved that the Municipality should have process of verifying if the invoice to be paid to service provider is the true reflection of the work done.	Mar 2017	<u>Done</u>	None	Chief Financial Officer	

No.	DATE OF THE MEETING	TYPE OF THE MEETING	ITEM DESCRIPTION	RESOLUTION	TIME FRAME	PROGRESS/ CHALLENGES	MITIGATION	RESPONSIBLE UNIT/DEPARTMENT	COMMENT BY THE AC (APPROVE D/ NOT APPROVED)
46.	27 Jan 17	Performance Meeting	MSCOA	It was resolved that weekly meetings be held with the service provider to report on the progress on MSCOA	Mar 2017	Done	None	Chief Financial Officer	
47.	27 Jan 17	Performance Meeting	Development and Review of Assets Register	It was resolved that assets register be prepared by the officials and consultant be called for review only.	Mar 2017	Not Done	The consolidation has to include consultants The infrastructure assets register will still need a consultants	Chief Financial Officer	
48.	27 Jan 17	Performance Meeting	Policies Rationalization	It was resolved that Audit Committee be presented with list of all policies prior submitted to council.	Mar 2017	Not Done	None	Director Corporate Services/ Chief Audit Executive	
49.	27 Jan 17	Ordinary Audit Committee Meeting	Audit Committee Resolution register	It was resolved that management and responsible person should take ownership of the resolution register to ensure that resolutions taken are implemented. It was resolved that the resolution register should indicate the implementation dates(the dates be specific)	Quarterly	Done Continuously	None	Municipal Manager and Chief Audit Executive	
50.	27 Jan 17	Ordinary Audit Committee Meeting	MSCOA report	It was resolved that progress on implementation of MSCOA should be presented to the audit committee in the next meeting.	Quarterly	Done Continuously	None	Chief Financial Officer	

NO. OF THE MEETING	DATE OF THE MEETING	TYPE OF THE MEETING	ITEM DESCRIPTION	RESOLUTION	TIME FRAME	PROGRESS/ CHALLENGES	MITIGATION	RESPONSIBLE UNIT/DEPARTMENT	COMMENT BY THE AC (APPROVE D/ NOT APPROVED)
51.	27 Jan 17	Ordinary Audit Committee Meeting	Preparation of AFS	It was resolved that service provider for preparation of AFS should be monitored.	Monthly	<u>Done</u> Service providers performance is being monitored	None	Chief Financial Officer	
52.	27 Jan 17	Ordinary Audit Committee Meeting	Policies Rationalization	It was resolved that HR speed up the process of rationalising the policies.	Monthly	<u>Not Done:</u>	The will be implemented in May 2017. There will be a workshop that will be conducted on the 11 th of May 2017 regarding the implementation of the policies.	Director: Corporate Services	
53.	27 Jan 17	Ordinary Audit Committee Meeting	Audit Plan	It was resolved that the CFO should engage AG to clarify the issues resolved on the management letter.	Feb 2017	<u>Done</u> The management letter has been compiled and include all issues raised	None	Chief Financial Officer	
54.	27 Jan 17	Ordinary Audit Committee Meeting	Risk Management report	It was resolved that Risk Committee report be written and reported in the next meeting.	Feb 2017	<u>Done</u>	None	Risk Committee Chairperson	
55.	27 Jan 17	Ordinary Audit Committee Meeting	Risk Management - Incident Register	It was resolved that incident register be presented in the next meeting.	May 2017	<u>Done</u>	None	Risk Committee Chairperson	

No.	DATE
-----	------

NO. OF MEETING	DATE OF MEETING	TYPE OF THE AC MEETING	ITEM DESCRIPTION	RESOLUTION	TIME FRAME	PROGRESS/ CHALLENGES	MITIGATION	RESPONSIBLE UNIT/DEPARTMENT	COMMENT BY THE AC (APPROVE D/ NOT APPROVED)
56.	27 Jan 17	Ordinary Audit Committee Meeting	Risk Management - Insurance Report	It was resolved that insurance report be presented in the next meeting.	May 2017	<u>Not Done</u> Insurance monitoring functions are delegated to Budget and Treasury department	To engage the budget and treasury unit regarding the report. However, the report will be presented in the next committee meeting.	Risk Committee Chairperson	
57.	27 Jan 17	Ordinary Audit Committee Meeting	Internal Audit Ad-hoc projects	It was resolved that Ad-hoc projects be conducted as per IA plan and all ad-hoc be approved by the AC prior performance by internal audit.	May 2017	<u>Done</u>	None	Municipal Manager/ Management and Chief Audit Executive	
58.	27 Jan 17	Ordinary Audit Committee Meeting	Legal Report	It was resolved the legal report will be presented in the next audit committee meeting.	May 2017	<u>Done</u>	None	Manager. Legal Services	

No.	DATE
	TI