The GTM
GREATER TUBATSE
MUNICIPALITY

South Africa's first democratic platinum city

2013/14 Annual Report

General Information

1. Executive Committee

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

2. Addresses

The Greater Tubatse Municipality
Box 206
Burgersfort
1150

N0. 01 Kastania Street
Burgersfort

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3. Contacts

M.A. Moji
Acting Municipal Manager
Email: mmoji@tubatse.gov.za

4. Legislative compliance

This document is issued in terms of section 121(1) of Municipal Finance Management Act, Act 56 of 2003 which mandates municipalities to prepare each financial year an annual report and that the council of the municipality must within nine months after the end of the financial year deal with the annual report of the municipality in accordance with section129.

Acronyms

Abbreviations	Abbreviations in full
A.G.	Auditor General
AIDS	Acquired immune Deficiency Syndrome
ANC	African National Congress
CDW	Community Development Worker
CFO	Chief Finance Officer
Cllr	Councillor
COGHSTA	Co – operative Governance, Human Settlement & Traditional Affairs
COPE	Congress of the people
DA	Democratic Alliance
Dir	Director
EPWP	Extended Public work programme
ESKOM	Electricity Supply Commission
FET	Further Education and Training
GTM	Greater Tubatse Municipality
HIV	Human Immune Virus
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MEC	Member of Executive Committee
MPAC	Municipal Public Account Committee
MTREF	Medium Term Revenue and Expenditure Framework
NDPG	Neighbourhood Development programme Grant
PAC	Pan African congress
PMS	Performance Management System
PR	Proportional Representation
RSA	Republic of South Africa
SDBIP	Service Delivery and Budget Implementation Plan
SDM	Sekhukhune District Municipality
SETA	Sector Education and Training Authority

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CHAPTER 1

1.1 MAYOR'S FOREWORD

a. Vision

Municipalities are mandated to annually report its performance and that of its external service providers to its constituency and other relevant stakeholders e.g. MEC for local government in the province. It is equally important that as and when municipalities review its performance annually a stock should also be taken on how far the municipality has gone towards the achievement of its vision. Our vision as Greater Tubatse municipality is a developed platinum city for the benefit of all. A question that we should frequently ask ourselves as Greater Tubatse municipality when we report our performance in any time is, how far have we gone and how long will it take us to attain a developed Platinum city for the benefit of all.

Since the inception of municipalities in 2000, there are positive stories that we can tell as Greater Tubatse municipality. The quality of life of our people has improved; more villages than before have access to electricity, water at RDP standard and houses. The two shopping malls constructed last financial year have boasted our local economy through job creation and bring big shops which our people used to travelled long distance to reach them closer to us; as such money that were spend on transport to the neighboring towns to acquire goods are now spend locally. Yes we agree that lot remains to be done, but we can now proudly say the light behind the tunnel is emerging.

b. Key Policy Developments

The following policies were developed in the 2013/14 financial year:

- 28 HR policies reviewed and awaiting council approval;
- Municipality has developed and adopted both Operational and Strategic Risk register;
- Development of vision 2030 is at 20% progress;
- Street trading plan was developed to regulate hawkers activities in the municipality;
- 2013/14 performance management framework developed and adopted by council; and
- Fraud and corruption hotline adopted by council.

c. Key Service Delivery Improvements made

The following achievements were observed in the financial year under review:

- 15 access bridges constructed and 11 completed when;
- Weekly Refuse removal increased 4987households ;
- 1554.3km of municipal roads graded;
- 9292 households received from free basic electricity;

- Construction of Hawkers stalls at Burgersfort and Praktiseer; and Flea market at Burgersfort has commenced;
- Service provider for the development of municipal wide land use management scheme appointed; and
- Legal advisor to assist in the acquisition of strategic land for development appointed.

d. Public Participation

It is a legislative mandate that municipalities should regularly consult its communities on matters that affect them and allow them to participate in the affairs of the municipalities. Below are public participation forums arranged by the municipality in 2013/14:

- Three(3) IDP/PMS/Budget forums;
- Two (2) Exco –outreaches conducted at Mareseleng and Kgautswane;
- 120 ward meetings arranged quarterly by ward management committees to update communities on issues of their concern;
- Election of Project steering committees; and
- Municipal Public Account committee meetings.

e. Future Actions

The following projects are planned for 2014/15 financial year:

Access bridges

- Bothashoek access bridge(planning);
- Ga - Maphopha access bridge;
- Mabocha access bridge (planning);
- Mpuru access bridge(planning);
- Motshana access bridge(planning);
- Madothongwane access bridge(planning);
- Diphala/Makhwaya access bridge(planning);
- Leboeng access bridge(planning);
- Mafarafara access bridge(planning);
- Habeng access bridge; and
- Barcelona access bridge(planning)

Roads projects

- Resealing of the Burgersfort roads;
- Resealing of Ohrigstad internal street; and
- Rehabilitation of Steelpoort roads

Sports complex

- Ohrigstad sports complex

Hawker's facilities

- Hawkers facilities in Burgersfort and Praktiseer
- Burgersfort Flea market

High mast light

- Six High mast lights for villages to improve safety and security

Purchase of Civic Centre

The municipality has budgeted R80 000 000 for the purchase of the Civic centre.

g. Conclusion

On behalf of the municipal staff and politicians I thank you for supporting the municipality throughout the year. Those who paid municipality services continue to do so and we will improve our service to march your efforts.

"Re tseeng kgopu Batubatse", together we can do more.

Thanks

Cllr R.S.Mamekoa
Mayor

1.2. MUNICIPAL MANAGER'S OVERVIEW

1.2.1. Introduction

2013/14 financial year has been hectic for the municipality. The municipality has operated without key strategic positions such as Municipal manager, Chief Financial Officer and manager supply chain management. That has negatively affected the performance of the municipality. An amount of R14 million from MIG funds was withdrawn back by National treasury due to our slow pace on its spending. The municipality could not start with the implementation of Operation mabone as expected and promised to our communities due to poor co - operation between the service provider and the municipality.

Despite the abovementioned challenges, the municipality has completed eleven (11) access bridge projects out of fifteen (15) planned projects. The municipality after a long struggle to properly regulate street trading it has finally made a breakthrough. When the financial year ended service provider was on site constructing hawker's stalls and flea market at Burgersfort and Praktiseer.

1.2.2. Recruitments

The municipality has recruited 13 new employees in the financial year under review. We are concluding the appointment of chief finance officer (CFO) and also advertised the position of the municipal manager. The advert closed on the 8th August 2014.

1.2.3. Labour turn over

16 employees left the municipality in the financial year under review under varying reasons inclusive of resignation, retirements and dismissals. A detailed report on labour turnover is presented in chapter five (5) of this report.

1.2.4. Training

The municipality has trained 83 employees including councillors in various knowledge and skills. 10 councillors were trained in municipal governance programme; 17 employees in municipal finance management programme and 40 employees on ABET programme. A detailed report on training is presented on chapter five (5) of this report.

1.2.5. Performance management

Performance management in the municipality is currently only at the Organizational and senior management levels. Plans are in place to cascade it to other municipal employees. The policy is reviewed to accommodate the cascading to other municipal staff and is awaiting council approval before implementation. Secondly, the municipality has set aside budget to automate performance management in the 2014/15 financial year.

Due to abnormal situation that prevailed in the municipality in 2013/14 financial year, the municipality did not conduct both formal and informal performance assessment of its section 54/56 managers. We hope that with the establishment back to normal the assessment will be done in 2014/15 financial year.

We were spot on, on other compliance matters except the submission of oversight report on 2012/13 Annual Report. The municipality failed to comply with regard to timeous approval of the Annual report together with its oversight report.

1.2.6. Capital projects

As reported above, 73% of the access bridges were completed when the financial year ended. The municipality had a challenge in the implementation of Operation mabone, which is an electricity programme which aimed at electrifying the 21 villages in one financial year to reduce electricity backlog in the municipality. The service provider did not perform as expected. When the financial year ended the municipality could only show projects designs no actual work was done on the ground. Construction of hawker stalls and flea market was at its infant stage when the financial year ended.

1.2.8. Implementation of A.G. Action plan

Thus far, the municipality has addressed key A.G. Findings for 2012/13 financial year like asset register and appointed a service provider to compile the Annual financial statements on time. To alleviate the problem we experienced last financial year of failing to compile AFS on time, municipality has trained its staff especially those in finance department and other senior managers on GRAP standards.

1.2.9. Conclusion

Thanks again for trusting and support from our different stakeholders including communities that was demonstrated in the financial year under review. Together we can make Greater Tubatse Municipality a better place live in and a destiny for all. The light on the other side of the tunnel with regard to developing a Platinum city for the benefit of all is now emerging.

Moja M.M
Acting Municipal Manager

1.3. Municipal Functions, Population and Environmental Overview

1.3.1. Location and Environmental Overview of the municipality

Greater Tubatse Municipality is one of the five local Municipalities which constitute Sekhukhune District Municipality. It is part of the Bushveld Igneous complex from Mokopane to Mashishing. The Municipality is dominantly rural and a large portion of its land is under control of Traditional leaders. It has two townships namely: Praktiseer and Ga-Mapodile; and three towns which are Burgersfort, Ohrigstad and Steelpoort. Its Jurisdiction area is approximately 4 550km². It has three Municipal growth points namely: Driekop, Ohrigstad and Mecklenburg. District and provincial growth points are Steelpoort and Burgersfort respectively. Its main economic activities are Mining, Trade, Manufacturing, Tourism and Agriculture.

1.3.2. Population

According to 2011 statistics results, the Municipal population stands at 335 767 and 83 199 households. Male population comprise 47.8% and female comprise 52.2%. 76.8% of the municipal population comprise of youth below the age of 35 years; middle age between 35 and 59 years comprise 20% of the population while ages between 60 years and above comprise 3.2% of the population. The table below depicts the municipal population by ethnic groupings.

Figure/Table 01: Population group by gender

Ethnic group	Female	Male	Total
Black	172 654	157 156	329 810
White	2029	2380	4409
Coloured	284	358	643
Indian or Asian	307	230	538
Others	81	196	277
Total	**175 355**	**160 320**	**335 675**

Source: **STATSA 2011**

1.3.2.1. Comparison of Municipal Population with neighbouring Municipalities

Greater Tubatse local Municipality is the biggest municipality in the Sekhukhune District municipality in terms of population (335 676) and followed by Makhuduthamaga Local Municipality by 274 357 population. Fetakgomo Local Municipality is the smallest municipality in terms of population by 93 794 population. The table below depicts the picture.

Figure/Table 05: Population of local municipalities in Sekhukhune District Municipality

Municipality	Male	Female	Total
Elias Motsoaledi Local Municipality	115 503	133 860	249 363
Ephraim Mogale Local Municipality	58 207	65 442	123 649
Fetakgomo Local Municipality	42 258	51 536	93 794
Greater Tubatse Local Municipality	160 398	175 278	335 676

Source: STATSA 20011

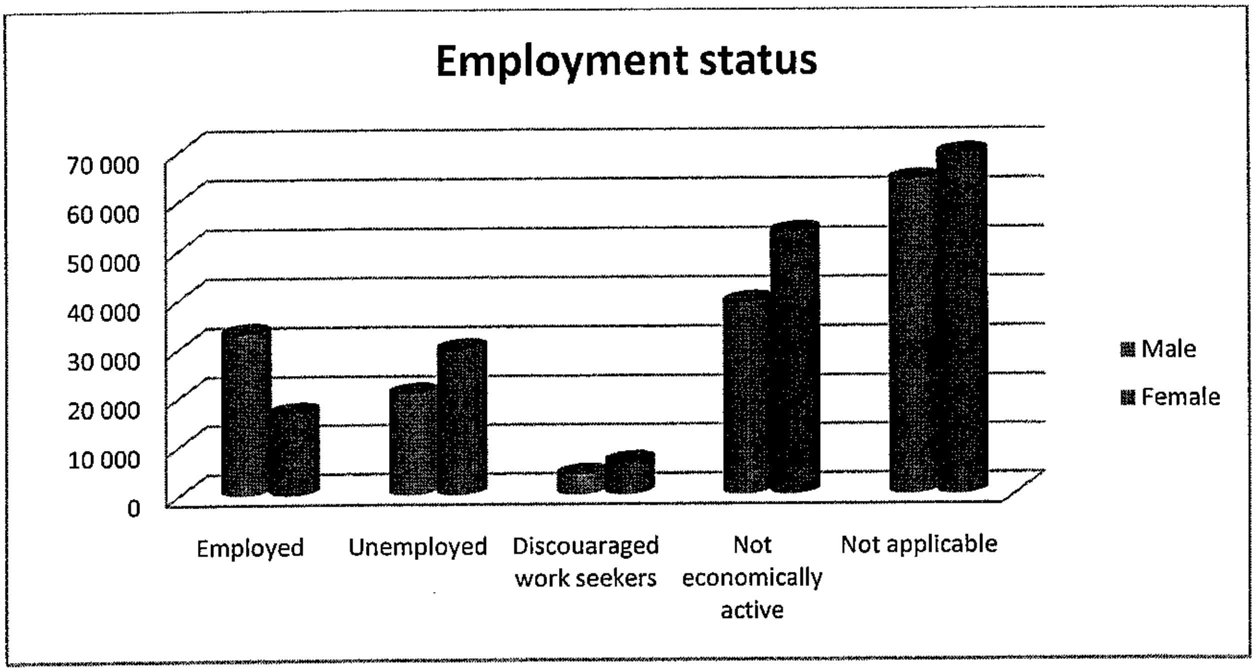
1.3.3. Powers and functions

The Municipality is not an authority to key basic services like water, electricity and housing; it only facilitate in the provisioning. Water provision is the competency of Sekhukhune District Municipality, electricity ESKOM and housing Provincial government. The table below depicts services which are provided by the municipality.

Table/Figure: Powers and functions

- Municipal Road
- Building Regulations;
- Local Tourism;
- Street lighting;
- Traffic and parking;
- Trading regulations;
- Local sports facilities;
- Municipal Planning;
- Municipal Public Transport;
- Municipal Airport;
- Billboard and advertisement;
- Control of Liquor , food outlets and street trading;
- Local amenities; and
- Waste and cleansing

Chart 01: Employment status



Source: STATSA 2011

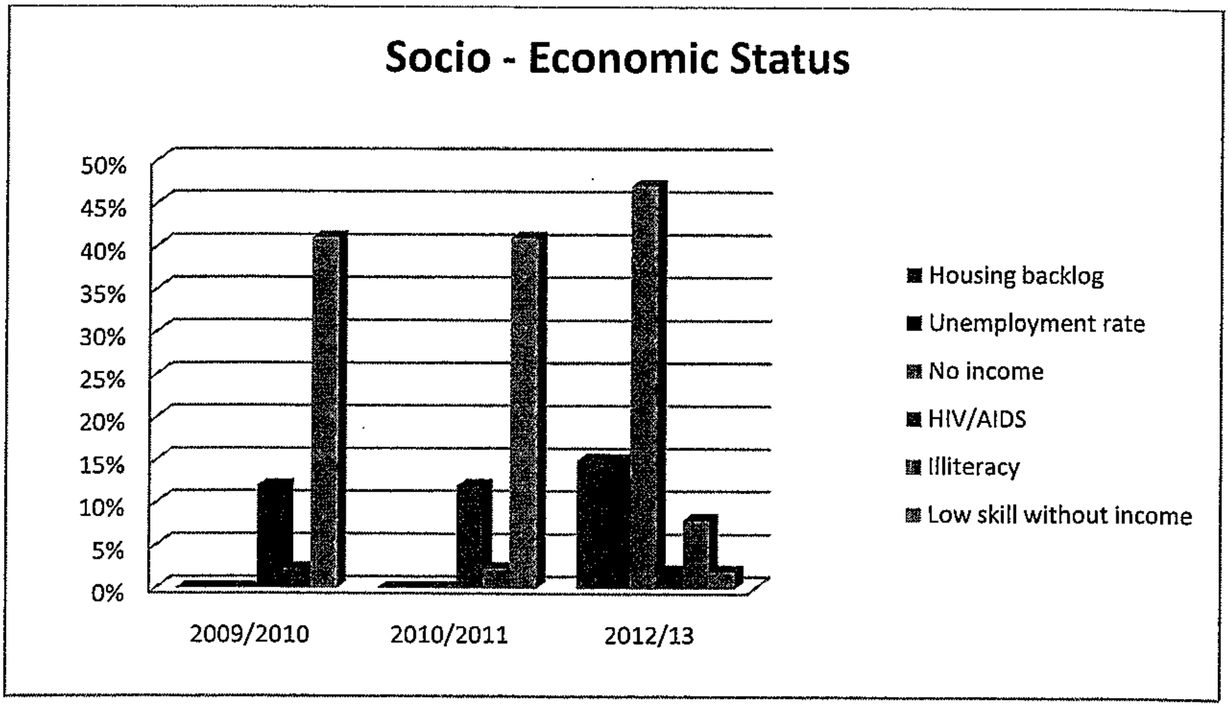
1.3.4. Socio – Economic status

Since the 2007 community survey the Socio – Economic status of the municipality has improved in certain categories and declined in others; an example is for proportion of households without income. The table below depicts the Socio-Economic status of the municipality.

Year	Housing backlog as per proportion of current demand	Unemployment rate	proportion of households with no income	proportion of population in low - skilled Employment with no income	HIV/AIDS Prevalence	Illiterate people older than 14 years
2009/2010	24%	15%	40%	12%	2.3%	41%
2010/2011	24%	15%	40%	12%	2.3%	41%
2012/13	15%	15%	47.8%	1.6%	8.1%	1.6%

Source: STATSA 2011

Chart 02: Socio – Economic status



1.3.5. Major Natural resources

The municipality has four major Natural resources namely: mineral resources, arable land, Rivers and Caves and waterfalls. The table below reflects the major Natural resources in Greater Tubatse Local Municipality and their relevance to the community.

Table/Figure 07: Natural Resources

Major Natural Resources	Relevance to Community
1. Mineral resources	Economic empowerment
2. Arable land	For agriculture
3. River	Water for irrigation and domestic

4. Caves and waterfalls	Tourism

1.4. Service delivery Overview

The table below depicts an overview of municipal performance on key projects

Table /Figure 08: Service Deliver overview

Service provided	Achievement
Refuse Removal	4987 households in Burgersfort, Mapodile, Praktiseer, Ohrigstad and Steelpoort received weekly refuse removal service in 2013/14 financial year.
Electricity connections	1953 new households were connected to electricity by ESKOM in the financial year under review. 21 designs for electricity projects were approved by ESKOM when the financial year ended.
Housing	No allocation was made in the 2013/14 financial year by COGHSTA
Free Basic Services	9292 households benefited from Free Basic Electricity services
Roads	Eleven(11) access bridges completed
	Resealing of Burgersfort road at 60% completion
	Three (3) internal streets were at 60% progress when the financial year ended.
	Hawkers stalls and Flea market at 30% progress
Building plans	❖ Three (3) Township formalization applications received and processed; ❖ Eight (8) rezoning applications received and executed; ❖ 201 Built environment applications received and processed

1.5. Financial Health Overview

Table/Figure 09: Financial Health Overview

Details	Original budget (R)	Adjustment budget (R)	Actual (R)
Grants	-157 226 860	- 171 746 938	-211 942 000
Taxes, Levies and Tariffs	-63 601 500	- 63 601 500	-78 551 811
Others	- 47 846 000	- 47 496 000	-12 757 322
Sub- Total	-268 674 360	- 282 844 438	-313 210 343
Less Expenditure	224 074 056	241 512 578	265 585 322
Net Total	- 44 600 304	- 41 331 860	-47 624 556

1.5.1. Financial ratios

Table/figure 10: Financial ratios

Details	2011/12	2012/13	2013/14
Employee cost	44%	40%	39%
Repairs and Maintenance	5.1%	2.2%	2.5%
Finance charges and Depreciation	24.7%	13.8%	35.7%

1.5.2. Capital Expenditure

Table/Figure 11: Capital Expenditure

Details	2011/12	2012/13	2013/14
Original budget	R54 700 000	R50 540 000	262 977 140
Adjusted budget	R54 700 000	R50 540 000	252 277 140
Actual	R33 556 908	R19 764 826	211 942 000

1.6. ORGANISATIONAL DEVELOPMENT PERFORMANCE

Taking it from the 2012/13 financial year performance report, the municipality has appointed Lekoko consulting to review its organizational structure to be aligned to its ever increasing demands. A draft is completed and due processes are to commence.

The Local Labour forum is established and well constituted as per collective agree ment requirements. All relevant stakeholders are represented. The forum has met eight (8) times in the financial year under review.

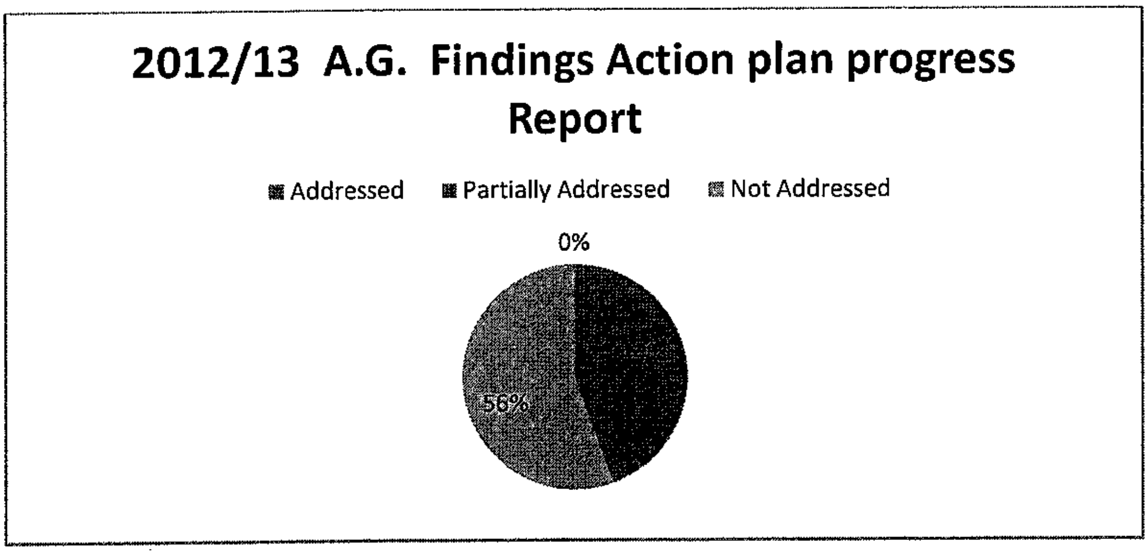
The municipality has recruited 13 new employees in the financial year under review. Development of the Employment Equity plan is still at consultation stage. Total enrolment of the municipality is at 229, 134 males and 95 females.

83 employees inclusive of councillors were trained in the financial year under review. Of remarkable achievement are the training of 10 councillors on municipal governance programme and 40 employees on ABET programmes.

1.7. 2012/13 Auditor General Report

In 2012/13 financial year the municipality obtained an adverse audit opinion from Auditor General of South Africa. Eighteen (18) findings were made by the A.G. The municipality developed an audit action plan to address matters raised by the A.G. According to the internal Audit report presented to Audit committee meeting on the 26th June 2014, no matter raised by A.G. on the 2012/13 Annual financial statement of the municipality was addressed. The indication was most of them are concerning the financials and will be addressed when compiling 2013/14 Annual Financial statement. The graph below depicts the picture.

Chart 03: 2012/13 A.G. Findings Action plan progress Report



Source: 26 June 2014 Internal Audit report

1.8. Statutory Annual Report Process

Section 127(2) of MFMA Act 56 of 2003 mandates the Mayors of Municipalities to table an annual report to the Council seven months after the end of the financial year. The Annual report includes the following:

- The annual financial statement of the municipality;
- The Auditor General 's opinion;
- The annual performance report of the Municipality; and
- Any recommendation by municipal audit committee.

Municipality has adopted its Performance management framework which set up performance processes starting from planning, implementation, and controls and reporting to oversight.

Alignment of these processes is imperative for the municipality to attain its objectives. They assist the municipality to correctly address the needs of its community. Municipality through its IDP processes pick up the community needs and develop a plan IDP) to address them. The SDBIP then becomes the implementation of the IDP, hence it is important for (SDBIP) to be aligned to the IDP; otherwise the implementations will not address the community need. Likewise, the report will be irrelevant to the community if it does not respond to matters of their concern. The table below depicts the picture.

Table/Figure 12: Statutory Annual Report Processes

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

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1. POLITICAL GOVERNANCE

2.1.1. Introduction

The municipal council comprises of 62 councillors representing six (6) political parties, namely ANC (54), DA (3), COPE (2), PAC (2), APC (1) and UDM (1). Half of the councillors (31) are ward councillors and the remaining 31 are PR councillors. 61% (38) of the councillors are male and 39% (24) are female. Three male councillors are living with disabilities.

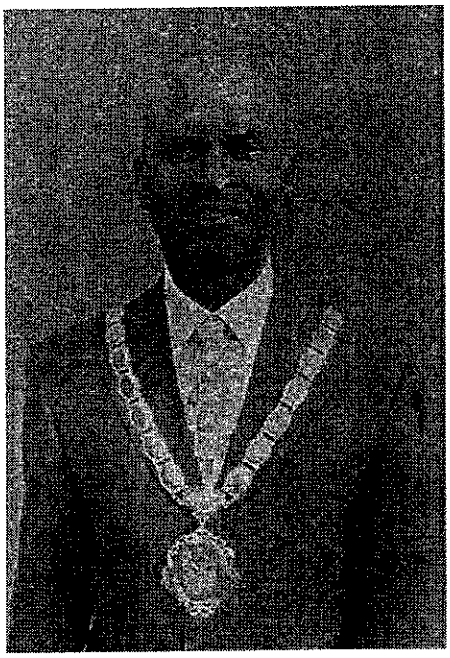
2.1.2. Council committees

The municipality has according to section 79(1) (a) of Municipal Structures act, act 117 of 1998 appointed the following committees for the effective and efficient performance of any of its functions or to exercise any of its powers; Ethic, MPAC, Petition and Rules committees. The committees are chaired by non – Executive committee members. A full list of the committees is attached as annexure A. Council has also in terms of section 80 of Municipal Structures act, act 117 of 1998 appointed committees (portfolio Committees) to assist executive committee which are: Portfolio committees for Finance, Technical services, Corporate services and Community services departments. The committees are headed by members of executive committee but chaired by non – executive committee members.

2.1.2.1. Executive committee

The executive committee of the municipality comprises 10 members inclusive of the Mayor. In terms of party representative there are eight (8) ANC, one (1) PAC and one (1) Cope members.

2.1.2.1.(a) The Mayor

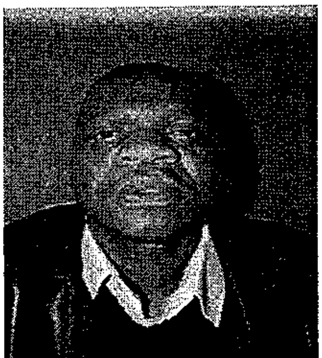


Functions of the Mayor

- Presides at meetings of the Executive committee;
- Decide when and where the executive committee will meet;
- 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 on behalf of the municipality, into a performance agreement with the municipal manager;
- Represent the municipality at IGR for a; and
- Performs the duties, including any ceremonial functions, and exercise the powers delegated to the mayor by the council or executive committee as reflected in the delegation policy of the GTM

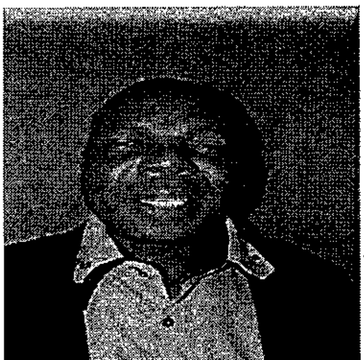
Cllr. Mamekoa R.S

2.1.2.1.(b) **Heads of Portfolio committee**



Cllr. Mohlala P.A

Head – Finance



Cllr. Sekgobela P.C

Head – Technical

Cllr. Mabilu M.L

Head - ELD

Cllr. Mogofe M.E

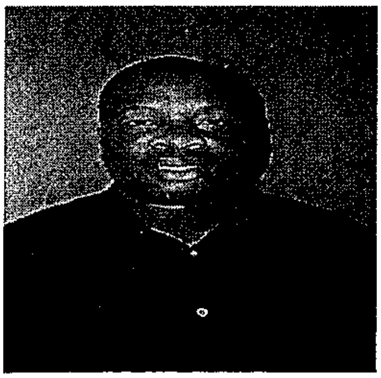
Head – Corporate services

Cllr. Moropane M.N

Head – Community service

Cllr. Mphethi N.D

D/Head - Technical

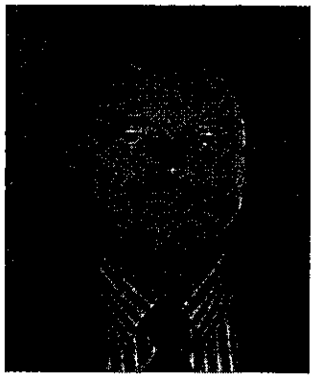


Cllr. Makgoga M.E

D/Head – ELD

Cllr. Moraba L.D

D/Head – Finance



Cllr. Lourens R.F

D/Head – Community

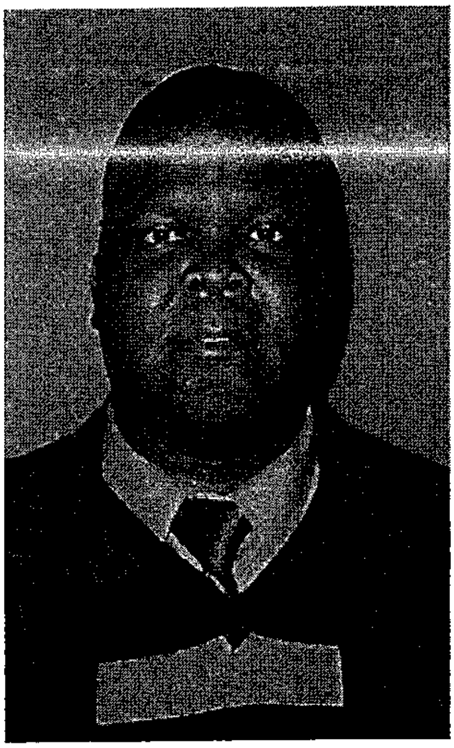
2.1.2.2. Speaker

Functions of the Speaker

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

Cllr. Moeng Q

2.1. 2.3. Chief Whip



Functions of Chief whip

- Informs councillors of Council and Executive committees 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

Cllr. Nkosi S.M

2.1.3. Council meetings and attendance of Councillors

In the year under review Council had ten (10) meetings, seven (7) special councils and four (3) Ordinary councils. Average attendance of councillors in the special council was 43.7 councillors per meeting and for Ordinary council was 44 councillors per meeting.

Table/Figure 13: Council meetings and councillors attendance

Ordinary council		Special council	
Date	Number of councillors attended	Date	Number of councillors attended
26 September 2013	46	20 December 2013	48
06 March 2014	32	20 February 2014	47
13 March 2014	55	24 February 2014	50
		3 March 2014	32
		31 March 2014	43
		25 April 2014	36
		31 May 2014	50

2.1.4. Councillor workshops and Public hearings

Council had four (4) public hearing meetings, two (2) MPAC public meetings, one (1) presentation by Auditor General of South Africa and one (1) workshop by Anglo. The table below depicts the number of workshops and public hearing conducted

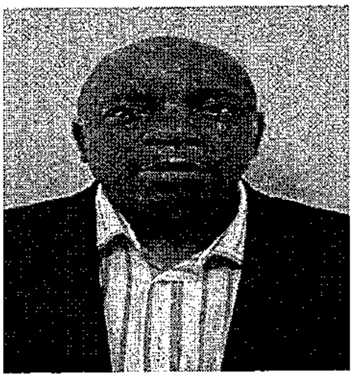
Table/Figure 14: Councillors workshop and public meetings

Date	Type of meeting	Attendance
12 May 2014	Presentation of AG opinion by AG	38 councillors
17 October 2014	MPAC meeting on performance Reports	33 councillors
22 May 2014	MPAC meeting on performance Reports	42 Councillors
27 May 2014	Workshop by Anglo and DBSA	38 councillors

2.2. ADMINISTRATIVE GOVERNANCE

2.2.1. TOP ADMINISTRATIVE STRUCTURE

2.2.1.1. MUNICIPAL MANAGER



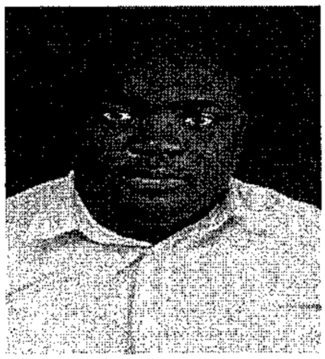
Mr. M.M. Moja

Acting – municipal Manager

Functions of Municipal Manager

- Advises the structures and functionaries of the Municipality;
- Carries out the decision 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 legislation;
- Implements national and provincial legislation applicable to the Municipality

2.2.1.2. CHIEF FINANCE OFFICER



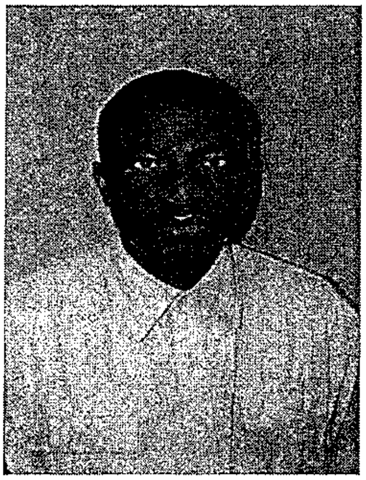
Mr. Mhangwana

Acting- Chief Finance Officer

Functions of CFO

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

2.2.1.3. Director Corporate Services



Mr. S.F. Mkhabela

<u>Functions of Corporate Services</u>

- Render HR management;
- Manage and maintain municipal administration.

2.2.1.4. Director Community Services

Ms. D.K. Boshego

<u>Functions Community services</u>

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

2.2.1.5. Director ELD

Mrs. Monyepao M.A.

Functions of Director ELD
• Render LED services; • Render land use and town planning services and GIS; • Facilitate housing allocation services.

2.2.1.6. Director Technical Services

Mr. Mathunyane S.M

Functions of Technical Services
• Ensure adherence to Civil engineering standard • Render waste management services; • Provide project management for implementation of infrastructure development

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3. Intergovernmental Relations

The Intergovernmental relation unit in the municipality is located in corporate services Department. The unit deals with customer care, both Presidential and Premier hotlines and walk in queries from the communities. The performance of the municipality on the presidential and Premier hotline for the past two years has been good. It was recorded as the best performing municipality in the two hotlines in the Sekhukhune District municipality.

The municipality is participating in a number of provincial forums which included the IDP and PMS Provincial forums, Premier's Mayors forum, Mayor's forum and Speaker's forum. The IDP and PMS forum are instrumental in the cascading and aligning the provincial programmes into the municipalities. Premier's Mayors forum is a strategic forum which gives strategic direction of the municipalities in the Province.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Municipalities are mandated by section 152(1) of the constitution of the republic of South Africa (RSA), 1996 to:

(a) Provide democratic and accountable government to local communities; and
(b) To encourage the involvement of communities and community organizations in the matters of local government.

To enhance public participation and accountability of municipalities to its communities the Greater Tubatse Municipality has adopted a public participation policy and performance management framework. Greater Tubatse Municipality Performance management framework depicts the hierarchy of accountability in the municipality is as follows:

- The administration account to the Executive committee chaired by the Mayor;
- Executive committee to the council; and
- Council to the community.

In line with section 41(e) of the Municipal system act, act 32 of 2000, municipalities are mandated to establish a process of regular reporting to:

- The council, other political structures, political officer bearers and staff of the municipality; and
- The public and appropriate organs of the state.

Section 44 (3) (g) and (h) of municipal structures act, act 117 of 1998 mandates the executive committee of a municipality to perform the following tasks:

(g) Annually report on the involvement of communities and community organizations in the affairs of the municipality; and

(h) Ensure that regard is given to public views and report on the effect of consultation on the decisions of the council.

2.5. PUBLIC MEETINGS

Public meetings are mainly held in order:

(i) To register the concerns and inputs of the community;
(ii) To obtain feedback on the public participatory processes which have taken place; and
(iii) To report back to the public on issues that affect them

Public meeting may take one of the following formats:

(i) IDP/PMS/Budget forum;
(ii) Exco- Outreaches;
(iii) Quarterly ward management meetings;
(iv) Quarterly/Half – yearly and Annual performance reporting sessions ;and
(v) State of local Municipality address

The table below reflects public meetings the municipality had in t2013/14 financial year

Table/Figure 14: Public meetings

Nature of the Meeting	Purpose of the meeting	Date of the meeting	No. of councillors attended	No. Administrators	No. of community members	No. Issues raised by community	No. Issues addressed	manner of feedback given to community
IDP/PMS/ Budget forum	Stakeholder consultation on IDP	23/09/2013	**32**	4	**None**	**N/A**	**N/A**	N/A
	Work shopping IDP to councillors	09 May 2014	30	02	**None**	**N/A**	**N/A**	N/A
	Work shopping IDP to councillors	13 May 2014	32	5	**None**	**N/A**	**N/A**	N/A
	Public consultation on IDP	17-18/04/2014	62	37	5304	6	2	Council and quarterly mass meetings in the wards
Exco-Outreaches	To attend to concerns and inputs from community	26 August 2013	**5**	6	**179**	**3**	**1**	Council and quarterly mass meetings in the wards
Quarterly ward management meetings	To report and collect inputs from communities	Quarterly by each ward management	31	N/A	18 154	10	4	Quarterly mass meetings
Quarterly/ Half – yearly and	Report quarterly, Half – year	17 October 2013	27	6	30	**N/A**	**N/A**	**NA**
		12 May	38	4	56	**N/A**	**N/A**	**NA**

Annual performance reporting sessions	and Annual performance of the municipality	2014						
State of local Municipality address	To report last year performance and announce new projects to the public	Not done in the year under review	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

2.6. IDP PARTICIPATION AND ALIGNMENT

Table/Figure 15: 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

COMPONENT D: CORPORATE GOVERNANCE

2.7. OVERVIEW OF CORPORATE GOVERNANCE

The municipal administration comprises of 6 departments. Each department is by managers appointed in terms of Section 56 of the Municipal Systems Act. The departments are as follows:

- Municipal manager's office;
- Finance;
- Economic and Land Development;
- Community Services;
- Corporate Services; and
- Technical services

2.8. RISK MANAGEMENT

Accounting officers of municipalities are required in terms of section 62(1)(c)(i) of MFMA, act 56 of 2003 to ensure that the municipality has and maintains effective, efficient and transparent system of financial and risk management and internal control; and of internal audit operating in accordance with any prescribed norms and standards.

The following are top five risks identified in the municipality in 2013/14 financial year:

a. Inadequate asset management;
b. Inadequate implementation of supply chain policy;
c. Poor IT system;
d. Fraud and corruption; and
e. Aging infrastructure

2.9. FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality has introduced the following strategies to prevent corruption, fraud and theft:

a. Whistle blower hotline services, where all suspected alleged fraud activities are reported and investigated;
b. Provided training and awareness campaigns to the municipal staff and community at large;
c. Development and implementation of Anti-fraud and corruption plan/policy.

Key risk areas of the municipality are:

a. Procurement processes;
b. Recruitment processes;
c. Inadequate project management;
d. Misuse of Municipal resources; and
e. Political interference

To address the above risk areas the municipality has the following as a deterrent:

- division of duties,
- exclusion of politicians from procurement processes,
- internal audit review of processes and adherence to process,
- Audit Committees exclude politicians and officials as voting members,
- condemnation by mayor and municipal manager of corrupt practices and
- Involvement of the police as soon as grounds for suspicion become evident.

2.10. SUPPLY CHAIN MANAGEMENT

2.10.1. OVERVIEW OF SUPPLY CHAIN MANAGEMENT

The municipality adopted it second amended supply chain management policy on the 15 December 2011. The policy gives effect to the following:

a. Section 217 of the constitution of south Africa;
b. Part 1 of the chapter 11 and other applicable provisions of the act.

The policy is applicable to the following:

a. Procurement of goods or services;
b. Disposal of goods;
c. Selection of contracts;
d. Selection of external mechanisms referred to in section 80(1)(b) of the municipal system act for the provision of municipal services in circumstances contemplated in section 83 of the act.

2.10.2. Roles and responsibilities of Accounting Officer on risk management

The supply chain management policy is amended annually. The last time the policy was review was in 2011. Council has delegated the following powers and duties to the Accounting Officer:

a. To discharge the supply chain management responsibilities conferred on accounting officers in terms of chapter 8 or 10 of the act and this policy;

b. To maximize administrative and operational efficiency in the implementation of supply chain management policy;
c. To enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of the supply chain management policy;
d. To comply with her or his responsibilities in terms of section 115 and other applicable provisions of the act.

2.11. Oversight role of council

Council plays oversight role on the implementation of the supply chain management policy. For the purpose of the oversight the accounting officer does the following:

a. Within 30 days of the end of each financial year submit a report on the implementation of the supply chain management policy to council;
b. Report any serious and material problem observed in the implementation of the policy;
c. Submit a report on the implementation of the policy to the Mayor within 10 days of end of each quarter.

2.12. Municipal bids committees

The municipality has established the following bidder committees which are review annual depending on their functionality:

- Bid specification committee;
- Bid evaluation committee; and
- Bid adjudication committee

2.13. By- Law

No by-law was developed and adopted in the 2013/14 financial year.

CHAPTER 3 - SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT)

3.1. INTRODUCTION

Municipalities are mandated by section 152 (a) and (b) of the constitution of the Republic of South Africa to ensure provision of services to communities in a sustainable manner and to promote social and economic development in their communities. In compliance to the above, the municipality has in 2013/14 financial year provided weekly refuse collection to 4987 households; nine(9) access bridges constructed to connect villages which in the past were set apart; 1554.3km of rural roads were graded by the municipality to improve the status of the municipal roads and 9292 indigents households received Free Basic Electricity.

3.2. COMPONENT A: BASIC SERVICES

3.2.1. INTRODUCTION TO BASIC SERVICES

Greater Tubatse municipality as indicated in appendix D does not have authority to provide most of the basic services the communities anticipate. Those are the most essential services like water, housing, sanitation and electricity. Its core service is refuse removal. With regard to electricity supply, the municipality's function is limited to identifying and submitting a list of communities without electricity to the Department of Energy and ESKOM for financial allocations and household connections. This report will confine itself to Refuse Collections, Electricity and Housing allocations

3.2.2. WASTE MANAGEMENT (REFUSE COLLECTIONS)

3.2.2.1. INTRODUCTION

The municipality renders the refuse removal services only in the proclaimed areas of Burgersfort, Steelpoort, Ga- Mapodile, Praktiseer and Ohrigstad. The service is rendered weekly. A total number of 4987 households benefited from this service in the financial year under review. The private partnership project on waste management as alluded last financial year got stalled at procurement stage. Bauba Marumo waste management was appointed to continue with waste management while the municipality sort out the PPP issue.

Figure/Table16: Waste removal records

Town/Township	2011/12	2012/13	2013/14
Burgersfort	1458	1458	1595
Mapodile	691	691	691
Praktiseer	2331	2331	2331
Ohrigstad	176	176	179
Steelpoort	191	191	191
Total	**4847**	**4847**	**4987**

Figure/Table 17: Waste Management Program

Projects	2012/13 performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
PPP solid waste management project	20% Achieved : 5% Appointment of Private Party, 5% conclusion of SLA, 10% Permit reviewed until 2018; 0% Community participation, 0% operation of PPP	% progress in implementation of PPP waste project/program	100% progress in the implementation of PPP waste project: 5% Appointment of Private Party, 5% conclusion of SLA, 10% Permit reviewed until 2018; Comments from bidders on PPP/ ToR (5%). Issue final RFP Closure & Receipt of RFP responses (5%). Evaluation of Bids Draft TVR IIB report (5%).	10% Evaluation of the bids. Evaluation conducted without TAS. Evaluation report submitted to MM	R 13 000 000	R 638 400.00	Non - Payment of TAS fees resulted in withdrawal now the project Evaluation conducted with TAs & stakeholders	Payment TAs re-evaluate with TET Committee reconstituted seek treasury views or recommendation on Evaluation

			Announcement of preferred bidder (5%); Negotiation and Final closure (5%). Council Resolution (5%); Commenceme nt of Service (PPP Implementatio n)(50%)					
PPP Solid waste program	4 472	# of households benefiting from weekly Refuse removal	4 472	4 987	R 977 000	R 957 600.00	Non-collection capacity of service provider landfill air space depleting	Monitoring collection that penalties compaction of layers
Tubatse Rehabili tation of waste facilities	New Indicator	# of waste Tubatse waste facilities rehabilitated	3 - waste Tubatse waste facilities rehabilitated	No waste site rehabilitated	R 300 000	R -	Bids non-responsive to bid pre-qualifying conditions	Project to be implemented in 2014/15 financial year

Table/Figure 18: Financial performance of the Refuse management

Detail	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure:					
Employees	R2 872 572	R4 258 078	R4 173 601	R3 264 498	21.78%
Repairs and Maintenance	R14 448	R84 000	R84 000	R394 149	369.22%
Other	R21 564 528	R17 877 000	R14 877 000	R13 716 947	7.8%
Total Operational Expenditure	R24 451 548	R22 219 078	R19 134 601	R17 375 594	9.09%

3.2.3. ELECTRICITY

3.2.3.1. INTRODUCTION

Last year 2012/13 financial year, when the financial year ended Mankele and Ga-Mamogolo electricity projects were incomplete awaiting river crossing licence for electric cable to cross the river. The licence was acquired in 2013/14 financial year and the projects are completed. In the year under review the municipality experienced a serious problem with regard to provisioning of electricity, the electricity program (Operation Mabone) which was planned to commenced in 2013/14 financial year, did not start. Only 25% work was done on the project, i.e. Designs for all twenty one (21) villages were approved by ESKOM.

Figure/Table 19: Records on Electricity connections

Financial year	2011/12	2012/13	2013/14
Number of households electrified through DOE	2088	1900	None
Households electrified by ESKOM	1074	1108	1953
Total	**3 162**	**3008**	**1953**

Table/Figure 20: Electricity Projects

Projects	2012/13 progress	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
Kutullo	New Indicator	% progress in the electrification of Kutullo	**100% progress in the electrification of Kutullo:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 865 351	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
Koppie	New Indicator	% progress in the electrification of Koppie	**100% progress in the electrification of Koppie:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5%	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 259 605	R -	None compliance by the Service provider to submit revised implementation plan.	Letter of instruction written to the service provider to submit necessary revised implementation plan

			Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report				Failure to kick-start project implement ation	
Maparen g	New Indicator	% progress in the electrification of Mapareng	**100% progress in the electrification of Mapareng:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*1 5% designs	R 951 886	R -	None complianc e by the Service provider to submit revised implement ation plan. Failure to kick-start project implement ation	Letter of instruction written to the service provider to submit necessary revised implementation plan
Kgopane ng	New Indicator	% progress in the electrification Mareseleng	**70% progress in the electrification of Mareseleng:** *5% Project plan developed, *5% ToR for	25% progress: 5% Project plan developed, *5% ToR for	R 346 140	R -	None complianc e by the Service provider to	Letter of instruction written to the service provider to submit

			Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives	Consultant;*15% designs			submit revised implementation plan. Failure to kick-start project implementation	necessary revised implementation plan
Buffelshoek	New Indicator	% progress in the electrification of Buffelshoek	**70% progress in the electrification of Buffelshoek:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 103 842	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
Kalkfontein	New Indicator	% progress in the electrification of Praktiseer	**70% progress in the electrification of Praktiseer:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5%	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 432 676	R -	None compliance by the Service provider to submit revised implementation plan.	Letter of instruction written to the service provider to submit necessary revised implementation plan

			Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives				Failure to kick-start project implementation	
Barcelona(Driekop)	New Indicator	% progress in the electrification of Barcelona(Driekop)	**100% progress in the electrification of Barcelona(Driekop):** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 519 211	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
Dibakwane(Driekop)	New Indicator	% progress in the electrification of Dibakwane(Driekop)	**100% progress in the electrification of Dibakwane(Driekop):** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 519 211	R -	None compliance by the Service provider to submit revised implement	Letter of instruction written to the service provider to submit necessary revised implementation

			hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report				ation plan. Failure to kick-start project implement ation	plan
Maputle(Driekop)	New Indicator	% progress in the electrification of Maputle(Driekop)	**100% progress in the electrification of Maputle(Driekop)**: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 680 166	R -	None complianc e by the Service provider to submit revised implement ation plan. Failure to kick-start project implement ation	Letter of instruction written to the service provider to submit necessary revised implementation plan
Kampen	New Indicator	% progress in the electrification	**100% progress in the electrification of**	25% progress: 5%	R 1 055 729	R -	None complianc	Letter of instruction

g(Driekop)		of Kampeng(Driekop)	**Kampeng(Driekop):** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	Project plan developed, *5% ToR for Consultant;*15% designs			e by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	written to the service provider to submit necessary revised implementation plan
Mandela park	New Indicator	% progress in the electrification of Mandela park	**100% progress in the electrification of Mandela park:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10%	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 1 176 878	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan

			mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report					
France(Driekop)	New Indicator	% progress in the electrification of France(Driekop)	**100% progress in the electrification of France(Driekop):** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 2 249 913	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
Leboeng	New Indicator	% progress in the electrification of Leboeng	**100% progress in the electrification of Leboeng:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5%	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 768 432	R -	None compliance by the Service provider to submit revised implementation plan.	Letter of instruction written to the service provider to submit necessary revised implementation plan

			Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report				Failure to kick-start project implementation	
Dithamaga	New Indicator	% progress in the electrification of Dithamaga	**100% progress in the electrification of Dithamaga:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 65 767	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
Taung	New Indicator	% progress in the electrification of Taung	**100% progress in the electrification of Taung:** *5% Project plan developed, *5% ToR for Consultant;*15%	25% progress: 5% Project plan developed, *5% ToR for	R 865 351	R -	None compliance by the Service provider to	Letter of instruction written to the service provider to submit

			designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	Consultant;*15% designs			submit revised implementation plan. Failure to kick-start project implementation	necessary revised implementation plan
Malaeneng	New Indicator	% progress in the electrification of Malaeneng	**100% progress in the electrification of Malaeneng:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 974 386	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
	New	% progress in	**100% progress in the**	25%	R 519 211	R	None	Letter of

Sekopung	Indicator	the electrification of Sekopung	**electrification of Sekopung:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs		-	compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	instruction written to the service provider to submit necessary revised implementation plan
Makofane	New Indicator	% progress in the electrification of Makofane	**100% progress in the electrification of Makofane:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 1 038 422	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan

			;*5% submit PCS and ENS docs;*5% Closeout report					
Pidima	New Indicator	% progress in the electrification of Pidima	**100% progress in the electrification of Pidima:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 455 175	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
Matokomane	New Indicator	% progress in the electrification of Matokomane	**100% progress in the electrification of Matokomane:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10%	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 605 746	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start	Letter of instruction written to the service provider to submit necessary revised implementation plan

			Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report				project implement ation	
Makotas eng	New Indicator	% progress in the electrification of Makotaseng	**100% progress in the electrification of Makotaseng:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 546 902	R -	None complianc e by the Service provider to submit revised implement ation plan. Failure to kick-start project implement ation	Letter of instruction written to the service provider to submit necessary revised implementation plan

3.2.4. HOUSING

Housing provision 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 for building of the houses. In the financial year under review no housing allocations were made to Greater Tubatse Municipality. The table below depicts number of houses allocated to Greater Tubatse since 2009/10 to 2012/13.

Figure/Table 21: Housing records

Financial year	2009/10	2010/11	2011/12	2012/13	2013/14	Total
Number of houses	300	1 000	1 460	1 586	None	4 346

3.2.5. FREE BASIC SERVICES AND INDIGENT SUPPORT

Provision of electricity is the competency of the department of energy and ESKOM. The municipality only pays the amount of electricity consumed through free basic electricity scheme to ESKOM. R3 500 000 was allocated for free basic electricity in the financial year under review and 9292 households benefitted from the scheme.

3.2.6. DEVELOPMENT OF MUNICIPAL ROADS

Three (3) types of roads projects namely; access bridges, internal streets and resealing of roads were constructed in 2013/14 financial year. Its progress was as follows:

(a) Fifteen (15) access bridges were constructed:
- (i) Eleven (11) were completed; and
- (ii) Three at 60% completion.

(b) Three (3) internal streets were constructed and were at 60% completion when the financial year ended.

(c) The resealing on the Burgersfort road was at 60% when the financial year ended.

The table below depicts the progress made and challenges encountered in the construction of these road projects.

Figure/Table 22: Road projects

Projects	2012/13 progress	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
Construction of Madifahlane Access bridge	75% Achievement in construction of Madifahlane Access Bridge: 10% Site handover; 10% contractor appointed; 45% Construction (Multi-year project), *10% Road works complete and contractor is finalizing gabions and handrails.	% progress in Construction of Madifahlane Access bridge	**100% progress in the construction of Madifahlane Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	100% achieved : MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 760 055	R 690 044.	None	None
Construction of Shakung Access Bridge	50% Progress in construction of Thokwane/Shakung Access bridge : Project on construction stage	% progress in the construction of Shakung Access Bridge	**100% progress in the construction of Shakung Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base	**100% progress in the construction of Shakung Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site	R 5 198 182	R 4 992 640.00	None	None

			slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%				
Construction of Mahlakwena Access Bridge	10% Achieved on construction of Mahlakwena Access Bridge : 10% T.O.R for contractor developed	% progress in the construction of Mahlakwena Access Bridge	**100% progress in the construction of Mahlakwena Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	**100% progress achieved in the construction of Mahlakwena Access Bridges:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 3 650 000	R 2 508 638.00	None	None
Construction of	20% performance in construction of Tsatsapane Access	% progress in the construction	**100% progress in the construction of Tsatsapane**	100% progress: MIG BP 5%, ToR 5%, Consultant;	R 5 066 545	R 3 411 644.00	None	None

Tsatsapane Access Bridge	bridge :10% T.O.R (consultant); * 10% T.O.R (contractor)	of Tsatsapane Access Bridge	**Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%				
Construction of Modubeng Access Bridge	20% Performance in construction of Modubeng Access Bridge : 10% T.O.R for consultant done and 10% for contractor done	% progress in the construction of Modubeng Access Bridge	**100% progress in the construction of Modubeng Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	100% progress: MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 3 900 000	R 3 256 319	None	None
Construction of	20% performance in construction of Pidima Access	% progress in the construction	**100% progress in the construction of Pidima Access**	100% progress: MIG BP 5%, ToR 5%, Consultant;	R 7 479 999	R 3 118 344	None	None

Pidima/Maakubu Access Bridge	bridge :10% T.O.R for consultant and 10% for contractor done	of Pidima/Maakubu Access Bridge	**Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%				
Construction of Ga-Malepe Access Bridge	20% performance in construction of Ga- Malepe Access Bridge : 10% T.O.R for consultant and 10% for contractor done	% progress in the construction of Ga-Malepe Access Bridge	**100% progress in the construction of Ga-Malepe Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	**100% progress achieved in the construction of Ga-malepe Access Bridge**: MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%,	R 2 400 000	R 2 729 821	None	None

				Closeout 5%				
Construction of Ga-Maphopha Access Bridge	10% Performance in construction of Maphopha Access Bridge : 10% T.O.R for consultant	% progress in the construction of Ga-Maphopha Access Bridge	**100% progress in the construction of Ga-Maphopha Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	40% progress: MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%	R 1 500 000	R 1 264 969	Delay on project commencement due to Environmental issues. This is a multi year project.	Letter issued to LEDET for fast-tracking acquisition of Environmental Authorization
Construction of Kgautswane/ Mokutung Access Bridge	20% Performance in construction of Kgautswane/Mokutung Access Bridge : 10% T.O.R for consultant and 10% for contractor done	% progress in construction of Kgautswane /Mokutung Access Bridge	**100% progress in the construction of Kgautswane/Mokupung Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%,	70% progress achieved in construction of Kgautswane/Mokupung Access Bridge: MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base	R 10 968 000	R 5 466 725	Delay on progress of works due to poor weather condtions	Rainfall records captured on site and application for extension of time authorized

			Gabions 10%, Stone pitching 5%, Closeout 5%	slab15%; bridge structure 5%				
Construction of Habeng Access Bridge	New Indicator	% progress in the construction of Habeng Access Bridge	**100% progress in the construction of Habeng Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	65% progress achieved in the construction of Habeng Access Bridge: MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%;Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%	R 1 500 000	R 1 171 225	Delay on progress on site due to existing hard rock outcrop on site. This is a multi - year project	Blasting activity executed
Resealing of Burgersfort roads	New Indicator	% Progress in resealing of Burgersfort roads	100% Progress in resealing of Burgersfort roads: ToR consultant 10%; Designs 15%, ToR Contractor 5%;Site handover 5%, Site Establishment 5%, Base repair 15%;Base repair 10%, Surfacing 30%, Closeout 5%	**30% progress achieved in resealing of Burgersfort roads:** ToR consultant 10%; Designs 15%, ToR Contractor 5%. Contractor appointed 30 June 2014	R 5 000 000	R -	Commencement of the project was delayed due to delays in SCM	Project to be concluded in 2014/15 financial year

Praktiseer internal road/street	0%	% progress in the construction of Praktiseer internal road/street	100% progress in the construction of Praktiseer street: 10% T.O.R(contractor) ;* 10% site hand over; *70% Construction; *10% close out	None	R 328 280	R -	Delayed on procurem ent process.	Capacitati ng of SCM
Ohrigstad internal roads/street (Works completion)	40%	% progress in the construction of Ohrigstad internal road/street (Works completion)	60% progress in the construction of Ohrigstad street: 10% T.O.R(contractor) ;* 10% site hand over; *70% Construction; *10% close out	30% progress in the construction of Ohrigstad street: ToR consultant 10%; Designs 15%, ToR Contractor 5%	R 2 100 000	R -	Delayed on procurem ent process.	Capacitati ng of SCM
Burgersfort Internal Street	0%	% progress in the construction of Burgersfort internal street	40% progress in the construction of Burgersfort internal road/street: 10% T.O.R(contractor) ;* 10% site hand over; *40% Construction;	10% progress achieved in the construction of Burgersfort internal road/street: ToR Contractor 10%	R 700 000	R -	Delayed on procurem ent process.	Capacitati ng of SCM
Kampeng access bridge	0%	% progress in the construction of Kampeng access bridge	**100% progress in the construction of Kampeng Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site	**100% progress in the construction of Kampeng Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor	R 233 019	R 201 487	None	None

			Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%				
Phiring access bridge	0%	% progress in the construction of Phiring access bridge	**100% progress in the construction of Phiring Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	**100% progress in the construction of Phiring Access Bridge:** MIG BP 5%, ToR 5%, Consultant; Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 365 745	R 271 134	None	None

3.2.7. COMPONENT C

3.2.7.1. PLANNING AND DEVELOPMENT

Planning and development in the Municipality lies in two departments, namely; Economic and Land development department and Integrated Development planning (IDP) unit. Economic and Land Development department deals specifically with development of the local economy and spatial planning. Integrated Development planning (IDP) is strategic planning document of the municipality; it encamps planning for the entire municipality.

In the financial year under review the municipality developed the following planning schemes to improve spatial layout in the municipality:

(i) Municipal wide Land Use management scheme which was at 20% progress when the financial year ended;
(ii) Development of local area plans, which too were at 20% progress when the financial year ended; and
(iii) Application for acquisition of strategic land for development. The process was at 10% when the financial year ended, which is the appointment of Legal Facilitator.

With regard to integrated Development planning (IDP), the municipal IDP was rated high by Premier IDP assessment team. In order to link the municipal planning and the provincial and National plans the municipality has developed vision 2030 blue print plan and when the financial year ended the document was at 20% progress and it will be completed in 2014/15 financial year.

Figure/Table 23: Municipal planning projects

Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
Land use management programs	New Indicator	% development of municipal wide LUMS	20% progress in development of municipal wide LUMS: 5% Procurement of Professional Service provider; *15% Project Inception & Desktop Analysis (target reduced to 20% from 100% during mid - Year reviews)	**20% progress in development of municipal wide LUMS:** 5% Procurement of Professional Service provider; *15%- Service provider appointed; Inception report done and base information collected for analysis purposes.	R 500 000	R -	None	None
Development of Local Area Development Plans for Steelpoort & Ohrigstad towns	New Indicator	% progress development local area development plans	**20% progress development local area development plans:** * 5% Procurement of Professional Service provider;* 15% Project Inception & Desktop Analysis (target reduced to 20% from 100% during Mid - year review)	**20% progress development local area development plans:** *5%- Service provider appointed;* 15% Inception report done and base information collected for analysis purposes.	R 1 000 000	R -	None	None
Land acquisition/appropriation	New Indicator	% progress acquisition of strategic land	**40% progress** in **acquisition of strategic land for**	**10% progress in acquisition of strategic land for**	R 3 000 000	R -	Registration of servitude	The KPI rolled over to

for servitudes program		for development	**development:** * 10%- Appointment of Legal Facilitator/ Conveyances for registration of the servitude; *30% Registration of servitude (target reduced from 100% to 40% during mid - year Reviews).	**development:***10%- Legal Facilitator has been appointed.			delayed and is not in the hands of the municipal ity	2014/15 financial year.
Land use management	100% Performan ce of building plans approved/c onsidered: 263 building plans submitted and 62 approved and 81 not approved. 60 occupation certificates issued.	% of Building plan approved/con sidered within 30/60days	100% of Building plan approved/considered within 30/60days(below 500 sq. Metre& above 500 sq. Metre) respectively	100% of Building plan (below 500 sq. Metre& above 500 sq. Metre) respectively approved/considered within 30/60days	R -600 000	-R 650 668	None	None
Land use management	20% achieved:	% progress in	100% progress : 15% facilities audit report	25% progress in development of	R -	R -	Slow SCM	Expedit

	5%Site visit of all municipal building facilities conducted. Rental rates for community use are available. 5% guidelines and tariffs for community facilities developed, 10% draft facility manageme nt plan with rental rates developed	development of consolidated Facility Management plan	conducted; 20% repairs & maintenance; * 15% - draft facilities management plan developed; * 15% final facilities management plan;15% council adopted facilities management plan; 10% repairs & maintenance	consolidated Facility Management plan : 15% municipal facilities audit report done; 10% repairs & maintenance done			processe s.	e the SCM process es for facilities mainten ance program me (KPI withdra wn during Mid - year reviews)
Land use management	100% achieveme nt on non-complianc e addressed: out of 65	% of non - compliance observed during properties audit addressed &	100% of non - compliance observed during properties audit addressed & referred.	100% achieved: 81 properties audit conducted and no non - compliance was observed.	R -	R -	None	None

	inspections , 27 contraventions discovered and notices served within 2 days ; 26 addressed & 1 referred to Legal Services for further legal action	referred.						
Land use management	100% achievement on non-compliance addressed: 77 contraventions discovered and notices served within 2	% of building contraventions identified during routine inspections addressed and referred	100% of building contraventions identified during routine inspections addressed and referred	99% of contraventions discovered addressed and 1% referred to Legal unit(2 out 180 inspections conducted were referred to Legal unit)	R -	R -	none	none

	days and were addressed, 1 matter referred to Legal Services for further action							
Land use management	New Indicator	% of cadastral related queries/ disputes resolved within 30 days	80% of cadastral related issues/ disputes resolved/ addressed	80%- No cadastral issues/ disputes received or identified during the period. (KPI withdrawn during Mid - year reviews)	R -	R -	None	None
Land use management (Township Establishment)	0% Achieved	% of section 96,99 & 100 of Ordinance 15 of 1986 applications processed within 120 days.	100% of section 96,99 & 100 of Ordinance 15 of 1986 applications processed within 120 days.	100% of section 96,99 & 100 of Ordinance 15 of 1986 applications processed within 120 days. (3 applications of each section 96,99 and 100 of Ordinance 15 of 1986 application made)	R -	R -7 538	None	None
Land use management (Rezoning)	0% Achieved - 16 new application received 14 approved	% of section 56 of Ordinance 15 of 1986 applications processed within	100% of section 56 of Ordinance 15 of 1986 applications processed within 120days.	100% of section 56 of Ordinance 15 of 1986 applications processed within 120days. (11 applications received and processed within 120 days)	R -	R -12 059	None	None

		120days.						
Land use management (Subdivision and Consolidation)	100% Achieved : 3 applications received and 2 approved	% of section 92 (1) (a) & (b) of Ordinance 15 of 1986 and section 6 of Ordinance 20 of 1986 applications processed within 120 days.	100% of section 92 (1) (a) & (b) of Ordinance 15 of 1986 and section 6 of Ordinance 20 of 1986 applications processed within 120 days.	100% of section 92 (1) (a) & (b) of Ordinance 15 of 1986 and section 6 of Ordinance 20 of 1986 applications processed within 120 days. (7applications received and processed within 120 days)	R -	R -15 035.60	none	None
Land use management (Consent Uses)	100% Performance : 714 application received and processed within 120 days : (66 x consent use applications, 648 x rural land use applications received and processed	% of clause 21 & 22 of GTM LUMS 2006, Peri Urban Areas Town Planning Scheme 1975 and other land use regulations (R293/ 1962; R188/ 1969 and/or Act 125 of 1967 as amended) applications processed within	100% of clause 21 & 22 of GTM LUMS 2006, Peri Urban Areas Town Planning Scheme 1975 and other land use regulations (R293/ 1962; R188/ 1969 and/or Act 125 of 1967 as amended) applications processed within 120days.	100% of clause 21 & 22 of GTM LUMS 2006, Peri Urban Areas Town Planning Scheme 1975 and other land use regulations (R293/ 1962; R188/ 1969 and/or Act 125 of 1967 as amended) applications processed within 120days. (17 clause 21; 45 clause 22; 121 regulation R188/1969 and 2 act 125 of 1967 applications processed within 120 days)	R -	R -125 605	None	None

		120days.						
Land use management (Site Development Plans & Temporary Consents)	100% Performance : 714 application received and processed within 120 days : (66 x consent use applications, 648 x rural land use applications received and processed	% of 17 and 23 of GTM LUMS 2006 applications processed within 30 days.	100% of 17 and 23 of GTM LUMS 2006 applications processed within 30 days.	100% of 17 and 23 of GTM LUMS 2006 applications processed within 30 days. (9 section 17 and 5 section 23 applications received and processed within 30 days)	R -	R -11 192	None	None
Land acquisition	55% Performance : 25% work done: terms of deed of transfer available; 15% Follow ups, 15% Discussion	% progress in facilitation of transfer of 43.7 hectares of the farm Praktiseer 275 KT for Loncon Housing Development Project	100% progress in transfer of 43.7 hectares of the farm Praktiseer 275 KT for Loncon Housing Development Project: * 25% Facilitate all outstanding matters as raised with the municipality; * 25% Development of Terms of deed of	25% Progress made: 25% letter to department written detailing status and progress facilitated	R -	R -	No official response received from DPW.	KPI withdrawn during mid - year reviews

	held with LDPW on the status of final registration of the property		donation/transfer agreed upon; * 25% Signed Deeds of Donation; *25% Property registration and transfer					
Land acquisition	40% Performance: 10%draft terms of deed of transfer available. Received response from DRDLR on 08/10/2012 that the previous documents we sent for Praktiseer 275KT are not SG diagrams; 15% Government survey diagrams	% progress in facilitation of transfer of Remainder and all other portions of the farm Praktiseer 275KT	100% progress in facilitation of transfer of Remainder and all other portions of the farm Praktiseer 275KT: * 25% submission to PSLDC; * 25% Development of Terms of deed of donation/transfer agreed upon; * 25% Signed Deeds of Donation; *25% Property registration and transfer	12% progress achieved : 12% letter to department detailing status and progress	R -	R0	PSLDC submission are external processes(DRDLR)	KPI withdrawn during mid - year reviews

	done through GPS and to be submitted to DRDLR; 15% Information to form part of the PSLDC submission submitted on 30/05/2013							
Land acquisition	30 % Performance :15% draft pre-feasibility on the best option of the development towards an informed community resolution; 15% HDA through	% progress in facilitating of transfer of portions (1,8,9,10,11,12,15 & R/E) 1316.28 hectares of the farm Aapiesdooringdraai 298KT	100% progress in facilitating transfer of portions 1316.28 hectares Aapiesdooringdraai 298KT: * 25% follow up on the submission status to PSLDC for recommendation to the minister; * 25% Development of Terms of deed of donation/transfer agreed upon; * 25% Signed Deeds of Donation by Limpopo	25% achieved : 25% follow up letter written to DRDLR about the progress but no meeting held	R -	R 0	No response received from the DRDLR	KPI withdrawn during mid - year reviews

	COGHSTA finalised report to inform community resolution meeting		Department of Public Works; *25% Property registration and transfer					
Land acquisition	20% Performance: 20% meeting held with Manoke tribal authority and DRDLR on the 30/09/2012, 15/01/2013, 01/02/2013 towards a tribal resolution.	% progress in facilitation of transfer of portions (1,8,9,10,11,12,15 & R/E) 1316.28 hectares of the farm Viljoenshoop 301KT	100% progress in the facilitation of portions (1,8,9,10,11,12,15 & R/E) 1316.28) hectares of the farm Viljoenshoop 301KT: * 25% Pre Tribal and Community resolution meetings; *25% Final Tribal and Community resolution meetings; *25% submission of small scale and sub divisional diagrams; * 25% follow up on the submission status to PSLDC for recommendation to the minister	0%	R -	R0	Principle disagreement on the transfer and ownership of the property after the transfer	KPI withdrawn during mid - year reviews
Spatial development framework	New Indicator	% progress development of new township at Apies	70% progress in establishment of Apies Township :* 10% Procurement of service provider);*5% (Specialist studies-	0%	R 1 500 000	R -	The project was affected by a land claim,	KPI withdrawn during mid - year

			Topocadastral survey; * 5% Geo-technical/ Flood line study); *5% EIA & Engineering Services Investigation);10% Draft layout plan; 10% Environmental Authorisation; 15% Engineering Services Scheme reports; *10% Stakeholder Consultation & Council Resolution				which was awaiting a judgemen t in the Land Claims Court.	reviews
Development of Housing chapter	New Indicator	% progress development of housing chapter	100% progress development of housing chapter: * 20% TOR developed; * 30% Draft housing chapter/plan developed; * stakeholder engagement(25%) * Approval of the plan by council(25%)(KPI was reduced to 10% during Mid - year reviews)	20% Progress in development of housing chapter : *20% Draft TOR developed	R 500 000	R -	Lack of Capacity.	KPI rolled over to 2014/15 year
Development of Housing chapter (Reports)	New Indicator	# of housing report submitted to council	4 - housing report submitted to council	1 report served in council of 02/08/2013	R -	R -	No housing allocation or	The KPI to be included

							housing projects for the 2013/14 financial year.	if the municipality has received housing allocation
	New Indicator	% progress with facilitation of Burgersfort Extension 10 Social Housing project	70% progress with facilitation of Burgersfort Extension 10 Social Housing project: *25% Rezoning of the Erf to Residential 3; * 45% Market Analysis completed (Target reduced from 100% to 70% during Mid-year reviews)	25% progress : * 25% Council has approved the rezoning of the property to allow high density residential development.	R -	R -	The appointment of Service provider by CoGHSTA was delayed	The study is underway to be completed in the 2014/15 financial year
Spatial development framework	New Indicator	% progress in land tenure upgrading at Ga-Mapodile Township.	100% progress in land tenure upgrading at Ga-Mapodile Township: *20% procurement of service provider; *20% Management of project; *20% opening of township register; *20% verification of beneficiaries; * 20% proclamation of	None	R 300 000	R -	Project depend of the COGHSTA	To engage COGHSTA for progress report

			township					
Purchase of civic centre	New Indicator	% progress in the facilitation of purchase of Civic Centre	50% progress on facilitation of purchase of the civic centre: * Development of action plan; * Facilitating consultative meeting with Provincial and National treasury and the property owner; * Development of financial model	None	R 80 000 000	R -	Insufficient fund to purchase	National treasury to assist the municipality to purchase the civic centre
Development of Vision 2030 blue print	0 % Performance in Development of Vision 2030: Report developed and submitted to departments and terms of reference developed for appointme	% progress in the development of vision 2030 blue print	40% progress in the - development of vision 2030 blue print: * Development of vision 2030 blue print plan (20%); * Approval of the plan by Council (20%) (the target was adjusted during the mid-year review from 100% to 40%)	* Development of vision 2030 blue print plan (20%)	R 1 000 000	R -	Delayed in the supply chain processes	To Project to be rolled over to the 2014/15 financial year

	nt of service providers.							
Development of 2014/15 IDP	100% Performance on compliance to IDP compilation process : Final IDP adopted by council and submitted to COGHSTA , Treasury and SDM by 8June 2013	% progress in compilation of IDP document	**100% progress in compilation of IDP document :** 10% IDP process plan adopted by council; 25% status quo analysis report adopted by council;* 20% strategy planning report produced; 10% project integration completed;*10% Draft 2014/15 IDP adopted by council; 10% Public consultation conducted; * 5% incorporation of public participation report in the IDP; 10% Approval of the final IDP 2014/15	**100% progress in compilation of IDP document :** 10% IDP process plan adopted by council; 25% status quo analysis report adopted by council;* 20% strategy planning report produced; 10% project integration completed;*10% Draft 2014/15 IDP adopted by council; 10% Public consultation conducted; * 5% incorporation of public participation report in the IDP; 10% Approval of the final IDP 2014/15	R 200 000	R -	None	None
	4 IDP/PMS Fora held: 2 held in September 2012, 2nd one in November and the	# of IDP/PMS/Budget consultation held	2 - IDP/PMS/Budget consultation held	2 - IDP consultation meeting held	R 50 000	R 4 850.00	None	None

	stakeholder engagement held in March 2013.							

Figure/Table 24: Applications for Land use development

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
Planning application received	3	3	15	8	346	201
Determination made in year of receipt	0	0	5	1	209	55
Determination made in following year	2	3	9	7	N/A	N/A
Applications withdrawn	0	0	0	0	N/A	69
Applications outstanding at year end	2	0	1	1	137	77

Figure/Table 25: Employees for Land and Economic Development

Employees: Economic and Land development Department					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	9	8	8	0	0
4 – 6	6	7	7	0	0
7 – 9	2	2	2	0	0
10 – 12	0	0	0	0	0
Total	17	17	17	0	0

Figure/Table 26: Planning and Development Financial performance

Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure:					
Employees	R4 963 824.26	R10 169 566	R9 736 404	R 9 577 229	1.6%
Repairs and Maintenance	N/A	N/A	N/A	N/A	N/A
Other	R4 542 674.97	R9 210 000	R7 810 000	R992 476	87.3%
Total Operational Expenditure	**R9 506 499.23**	**R19 379 566**	**R 17 546 404**	**R 10 569 705**	**39.7%**

3.3. COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.3.1. Thusong Centres

The Greater Tubatse Municipality boasts of four Thusong Service Centres (viz. Leboeng, Kgautswane, Kgopaneng and Mapodile) which are at varying levels of functionality. All the centres are staffed through EPWP where Telecentre assistants, general services counter clerks; cleaners and grounds men are discharging their services. Of noteworthy are services that are rendered at these centres which include ICT services at Leboeng and Mapodile Thusong Services centre. Mapodile TSC has also seen training of 300 learners through Basil Read corporate social investment responsibility and the Telecentre and its amenities were used to further the mission of ICT development in the area. At Leboeng community members are afforded access to internet, photocopying as well as typing of documents.

Role players from government and non government sector inclusive of Food Bank , water affairs, education, government communication and information system, South African Police services (SAPS), small enterprise development agency (SEDA), agriculture, Home Affairs, South African Social Security Agency (SASSA), social work and community development services. The statistical data in terms of service provision is as follows: Leboeng Thusong centre 16463 and Ga- Mapodile Thusong centre is 90 000

3.3.2. **Community halls**

The municipality has constructed five community halls, namely: Mokgotho, Driekop, Leboeng, Moeng and Djate community halls. Community halls provide valuable services in the community. At Ga –Mokgotho the hall is used by a drop in centre where a total number of 124 orphaned and vulnerable children are assisted with the following:

- Preparation of meals;
- Assistance with homework's;
- Bathing of small children without parents;
- Life skills training for all children according to age;
- Washing of clothes for the children;
- Play sessions for children; and
- A total of 10 job opportunities for the locals were created by this service inclusive of 01 Coordinator, 08 carers and one security personnel

The Mokgotho hall is also used on weekends for holding of community meetings. Meanwhile the Driekop community hall is also used for various activities such as environment competitions, choir challenges, community meetings and training venues for NGO's. The hall is yet to be officially opened. Other community halls like Leboeng, Moeng and Djate community halls are not utilized as expected. Leboeng and Djate community halls are in depilated state to be used. Municipality is looking in various ways to ensure its functionality.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.3.4. Cemeteries

The municipality have four standardized/formal cemeteries, namely Ohrigstad, Penge, Mapodile and Praktiseer. The cemeteries are maintained weekly. Mapodile cemetery has been vandalized. R100 000 was allocated for the development of Cemetery management system, but when the financial year ended progress on project was at 20%, which is the development of terms of reference. The table below reflects on the environmental matters in the municipality.

Figure/Table 30: Environmental matters

Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
Parks and Gardens (maintenance of open spaces)	New Indicator	# of Identified open space debushed	3x Debushing and maintenance of open spaces along 3 (three) main roads *1x @ municipal area along R37 Roads *2x@ municipal area along R555 Roads (Cutting of the trees & grass on the side of the road)	3x Debushing and maintenance of open spaces along 3 (three) main roads: *1x @ municipal area along R37 Roads *2x@ municipal area along R555 Roads (Cutting of the trees & grass on the side of the road)	R -	R -	None	N/A
Parks and Gardens (Maintenance of parks and garden)	8 spaces maintained - 7 municipal gardens and 1 municipal park maintained	# of municipal parks and gardens maintained weekly	Maintenance of 10 (ten) parks and garden *2 (two) Municipal Parks *8 (eight)	Maintenance of 10 (ten) parks and garden. *2 (two) Municipal	R 100 000	R -	None	N/A

			Municipal Gardens (Cutting of lawn, Removal of weeds, Irrigation, Application of fertilizers, Pruning of flowers.)	Parks *8 (eight) Municipal Gardens				
Operations and Maintenance of infrastructure (Cemetery maintenance)	3 cemeteries maintained : Praktiseer Ohrigstad Mapodile (grasses and bushes in the grave yards cleared) Penge not maintained	# of municipal cemeteries maintained monthly	Maintenance of 4 (four) cemeteries: Praktiseer Ohrigstad Mapodile Penge (Clearing grasses and bushes in the grave yards)	Maintenance of 4 (four) cemeteries: Praktiseer Ohrigstad Mapodile Penge (Clearing grasses and bushes in the grave yards)	R 100 000	R -	None	N/A
Operations and Maintenance of infrastructure (Development of Cemetery manageme	100% Achievement in compliance to the developed Cemetery Management System : *Grave pits prepared,	% development of Cemetery management system	100% developed Cemetery Management System: * 20% development of TOR * 80% implementation	20% achieved : * 20%TOR developed	R 100 000	R -	Delays from Supply Chain	The Project removed from the 2014/15 SDBIP

nt system)	*numbers allocated to graves and *graves aligned (Project phased out during adjustment)		of the developed system					
Planting of trees/Event & special projects (Greening)	1 Arbor Day celebration held	# of trees planted during Arbor Day celebratio n.	*1x Arbor Day celebration * 20 trees planted	*1x Arbor Day celebration - 06/09/2013 Ntwampe Sports ground * 20 trees planted - 1600 trees planted to Magakala circuit cluster.	R 100 000	R -	None	None

Figure/Table 31: Financial Performance of Cemeteries management in Greater Tubatse Municipality

Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure:					
Employees	R1 336 224.63	R 2 481 845	R 2 481 845	R 2 110 079	15%
Repairs and Maintenance	R17 360.47	R200 000	R200 000	R116 650	41.7%
Other	R1 545 604.39	R459 611	R459 611	R799 148	73.9%
Total Operational Expenditure	R2 899 189.49	R3 141 456	R 3 441 456	R 3 025 877	12%

COMPONENT F: SPORT AND RECREATION

3.3.5. Sports and cultural Activities

The municipality has performed the following sporting and cultural activities:

Six (6) sports events held as follows:

- Cricket tournament;
- Chess tournament at Alverton;
- Cricket Festival on 07/09/2013 at Alverton Village;
- Rugby tournament on 19/10/2013 at Winterveld;
- O.R.Tambo games held on the 08/03/2014 at Motsepula Farms;

Six (6) Library programmes conducted as follows:

- Library week on the following dates:

02/12/2013; 04/12/2013; 25\08\2013 and 18/04/2014 to 19/04/2014

- Literacy day on12\09\2013
- National Library day on 18 and 19 March 2014.
- Library outreach on 1 April 2014 and 25 June 2014

The table below depicts a clear picture of the functionality of Community facilities and the sport and cultural activities performed in the municipality in 2013/14 financial year.

Figure/Table 32: Functionality of Community facilities and sport and cultural activities

Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
Operations and Maintenance of infrastructure (functionality of Community Facilities)	80 % Achievement in functionality of Community facilities: Stakeholder Engagement and Monitoring: *20% Mokgotho Community Hall; *20% Mapodile Thusong service centre; *20% Refurbishment of Kgopaneng; *20% Kgopaneng.	% functionality of Community Facilities	100 % functionality of Community facilities: Stakeholder Engagement and Monitoring of : * 20% Mokgotho Community Hall;* 20% Driekop Community Hall *20% Mapodile TSC *20% Leboeng Telecentre *20% Kgopaneng TSC	100 % functionality of Community facilities: *Stakeholder Engagement and Monitoring of Mokgotho Community Hall done (20%); *Driekop Community Hall done (20%) * Mapodile TSC done (20%) *20% Telecentre * of Kgopaneng TSC done (20%)	R 80 000.00	R -	None	N/A

Maintenance of community facilities.	New Indicator	# of municipal community facilities maintained monthly	Maintenance of 5 community facilities. *2x Community halls *3x TSC (Clearing grasses, and pruning of trees, cleaning of offices and gardens)	Maintenance of 5 community facilities done: *2x Community halls are maintained monthly *3x TSC are maintained monthly (Clearing grasses, and pruning of trees, cleaning of offices and gardens)	R 50 000.00	R -	None	N/A
Sport, Arts and Cultural activities/Event& special projects (Sports programmes)	7x sports events held as follows: Mayor's Marathon; Indigenous games; Rugby Tournament; OR Tambo Games; Chess and cricket tournament ;Rugby tournament	# of sporting events held	6x sports events held: *1x O.R.Tambo games *1x Mayoral cup; *1x Indigenous games *1x Chess tournament; games; *1x Cricket Festival; *1x Rugby	6x sports events held:*1 x Cricket *1xChess tournament Both on the at Alverton. *1x Cricket Festival; 07/09/2013 - Alverton Village *1x Rugby tournaments 19/10/2013 - Winterveld;	R 90 000.00	R 41 660.00	Indigenous game was not held	Indigenous postponed to 2014/15 financial year

			tournaments	*1xO.R.Tambo games held on the 08/03/2014 at Motsepula Farms;				
Sport, Arts and Cultural activities/Event& special projects (Sports programmes)	New Indicator	% Progress in the facilitation for the establishment of Maandagshoek Sports complex	75% facilitation for the establishment of Maandagshoek Sports Complex: * 25% Land acquisition; *25% Fencing, Earthworks; * 25% Construction	0% Progress in facilitation of Maandagshoek Sports Facility	External funding	R -	The municipality failed to acquire the identified land due to land dispute in the area; and the second factor was the closing down of business by the prospected sponsor	The KPI was withdrawn during Mid- year assessment
Sport, Arts and Cultural activities/Event& special projects (Arts and Culture	3x Arts and Culture events held as follows : *2x Beauty Pageant held, *1x Cultural	# of cultural activities conducted	3x Arts and Culture programmes. *1x Pageantry. *1x Cultural	3 x Arts and Culture programmes conducted: *1x Pageantry 07/12/2014;	R 50 000.00	R 41 674.00	None	None

programmes)	Show/festival *1x Indaba and Theatrical workshop		Show/Festiva l *1x Indaba	Miss Limpopo 20/12/2012; *1x Indaba held on the 22/03/2014 at Old Municipal Chamber				
port, Arts and Cultural activities/Even t& special projects (Sports, Arts and Culture council)	100% Performance on Functionality of Sports, Arts and Culture Council: *50% of Sports, Arts & Culture Council meetings held on 15/01/2013,06/02/20 13, 06/03/2013, 13/03/2013, 17/04/2013, 2504/2013, 02/05/2013 *50% Resolutions implemented:	% implantation of Sports, Arts and culture council meeting resolutions	100% implantation of Sports, Arts and culture council meeting resolutions	100% of twelve(12)Spor ts, Arts and culture council meeting resolutions implementated	R -	R 41 681.00	None	None
Operations and Maintenance of infrastructure (Library Books)	494 books purchased:	# Number of new books purchased and acquired.	300 new books	No books purchased	R 1 000 000.00	R -	Delays from Supply Chain	KPI rolled over to 2014/15

Sport, Arts and Cultural activities/Event& special projects (Library programmes)	2 Library programmes conducted: * Literacy week on 14/09/2012 *World book day on 23/04/2013	# of Library programs conducted	2 Library programmes conducted: * Library week *World book day	6 Library programmes conducted: * Library week 02/12/2013 04/12/2013, * Library week 25\08\2013 Ntwampe *Literacy Day12\09\2013 Mampuru; * National Library day 18 and 19 March 2014. * Library outreach programme 1 April 2014; *Library week from18/04/2014 to 19/04/2014 *Library outreach programme 25 June 2014	R 30 000.00	R 150 538.98	None	None

Figure/Table 33: Employees of Community services

Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	4	4	4	0	0
4 - 6	11	13	13	0	0
7 - 9	32	32	32	0	0
10 - 12	25	25	20	5	20%
Total	72	74	69	5	6.7%

Figure/Table 34: Financial Performance of Community Services

Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure:					
Employees	R11 708 102.66	4 045 425	4 045 425	3 839 541	5%
Repairs and Maintenance	R44 931.14	12 000	12 000	R0.00	100%
Other	R13 789 500.34	R5 377 000	R5 377 000	R4 087 619	24%
Total Operational Expenditure	R25 542 534.14	9 434 425	9 434 425	7 927 160	16%

COMPONENT G: CORPORATE POLICIES AND OTHER SERVICES

3.4. HUMAN RESOURCE SERVICES

3.4.1. Organizational Design

The appointment of a service provider for the review of the Organizational structure as envisaged in 2012/13 financial year is concluded, Lekoko consulting is appointed. A draft Organizational structure is developed and is due for relevant consultation processes until the approval by Council.

3.4.2. Recruitment

The municipality has 229 employees; 134 of them are male and 95 are female. In the financial year under review thirty (13) new employees were recruited to the municipality. The recruitment of chief finance officer (CFO) was at verification of competency levels and when the financial year ended. With regard to the municipal manager, an advert for recruitment was out when the 2013/14 financial year ended.

Figure/Table 35: Recruitments

Gender		Race				Total
Female	Male	Black	White	Indian	Coloured	
4	9	13	00	00	00	13

3.4.3. Labour turnover

Six (16) employees left the municipality under the following reasons as depicted in the table below:

Figure/Table 36: Labour turnover

Resignations	Contract ended	Retirement	Dismissal
04	04	05	03

3.4.4. Training of staff members and councillors

83 employees including councillors were trained in the financial year under review as reflecting below:

- 10 councillors in Municipal Governance Programme;
- 2 Staff in Municipal Governance Programme;
- 17 Employees on Municipal Finance Management programme;
- 1 employee in local Government administration;
- 1 master in Public administration;
- 2 employees in IT programmes;
- 3x Traffic training;
- 2x HR manager programme;

- 2 x pay roll administration;
- 40 x ABET programme;
- 1x HIV/AIDS programme;
- 1x OHS programme; and

3.4.5. Performance Management System

The cascading of Performance management system (PMS) to other municipal employees as envisaged in 2012/13 financial year did not materialised. The Performance management system in the municipality is still at senior management and Organizational level. The policy was reviewed with other HR policies to accommodate the cascading the performance management to all municipal employees.

The following were achieved with regard to performance management in the municipality in 2013/14 financial year:

- Mid – year performance report(section 72 report of MFMA) approved by council;
- Both original and revised SDBIP for 2013/14 financial years were approved by the Mayor and Council especially the revised SDBIP need the approval of the council;
- All section 54/56 managers have signed their performance agreements; and
- A draft 2012/13 Annual report was adopted by council and subjected for public scrutiny through Municipal Public Account committee (MPAC).

Despite the above achievements, there were shortfalls also in the management of performance in the municipality. The following shortfalls were experienced in the 2013/14 financial year:

- Both formal and informal performance review of section 54/56 managers were not conducted. An annual programme was developed for the project, but unavailability of panel members and last minutes cancellation of the sessions affected the implementation of the programme negatively; and
- Final 2012/13 Annual report was since subjected to public scrutiny through MPAC was never resubmitted to council for approval with oversight report.

3.4.6. Presidential and premier Hotline queries

The municipality is performing well with regard to responding both Presidential and premier hotlines queries. Almost all queries raised through the above hotlines are attended to. Those which are not for the competency of the local municipality are sent to relevant stakeholders or departments. Apart from the presidential and premier hotline queries the municipality has also mounted suggestion boxes in each ward for community to make input on the performance of the municipality either by lodging queries, complementing or making suggestions for improvement. This system is currently not doing well; communities are not responding as expected. The third mechanism is walk in were people lodge compliant in the municipality. The most visited Departments in the municipality are Technical service and Economic and Land development.

3.4.7. Local Labour forum

The Local Labour forum is well constituted, all parties according the bargain council guidelines are represented in the forum. The forum meets monthly to discuss issues that affect the relationship of the employees and the employer. Sub- committees were established and work shopped in the financial year under review. Eight (8) meetings were held in the financial year under review.

3.4.8. Human resource policies.

As indicated somewhere in this report, twenty eight (28) Human Resource policies were workshoped to Executive committee and local labour forum (LLF) and were due for council approval when the financial year ended. One policy (Travelling policy) was deferred back and a committee was established to rework on it and resubmit it to council for approval. The table below depicts a detailed report on the human resource related matters.

Figure/Table 37: Human Resources Related matters

Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
Review and enforce HR policies	New Indicator	# of HR policies reviewed	12 HR policies reviewed	0 - No policies reviewed	R -	R -	* Policies were reviewed but not yet submitted to council for adoption * Travelling allowance policy referred back to be reworked	* reviewed policies to serve in council for approval; * Task team delegated to rework the travelling allowance policy to conclude its work
	New Indicator	# of new	2 - New policies	2- draft policies	R 70 000	R	None	None

		policies developed.	developed. * Sport policy; * Bereavement policy (staff)	developed - * Bereavement policy for staff and *sporting policy		-		
Review and enforce HR policies (HR plan)	New Indicator	% progress in the development of HR plan	100% progress in the development of HR plan: *15% conduct an HR Strategic analysis; *15% Identify strategic HR issues: *20 % Address ongoing HR Issues;*30% confirm and prioritise strategic and ongoing HR Issues;* 20%Draw up the HR plans	80% progress achieved in the development of HR plan: *15% conduct an HR Strategic analysis; *15% Identify strategic HR issues: *20 % Address ongoing HR Issues;*30% confirm and prioritise strategic and ongoing HR Issues;	R 400 000	R -	Prolonged procurement processes in appointment of service provider	To be finalised in the 2014/15 Financial Year
Review and enforce HR policies (Organisational re-engineering)	0%	% progress in review of organization structure	**20% progress in the review of Organization structure:** *20% development of terms of reference	**20% Organisational Structure reviewed:** 20% Terms of reference developed	R 1 000 000	R -	None	None

Review and enforce HR policies (Employment Equity plan)	0%	% progress in the development of Employment Equity plan	100% development of employment equity plan: * 20% Resuscitate the EE Committee; *20% Induction of the committee; * 20% Development of the EE plan; *20% Stakeholder consultation; *10% Approval by council; *10% Submit EE Plans and Reports	**60% progress** : * 20% the EE Committee resuscitated; *20% Employment Equity Plan Draft in place; *20% Stakeholder consultation done(presented to management and sector department	R 70 000	R -	Lack of capacities HR Manager and Snr HR Officer who were working on the project resigned	Replace with seconded officials
Review and enforce HR policies(wellness program)	New Indicator	# of Wellness calendar day events coordinated	12- Wellness calendar day events coordinated;	3 - Wellness calendar day events coordinated: *1 cancer awareness event coordinated on the 26th of September 2013;	R -	R -	Lack support from relevant stakeholders	To lobby relevant stakeholders in the municipal arranged

				*Melonoma/Skin Cancer awareness, *Prostate cancer awareness				events
Review and enforce HR policies(wellness program)	New Indicator	# of Wellness calendar day events coordinated	12- Wellness calendar day events coordinated;	3 - Wellness calendar day events coordinated: *1 cancer awareness event coordinated on the 26th of September 2013; *Melonoma/Skin Cancer awareness, *Prostate cancer awareness	R -	R -	Lack support from relevant stakeholders	To lobby relevant stakeholders in the municipal arranged events
	New Indicator	# of Municipal wellness day co-ordinated	1- Municipal wellness day co-ordinated	1 Municipal wellness day co-ordinated(October 2013)	R 400 000	R 372 889.00	None	None
	New Indicator	# of employee satisfaction survey conducted	1- employee satisfaction survey conducted	Employee satisfaction survey not done	R 400 000	R -	Budgetary constraints	To be considered during budget

								adjust ment
	New Indicator	# of debt management intervention coordinated	1- debt management intervention coordinated	One intervention during the wellness day event			Budgetary constraints	To be considered during budget adjustment
	New Indicator	# sporting activities Facilitated	12x sporting activities Facilitated	9 x sporting activities facilitated : * Sekhukhune FET 01/08/2013;* Marula Platinum 28/08/2013;* Namibia 20/09/2013; *TRP 13/03/2014) *Makhuduthamaga(02/03/14 *1 soccer & 2 netball;* 1 Lepelle Nkumpi, * 1 Provincial Games at Vhembe ; 1 against SADTU			Some games were not honoured	Reduce number of sporting activities
Review and	New Indicator	% of Employee	100% of	100% of			None	None

enforce HR policies(wellness program)		wellness interventions identified conducted/facilitated(Medical referrals, bereavements & exist interviews)	Employee wellness interventions identified conducted/facilitated(Medical referrals, bereavements & exist interviews)	employee wellness interventions identified conducted: *Three(3) referrals made;*four(4)bereavements and exit interviews conducted				
	New Indicator	# of OHS audit conducted	1 - OHS audit conduct(July);	1 OHS Audit conducted	R400 000	R -	None	None
Review and enforce HR policies(wellness program)	New Indicator	# of OHS committee meetings held	4 - OHS committee meetings held	4 OHS committee meetings held			None	None
	New Indicator	# of site inspection and monitoring of Capital projects conducted	12 - site inspection and monitoring of Capital projects conducted	14 project site inspections conducted			None	None
	New Indicator	# of medical surveillance and screening conducted	2- medical surveillance and screening conducted	2-Medical surveillance and screening conducted			None	None
	New Indicator	# of fumigation and pest control conducted in the municipal offices;	4 - fumigation and pest control conducted in the municipal offices;	None			SCM delays	Municipality to capacitate

								SCM
	New Indicator	# of change room facilities constructed	1 - change room facilities constructed	None			Delays by landlord to respond to Municipal request	Follow up with the landlord
	New Indicator	# of paraplegic access facilitated	1 - paraplegic access facilitated (Sep)	None			Budgetary constraints	Project withdrawn
	New Indicator	# of medical supply Provision made	4 - medical supply Provision made	1 medical supply			Budgetary constraints	Project withdrawn
	New Indicator	# of OHS reps training session conducted	1 - OHS reps training session conducted	None			Budgetary constraints	Project withdrawn
	New Indicator	# of COIDA interventions facilitated	4x COIDA interventions facilitated	*2x COIDA intervention facilitated			Only two intervention was need	To recoil the KPI
	New Indicator	# of OHS mock drill training conducted	1 x OHS mock drill training conducted	0 - No mock drill training conducted			Low turn up of employees due to poor	Project withdrawn

							communication with relevant stakeholders	
Review and enforce HR policies(Occupational Health and Safety program)	60% achievement in compliance with hygiene standards for Office cleanliness:*20 % - clear area delegations for cleaners developed*20 % -cleaning amenities provided ; *20% - provision of PPE(ear plugs,helmetmets,reflective jackets for the rest specification have been distributed to all departments for inputs	# of hygiene standards for Office cleanliness activities conducted	9- hygiene standards for Office cleanliness activities conducted: *Determine a clear area delegations for cleaners; *4x Provision of requisite cleaning amenities; *4x provision of PPE	7 - hygiene standards for office cleanliness conducted : *Clear area of delegation for cleaners determined.*3 x PPE provided to cleaners.*3 x Requisite cleaning amenities provided;	R 150 000	R 155 925.10	Provision of first quarter was skip due delayed SCM processes	Target reduced to one provision of PPE per annual

Review and enforce HR policies(Leave Administration)	2 monthly leave reconciliation reports generated in congruence to Finance	# of leave reconciliation reports generated in congruency to finance	4 - leave reconciliation reports generated in congruency to finance	Four(4) leave reconciliation report generated in congruency to finance	R -	R -	None	None
Review and enforce HR policies(Employee records management)	New Indicator	# of Employee profile/records submitted to council	4 - Employee profile submitted to council	one(1) Employee profile submitted to council	R -	R -	Inconsistent sitting of council delay/unable submission of reports to council	Council to adhere to its schedule
Skill development program	New Indicator	# of WSP activities performed (Employees & Councillors)	11- WSP activities performed (Employees & Councillors): *1 x Identify and enrol employees for Training; * 4 x Submission of quarterly training report LGSETA;	9 - WSP activities performed : * 1 x employees identified and enrolled for training; *3 x Quarterly report submitted to LGSETA; *3 x Training meeting held;* Conduct skill	*R900000(employees) *R600 000(councillors)	R -	first Quarter meeting and training report not done	To stick to the developed plan

			* 4 x Facilitate quarterly training committee meeting * Conduct skill audit; * Review and develop 2014/15 WSP	audit; * Review and develop 2014/15 WSP				
	New Indicator	# of skill development report served in council	4 - skill development report served in council	2- Skill development report served in council	R -	R -	inconsis tent sitting of Ordinary councils	Counci l to adhere to its schedu le
	New Indicator	% spend on the Employee bursary	100% spend on the Employee bursary	30% spent on employee bursary	R 350 000.00	R 103 740.00	policy gab in terms of authoris ation and contract ual obligatio ns	Amend the policy to close the identifi ed gabs

Figure/Table 38: **Corporate services Employees**

Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	08	6	**6**	**0**	**0**
4 - 6	14	14	14	0	0
7 - 9	19	18	18	0	0
10 - 12	16	13	13	0	0
Total	57	51	51	0	0

Figure/Table 39: Financial performance of Corporate Services

Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure:					
Employees	R12 585 262.35	R38 604 911	R37 640 789	R 40 016 588	237.6%
Repairs and Maintenance	None	R350 000	R 100 000	R2 904	97%
Other	R23 679 459.38	R23 446 600	R26 046 600	R26 135 145	0.34%
Total Operational Expenditure	R36 264 721.73	R62 401 511	R 63 787 389	R 66 154 637	236.7%

3.5. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

3.5.1. Introduction

The Greater Tubatse Municipality has embraced ICT as the strategic enabler of good governance, increase in the efficiency of the municipality's operations, strengthening accountability and democracy, enhancing transparency and providing better services to citizens and business. The Municipality's IT Unit integrates people, processes, information and technology aimed at achieving good governance and hence its concerted effort and focus are therefore to:

- Embed the Corporate Governance of ICT and Governance of ICT as a subset of Corporate Governance in the Municipality;
- Create business value through ICT enablement by ensuring business and ICT strategic alignment;
- Provide relevant ICT resources, organizational structure, capacity and capability to enable ICT service delivery;

- Monitor ICT service delivery performance and conformance to relevant internal and external policies, frameworks, laws, regulations, standards and practices; and
- Ensure compliance to Legislative and Regulatory prescripts.

3.5.2. Good Governance

- **Policies and Governance Framework**

  The table below lists the approved ICT Policies that were reviewed as well as additional ICT policies that were developed as recommended by Auditor General during the annual IT performance assessment.

Reviewed ICT Policies	Newly developed ICT Policies
• Disaster Recovery Policy • Date Backup Policy • Change Management • Equipment Usage Policy • Email Acceptable Use Policy • Internet Acceptable Use Policy • Password Policy • Printing Policy	• ICT Security Policy • Data Centre Access Control and Environmental • ICT User Account Management Policy • Firewall Policy • Laptop Security Policy • Server Security Policy

The ICT Policies listed in the table above were consolidated into few policies as recommended by the Municipality's Audit Committee and will serve in this Committee during the first quarter of 2014/15 Financial Year for inputs and recommendations for Council approval which will be preceded by awareness workshop.

3.5.3. Governance Framework and Risk Management

The **Internal Control and Risk Management Framework** as well as the **Municipal Corporate Governance of ICT Policy Framework** were drafted and will undergo the same processes as the consolidated ICT Policies. The ICT Strategic and Operational Risk registers are regularly reviewed and updated

3.5.4. ICT Steering Committee

The Council approved the draft ICT Steering Committee Charter and subsequently the ICT Steering Committee was establishment. However, the Committee encountered challenges of availability of members and was ultimately merged with the Communications Secretariat. The Communications

Secretariat also experienced similar challenges which led to non-performance of the ICT Steering Committee. The ICT Steering Committee will be capacitated in 2014/15 Financial Year.

3.5.5. Human Resources

Two senior IT technicians were appointed to improve and oversee support and maintenance of the ICT network infrastructure and computer systems/applications. All four IT technicians were sent for various formal IT courses to equip them with the necessary skills to confidently support the current and future ICT investments.

3.5.6. Facilities Management

3.5.6.1. Data Availability and Business Continuity

The computers and laptops are daily synchronized with the file server to ensure data availability in the event of permanent system crash or theft and data backups are successfully carried out by automated data backup infrastructure. Automatic data replication between the Civic Centre servers and the ICT Disaster Recovery Infrastructure, which is located at the Fire Station, is successfully carried out every midnight to ensure data availability and business continuity in the event of disaster.

3.5.6.2. Website Update

Information on the Municipality Website is uploaded within the stipulated time frame as per legislative requirement.

3.5.6.3. Technical Support and Maintenance

The turn-around time for resolving general IT faults (24hr) and mission critical incidents (4hrs) is achieved. The routine preventative maintenance as well as regular software updates or patches are also carried out.

3.5.6.4. Telephone Budget Management System (PhonEX ONE)

The Greater Tubatse Municipality, like any other organization, requires visibility of telephony usage and costs so it can achieve tighter control, identify potential savings, and have any call anomalies flagged for further investigation. The Municipality has subsequently commissioned the Telephone Budget Management System called PhonEX ONE to strengthen its capabilities for monitoring, reporting, and analyzing call information. The

PhonEX ONE is a call accounting system that gives the Municipality the visibility to control telecom activities, reduce costs and improve productivity. The system collects, analyzes and reports on call activities.

The PhonEX ONE system is fully supported and maintained. It is therefore still fully functional and is able to soft-lock employees that have exceeded their monthly telephone limits. PhonEX ONE helps protect GTM from the threat of toll fraud and internal phone abuse through real-time alerts of usage anomalies.

3.6. Planned Projects for 2014/15

3.6.1. Roll-Over from previous Financial Year

The following ICT Projects will be roll-over to 2014/15 financial year:

- ✓ Enterprise Electronic Document and Records Management, Digital Communications and Portal
- ✓ Enterprise Managed Printing (Multifunction Printers/Copiers) and Faxing
- ✓ ICT Infrastructure Upgrade at the Civic Centre and Satellite Stations

3.6.2. New Key Projects

- ✓ Information Security Upgrade
- ✓ Implementation of a Virtual Private Network solution particularly for mobile employees to gain access to their corporate information anywhere anytime
- ✓ Acquisition and commissioning of ICT service delivery enhancement tools
  - ➢ Electronic Billing System
    Acquisition of automated electronic billing system to face out the current inefficient and ineffective manual billing system (use of postal services and hand delivery of Municipal Rates and Taxes invoices at satellite stations for clients to collect their bills onsite).
  - ➢ Municipality Clean Audit Computer System
    This computer system will assist the Municipality to load the IDP Projects, manages performance on SDBIP, Audit and Risk). Sedibeng Municipality, which is the only municipality in Gauteng that has attained clean audit for 2013/14, has achieved that status through the assistance of the computer system
  - ➢ Help Desk
    Platform for public and business to register queries, faults, comments and requests with the Municipality. The service will be provided by at least two GTM officials who will record issues from the public and business on a computer system that has tracking capabilities for issues that are not attended to within the specified turn-around time.

3.7. PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The table below depicts the performance of property management unit, legal, risk management and procurement services in the municipality in 2013/14 financial year.

Figure/Table 40: property; legal; risk management and procurement services

3.7.1.PROPERTY MANAGEMENT	3.7.2.LEGAL UNIT
In the financial year under review the following activities were performed in the property management unity: ❖ 81 properties audit conducted and no non - compliance was observed; ❖ 2 out 180 inspections conducted were non compliance and were referred to Legal unit for legal actions; ❖ Terms of reference developed for the development of Housing chapter; ❖ With regard to facilitation of Burgersfort Extension 10 special housing project, council approved the rezoning of the property to allow high density residential development	The following progress was reported in the 2013/14 financial year by legal unit: ❖ 13 non compliance to building regulation were received and addressed; ❖ 20 legal cases registered legal cases register , 10 are finalized, three(3) postponed indefinitely and other are in progress; ❖ Conducted five disciplinary hearings, three(3) finalized, one(1) in progress and one(1) the municipality was waiting its outcome when the financial year ended; ❖ 10 labour matters were handled, four(4) finalized, one (1) waiting award and five were at arbitration stage
3.7.3.RISK MANAGEMENT	**3.7.4.FRAUD AND ANTI-CORRUPTION STRATEGY**
❖ Both Strategic and Operational Risk registers were developed; ❖ The following risks were identified as top five risks for the municipality in 2013/14 financial year: a. Inadequate asset management; b. Inadequate implementation of supply chain policy; c. Poor IT system; d. Fraud and corruption; and e. Aging infrastructure	The municipality has the following strategies in place to prevent corruption, fraud and theft: a. Whistle blower hotline services, where all suspected alleged fraud activities are reported and investigated; b. Training and awareness campaigns to the municipal staff and community at large; c. Anti-fraud and corruption plan/policy.
3.7.5.SUPPLY CHAIN MANAGEMENT	
The municipality adopted it second amended supply chain management policy on the 15 December 2011. The policy is developed to give effect to the	

following: a. Section 217 of the constitution of south Africa; b. Part 1 of the chapter 11 and other applicable provisions of the act. The policy is applicable when the municipality do the following: a. Procures goods or services; b. Disposes goods no longer needed; c. Selects contracts to provide assistance in the provision of the municipal services; d. Selects external mechanisms referred to in section 80(1) (b) of the municipal system act for the provision of municipal services in circumstances contemplated in section 83 of the act.	

COMPONENT H: ORGANISATIONAL PERFOMANCE SCORECARD

The performance of the municipality in the financial year under review has declined compared to 2012/134 financial year. Overall performance for 2012/13 financial year was 62% and for the 2013/14 financial year is 55%. Performance of the following departments declined: Municipal Manager's office, Finance services, Community services and Technical services. The following departments improved their performance: Corporate services and Economic and Land development. The table below depicts a detailed report of the municipal performance.

Figure/Table 30: Annual Performance Scorecard

Departments	2012/13	2013/14 FINANCIAL YEAR				
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual performance
Municipal Manager	66%	58%	48%	53%	52%	52%
Finance	69%	60%	48%	58%	50%	54%
ELD	48%	65%	51%	52%	65%	58%
Community Services	79%	67%	61%	67%	84%	69%
Corporate Services	48%	54%	46%	57%	60%	54%
Technical Services	58%	65%	67%	37%	36%	51%
Total	**62%**	**61%**	**54%**	**52%**	**54%**	**55%**

CHAPTER 04: ORGANIZATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTIONAL TO THE MUNICIPAL PERSONNEL

4.1. EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The municipality has 229 employees, comprising 134 males and 95 females. The table below reflect the staff component per department.

Figure/Table 31: Municipal employees

Employees					
Description	2012/13	2013/14			
	Employees	Approved Posts	Employees	Variance	Variance
	No.	No.	No.	No.	%
Municipal Manager 's office	12	16	13	3	18.8%
Finance department	37	40	35	5	12.5%
Economic and Land Development Department	16	17	17	0	0%
Community services	76	79	69	10	12.6%
Corporate services	55	63	51	12	19%
Technical Services	49	57	44	13	22.8%
Totals	245	272	229	43	15.8%

4.2. Turnover rate

In the financial year under review, more employees left the municipality than who join the municipality. As indicated in this report, 16 employees left and 13 were appointed. The turn-over rate has increased from 47.4% in 2012/13 financial year to 123% in 2013/14 financial year. The table below depict the picture.

Figure/Table 32: Turn – Over Rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	%
2011/12	10	14	140%
2012/13	19	09	47.4%
2013/14	13	16	123%

4.4. Vacancy rate

Figure/Table 33: Vacancy rate

Vacancy Rate 2012/13			
Designations	Total Approved Posts	Variances (Total time that vacancies exist using fulltime equivalents)	Variances (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	01	None	None
CFO	01	1.2	117.2%
Other S56 Managers	04	0.3	34%
Level 1-3	43	5	500%
Level 4 -6	55	7	700%
Level 7 -9	94	16	1600%
Level 10 -12	79	4	400%
Total	277	33.5	

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Figure/Table 34: Human Resource policies

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

10	Occupational Health and safety policy	100%	100%	29/04/2011
11	Employee Assistance program policy	100%	100%	29/04/2011
12	Incapacity due to ill Health policy	100%	100%	29/04/2011
13	HR planning policy	100%	100%	07/11/2012
14	Attendance and punctuality policy	100%	100%	07/11/2012
15	Overtime and work allowance policy	100%	100%	07/11/2012
16	Transport allowance policy	100%	100%	07/11/2012
17	Housing allowance policy	100%	100%	07/11/2012
18	Legal aid policy	100%	100%	07/11/2012
19	Succession planning policy	100%	100%	07/11/2012
20	Internship policy	100%	100%	07/11/2012
21	Internal bursary policy	100%	100%	07/11/2012
22	Sexual harassment policy	100%	100%	07/11/2012
23	Performance Management and Development	100%	100%	Policy to be workshop to council and other stakeholders
24	Intoxicating substance abuse policy	100%	100%	07/11/2012
25	HIV/AIDS policy	100%	100%	07/11/2012
26	Resettlement	100%	100%	07/11/2012
29	Smoking policy	100%	100%	07/11/2012
30	Grievance procedure	100%	100%	07/11/2012
31	Incapacity due to poor performance policy	100%	100%	07/11/2012

4.5. INJURIES, SICKNESS AND SUSPENSIONS

4.4.1. Injuries

Figure/Table 35: Injuries

Number and Cost of Injuries on Duty						
Type of injury	**Injury Leave Taken**	**Employees using injury leave**	**Average injury leave taken per employee**	**Average Injury Leave per employee**	**Total Estimated Cost**	
	Days	**No.**	**%**	**Days**	**R'**	
Required basic medical attention only**(minor fracture)**	0	0	0	6	456.60	
Temporary total disablement	N/A	N/A	N/A	N/A	N/A	
Permanent disablement	N/A	N/A	N/A	N/A	N/A	
Fatal	N/A	N/A	N/A	N/A	N/A	
Total	0	0	0	0	456.60	

4.4.2. Sick Leaves

Figure/Table 36: Sick leaves

Number and Cost of Injuries on Duty						
Salary band	**Total sick leave**	**Proportion of sick leave without medical certification**	**Employees using sick leave**	**Total employees in post***	***Average sick leave per Employees**	**Estimated cost**
	Days	**%**	**No.**	**No.**	**Days**	**R**
Lower skilled (Levels 10-12)	178	0%	19	74	2.4	60 834.92
Skilled (Levels 7-9)	314	4.5%	39	79	4.0	178 991.54
Highly skilled production (levels 4 - 6)	159	3%	18	48	3.3	187 298.58

Highly skilled supervision (levels 1 - 3)	159	2%	14	38	4.2	783 887
MM and S57	55	2%	3	6	9.2	252 143.51
Total	**865**	**11.5%**	**93**	**245**	3.5	**1 463 155.55**

4.4.3. Suspensions

The municipality had three (3) suspensions in the financial year under review, two (2) were concluded when the financial year ended with dismissal of the employees and one (1) was still continuing when the financial year ended. The table below depicts the picture.

Figure/Table 35: Suspensions

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised**	**Date Finalised**
Municipal Manager	Financial misconduct	30 April 2013	Case concluded but the employee has made an appeal	31 May 2014
Acting CFO	Financial Misconduct	30 July 2013	Case concluded but the employee has made an appeal	31 May 2014
Manager SCM	Financial Misconduct	30 July 2013	The case still continues	N/A

Figure/Table 36: Disciplinary actions taken on case of financial misconduct

Disciplinary Action Taken on Cases of Financial Misconduct				
Position	**Nature of Alleged Misconduct and Rand value of any loss to the municipality**	**Disciplinary action taken**	**Date Finalised**	
1. Municipal Manager	Financial misconduct	dismissal	31 May 2014	
2.Acting CFO	Financial misconduct	dismissal	31 may 2014	
3.Manager SCM	Financial misconduct	Case still on	N/A	

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.6. SKILL DEVELOPMENT AND TRAINING

Municipalities are in terms of Skill development act, required to provide employees and councillors with opportunities to acquire new skills. It is the responsibility of the municipality to facilitate the required training in terms of the workplace skill development plan and provide funding for the envisaged training and development for its workforce. In the financial year under review municipality has provided training opportunities to 83 employees including councillors. A detailed report is provided below:

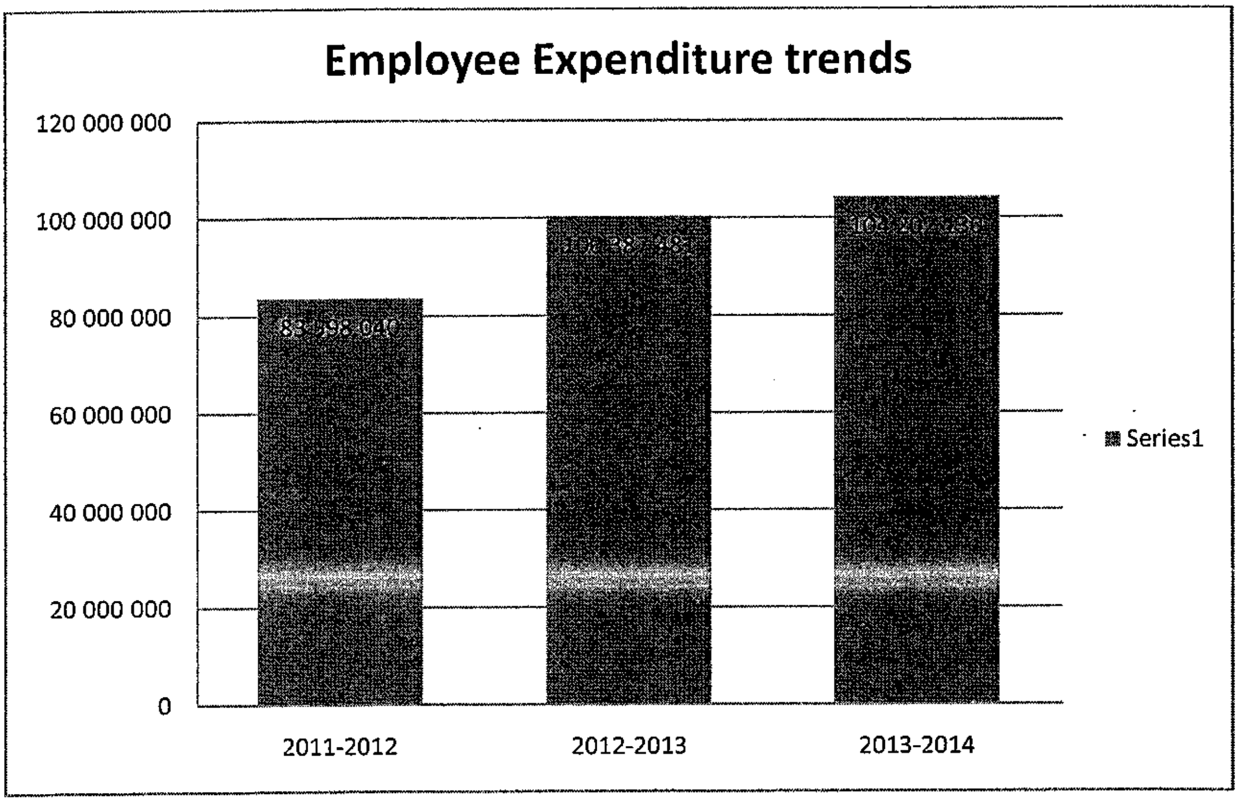
- 10 councillors in Municipal Governance Programme;
- 2 Staff in Municipal Governance Programme;
- 17 Employees on Municipal Finance Management programme;
- 1 employee in local Government administration;
- 1 master in Public administration;
- 2 employees in IT programmes;
- 3x Traffic training;
- 2x HR manager programme;
- 2 x pay roll administration;
- 40 x ABET programme;
- 1x HIV/AIDS programme; and
- 1x OHS programme.

COMPONENT D: MANAGING WORKFORCE EXPENDITURE

4.7. EMPLOYEE EXPENDITURE

An acceptable norm for the employee cost ratio against the municipal budget is 35%. The employee cost ratio against the municipal budget for the municipality is 39%. It is 1% less than the 2012/13 financial year ratio of 40%. The cost has increased by 3.7% from the R100 387 481 for the 2012/13 financial year. The table below depicts the picture.

Chart 04: Employee Expenditure trends



COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5.1. Statement of Financial Performance

Table/Figure 37: Statement of financial Performance

Description	2012/13	2013/14			2013/14 Variance to actual	
	Actual(R)	Original Budget(R)	Adjusted Budget(R)	Actual(R)	Original Budget	Adjusted budget
Financial Performance						
Property rates	60 820 920	52 000 000	52 000 000	70 009 714	25.7%	25.7%
Service charges	8 886 773	11 000 000	11 000 000	7 984 926	37.8%	37.8%
Rental of facilities and equipments	526 064	650 000	650 000	557 171	16.7%	16.7%
Investment revenue	7 408 233	6 101 500	6 101 500	9 959 209	38.7%	38.7%
Transfers recognized - operational	178 342 046	157 226 860	157 226 860	211 942 000	25.8%	25.8%
Other own revenue	13 326 516	42 296 000	42 296 000	12 757 322	231.5%	231.5%
Total Revenue (excluding Capital transfers & contributions)	**269 310 552**	**269 274 360**	**269 310 360**	**313 210 343**	14%	14%
Employee Cost	82 440 769	94 495 945	89 934 452	86 412 950	9%	4%

Remuneration of councillors	17 946 712	17 520 000	7 520 000	17 789 181	1.5%	57.7%
Depreciation and Amortisation	33 997 016	6 300 000	6 300 000	59 775 155	89.5%	89.5%
Finance charge	12 913 855	18 000 000	18 000 000	20 065 535	10.3%	10.3%
Debt impairment	28 282 842	2 700 000	2 700 000	1 800 000	50%	50%
Charges	11 990 424	1 850 000	1 850 000	14 908 433	87.6%	87.6%
Repairs and Maintenance	5 444 158	10 740 000	10 740 000	6 796 939	-58%	-58%
Contracted services	10 489 337	12 950 000	13 450 000	13 404 989	3.5%	-0.34%
Grants and Subsidies	3 616 476			3 698 699		
Other/General expenditure	31 271 764	59 518 111	81 268 411	40 933 905	-45.4%	-98.5%
Total Expenditure	**238 393 353**	**224 074 056**	**241 512 863**	**265 585 786**	15.6%	9%
Surplus/(Deficit)	**30 917 199**	**-304**	**19 329 103**	**47 624 556**	100%	59.4%
Transfer recognized – Capital						
Contributions recognized – Capital & contribution assets						
Financial Position						
Total current Asset	134 170 170			185 873 856		
Total non – current Asset	1 567 850 997			1 569 408 966		
Total current liability	46 124 625			50 676 59		
Total non - current liability	69 819 075			70 610 604		
Cash flow						

Net cash from (used) operating Net cash from (used) investing Net cash from (used) financing **Cash/cash equivalent equivalents at end of the year**	91 717 920 48 224 877 1 978 483 **86 285 636**			78 721 708 54 556 969 1 811 480 **108 638 895**		
Asset Management Repair and Maintenance	2 215 910			6 796 939		
Free services Cost of free Basic services provided						

5.2. Financial Performance of Operational Services

Table /Figure 38: Financial performance of Operational Services

Description	2012/13	2013/14			2013/14 variance	
	Actual	Original budget	Adjustment budget	Actual	Original Budget	Adjust ment Budget
Operational Costs						
Corporate service Administration	55 623 058	62 201 511	61 437 399	66 154 637	6%	7%
Municipal Manager administration	11 774 920	13 343 569	29 148 385	23 161 786	42.4%	-25%
Finance administration	(176 854 168)	(204 043 022)	(196 095 966)	(196 095 966)	-4%	100%
Technical Services administration	(49 514 869)	(52 594 542)	(56 259 197)	(12 540 276)	-328%	-348.6%
Roads and storm water	26 859 235	65 543 337	74 711 466	15 206 393	-331%	-391%
Refuse removal services	5 887 773	12 919 078	11 434 601	17 375 594	25.6%	34.2%
Municipal building	12 016 998	41 450 000	41 434 601	14 821 869	-179.6%	-179.5%
Community services administration	8 696 990	9 434 425	9 434 425	7 927 160	-19%	-19%
Protection services	5 158 075	7 636 862	6 284 691	11 706 135	34.8%	46%
Cemeteries	5 340 272	3 061 456	3 861 456	3 025 877	-1.2%	-27.6%
Libraries	6 020 213	5 590 704	12 161 139	2 718 286	-105.7%	-347.4%
Economic and Land development service admin	7 418 066	35 456 318	21 760 704	10 569 705	- 235.4%	-105.9%
	-81 573 437	-304	19 313 704	-35 968 800	100%	46.3%

5.3. Grants

Table/figure 39: Grants

Descriptions	2012/13	2013/14			2013/14 variance	
	Actual	Original budget	Adjustment budget	Actual	Original Budget	Adjustment Budget
Operational transfers and grants						
Equitable Share	122 245 000	139 991 000	139 991 000	139 644 000	-0.2%	-0.2%
Municipal system improvement	800 000	890 000	890 000	8 900 000	100%	100%
MIG	29 527 922	53 409 000	53 409 000	38 514 640	-38.7%	-38.7%
INEP	15 739 973	7 000 000	7 000 000	14 215 000	50.8%	50.8%
Finance management grant	1 500 000	1 550 000	1 550 000	1 550 000	100%	100%
NDPG	-	5 000 000	5 000 000	5 528 000	9.5%	9.5%
Council Remuneration Grants	7 551 000	8 464 000	8 464 000	8 464 000	100%	100%
EPWP	-	1 000 000	1 000 000	1 000 000	100%	100%
Total	**177 363 895**	**217 214 000**	**217 214 000**	**217 815 640**	**0.28%**	**0.28%**

5.4. Asset Management

Table/Figure 40: Asset management

Asset 1			
Name	Ohrigstad Sport Complex		
Description	Construction of sport complex		
Asset Type	Roads Infrastructure		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2013/14	2014/15	2015/16
	1 700 000	1 500 000	4 000 000
Capital Implications	MIG		
Future Purpose of Asset	Improve sport and recreation in the municipality		
Describe Key Issues	Unfolding talents/potentials among youth		
Policies in Place to Manage Asset	Repair and Maintenance		

Asset 2			
Name	Tubatse High mast lights		
Description	Installation of high mast lights on high crime areas		
Asset Type	Electricity Infrastructure		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2013/14	2014/15	2015/16
	640 888	1 000 000	4 000 000
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	Burgersfort Flea market		
Description	Construction of Flea market at Burgersfort		
Asset Type	Economic Infrastructure		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2013/14	2014/15	2015/16
	3 531 752	3 884 927	4 273 420
Capital Implications	MIG		
Future Purpose of Asset	To promote local economic activities		
Describe Key Issues	Economic empowerment		
Policies in Place to Manage Asset	Hawkers management plan		

Asset 4			
Name	Maintenance workshop		
Description	Establishment of maintenance workshop		
Asset Type	workshop		
Key Staff Involved	PMU manager		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2013/14	2014/15	2015/16
	400 000	440 000	484 000
Capital Implications	MIG		
Future Purpose of Asset	Improve the quality of the municipal assets		
Describe Key Issues	Improve service delivery in the municipality		
Policies in Place to Manage Asset	Maintenance plan		

Asset 5			
Name	Cemetery management system		
Description	Establishment of cemetery management system		
Asset Type	Electronic system		
Key Staff Involved	Community services staff		
Staff Responsibilities	Monitoring of implementation and compliance		
Asset value	2013/14	2014/15	2015/16
	200 000	220 000	242 000
Capital Implications	MIG		
Future Purpose of Asset	Maintain cemetery management records		
Describe Key Issues	Improve cemetery management		
Policies in Place to Manage Asset	Cemetery management plan		

5.5. Repair and Maintenance

2012/2013 financial year maintenance budget was increase by 97.3% from R5 444 158 to R10 740 000 in 2013/2014 financial year. This indicates how serious the municipality is in the providing services to its communities. But due to delays in supply chain processes, only 63.3% of the allocated funds were spent on repair and maintenance when the financial year ended. The table below clearly depicts the situation.

Table/Figure 41: Repair and maintenance

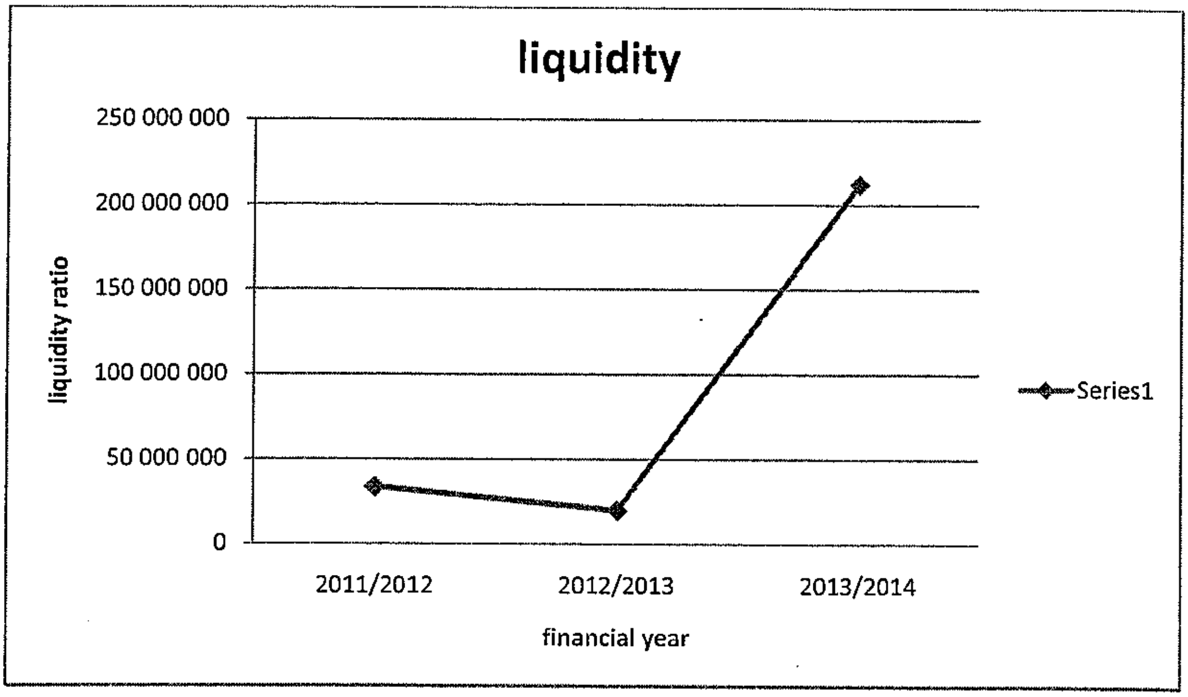
Descriptions	2012/13	2013/14			2013/14 variance
	Actual	Original Budget	Adjusted Budget	Actual	Variance
Repair and Maintenance	5 444 158	10 740 000	10 740 000	6 796 939	-58%

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 municipality had more cash in terms of monetary assets to meet its daily obligations during the year under review as compared to 2012/13 and 2011/2012 financial years.

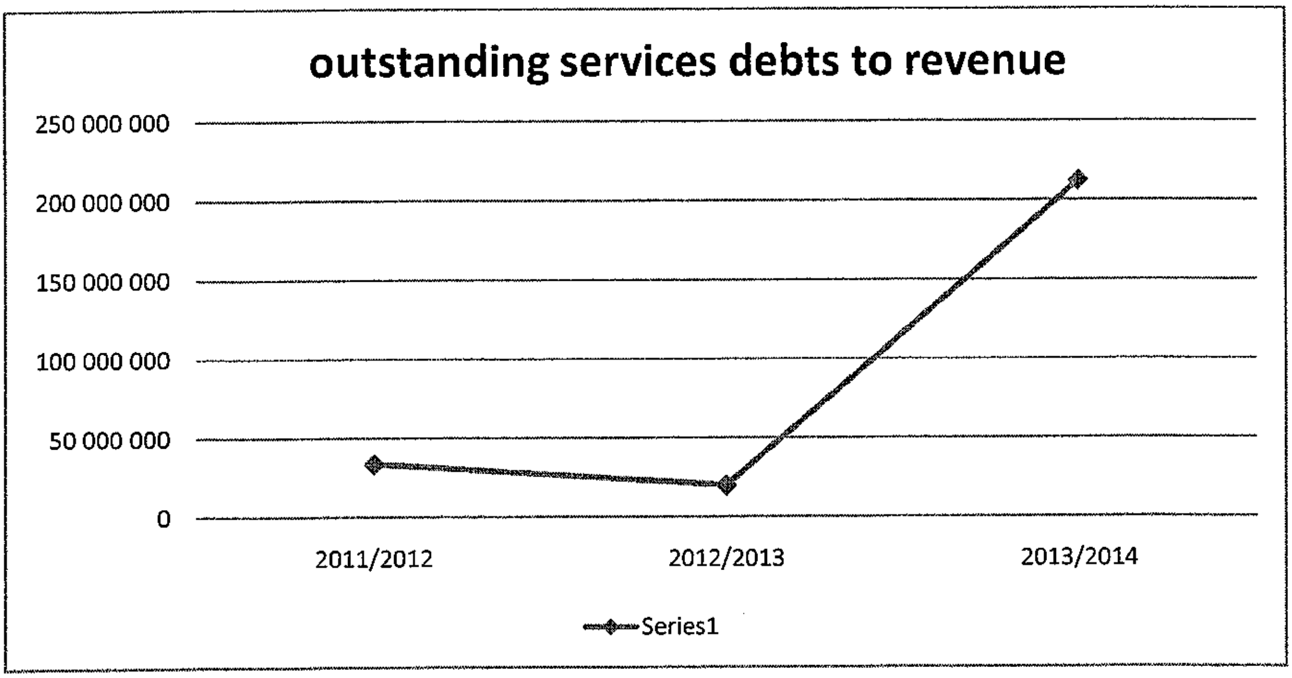
Chart 05: Liquidation ratio



5.6.2. Total Outstanding Service debtors' ratio

The ratio determines the extent to which money is still owed by the stakeholders for the services provided by the municipality compared to money paid in. According to the graph below the municipality managed to maintain its status from the previous year wherein collections from the service recipients has improved. The table below shows the picture.

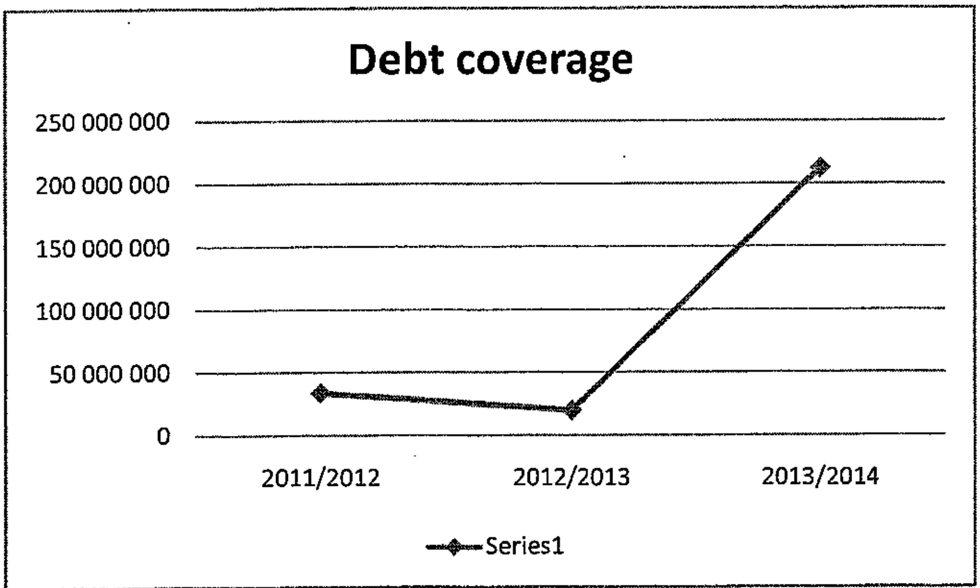
Chart 06: Outstanding services debts to revenue



5.6.3. Debt Coverage

Debt coverage measures the number of times the municipality could service its debts within the operating revenue. It in turn represents the ease with which debts can be accommodated by the municipality. According to the graph below the debt coverage has been decreased from 2011/2012 to 2012/2013 and increase from 2012/2013 to2013/2014 financial years.

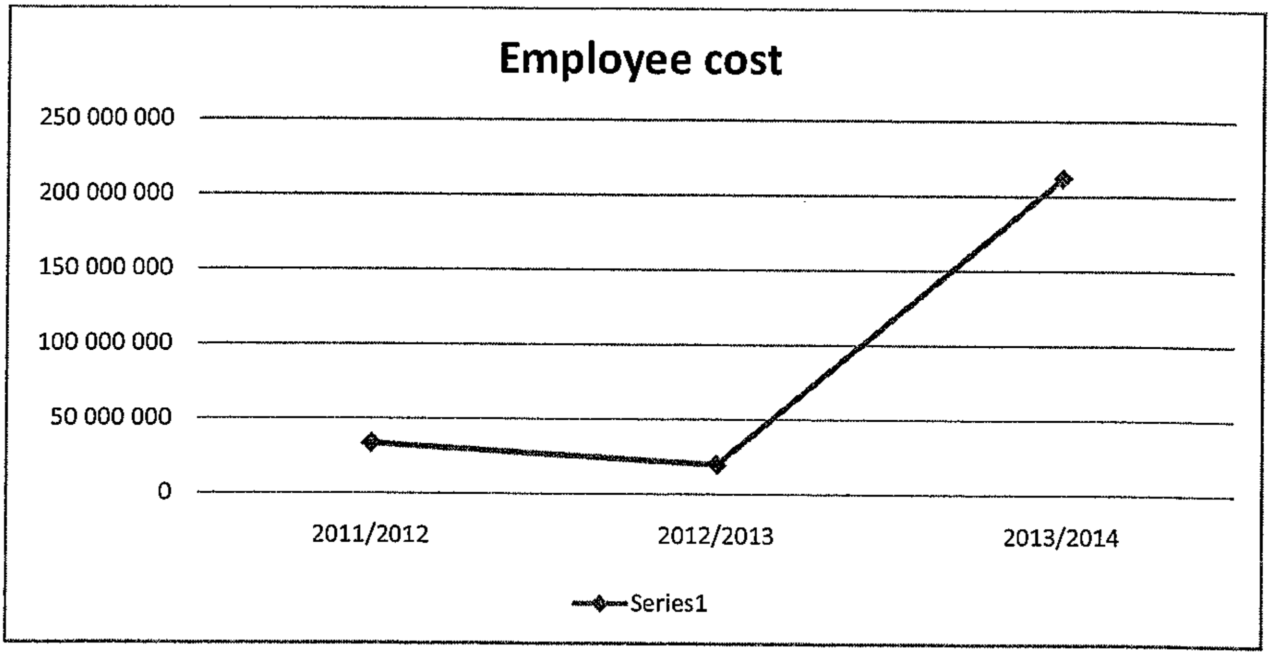
Chart 06: Debt coverage



5.6.4. Employee cost

An acceptable norm the ratio of employee cost against the operational budget is 35%. Since 2011/2012 financial year, the municipality' s employee cost against the operational budget has been decreasing, in 2012/2013 financial year it reduced by 1% and in the financial year under review it has decreased by 6%. Despite the decrease, the municipality is still spending more than expected on employee salaries. The table below depicts the picture.

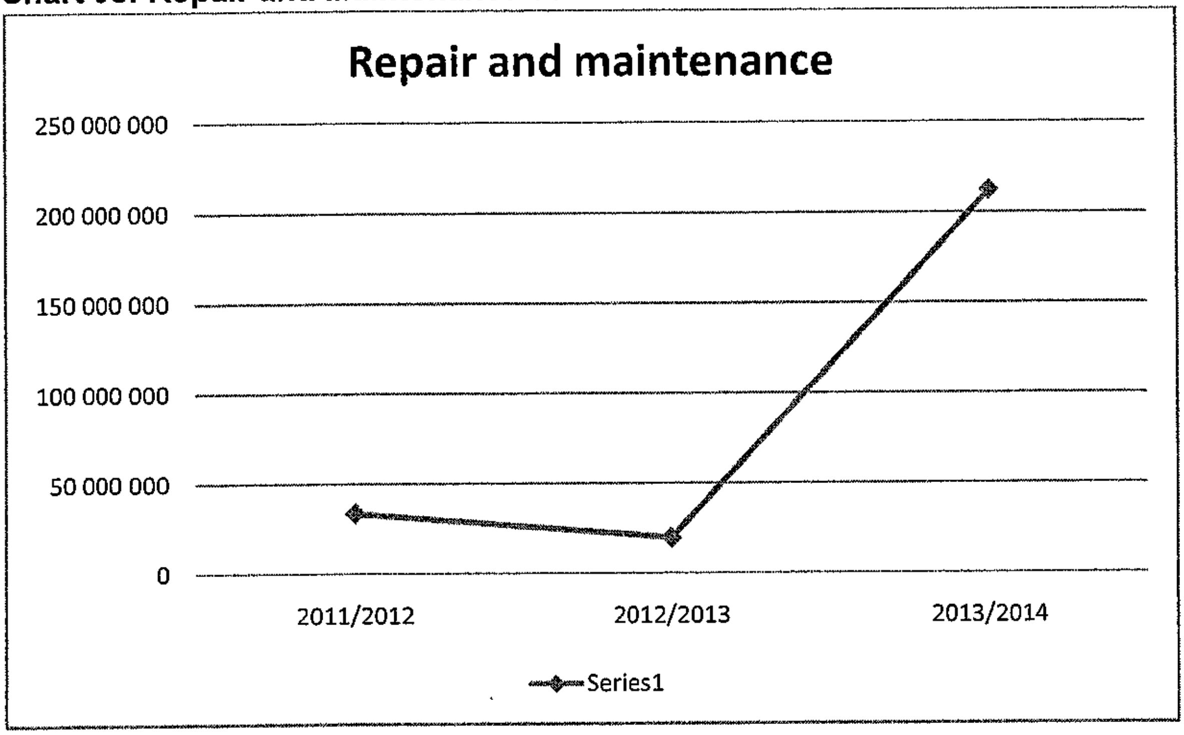
Chart 07: Employee cost



5.6.5. Repair and Maintenance

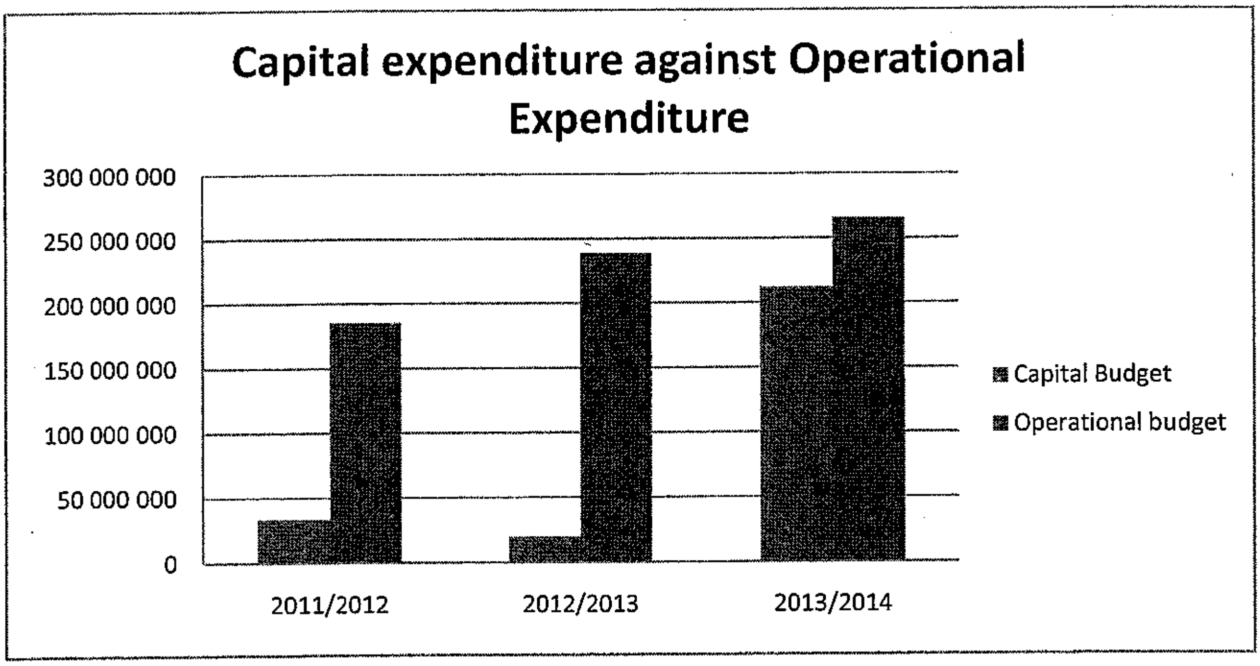
The chart below reflects the portion of operating expenditure spent on repair and maintenance of existing infrastructure in the municipality. Spending on repairs and maintenance of municipal infrastructure has declined. In the year under review, only 63.3% of the allocated budget for repair and maintenance was spent when the financial year ended. The table below shows the picture.

Chart 08: Repair and Maintenance costs



Component B: Spending against Capital Budget

Chart 09: Capital expenditure against Operational expenditure



Figure/table 42: Capital expenditure v/s operational expenditure

Expenditure Type	% of Expenditure Budget	Original Budget	Adjustment Budget	Un-audited Full Year Total
Capital Expenditure	41%	186 368 943	186 368 943	186 368 943
Operating Expenditure	59%	265 585 786	262 977 140	262 977 140
Total expenditure	**100%**	451 954 729	449 346 083	449 346 083

5.7. Capital spending of five largest projects

Table/Figure 43: Capital spending of five largest projects

	2013/14 financial year			Variance 2013/2014	
projects names	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A – Kgautswane Access Bridge	10 968 000	10 968 000	5 501 275	99.4%	99.4%
B – Shakung Access Bridge	5 198 182	5 198 182	4 992 640	4%	4%
C – Tsatsapane Access Bridge	5 066 545	5 066 545	3 411 644	48.5%	48.5%
D – Pidima/Maakubu Access Bridge	7 479 999	7 479 999	3 118 344	139.9%	139.9%
E – Ohrigstad Sport Complex	7 000 000	7 000 000	1 391 942	402.9%	402.9%

Name of Project - A	Kgautswane/Mokutung Access Bridges
Objective of Project	To improve accessibility and mobility of transport for citizens
Delays	None
Future Challenges	None
Anticipated citizen benefits	120 000

Name of Project - B	Shakung Access Bridge
Objective of Project	To improve accessibility and mobility of transport for citizens
Delays	None
Future Challenges	None anticipated
Anticipated citizen benefits	600

Name of Project - C	Tsatsapane Access Bridge
Objective of Project	To improve accessibility and mobility of transport for citizens
Delays	None
Future Challenges	Availability of funds to continue with the project
Anticipated citizen benefits	512

Name of Project - D	Pidima/Maakubu Access Bridge
Objective of Project	To improve accessibility and mobility of transport for citizens
Delays	none
Future Challenges	none
Anticipated citizen benefits	680

Name of Project - E	Ohrigstad Sport complex
Objective of Project	To promote sport and recreation
Delays	None
Future Challenges	None
Anticipated citizen benefits	282

5.8. Basic Service and Infrastructure Backlog – Overview

5.8.1. Introduction

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

Table/figure 44: Service delivery Backlog

Service Backlogs as at 30 June 2012				
Service level above minimum standard			Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	63 026	75.8%	20 173	24.2%
Sanitation	79 542	95.60%	3657	4.39%
Electricity	62984	75.70%	20 215	24.29%
Waste management	4847	5.82%	78 352	94.17%
Housing	71 077	85.43%	12 122	14.56%

Source: GTM IDP 2013/17

5.8.2. 2013/14 MIG spending

Table/Figure 45: MIG spending

Details	Budget	Adjustment budget	Actual	Variance	
				Original Budget	Adjustment budget
Waste Management	1 7 00 000	300 000	00	None	None
Storm water Drainage	1 000 000	3 033 873	105 000	852%	2789%
Hawkers Facilities	7 231 752	6 518 000	2 520 599	187%	158%
Sport Complex	1 700 000	1 700 000	1 391 942	22%	22%
Access bridges	39 000 000	39 000 000	29 117 539	34%	34%
High mast light	640 888	640 000	00	None	None
Total	**51 272 649**	**50 552 513**	**33 135 080**	**54.7%**	**52.6%**

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENT

5.9. Cash flow

Table/Figure 46: cash flow management

Description	2012/13	2013/14		
	Audited outcome	Original budget	Adjusted budget	Actual
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Sale of goods and services	73 118 796	63 000 000	63 000 000	48 644 218
Grants	178 363 895	157 226 860	171 746 938	211 942 000
Interest received	4 499 640	3 200 000	3 200 000	9 959 209
Other Receipts	13 350 070	42 296 000	41 946 000	13 314 493
Other cash item	15 058 700	-	-	-
Employee cost	100 387 481	112 015 945	107 454 452	104 202 130
Suppliers	78 379 845	12 950 000	13 450 000	62 855 493
Financial cost	12 913 855	18 000 000	18 000 000	20 065 535
Other payments	992 000	59 518 111	81 268 411	-
Other cash item	-	10 740 000	10 740 000	18 015 054
Net Cash flows from operating Activities	**91 717 920**	**52 498 804**	**48 980 075**	**78 721 708**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and Equipments	47 232 877			54 556 969

Net cash flows from investing Activities	**48 224 877**			**54 556 969**
CASH FLOWS FROM FINANCING ACTIVITIES				
Net increase/(Decrease) in cash held	41 514 560			22 353 259
Cash and cash Equivalents at the beginning of the year	44 771 076			86 285 636
Cash and Cash Equivalents at the End of the year	**86 285 636**			**108 638 895**

5.10. Borrowing and investment

Table/Figure 47: Borrowing and investment

Actual Borrowings 2011/12 - 2013/14			
Instrument	**2011/12**	**2012/13**	**2013/14**
Long-Term Loans (annuity/reducing balance)	17 578 669	20 149 000	
Long-Term Loans (non-annuity)	4 446 897	5 652 445	
Local registered stock			
Instalment Credit			
Financial Leases	1 603 919	124 264 608	112 050 555
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Total	**23 629 485**	**150 066 053**	**112 050 555**

5.11. Public Private partnership

Section 120(1) of the MFMA, act 56 of the 2003 allows municipalities to enter in Public – private partnership only if the municipality can demonstrate that the agreement will:

(a) Provide value for money to the municipality;
(b) Be affordable for the municipality ; and
(c) Transfer appropriate technical, operational and financial risk to the private party.

Section 120(4) mandates the municipalities to conduct feasibilities study before concluding a public – private partnership, which explains the strategic and operational benefit of the PPP for the municipality in terms of its objectives.

In the 2012/13 financial year Annual Report the municipality reported that it was about to sign a PPP agreement on waste management with a private company. The deal did not go through as the private partner failed to comply with certain requirements. The municipality has requested National treasury to intervene for the project to continue.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12. Supply Chain management

5.12.1. Introduction

The municipality has established a supply chain unit under the supervision of the chief finance officer. On the 15th December 2011 the municipality adopted it 2nd amendment supply chain policy which is locally biased to empower the small local business. The policy mandates any contractor outside Greater Tubatse Municipality who may be awarded a tender in the municipality to sub-contract 30% of its procurement to local contractors.

5.12.2. Bid committees

All bid committees were established and functional when the financial year ended. A capacity building training conducted by Palama was arranged to capacitate the bid committees in executing their responsibilities.

5.12.3. Oversight role of council

According to section 6 of the Greater Tubatse Municipality supply chain policy, the council reserves its right to maintain oversight over the implementation of its supply chain policy. And to effectively execute it function the policy mandates the accounting officer to:

- Within 30 days of the end of each financial year, submit a report on the implementation of the supply chain policy to council;
- Whenever there are serious and material problems in the implementation of the policy, immediately submit a report to the council;
- Within 10 days of the end of each quarter, submit a report on the implementation of the policy to the Mayor; and
- Such report must be made public in accordance with section 21A of the Municipal System Act.
- **5.12.4. Members of bid committees**
- Only municipal officials are appointed in the bid committees. Each bid committee is chaired by senior official. The chief finance officer chairs the bid evaluation committee.
-
- **5.15. GRAP Compliance**

- GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance ensures that municipal accounts are comparable and more informative for the municipality. It also ensures that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.
- The municipality has started with the implementation of GRAP standards and is doing well to this stage.

Chapter 06: AUDITOR GENERAL AUDIT FINDINGS

6.1. Introduction

Auditor General of South Africa is mandated by the section 188(1)(b) of the constitution of South Africa to audit and report on the accounts, financial statements and financial management of all municipalities. On the same breath section 45(b) of the Municipal System Act, Act 32 of 2000 mandates the Auditor General of South Africa to audit the results of performance measurement.

6.2. COMPONENT A: AUDITOR GENERAL OPINION OF 2012/2013 FINANCIAL STATEMENT

6.2.1. Scope and objective of the review

The scope of our audit was limited to the follow-up of findings raised by AG in the 2012/2013 report to determine if management has implemented the agreed action plans to rectify identified issues. The objective of this review was to determine the current status of the control environment with respect to the adequate and effective addressing of critical and significant control weaknesses found in the Internal Auditor's report.

6.2.2. Fraud and internal control

While we have identified certain areas of departure from the key controls, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud and errors will be detected. We have ensured that all internal audit work conducted was planned with a reasonable expectation of detecting significant control weaknesses in the specific areas reviewed. However, our reviews and investigations as internal auditors should not be relied upon to disclose matters of fraud, defalcation or other irregularities, which may exist.

Management's attention is drawn to the inherent limitations in the reliance on internal controls and procedures as errors and lapses in control can result from staff carelessness, misunderstanding of instructions, collusion between individuals and management override.

6.2.3. Executive summary and key findings

The current status of the external audit findings previously reported are noted and appropriately described below. Our follow-up review has identified issues which have been addressed, partially addressed and not addressed by management. The issues that have been partially addressed are as follows:

- Estimates are used for water readings
- The audit committee did not review the annual financial statements.
- Review of the external audit strategy document
- Municipal assets that were not included in the asset register
- Fixed Assets: Existence of assets
- Depreciation : Useful lives not assessed
- Fixed Assets : Provincial road included in the Asset Register
- Irregular Expenditure

The issues that have not been addressed are as follows:

- Contingent liabilities – Understatement of contingent liabilities in the AFS
- Commitment-The following contract could not verified.
- Statement of comparative and actual information: Budget Information
- Contingent Asset - Municipality Leased assets was used as surety / security by the lessee on mortgage bond (R125 000 000.00)
- Investment Property: Incorrect valuation of investment property.
- Receivables - Debtor's listings/Breakdown on receivables balances and the supporting documentation not provided for audit
- Revenue - No journals passed for the recognition of the interest on revenue could be obtained for audit purposes
- Cash flow statements
- Cash & Bank - Difference between cash book balance as per bank reconciliation and cash book balance as per GL and AFS (Cash and Cash Equivalents)
- The difference between the Annual Financial Statements and Trial Balance

These weaknesses could lead to poor service delivery as they impose high risk to the operations of the Municipality. Failure to initiate remedial steps would result in a reduction of the Municipality's operational efficiency.

However, these issues if properly addressed can be turned around to the benefit of the Municipality; hence we suggest that management should ensure that action is taken to fully address these as a matter of priority.

6.2.4. Status of corrective actions

Findings	Descriptions	Status
Estimates are used for water readings	According to the Municipal Systems Act 32 of 2000 Section 95 - in relation to the levying of rates and other taxes by a municipality and the charging of fees for municipal services, a municipality must, within its financial and administrative capacity – *d) where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by individual users of services is measured through accurate and verifiable metering systems;* *e) ensure that persons liable for payments, receive regular and accurate accounts that indicate the basis for calculating the amounts due;* *f) provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;* *g) provide accessible mechanisms for dealing with complaints with prompt replies and corrective action by the municipality;* *h) Provide mechanisms to monitor the response time and efficiency in complying with paragraph* Contrary to the above, it was noted that the municipality uses estimates for the readings. Revenue might be understated/overstated. As a result we are unable to determine whether the amount stated in the Annual Financial Statement for commission received amount to R 4 464 215.00 is Complete, Accurate and Valid as they are no readings **Internal control deficiency** Revenue Manager did not design and implement control to verify the meter	**Partially addressed:** In some areas meters were accurately read and billed accordingly while estimates were used in other areas due to incomplete readings.

	readings. **Recommendation:** Revenue Manager should ensure that the readings used for billings are complete and accurate.	
The audit committee did not review the annual financial statements.	MFMA section 166. Audit committees.— (1) Each municipality and each municipal entity must have an audit committee, subject to subsection (6). (2) An audit committee is an independent advisory body which must— (b)review the annual financial statements to provide the council of the municipality or, in the case of a municipal entity, the council of the parent municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; The audit committee did not advise the council/ board of directors/ accounting officer on matters relating to the adequacy, reliability and accuracy of financial reporting and information as members resigned at the 30th June 2013	**Partially addressed:** Council resolved during their sitting on the 22nd of November 2013, that the municipality will share the services with the District (Sekhukhune District).

	The financial statements were not submitted for review to the audit committee; **Internal control deficiency:** The management did not comply with section 166(1) of the MFMA which required every municipality to have an audit committee. **Recommendations:** Management must ensure that the municipality must have an audit committee in place in terms with section 166(1) of the MFMA	
4. Review of the external strategy documents	*According to the GTM's Audit committee charter the audit committee should review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit and review the performance of the external auditors.* During our audit it came to our attention that audit committee was not in place as result the external auditors plan will not be reviewed to ensure that the audit will address any concerns of the councillors and directors in terms with the audit committee charter read with section 166(3)(b) Non- compliance with section 166(1) of the MFMA **Recommendations:** Management must ensure that the municipality must have an audit committee in place in terms with section 166(1) of the MFMA	**Partially addressed** Audit committee to form part of the Audit steering committee during AG audit review process.

5.	**Municipal Assets that were not included in the asset register**	*Section 62 of the Municipal Finance Management Act "General financial management functions 62. (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—* *(a) that the resources of the municipality are used effectively, efficiently and economically;* *(b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;"* Assets not included in the Accounting records and AFS R 737 570 009 (2012:R724 334 148). Recommendations: CFO should ensure that there are adequate controls in place to ensure that assets are included in the asset register, furthermore that there is adequate staff in the asset department of the Municipality to implement those controls.	**Partially addressed** updating of Municipal Asset register and unbundling is in progress
6.	**Fixed Assets: Existence of assets**	*Section 62 of the Municipal Finance Management Act "General financial management functions 62. (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—* *(a) that the resources of the municipality are used effectively, efficiently and economically;* *(b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;"* Unable to physically verify a significant number of assets included in the balance of R 737 570 009. **Recommendations:** CFO should ensure that there are adequate controls over assets further that the Municipality has adequate staff in the asset department to	**Partially addressed** updating of Municipal Asset register with location of assets for easy tracking and verification is in progress

	implement those controls.	
7. **Depreciation: Useful lives not assessed**	*GRAP 17 Paragraph 56* *The residual value and the useful life of an asset shall be reviewed at least at each reporting date and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors* Contrary to the above, the useful of assets were not assessed. Unable to determine whether any adjustment relating to property, plant and equipment stated at R 737 570 009(2012: R724 334 148) in the AFS was necessary as it was impractical to do so. **Recommendations:** The CFO should ensure that the useful lives of assets are re - assessed.	**Partially addressed** The useful lives of assets are re - assessed.
8. **Fixed Assets: Provincial roads included in the Asset Register**	*Section 62 of the Municipal Finance Management Act "General financial management functions 62. (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—* *(a) that the resources of the municipality are used effectively, efficiently and economically;* *(b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;"* The municipality did not have systems in place to support ownership and rights thereof.	**Partially addressed** Systems and procedures to assess and support ownership and rights of Fixed Assets is in place: (Provincial road included in the Asset Register) There is a gazette clarifying the ownership on roads)

	Could not determine where adjustment to property/plant and equipment stated at R 619 983 755(2012: R 629 456 657 where necessary. **Recommendations:** CFO should ensure that there are adequate controls in place to ensure that all assets included in the asset register belong to the Municipality.	
9. Contingent liabilities – Understatement of contingent liabilities in the AFS	*Section 62 of the Municipal Finance Management Act "General financial management functions 62. (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—* *a) that the resources of the municipality are used effectively, efficiently and economically;* *b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;"* Contingent not confirmed, hence adjustment of contingent liabilities stated at R3 700 000(2012:R 3 700 000) could not be determined as necessary An amount of R3700 000 was disclosed as contingent liabilities. The necessary audit evidence to justify the completeness of contingent liabilities as per standard of GRAP 19 was not provided. **Recommendations:** CFO should ensure that all contingent liabilities are disclosed in the Annual Financial Statement.	**Not addressed** Agreed with AG that the corrections on contingent liabilities disclosed in the 2012/13 Annual Financial Statement will be Audited with the AFS for 2013/2014

10. Commitment – The following contract could not verified	*In terms of the MFMA section 62(1) the accounting officer of the municipality is responsible for managing the financial administration of the Municipality, and must for this purpose take all reasonable steps to ensure:* *(c) That the municipality has and maintains effective, efficient and transparent systems -* *(i) of financial and risk management and internal control,* No commitment was made in respect to prior years incomplete contracts to the amount of R 342 388,73 No evidence to justify commitment stated at R14 529 252(2012:R 21 139 316) Contract files and supporting documents for contract committed amounting to R 28 990 000 were not provided **Recommendations:** The accounting officer should ensure that all information needed for audit purposes are made available to auditors.	**Not addressed** commitment in respect to incomplete contracts compilation is in progress
11. Statement of comparative and actual information: Budget information	GRAP 24 paragraph 12 state that; *12 subject to the requirements of paragraph .19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:* (a) the approved and final budget amounts (b) the actual amounts on a comparable basis; and (c) by way of note disclosure, an explanation of material differences	**Not addressed** Corrections disclosure in the 2012/13 Annual Financial Statement of Comparative and actual information to comply with GRAP 24, will be audited with 2013/14 AFS

<table>
<tr><td></td><td>between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

However it was noted that the municipality did not disclose an explanation of the material variances between the budget and the actual amounts.

Recommendation
Management should ensure that the Statement of Comparative and actual information comply with GRAP 24</td><td></td></tr>
<tr><td>12. Review of statement of comparative and actual</td><td>In terms of the MFMA section 62(1) the accounting officer of the municipality is responsible for managing the financial administration of the Municipality, and must for this purpose take all reasonable steps to ensure:
(c) that the municipality has and maintains effective, efficient and transparent systems -
(i) of financial and risk management and internal control,

Contrary to the above, the following difference was noted between the adjustment as per statement of comparative note 49 of the Annual Financial Statement and the approved adjustment.
<table><tr><th>Description</th><th>Original Budget</th><th>Approved Original budget</th><th>Difference</th></tr><tr><td>Transfer recognised - Operational</td><td>177844000</td><td>135498400</td><td>42345600</td></tr></table></td><td>Not addressed

The difference are to be recalculated and adjusted on the AFS ,and to be audited with the 2013/14 AFS</td></tr>
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<tr><td>Other Own revenue</td><td>14727860</td><td>17127860</td><td>-2400000</td></tr>
<tr><td>Transfers and Grants</td><td>4290000</td><td>3900000</td><td>390000</td></tr>
<tr><td>Other expenditure</td><td>85151130</td><td>88141130</td><td>-2990000</td></tr>
<tr><td>Transfers recognised - Capitals</td><td>-8000000</td><td>15739973</td><td>-7739973</td></tr>
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Recommendation:
CFO should ensure that the statement of comparative and actual is reviewed.
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<tr>
<td>13. Contingent Asset _ Municipality leased assets was used as surety/security by the lessee on mortgage bond(R125 000.00)</td>
<td>Section 46 of the Municipal Finance Management Act ; Long-term debt.— (1) A municipality may incur long-term debt only in accordance with and subject to any applicable provisions of this Act, including section 19, and only for the purpose of—capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in section 152 of the Constitution, including costs referred to in subsection (4);

Through inspection of the lease contract between the municipality and Terrace Drive Properties 34 (PTY) LTD it was found that the municipality entered into 30 years lease contract for 3,7 hectares of land at the value of R 125 000 000 in which the LESSEE as per the provisions of 3.9 on the lease contract that the developer (Terrace) is entitled at its costs to</td>
<td>Not addressed

The amount disclosed has been corrected as an audit adjustment and will be audited with the 2013/14 AFS</td>
</tr>
</table>

	construct a shopping centre (including ancillary facilities) and taxi rank facility on the LAND from time to time to the extent lawful , and as it sees fit. Also paragraph 11 on the lease contract that the LESSEE Company is entitled to bond, cede, hypothecate or otherwise grant as security any or all of its rights in terms of this agreement. However it was found that as per the disclosure note 39, an amount of R 125 000 000.00 for the property developed by the LESSEE is disclosed as contingent liability. We went through the disclosure note 39 and noted that the amount does not qualify to be contingent liability. No appropriate evidence proving that management has properly complied with section 50 of the MFMA, hence could not determine whether the R 125 000 000 loan secured by private developer using the property of the municipality complied with the act. **Recommendation** Management should provide effective leadership based on good governance, protecting and enhancing the best interest of the municipality and complying with *Municipal Finance Management Act*	

14. Investment property: Incorrect valuation of investment property	Section 62 of the Municipal Finance Management Act "General financial management functions 62. (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure— 1. *(a) that the resources of the municipality are used effectively, efficiently and economically;* 2. *(b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;"* No sufficient and appropriate audit evidence for reconciled difference of R 25 034 500 Unable to determine the necessity of adjustment on investment properties stated at R 116 114 800(2012:101 056 100). **Recommendation** The CFO should put in place controls to ensure the investment properties are valued accurately	**Not addressed** the amount disclosed has been corrected as an audit adjustment and will be audited with the 2013/14 AFS

15. Receivables - Debtor's listings/Breakdown on receivables balances and the supporting documentation not provided for audit	*In terms of the MFMA section 62(1) the accounting officer of the municipality is responsible for managing the financial administration of the Municipality, and must for this purpose take all reasonable steps to ensure:* *Section 62(1)(b) of the MFMA states that "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure - full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards"* *(c) that the municipality has and maintains effective, efficient and transparent systems -* *(i) of financial and risk management and internal control,* *Also Part 14 of the Credit and Debt Collection Policy:* *(5) Debt collection action will be taken on the total amount outstanding on the account after the due date. The total amount outstanding includes property rates, refuse, sewer, water and sundry debtor charges* *(i) The following types of debt will be handed over to the debt collectors: -* *16. Debt that is 60 days and older.* *17. Debt for which no payment arrangements were made.* *18. The amount of the debt per debtor to be handed over is the amount that will be determined from time to time.* Contrary to the above, the below categories of receivables amount as disclosed in trial balance, general ledger, amount relating to the debtors listings (The debtors ageing analysis /breakdowns) as per the categories in the annual financial statements were requested however they could not be	**Not addressed** the general ledger detailed accounts and the receivables listing showing the ageing of the debtors and categories will be submitted for audit with the 2013/14 AFS

	obtained for audit purposes , also the supporting documentation relating to the unusual balances (credit balances in debit balances) disclosed as receivables : The below were requested , however only the general ledger detailed accounts were received, not the receivables listing showing the ageing of the debtors that agrees to the annual financial statements were not submitted for audit purposes :- 19. Detailed Receivables listing from exchange transactions that agrees to the amount as disclosed in the annual financial statements to the amount of R 5 936 351 20. Detailed Receivables listing from non-exchange transactions that agree to the amount as disclosed in the annual financial statements to the amount of R 6 955 270 **Recommendation:** CFO should ensure that all requested information is submitted for audit purposes	

15. Revenue - No journals passed for the recognition of the interest on revenue could be obtained for audit purposes	In terms of the MFMA section 62(1) the accounting officer of the municipality is responsible for managing the financial administration of the Municipality, and must for this purpose take all reasonable steps to ensure: Section 62(1)(b) of the MFMA states that "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure - full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards" (c) that the municipality has and maintains effective, efficient and transparent systems - (i) of financial and risk management and internal control, Unable to obtain year end journals passed in recognition of the interest on investment as revenue to the amount of R2 487 022 180 as internal control were not established over recording and safekeeping of records. **Recommendation** Management should implement a proper system of record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.	**Not addressed** Journals passed for the recognition of the interest on revenue is available and will be provided for audit with the 2013/14 AFS
16. Cash flow statements	*MFMA section 122 requires that:* *"**122. Preparation of financial statements.**—(1) every municipality and every municipal entity must for each financial year prepare annual financial statements which* *(a) fairly presents the state of affairs of the municipality or entity, its*	**Not addressed** The corrected AFS (Cash flow statement for 2012/13) will be audited with the 2013/14 AFS

performance against its budget, its management of revenue, expenditure assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year; and

(b) Disclose the information required in terms of sections 123. 124 and 125."

Furthermore paragraph 2 of GRAP 2 – Cash Flow Statements states

2. ***"An entity that prepares and presents financial statements under the accrual basis of accounting shall prepare a cash flow statement in accordance with the requirements of this Standard and shall present it as an integral part of its financial statements for each period for which financial statements are presented "***

"An entity that prepares and presents financial statements under the accrual basis of accounting shall prepare a cash flow statement in accordance with the requirements of this Standard and shall present it as an integral part of its financial statements for each period for which financial statements are presented."

The following differences were noted as per my recalculations and the amount disclosed in the cash flow statement for the current year and comparatives:

Items as per cash flow statement	2013	Recalculation	Variances
Sale of goods and	73 118 796	64 146 890	8 971 906

services			
Other receipts	13 350 070	22 321 976	(8 971 906)
Other cash item	15 058 700	0	15 058 700
Suppliers	(78 379 845)	(22 972 401)	(55 407 444)
Other payments	-992 000.00	0	(992 000.00)
Proceeds from sale of biological assets that form part of an agricultural activity	(992 000.00)	0	(992 000.00)
Total	**20 163 721**	**63 496 465**	**(42 332 744)**

Recommendation:

The accounting officer should ensure that the financial statements are appropriately presented and are accurate.

17. Cash & Bank - Difference between cash book balance as per bank reconciliation and cash book balance as per GL and AFS.(Cash and Cash Equivalents)	In terms of the MFMA section 62(1) the accounting officer of the municipality is responsible for managing the financial administration of the Municipality, and must for this purpose take all reasonable steps to ensure: (c) that the municipality has and maintains effective, efficient and transparent systems - (i) of financial and risk management and internal control, The cash and cash equivalents disclosed as per financial statements are misstated by R 8 349 790, this resulting in cash book balance not reconciling with the bank balance as per bank confirmation. Unable to determine whether any adjustment to cash and cash equivalents stated at R 86 285 631 (2012: R 44 771 084) in the AFS were necessary. **Recommendation:** Management should ensure that the cash book balance as per the year end bank reconciliation agrees with the cash book balance as per the general ledger and annual financial statements.	**Not addressed** Difference between cash book balance as per bank reconciliation and cash book balance as per GL and AFS.(Cash and Cash Equivalents) has been corrected by revising the Investment journal that was incorrectly passed
18. Irregular Expenditure	*44. Except when a Standard of GRAP permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial statements. Comparative information shall be included for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.* *45. in some cases, narrative information provided in the financial statements for the previous period(s) continues to be relevant in the current period. For example, details of a legal dispute, the outcome of which was uncertain at the last reporting date and is yet to be resolved, are disclosed in the current period. Users benefit from information that the uncertainty existed at the last reporting date, and about the steps that have been taken*	**Partially addressed** Some Tender files and other supporting documents for contracts awarded that form part of an amount of R 66 777 763 has been located and will be submitted for audited with the 2013/14 AFS.

	during the period to resolve the uncertainty. *46. When the presentation or classification of items in the financial statements is amended, comparative amounts shall be reclassified, unless the reclassification is impracticable. When comparative amounts are reclassified, an entity shall disclose:* *(a) the nature of the reclassification;* *(b) the amount of each item or class of items that is reclassified; and* *(c) the reason for the reclassification.* *47. When it is impracticable to reclassify comparative amounts, an entity shall disclose:* *(a) the reason for not reclassifying the amounts; and* *(b) the nature of the adjustments that would have been made if the amounts had been reclassified.* *48. Enhancing the inter-period comparability of information assists users in making and evaluating decisions, especially by allowing the assessment of trends in financial information for predictive purposes. In some circumstances it is impracticable to reclassify comparative information for a particular prior period to achieve comparability with the current period. For example, data may not have been collected in the previous period(s) in a way that allows reclassification, and it may not be practicable to recreate the information.* *49. The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors deals with the adjustments to comparative information*	

	required when an entity changes an accounting policy or corrects an error." The municipality could not provide Tender files and other supporting documents for contracts awarded amounting to R 66 777 763 The corresponding figure on irregular expenditure was understated by R 23 987 696 as the correct amount from prior year's accounting records was not brought forward. **Recommendation:** Accounting officer should ensure that all financial statement balances are reviewed and agreed with prior year audited financial statements.	

19. The difference between the Annual Financial Statements and Trial Balance	In terms of the MFMA section 62(1) the accounting officer of the municipality is responsible for managing the financial administration of the Municipality, and must for this purpose take all reasonable steps to ensure: (c) That the municipality has and maintains effective, efficient and transparent systems - (I) of financial and risk management and internal control, Contrary to the above, the following difference was noted between the Trial Balance and the AFS.	**Not addressed** Ensure that AFS are reviewed and all journals are correctly passed

Description	Trial Balance	AFS	Variance
Investment property	21 853 700	116 114 800	(94 261 099)
Property, plant and equipment	771 301 790	737 570 009	33 731 781
Other financial liabilities	(831 120)	1 039 746	208 625
Payables from exchange transactions	(20 522 447)	20 565 784	43 336
Provisions -current	(5 386 536)	5 397 698	11 161

liabilities			

Description	Trial Balance	AFS	Variance
Provisions –non-current liabilities	(1 174 325)	5 652 445	4 478 120

Recommendation:
CFO should review the AFS

COMPONENT B: 2013/14 AUDITOR GENERAL OPINION

6.3. 2012/13 AUDITOR GENERAL OPINION

Annexure A: Council Profile

No.	Surname	Full Names	Position	Party
1.	Mabelane	Motsebeng Morussia	Councillor ward 01	ANC
2.	Makine	Molelekwa Patrick	Councillor ward 02	ANC
3.	Mashabela	Mankgase Ronald	Councillor ward 03	ANC
4.	Malatji	Modjadji Annah	Councillor ward 04	ANC
5.	Kgoete	David	Councillor ward 05	ANC
6.	Hlatswayo	Buti Ephraim	Councillor ward 06	ANC
7.	Riba	Mashego Rebotile	Councillor ward 07	ANC
8.	Hlongwa	Mpho Samuel	Councillor ward 08	ANC
9.	Nkwana	Dianah Pheladi	Councillor ward 09	ANC
10.	Moropane	Ntai Christianah	Councillor ward 10	ANC
11.	Lesinya	Mphago Turks	Councillor ward 11	ANC
12.	Magane	David Malekeng	Councillor ward 12	ANC
13.	Maroga	Lephaphane Rosemary	Councillor ward 13	ANC
14.	Mphofelo	Kgaogelo Vincent	Councillor ward 14	ANC
15.	Maile	Kgolane Miccah	Councillor ward 15	ANC
16.	Komane	Mogau Cynthia	Councillor ward 16	ANC
17.	Mphethi	Ngwakwana Dorah	Councillor ward 17	ANC
18.	Masete	Annah	Councillor ward 18	ANC
19.	Riba	Mphahlele Ephaphrus	Councillor ward 19	ANC
20.	Hlatiwayo	Putana Joel	Councillor ward 20	ANC
21.	Thobajane	Mabatane Norman	Councillor ward 21	Independent
22.	Mogofe	Mathume Enicca	Councillor ward 22	ANC
23.	Mboyane	Alfred Welly	Councillor ward 23	Independent
24.	Kgoete	Serutla Steve	Councillor ward 24	ANC
25.	Maepa	Apollo Simon	Councillor ward 25	ANC
26.	Shai	Annah Motjekoane	Councillor ward 26	ANC
27.	Tshehla	Muas Andrew	Councillor ward 27	ANC
28.	Rantho	Lekgema Jim	Councillor ward 28	ANC
29.	Komane	Tjilenyane Daniel	Councillor ward 29	ANC
30.	Sekgobela	Jane Beefy	Councillor ward 30	ANC
31.	Mabilu	Moditsana Lazarus	Councillor ward 31	ANC
32.	Moraba	Lekhele David	PR Councillor	COPE
33.	Mamekoa	Ralepane Samuel	PR Councillor	ANC
34.	Selahle	Nnanesi Lucas	PR Councillor	COPE
35.	Tau	Letau Christianah	PR Councillor	COPE
36.	Lourens	Roelof Frederik	PR Councillor	DA
37.	Mogale	Kgakishi John	PR Councillor	DA
38.	Kgwedi	Joseph Lethabile	PR Councillor	DA
39.	Maleka	Ernest Kahludi	PR Councillor	ANC
40.	Makofane	Isaac Thabo	PR Councillor	UDM
41.	Manotwane	Rosina Ramaabele	PR Councillor	ANC
42.	Makofane	Rejoice Lethabo	PR Councillor	ANC
43.	Moropane	Nthloile Marry	PR Councillor	ANC

44.	Malapane	Phomolo Elizaberth	PR Councillor	ANC
45.	Mohlala	Phulushi Archiebald	PR Councillor	ANC
46.	Malatjie	Sello Marcus	PR Councillor	APC
47.	Khoza	Maria Rinkie	PR Councillor	ANC
48.	Selala	Sentsho Isaiah	PR Councillor	ANC
49	Sekgobela	Phaswabotse Cedric	PR Councillor	ANC
50.	Thobejane	Moniccah Dinao	PR Councillor	ANC
51.	Mahlaba	Phillistus Mohlomphi	PR Councillor	ANC
52.	Makgoga	Mamogodi Emmanuel	PR Councillor	ANC
53.	Nkosi	Samson Magodireng	Chief whip	ANC
54.	Makhubedu	Ngwanyene Rhinah	PR Councillor	ANC
55.	Mphogo	Sekopa Caiphus	PR Councillor	ANC
56.	Moeng	Queen Malekgale	Speaker	ANC
57.	Serothwane	Serotho Onis	PR Councillor	ANC
58.	Moraba	Komosas Jonas	PR Councillor	PAC
59.	Ngwatle	Aubrew Dibapoleng	PR Councillor	PAC
60.	Mametja	Matshehla Maggie	PR Councillor	ANC
61.	Mahlake	Nkosi Josias	Mayor	ANC
62.	Nkosi	Motuka Dorcus	PR Councillor	ANC

Political Office Bearers

No.	Surname	Full names	Position	Party
1.	Mamekoa	Ralepane Samuel	Mayor	ANC
2.	Moeng	Queen Malekgale	Speaker	ANC
3.	Nkosi	Samson Magodireng	chief whip	ANC

Executive Committee

No.	Surname	Full names	Position	Party
1.	Mamekoa	Ralepane Samuel	Mayor	ANC
2.	Mogofe	Mathume Enicca	Head of Corporate Service	ANC
3.	Sekgobela	Phaswaebotse Cedrick	Head Technical Service	ANC
4.	Moropane	Nhloile Mary	Head of Community Service	ANC
5.	Lourens	Roelof Frederik	Deputy :Community Service	DA

6.	Makgoga	Mamogodi Emmanuel	Deputy :ELD	ANC
7.	Mohlala	Phulushi Archiebald	Head of Finance	ANC
8.	Mabilu	Moditsana Lazarus	Head of ELD	AN C
9.	Mphethi	Ngwakwane Dorah	Deputy: Technical Service	ANC
10.	Moraba	Lekhele David	Deputy :Finance	COPE

Full time councillors

No.	Surname	Full names	Position	Party
1.	Mohlala	Phulushi Archiebald	Head of Finance	ANC
2.	Mabilu	Moditsana Lazarus	Head of ELD	AN C
3.	Mogofe	Mathume Enicca	Head of Corporate Service	ANC
4.	Sekgobela	Phaswaebotse Cedrick	Head Technical Service	ANC

Portfolio Committees

FINANCE	TECHNICAL	CORPORATE	ELD	COMMUNITY
Mohlala P.A **Head**	**Sekgobela P.C** **Head**	**Mogofe ME** **Head**	**Mabilu ML** **Head**	**Moropane NM** **Head**
Moraba LD **Deputy**	**Mphethi N.D** **Deputy**	**Komane TD** **Chair Person**	**Makgoga M.E** **Deputy**	**Laurence R.F** **Deputy**
Sekgobela B.J **Chair Person**	**Magane M.D** **Chair Person**	Moropane NC	**Mahlaba PM** **Chair Person**	**Makhubedu NR** **Chair Person**
Maepa A	Nkoana DP	Masete A	Makine MP	Kgoete D
Mogale K.J	Selala S.I	Mboyane WA	Tshehla N.M	Mahlake N.J

Thobejane D	Serothwane OS	Annah Malatjie	Tau LC	Mphogo S
Hlongwa MS	Selahle NL	Mphofelo V	Mametja MM	Hlatswayo P.J
Riba M.R	Khoza MR	Mabelane MM	Shai A	Nkosi D
Thobejane M.N	Malapane PE	Kgoshi Mashabela	Makofane R.L	Maleka EK
Kgoshigadi Dinkwanyane	Kgoshi Phasha PD	Kgoshi Kgoete T.A	Kgoshigadi Kgoete	Kgoedi J.L
Kgoshi Sekhukhune P.R	Kgoshi Mohlala MB	Kgoshi Mashishi	Kgoshi Ramaube	Kgoshi Maepa
				Kgoshi Maroga

ANNEXURE B: MPAC LIST OF COUNCILLORS

SURNAME & INITIALS

1. Cllr Kgoete S.S: Chairperson
2. Cllr Riba M.E
3. Cllr Lesinya T
4. Cllr Maile M
5. Cllr Manotwane R.R
6. Cllr Hlatswayo E
7. Cllr Maroga R.L
8. Cllr Makofane I.T
9. Cllr Komane T.D

FUNCTIONS OF MPACs

The primary functions of the Municipal Public Accounts Committees are as follows:

I. To consider and evaluate the content of the annual report and to make recommendations to council when adopting an oversight report on the annual report;

II. In order t assist with the conclusion of matters that may not be finalised, information relating to past recommendations made on the Annual report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports;

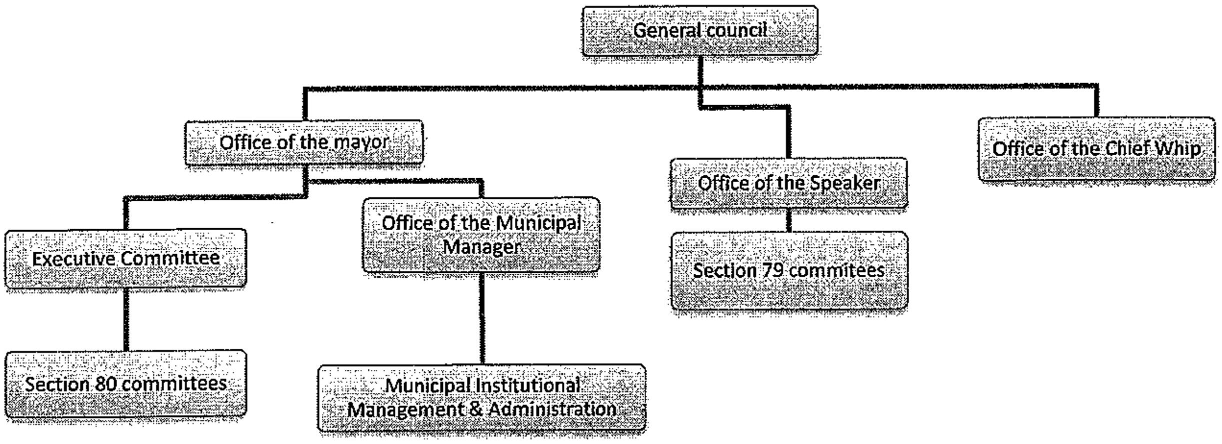
III. To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;

IV. To promote good governance, transparency and accountability on the use of municipal resources;

V. To recommended or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and

VI. To perform any other functions assigned to it through a resolution of council within its area of responsibility.

ANNEXURE C: ORGANISATIONAL STRUCTURE OF THE MUNICIPALITY



ANNEXURE D: POWER AND FUNCTIONS OF GREATER TUBATSE LOCAL MUNICIPALITY

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

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

ANNEXURE E: WARD COMMITTEE MEETINGS

Functionality of Ward Committees						
Ward Name (Number)	Surname of Ward Councillor	Name of Ward Councillor	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 01	Mabelane	Motsebeng Morussia	Yes	12	12	12
Ward 02	Makine	Molelekwa Patrick	Yes	9	9	8
Ward 03	Mashabela	Mankgase Ronald	Yes	6	6	7
Ward 04	Malatji	Modjadji Annah	Yes	12	12	9
Ward 05	Kgoete	David	Yes	14	12	12
Ward 06	Hlatswayo	Buti Ephraim	Yes	11	11	9
Ward 07	Riba	Mashego Rebotile	Yes	11	11	12
Ward 08	Hlongwa	Mpho Samuel	Yes	10	10	7
Ward 09	Nkwana	Dianah Pheladi	Yes	12	12	12
Ward 10	Moropane	Ntai Christianah	Yes	12	12	1
Ward 11	Lesinya M.T	Mphago Turks	Yes	10	10	10
Ward 12	Magane	David Malekeng	Yes	11	11	0
Ward 13	Maroga	Lephaphane Rosemary	Yes	12	12	2
Ward 14	Mphofelo	Kgaogelo Vincent	Yes	12	12	11
Ward 15	Maile	Kgolane Miccah	Yes	12	12	5
Ward16	Komane	Mogau Cynthia	Yes	11	11	6

Ward 17	Mphethi	Ngwakwana Dorah	Yes	13	12	4
Ward 18	Masethe	Annah	Yes	10	10	5
Ward 19	Riba	Mphahlele Ephaphrus	Yes	11	11	12
Ward 20	Hlatiwayo	Putana Joel	Yes	8	8	9
Ward 21	Thobajane	Mabatane Norman	Yes	11	11	8
Ward 22	Mogofe	Mathume Enicca	Yes	11	11	9
Ward 23	Mboyane	Alfred Welly	Yes	11	11	8
Ward24	Kgoete	Serutla Steve	Yes	10	10	5
Ward25	Maepa	Apollo Simon	Yes	9	9	4
Ward 26	Shai	Annah Motjekoane	Yes	11	11	7
Ward 27	Tshehla	Musa Andrew	Yes	13	12	9
Ward 28	Rantho	Lekgema Jim	Yes	11	11	5
Ward 29	Komane	Tjilenyane Daniel	Yes	11	11	1
Ward 30	Sekgobela	Jane Beefy	Yes	11	11	7
Ward 31	Mabilu	Moditsana Lazarus	Yes	11	11	3
Total				**339**	**335**	**224**
%				**%**	**%**	**81%**

Annexure F: Performance of service providers

Name of Service Provider	Nature of their work / tasks	Performance
SJN Development Planning Consultants	Development of a uniform Land Use Management System (LUMS)	**4. Performance significantly above expectation**
SJN Development Planning Consultants	Development of Ohrigstad Development Plan	**4. Performance significantly above expectation**
SS Ntike Consulting	Development of Economic Development Plan (LED Strategy)	**4. Performance significantly above expectation**
Verveen Attorneys	Registration of right of way servitude for Burgersfort Western Ring-Road.	**4. Performance significantly above expectation**
Afro-Architect Cc.	Facilitation of Neighbourhood Development Partnership Grant programme	**4. Performance significantly above expectation**
Fawcett Security services	Physical security	**3.Fully effective**
Otis (Lifts)	Maintenance of Lifts	**2. Not fully effective**
Tubatse properties	Rental of building	**3.Fully effective**
YT Air conditioning	Maintenance of air cons	**2. Not fully effective**
Lekoko	HR plan / OD structure	**3.Fully effective**
Engnet solutions/Grant Thornton/Koba technologies JV	Compilation of Grap compliance asset register	**4. Performance significantly above expectation**

N.B: Use the following legend for assessment: 1. Unacceptable performance; 2. Not fully effective; 3.Fully effective; 4. Performance significantly above expectation; 5. Outstanding performance

ANNEXURE G: CAPITAL PROGRAMME PER PROJECT PER WARD

Project Name	ward(s) number	2013/14 Budget
Access Bridges		
1. Madifahlane Access Bridge	14	R 700 000
2. Ga- Maphopha Access Bridge	28	R 1 800 000
3. Mahlakwena Access Bridge	31	R 2 500 000
4. Shakung Access Bridge	15	R 3 000 000
5. Modubeng Access Bridge	16	R 3 000 000
6. Habeng Access Bridge	14	R 4 000 000
7. Tsatsapane Access Bridge	27	R 4 500 000
8. Pidima/Makubu Access Bridge	21	R 8 000 000
9. Kgautswane/Mokutung Access Bridge	24	R 8 500 000
10. Ga- Malepe Access Bridge	16	R 3 000 000
Sport complex		R 38 300 000
1. Ohrigstad Sport complex	1	R 1 700 000
Hawkers facilities		R 1 700 000
1. Praktiseer Hawkers facilities	13	R 1 700 000
2. Burgersfort Hawkers facilities	18	R 2 000 000
3. Burgersfort Flea Market	18	R 3 531 752
[illegible]		R 7 231 752
1. Tubatse storm water Drainage		R 1 000 000
[illegible]		R 1 000 000
1. Tubatse High mast light		R 640 888
[illegible]		
Tubatse Rehabilitation of waste facilities		R 1 700 000
Electricity		**R 1 700 000**
1. Kutullo	27	R 6 750 000
2. Koppie	31	R 2 025 000
3. Mapareng	1	R 7 425 000
4. Kgopaneng	15	R 2 700 000
5. Buffelshoek	31	R 810 000

6. Kalkfontein	31	R 3 375 000
7. Barcelona(Driekop)	11	R 4 050 000
8. Dibakwane(Driekop)	11	R 4 050 000
9. Maputle(Driekop)	11	R 5 305 000
10. Kampeng(Driekop)	19&7	R 8 235 000
11. Mandela park	5	R 9 180 000
12. France(Driekop)	19&7	R 17 550 000
13. Leboeng	1 & 26	R 5 994 000
14. Dithamaga	31	R 513 000
15. Taung	26	R 6 750 000
16. Malaeneng	1	R 7 600 000
17. Sekopung	15	R 4 050 000
18. Makofane	23	R 8 100 000
19.Pidima	23	R 3 550 000
20. Matokomane	26	R 4 725 000
21. Makotaseng	26	R 4 266 000
		R 117 003 000
1. Praktiseer testing station	13	R 500 000
2. Animal pound	15	R 600 000
3. Resealing of Burgersfort roads	18	R 5 000 000
4. Upgrading of Steelpoort Road Worthy Centre	2	R 200 000
		R 200 000

ANNEXURE: H

The GTM
GREATER TUBATSE MUNICIPALITY

NTSEE KGOPU

South Africa's first democratic platinum city

2013/2014

ANNUAL PERFORMANCE REPORT (section 46 Report)

GENERAL INFORMATION

I. **Executive Committee**

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

II. **Addresses**

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III. **Contacts**

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This document is prepared in terms of Chapter 6 Section 46 of the Municipal System Act, Act No.32, 2000.

Legislation	According to section 46 of the municipal System Act, Act 32 of 2000 a municipality must prepare for each financial year a performance report reflecting: (a) *Performance of the municipality and each external service provider during that financial year,* (b) *comparison of the performance referred to in paragraph (a) with targets set for and performances in the previous financial year; and* (c) Measures taken to improve performance
Strategic Vision	**To develop Tubatse as a Platinum City, in an integrated manner, to improve the quality of life for all**
Strategic mission	The strategic mission of Greater Tubatse Municipality is to promote: ◇ Local accountable democracy through active community participation; ◇ Economic advancement to fight poverty and unemployment; ◇ Accessible, needs-satisfying service rendering in a sustainable and affordable manner; ◇ Municipal transformation and institutional development; and ◇ Environmental management to ensure a balance between safe human settlements and the economic base of the municipality.

MUNICIPAL MANAGER'S OFFICE

KPA	Focus Areas	Strategic Objectives	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
GPP	Communication	Promote the culture of participatory and good governance	To ensure that GTM is portrayed in ways that restores trust in local government	Communication program (marketing and branding)	New Indicator	# of marketing and branding activities performed	6 - marketing and branding activities performed: • Procurement and Distribution of branding materials(calender & Diaries); •Allocation of nametags & placement doortags; • Placement of national flags in all municipal offices entrance(main office and satellites); • Distribution of 2012/13 Annual Report; • Distribution of 2014/15 IDP	2 - marketing and branding activities performed: • Branding materials(calender & Diaries) distributed to councillors, staff and public; • National flags are placed in all municipal offices entrance(main office and satellites)	R 300 000	R 357 780	• Service provider for the production of Nametag, doortags and IDP document was delayed hence the distribution of the iterms was not done. • MPAC delayed tabling of the oversight report to council until the commencement of the 2014/15 financial year.	The distribution of IDP and Annual Repor; and the pasting of doortags and the nametag will be done in first quarter of 2014/15 financial year.
				Communication program (issue based talk shows)	4 talk shows held	# of issue based talk shows co-ordinated	As and when they arise	• 52 radio and one TV interviews conducted; and • 21 radio show conducted	R -	R -	None	None
GPP	Communication	Promote the culture of participatory and good governance	To ensure that GTM is portrayed in ways that restores trust in local government	Communication program (media statemens released)	22 media releases conducted	# of media statements released	4: Quarterly media statement released	6 Media statements released	R -	R -	None	None
				Communication program (newsletter released)	3 newsletters produced and distributed	# of newsletter released	Four newsletter per annum	Two newsletters were released	R 450 000	R 88 000	prolonged procurement processes in the first and third quarter failed the project in those quarters	Appointment of Service provider for a year to print newsletters for the municipality
GPP	Communication	Promote the culture of participatory and good governance	To ensure that GTM is portrayed in ways that restores trust in local government	Communication program (SOLMA)	1 SOLMA conducted at Leboeng on 08 June 3013	# of SOLMA conducted	01 SOLMA conducted	0	R -	R 576 628.68	SOLMA could not be conducted due to budgetary constrains, because funds for SOLMA were utilized for the launching of Operation Mabone	To be conducted in the first quarter of the new financial year
				Website update	87% in placing of MFMA section 75 documents/information on the Website not later than five days after they have been tabled on council	% of documents submitted to communication secretariat for website uploading uploaded	100% of documents submitted to communication secretariat for website uploading uploaded	100% of documents submitted to communication secretariat for website uploading uploaded	R -	R -	None	None
	Legal matters	Promote the culture of participatory and good governance	To ensure that GTM is portrayed in ways that restores trust in local	Litigations	No litigations report served in council	# of municipal Litigation reports submitted to council	4: Municipal Litigation reports submitted to council	1	R 17 800 000	R -	Report was developed but deferred back at Executive committee level for more information	The report was finally submitted and accepted in the fourth quarter
				Litigations (Building contravention)	100% Achieved : Legal representative appointed on two contravention intervention received from BLD	% of Building contravention/s elevated for the intervention of Legal unit by BLD addressed	100% of Building contravention/s elevated for the intervention of Legal unit by BLD addressed	100% of Building contraventions elevated to Legal unit by BLD addressed: Twelve matters were elevated to BLD and were all addessed.	R -	R -	None	None

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GPP	Risk Management	Promote the culture of participatory and good governance	TO optimally manage risk in order to achieve the municipal vision	Risk and fruad awareness (functionality of of Risk management committee)	60% Functionality of Risk Committee: *20%Strategic and operational risk register developed and approved by council; *40% of quarterly reports submitted to Audit Committee.	% functionality of of Risk management committee	100% functionality of Risk management committee : *Evaluation of the effectiveness of mitigating strategies to address the material risks of GTM(20%); * provide proper and timely reports to AO on the state of risk management in GTM and recommendationds(20%); * Report to AO any material changes to the risk profile of GTM(20%);* holding Quarterly meeting(20%) ;* Evaluate the effectiveness of fraud prevention policy(20%)	80% functionality of Risk management committee: * 20% Submitted report to Audit committee;* 20% The report on state of risk management was presented to the Audit committee on the 26 June 2014; * 20% The update risk regiter was also presented to the Audit committee members on the 26 June 2014; * 20% Revelwed fraud prevention policy/strategy, was submitted to the AO.	R 0.00	R 0.00	Lack of Risk committee chairperson which led into Risk committee not holding its quarterly meetings	Appointment of Risk committee chairperson from the Audit committee who will ensure that risk committee meets quarterly and generate reports to Audit committee
GPP	Risk Management	Promote the culture of participatory and good governance	TO optimally manage risk in order to achieve the municipal vision	Risk and fruad awareness (functionality of Risk management unit)	80% achieved on functionality of Risk Management	% functionality of Risk management unit	100% functionality of Risk management unit: *development of operational and strategic Risk register(20%); * Arrangement of quarterly Risk committee meetings(20%); *Conduct Risk awareness(40%); * risk mitigation and update of risk register conducted(20%)	60% functionality of Risk management unit: 20% Risk registers(both strategic and Operational) developed; 40% risk awareness was conducted to the Ethics committee members on the 27 June 2014.	R -	R -	Risk comittee is without a chairperson	Appointment of Risk committee chairperson from Audit committee members
GPP	IGR	Promote the culture of participatory and good governance	To ensure clean Audit by 2014	Risk and Fruad awareness	New Indicator	% Risk committee recommendations implementated	100% of Risk committee recommendations implementated	0% achieved	R -	R -	The risk committee could not meet and delays in completion of risk register	Convene risk committee meetings and completion of strategic risk register (The indicator was withdrawn during Mid - year reviews)
GPP	Risk Management	Promote the culture of participatory and good governance	TO optimally manage risk in order to achieve the municipal vision	Risk and fruad awareness	New Indicator	# of risk and fraud awareness workshop conducted	4 risk and fraud awareness workshop conducted	2 risk and fraud awareness workshop conducted: * one for ward committee & CDW; *one for Public	R 100 000,00	R -	None	The indicator was withdrawn during Mid - year reviews
				Risk and fruad awareness (development of security policy/procedures)	New Indicator	% progress in development of security policy/procedures	100% Progress in the development of Security policy/procedure: * 70% draft policy developed; * 20% Stakeholder consultation; *10% approval of the policy by council	70% Achieved development of Security policy/procedure:* 70% draft policy developed	R -	R -	Policy waiting comments from stakeholders for finalisation	Draft policy will be forwarded to council for approval.
				Risk and fruad awareness (Security awareness campaigns)	New Indicator	# of Security awareness campaigns conducted	2 - Security awareness campaigns conducted	0	R -	R -	Lack of schedule for campaign	Indicator carried forward in the 2014/15 finanial year under the implementation of Risk management Strategy
				Risk and fruad awareness (Security company performance report)	New Indicator	# Security company performance report generated	4 - Security company performance report generated	0	R -	R -	Lack of capacity in Risk management unit	To capacitate Risk management unit
GPP	Audit	Promote the culture of participatory and good governance	To ensure clean audit by 2014	Internal Audit(functionality of internal audit unit)	65 % Functionality of Internal Audit : *20% Audit plan generated; *15% for 3 completed audits; *30% for reports submitted to Audit Committee.	% functionality of internal audit unit	100% functionality of internal audit unit:* Compile Audit plan(10%; *2x Conduct ordinary audits(40%) * quarterly performance audit; (30%) * quarterly reports submitted to Audit committee(20%)	65%functionality of internal audit unit: *Audit plan compiled (10%; * 1x ordinary audits conducted (20%) * 4 - quarterly performance audit conducted; (30%) * 1 - quarterly reports submitted to Audit committee (5%)	R -	R -	1. Lack of support by auditees 2. Insuffient capacity. 3. Insufficent staff; 4. AC was appointed late in the financial year hence only one meeting was held.	1. Capacitating the unit; 2. Municipality to appoint its own AC

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GPP	Audit	Promote the culture of participatory and good governance	To ensure clean Audit by 2014	Internal Audit (Performance audit)	New Indicator	% of quarterly Performance audit findings from municipal manager's corrected	100% of quarterly Performance audit findings from municipal manager's corrected	100% of Performance audit findings from municipal manager's office corrected	R -	R -	None	None
GPP	Audit	Promote the culture of participatory and good governance	To ensure clean audit by 2014	External Audit (AC recommendations)	44% of AC recommendations implemented. 9 resolutions taken, 4 fully implemented, 2 partially implemented, 1 not addressed, 1 awaits ng and 1 awaits litigation report	% Implementation of AC recommendations	100% Implementation of AC recommendations(4meetings)	45% of AC recommendations implemented	R -	R 32 945.80	The municipality operated larger part of the without AC and the one operating in the municipality was appointed during April 2014 and managed to hold one meeting on the 26 June, previous resolutions could not be discussed.	The municipality to consider appointing their Audit Committee as changes in appointments by the district affects the effectiveness of the committee
GPP	Audit		To ensure clean audit by 2014	External Audit (AC reports)	2 (Two) Audit Committee Reports submitted to council	# of AC reports submitted to Council	Four(4) AC reports submitted to Council	0	R -	R -	The municipality operated larger part of the without AC and the one operating in the municipality was appointed during April 2014 and managed to hold one meeting on the 26 June, previous resolutions could not be discussed.	The municipality to consider appointing their Audit Committee as changes in appointments by the district affects the effectiveness of the committee
GPP	Audit	Promote the culture of participatory and good governance	To ensure clean Audit by 2014	External Audit (AG respond Action plan)	70% Performance on implementation of AG Action Plan and Reduction of matters of emphasis	% progress in implementing 2012/13 AG respond Action plan	100% progress in implementing 2012/13 AG respond Action plan	64% progress in addressing AG action plan	R -	R -	Most issues on the AG action plan are about the adjustments of Finincial statements which will be done during the Audit process	Most issues on the AG action plan are about the adjustments of Finincial statements which will be done during the Audit process
GPP	IGR	Promote the culture of participatory and good governance	To improve perfomance	Council structure meeings	4 Management reviews conducted : 1 in July 2012, October 2012, January 2013 and April 2013.	# of management reviews held	4- management reviews held	4	R 20 000	5 000	None	None
GPP	IGR	Promote the culture of participatory and good governance	To improve perfomance	Council structure meeings	100% Management meeting resolutions implemented	% of management meeting resolutions implemented	100% of management meeting resolutions implemented	100% of management meeting resolutions were implemented.	R -	R -	None	None
				Council structure meeings	4 Exco Makgotla held : in July 2012, October 2012, January 2013 and May 2013	# of Exco - Lekgotla held	4 - Exco -lekgotla held	4	R -	R -	None	None
GPP	IGR	Promote the culture of participatory and good governance	To improve perfomance	Council structure meeings	66% Achievement: 3 resolutions taken, 2 implemented	% of ExCo- makgotla resolutions implemented	100% of ExCo- makgotla resolutions implemented	100% of ExCo- makgotla resolutions implemented	R -	R -	None	None
GPP	IGR	Promote the culture of participatory and good governance	To improve perfomance	Council structure meeings	100% council resolutions implemented	% of council resolutions that need attention of office of Municipal manager implemented	100% of council resolutions that need attention of office of Municipal manager implemented	100% of council resolutions that need attention of office of Municipal manager implemented	R -	R -	None	None
IDT	Performance Management	Improve Organizational cohesion and effectiveness	To ensure optimal utilization of workforce	Performance management program	4 performance reports submitted to council: 2011/12 4th Quarter Report, 2011/12 Annual Report, 2012/13 1st Quarter Report and Mid-Year Report, third quarter Report	# of Municipal Performance reports submitted to council	5 - performance reports submitted to council:* 2012/2013 4th quarter report(Annual performance report); *first report(2013/2014;*Mid-year report 2013/2014;* 2012/13 Annual report * third quarter report 2013/14	5 - performance reports submitted to council:* 2012/2013 4th quarter report(Annual performance report); *first report(2013/2014;*Mid-year report 2013/2014;* 2012/13 Annual report * third quarter report 2013/14	R 100 000	R -	None	None

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IDT	Performance Management	Improve Organizational cohesion and effectiveness	To ensure optimal utilization of workforce	Performance management program	No formal or informal reviews were conducted	# of individual performance reviews for section 54/56 managers conducted	4 - Individual performance reviews for section 54/56 managers conducted: * Two formal reviews; * Two informal reviews	0	R -	R -	The assessment sessions were councelled due to the following reasons: * Unavailability of panel members; * Assessment approaches [illegible]	Develop a pool of panel members who can be utilized exchangeably when some are commited
IDT	Performance Management	Improve Organizational cohesion and effectiveness	To ensure optimal utilization of workforce	Performance management program	All Section 57 managers signed the initial performance agreements and the revised ones : Municipal Manager,Directors ELD, Corporate Services, Community Services and Technical and Acting CFO)	# of section 54/56 managers who signed revised/performance Agreements	6 - section 54/56 managers signed performance Agreements (MM; directors: community service, Technical, ELD, CFO & Corporate)	6 - section 54/56 managers signed performance Agreements (MM; directors: community service, Technical, ELD, CFO & Corporate)	R -	R -	None	None
IDT	Performance Management	Improve Organizational cohesion and effectiveness	To ensure optimal utilization of workforce	Performance management program (development of 2014/15 SDBIP)	100% Performance in development of SDBIP: 70% adoption of draft SDBIP; 20% Mayor signed SDBIP within the stipulated time; 10% SDBIP was submitted to COGHSTA	% progress in development of 2014/15 SDBIP	100% progress in development of 2014/15 SDBIP: adoption of draft 2014/15 SDBIP with draft 2014/15 IDP(70%); * Final 2014/2015 SDBIP signed off by the Mayor(10%) * Final 2014/2015 SDBIP submitted MEC for COGHSTA(10%); * Final 2014/15 SDBIP pasted on website(10%)	100% progress in development of 2014/15 SDBIP: adoption of draft 2014/15 SDBIP with draft 2014/15 IDP(70%); * Final 2014/2015 SDBIP signed off by the Mayor(10%) * Final 2014/2015 SDBIP submitted MEC for COGHSTA(10%); * Final 2014/15 SDBIP pasted on website(10%)	R 50 000	R -	None	None
			To acquire additional power and functions that will impact positively on service delivery and improve GTM revenue base by 2014	Additional power and functions program	New Indicator	% progress in lobbying for additional power and functions(water authority and Electricity licensing)	100% progress in lobbying for additional power and functions(water authority and Electricity licensing)* Establishment/revival of the lobby teams(5%); * Development of terms of reference(10%); * Development of engagement program(5%); *Quarterly reporting to Management and Council(80%)	15% achieved in lobbying for additional power and functions(water authority and Electricity licensing): *5% Lobby team established; *10% Terms of reference developed	R -	R -	Late establishment of the task team	The KPI was withdrawn during mid-year reviews
LED	Integrated Development and Planning	Create an environment that promotes the development of the local economy and facilitate job creation	To ensure accurate data development for accurate forward planning by 2014.	Development of Vision 2030 blue print	0 % Performance in Development of Vision 2030 : Report developed and submitted to departments and terms of reference developed for appointment of service providers.	% progress in the development of vision 2030 blue print	40% progress in the - development of vision 2030 blue print: * Development of vision 2030 blue print plan(20%); * Approval of the plan by Council(20%) (the target was adjusted during the mid-year review from 100% to 40%)	* Development of vision 2030 blue print plan(20%)	R 1 000 000	R -	Delayed in the supply chain processes	The Project rolled over to the 2014/15 financial year
				Development of 2014/15 IDP	100% Performance on compliance to IDP compilation process : Final IDP adopted by council and submitted to COGHSTA, Treasury and SDM by 8June 2013	% progress in compilation of IDP document	100% progress in compilation of IDP document : 10% IDP process plan adopted by council; 25% status quo analysis report adopted by council;* 20% strategy planing report produced; 10% project integration completed;*10% Draft 2014/15 IDP adopted by council; 10% Public consultation conducted; * 5% incorporation of public participation report in the IDP; 10% Approval of the final IDP 2014/15	100% progress in compilation of IDP document : 10% IDP process plan adopted by council; 25% status quo analysis report adopted by council;* 20% strategy planing report produced; 10% project integration completed;*10% Draft 2014/15 IDP adopted by council; 10% Public consultation conducted; * 5% incorporation of public participation report in the IDP; 10% Approval of the final IDP 2014/15	R 200 000	R -	None	None

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					4 IDP/PMS Fora held : 2 held in September 2012, 2nd one in November and the stakeholder engagement held in March 2013.	# of IDP/PMS/Budget consultation held	2 - IDP/PMS/Budget consultation held	2 - IDP consultation meeting held	R 50 000	R 4 850.00	None	None
LED	Employment		To ensure that householda do not rely on grants and that are self	EPWP program	New Indicator	# of jobs creation reports submitted to council	4 - jobs creation reports submitted to council	4 - jobs creation reports submitted to council	R -	R -	None	None
BSD	PMU	Eradicate backlogs in order to improve access to service and ensure proper maintenance	To ensure availability of bulk infrastructure for the	Infrastructure Development plan	4 Quarterly projects reports submitted to council	# of Municipal projects (Capital) progress reports submitted to council	4 - quarterly municipal projects progress repoprts submitted to council	4 - quarterly municipal projects progress repoprts submitted to council	R -	R -	None	None
FVBM	Budget	To improve overall financial management in the municipality by developing and implementing	To ensur that GTM budget is credible by 2014	Budget plan	The 2011/12 Annual Financial Statements were submitted on 31 August 2012 for Audit purposes	Submission of 2012/13 Annual Financial statement	Submission of 2012/13 Annual Financial statement by 31 August 2013	AFS submitted on 24 October 2013	R -	R -	Lack of internal capacity to develop AFS which led to the outsourcing of the project	Train more employees in the development of AFS
FVBM	Expenditure	To improve overall financial management in the municipality by developing and	To improve rvenue base with 25%by 2017	Revenue enhancement program	New Indicator	R- value of cash available to monthly expenditure commitments	R 268 924 053	R 212 126 339	R 268 924 053	R 212 126 339	None	None
FVBM	Expenditure	To improve overall financial management in the municipality by developing and implementing appropriate financial management	To improve rvenue base with 25%by 2017	Revenue enhancement program	R 11 774 920.72	R-value spent on Departmental Budget	R 19 143 385	R 23 161 786	R 19 143 385	R 23 161 786	None	None
SR	TOWN PLANNING	Create a conducive environment for human settlement and business	To ensure integrated human settlements	Land use management	4 Land Development reports submitted to council	# of land development reports submitted to council	4 - land development reports submitted to council	4 - land development reports submitted to council	R -	R -	None	None

FINANCE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
FVBM	Revenue	To improve revenue base with 25% by 2017	Revenue enhancement program	0% Achieved : No revenue campaigns done to for the year	% of revenue campaigns resolutions implemented	100 % of revenue campaigns resolutions implemented	0%	R -	R -	No campaign was conducted	Relocation of the KPI to corporate services as is the department currently dealing with Mayor related activities
				97% Achievement on billed revenue collected	% of billed revenue collected	75% of billed revenue collected	87%	R -	R -	Municipality not authority to most basic services which she can restrict to encourage payment of services.	Attorneys appointed to help to collect outstanding amounts except government debts
FVBM	Revenue	To improve revenue base with 25% by 2017	Revenue enhancement program	7.76% achievement on reduction of outstanding service debts above 60 days	% reduction of outstanding debts that are above 60 days	10% reduction of outstanding service debts that are above 60 days	4%	R -	R -	Municipality not authority to most basic services which she can restrict to encourage payment of services.	Attorneys appointed to help to collect outstanding amounts except government debts
				0% achievement on reduction of government debts	% reduction of Government debts	10% reduction of government debts	14%	R -	R -	Desputes on the ownship of assessed properties by sector Departments like Education and Public works	The matter elevated to COGHSTA through provincail Monthly debt forum meetings chaired by COGHSTA.
FVBM	Expenditure	To improve revenue base with 25% by 2017	Revenue enhancement program	100% Achievement : All payments made to suppliers within 30 days after invoice received	% compliance to 30 days payment time	100% compliance to 30 days payment time of suppliers	100% compliance to 30 days payment time of suppliers achieved	R -	R -	None	None
				100% achievement on reconciliation of all payment transactions	% reconciliation of all payment transcations	100% reconciliation of all payment transactions in the previous quarter:	100% reconciliation of all payment transactions in the previous quarter done.	R -	R -	None	None
FVBM	Expenditure	To improve revenue base with 25% by 2017	Revenue enhancement program (compliance to grants expenditure conditions)	100% Achievement on compliance to grant expenditure conditions : 20% Business Plan developed for both MSIG and FMG; 80% Monthly reporting for all grants	% compliance to grants expenditure conditions	100% compliance to grant expenditure conditions: *50% Generate monthly report for all grants;*50% submit monthly reports for all grants	100% compliance to grant expenditure conditions: *50% Generate monthly report for all grants;*50% submit monthly reports for all grants	R -	R -	None	None
FVBM	Expenditure	To improve revenue base with 25% by 2017	Revenue enhancement program	R80 000 000. available at the end of financial year	R- value of cash available to monthly expenditure commitments	R 268 924 053	R 212 126 339	R 268 924 053	R 212 126 339	None	None
FVBM	Expenditure	To improve revenue base with 25% by 2017	Revenue enhancement program	R 21 474 006.62	R-value spent on Departmental Budget	R 36 872 534	R 26 918 622	R 36 872 534	R 26 918 622	None	None

FINANCE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
FVBM	Asset management	To ensure effective, efficient and responsive economic infrastructure network and asset by 2017	Intergrated Asset management	35% Achievement on completeness and accuracy of asset register : 25% on asset verification done; 10% done on ad hoc basis	% completeness and accuracy of the asset register	100%completeness and accuracy of the asset register: *2x10% update of asset register when new asset is received;* 15% correction of AG queries on assets; * 25% - monthly asset verification; *10% update of asset register;*5% update of asset register ; *5% provision for depreciation and armotisation; *10% finalise water assets transfer; * 5% annual asset count; * 5% property valuation.	60% completeness and accuracy of the asset register: *2x5% update of asset register when new asset is received;* 15% correction of AG queries on assets; * 25% - monthly asset verification; *10% update of asset register	R 400 000	R 602 754	Late appointment of Service Provider	Service Provider to accelerate the assets verification and unbundling
			Development of Fleet management policy	New Indicator	% progress in the development of Fleet management policy	100%progress in the development of Fleet management policy:*25% draft fleet management policy developed;*25% draft fleet management policy served in LLF; 25% the draft fleet management policy workshoped to council; 25% the final fleet management policy served to council	25%progress in the development of Fleet management policy: *25% draft fleet management policy developed.	R -	R -	Inadequate staffing of the Fleet management unit	The policy to serve in in LLF and then workshop to Council
FVBM	Budget	To ensur that GTM budget is credible by 2014	Budget plan	100% Achievement: Compliance with budget process timelines implemented	% compliance with budget process timeline	100% compliance with budget process timelines: *25% Establish schedule for next cycle; * 25%Preparation of a drafts for IDP, Capital and operational plans with costs and revenue estimates; * 25% Submission of draft budget to National and Provincial treaury;*25% submission of aproved budget to council, Provincial and National treasury	100% compliance with budget process timelines: *25% Establish schedule for next cycle; * 25%Preparation of a drafts for IDP, Capital and operational plans with costs and revenue estimates; * 25% Submission of draft budget to National and Provincial treaury;*25% submission of aproved budget to council, Provincial and National treasury	R -	R -	None	None
FVBM	Budget	To ensur that GTM budget is credible by 2014	Budget plan	The 2011/12 Annual Financial Statements were submitted on 31 August 2012 for Audit purposes	Submission of 2012/13 Annual Financial statement	Submission of 2012/13 Annual Financial statement by 31 August 2013	2012/2013 AFS was submitted to AG 13 October 2013	R -	R -	Lack of internal capacity to develop AFS which led to delays in the development of the AFS which was at end outsourced	Train more employees in the development of AFS
GPP	IT	To improve IT systems and network by 2013	IT plans and system	New Indicator	# of IT enhancement tools/system Purchased	1- IT enhancement tools/system Purchased (PMS,Audit & Risk) (Target amended during mid-year reviews)	None	R 800 000.00	R -	Delay in SCM processes	Accelerate the procurement process
GPP	IT	To improve IT systems and network by 2013	IT plans and system	New Indicator	# of IT solutions procured	3 - IT solutions procured(Access control system, Audio-Visual and Virtual office; Electronic Document and records management solution and digital communications managementsolution and printing and integrated fax solution	None	R 1 550 000.00	R -	Awaiting SCM processes to be concluded	Fast track SCM processes

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	IT		IT plans and system	100% Achieved on desktop support requests attended to within 24 hours	Turnaround time on response to desktop support requests	100% of desktop support requests responded to within 24 hrs	100% of desktop support requests responded to within 24 hrs	R 800 000	R -	None	None
FVBM	SCM	Ensure legislative compliance to SCM policy by 2013	Supply chain management	100% Achievement : All payments made to suppliers within 30 days after invoice received	% of procurement support to departments done within 30 days	100% of procurement support to departments done within 30 days	90% of procurement support to Departments done within 30 days	R -	R -	Delays in Quatation Committee. SCM Unit under staffed	Appointment of sufficient Personneel in SCM Unit
FVBM	SCM	Ensure legislative compliance to SCM policy by 2013	Supply chain management	100% Achieved : All capital projects tenders complied with 90 days timeframe	% of Capital projects tenders that complied to 90 days timeframe.	100% of Capital projects tenders that complied to 90 days timeframe.	90% of Capital projects tenders that complied to 90 days timeframe	R -	R -	Delay in Bid Committees. SCM Unit under staffed	Appointment of Personnell in SCM Unit
FVBM	Revenue	Revenue enhancement	Indigent subsidy	New Indicator	R-value spent in subsidising indigent households	R 200 000	R168 785 -16	R 200 000	R168 785 -16	Poor Registration of community as indigent	Municipal to update it indigent register with data from SDM register currently compiled by its appointed service provider
GPP	IGR	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure meeings	100% of management meeting resolutions implemented	% of management meeting resolutions implemented	100% of management meeting resolutions implemented	90% of management meeting resolutions implemented	R -	R -	Lack of Capacity in Finance department	Capacitated the Finance Unit
GPP	IGR	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure meeings	100% of ExCo- makgotla resolutions implemented	% of ExCo- makgotla resolutions implemented	100% of ExCo- makgotla resolutions implemented	95% of Exco makgothla resolutions implemented	R -	R -	Lack of Capacity in Finance department	Capacitated the Finance Unit
	IGR	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure meeings	100% of council resolutions implemented	% of council resolutions implemented	100% of council resolutions implemented	100%	R -	R -	None	None
GPP	AUDIT	To ensure clean Audit by 2014	External Audit	100% Compliance with processes set out to attain clean audit	% progress in implementing 2012/13 AG respond Action plan	100% progress in implementing 2012/13 AG respond Action plan	40% progress in implementing 2012/13 AG respond action plan	R -	R -	Most issues in AG action plan require technical skills which current personneel do not have in Finance	Appontment of Provider to assist in resolving the Technical issues raised
	IGR	To ensure clean Audit by 2014	Internal Audit	New Indicator	% of quarterly Performance audit findings corrected	100% of quarterly Performance audit findings corrected	50% of quarterly Performance audit findings corrected	R -	R -	Inconsistency of the Department in submission of its Portfolio of evidence for audit of performance information	Department to inprove its submission of portfolio of evidence for auditing
GPP	IGR	To ensure clean Audit by 2014	Risk and Fruad awareness	New Indicator	% Risk committee recommendations implementated	100% of Risk committee recommendations implementated	0%	R -	R -	Risk Committee never met and generate recommendation	Accounting officer to ensure the functionality of Risk Committee

FINANCE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
		To ensure that GTM is portrayed in ways that restores trust in local government	Communication programs	100% Achievement : of section 75 (MPMA) documents and other documents as per other legislation that have to be loaded on website submitted to Communication secretariat	% Website legislated items in your department loaded on GTM website	100% Website legislated items in your department loaded on GTM website	100% Website updates attained	R -	R15,538-95	None	None

ECONOMIC AND LAND DEVELOPMENT DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
LED	LED	To facilitate skills development across economic sectors by 2016	Skill program	New Indicator	% of skill programs initiatives initiated	*15% Facilitate meeting between Mine HR managers & SED, Sekukhune FET & MQA *10% Establishment of task team;* 25% Facilitation of the quarterly meeting for the task team *25% Generation of quarterly report * 25% Submission of report to council	25% skill programs initiatives initiated: * 15% Facilitate meeting between Mine HR managers & SED, Sekukhune FET & MQA; * 10% Establishment of task team	R -	R -	The establishment of Sekhukhune district integrated mining development forum by LEDET as mandated by provincial EXCO was delayed.	The ELD should form part of the established forum and should generate quarterly report to council.(KPI Withdrawn during Mid - year reviews
LED	LED	To grow the local economy with 6% by 2017	LED strategy	5% Performance on review of LED Strategy : 5%- Draft ToR for review of LED strategy have been developed	% progress in the review of the LED strategy	10% progress in review of LED strategy;* 5%- Development of TOR and tender advertisement; *5% Procurement of Professional Service provider.	10% progress in review of LED strategy:* 5%- Development of TOR and tender advertisement; *5% Procurement of Professional Service provider.	R 800 000	R -	None	None
				0% Achievement in implementation of LED forum resolutions	% of LED forum resolutions implementation	10% progress in review of LED strategy;* 5%- Development of TOR and tender advertisement; *5% Procurement of Professional Service provider.	0% of LED forum resolutions implemented	R -	R -	Rescheduled and delayed sector forum meetings affecting the LED forum meeting.	The KPI was changed during Mid - year review to number of LED forum meetings as reflected below
					# of LED Forum meetings.	4 LED Forum meetings held.	0	R -	R -	delayed sector fora meetings affected the sitting of LED forum.	ELD will develop and communicate program for LED forum meetings by 18th July 2014
				10%	% progress in implementation of street trading' management plan	50% in implementation of street trading management plan;* 15% Stakeholder Consultation; *15% Processing/ Issuing of Trading Permits;* 20%- Enforcement of Street Trading By-Law	50% in implementation of street trading management plan: * 15% Stakeholder consulted; *15% -113 trading permit processed/issued to clients;*20%- Enforcement of Street Trading By-Law done	R 800 000	R -	Implementation of street-trading management plan on hold pending the development of hawkers facilities.	Reviewed of Street-Trading management plan rollover to 2014/15 financial year
				3 sector fora established namely: Mining, Hawkers and Agricultural fora forum, logistics and Transport fora not established	# of Sector fora institutionalization	2 - sector forums institutionalised; Business and Tourism	0	R 500 000	R 1 296.05	The department is still focusing on the establishment of Tourism forum.	KPI was withdrawn during Mid - Year reviews
LED	LED	To grow the local economy with 6% by 2017	LED strategy	7909 jobs created :*2045 CWP,* 405 In-house projects,* 1446 mines, *1205 Social Institutions, * 2808 Business,	# of jobs created through CWP and other related programmes(In-house projects)Mines ; Business; Social institutions; Farming & Tourism	6 400- jobs created through CWP and other related programmes:* 1000 In-house projects; *2000 Mines; *1200 Business; * 1200 social institutions; *1000 Farming & tourism	4633 jobs created; *2040 CWP,* 260 In-house projects, *90 social institutons,*532 mining,* 1711 Business.	R -	R -	This KPI depend mostly on external stakeholders were the municipality do not have control on	The KPI amended in the 2014/15 financial year
LED	LED	To grow the local economy with 6% by 2017	LED strategy	153 Business linkages facilitated*30 mining,* 5 retail,*107 municipality,*11Sector Department	# of Business linkages/ facilitated	50 - Business linkages facilitated: *10 Municipality; *25 Mining; *5 Sector Department; *10 Retailers	231 - Business linkages facilitated: *198 Municipality; *26 Mining; *0 Sector Department; *7 Retailers	R -	R -	This KPI depend mostly on external stakeholders were the municipality do not have control on	The KPI withdrawn in the 2014/15 financial year

ECONOMIC AND LAND DEVELOPMENT DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
LED	LED	To attact economic investments into the municipality	Business development	18 small businesses identified and trained in tendering skills and costing and pricing (Project phased out during adjustment)	# of Business supported	15 business supported	6 businesses supported; *7 were at procurement stage when the financial year ended	R 700 000	R123,955.00	Red tape in supply chain delayed the process of supporting the identified businesses.	ELD to engage the Finance Department on the matter.
			Development of Investment promotion strategy	New Indicator	% of investment promotion strategies developed	50% of investment promotion strategies developed: *25% develop TOR and lobbying of funds; * 25% Advertisement and appointment of service provider	0%	R -	R -	Insufficient capacity to perform the project in 2013/14 financial year	KPI was withdrawn during Mid - Year reviews and postponed to 2014/15 financial year
LED	LED	To attact economic investments into yhe municipality	Development of Feasibility studies	New Indicator	% progress development of mining beneficiations Feasibility studies	50% progress development of mining beneficiations Feasibility studies : *25% develop TOR and lobbying of funds; * 25% Advertisement and appointment of service provider	0%	R -	R -	Insufficient capacity to perform the project in 2013/14 financial year	KPI was withdrawn during Mid - Year reviews and postponed to 2014/15 financial year
FVBM	LED(Town planning)	To improve revenue base with 25% by 2017	Revenue enhancement programs	R107 448.30 collected	% collection on advertised signs	80% collection on advertised signs	47% collections made from the advertised signs	R -300 000.00	R -139 797.55	Limited income from pre-existing contracts; Limited advertising opportunities including competing interest with Roads Agency Limpopo on certain roads.	Review of contracts with existing advertisers to implement new council tarrifs; Engagements with RAL to agree on a common operation plan.
FVBM	LED	To improve revenue base with 25% by 2017	Revenue enhancement programs	0 collection (project phased out during adjustment)	% collection on Hawkers licences	80% collection on Hawkers licences	79% collections made from hawkers licenses	R -35 000	R -27 600	Implementation of street-trading management plan on hold pending the development of hawkers facilities.	Review of Street-Trading management plan
FVBM	Expenditure	To improve revenue base with 25% by 2017	Revenue enhancement	R 7 418 066.93	R-value spent on Departmental budget	R 17 546 404	R 10 569 705	R 17 546 404	R 10 569 705	None	None
SPE	LUMS	To ensure integrated human settlements	Land use management programs	New Indicator	% development of municipal wide LUMS	20% progress in development of municipal wide LUMS: 5% Procurement of Professional Service provider; *15% Project Inception & Desktop Analysis (target reduced to 20% from 100% during mid - Year reviews)	20% progress in development of municipal wide LUMS: 5% Procurement of Professional Service provider; *15%- Service provider appointed; Inception report done and base information collected for analysis purposes.	R 500 000	R -	None	None
	Town planning		Development of Local Area Development Plans for Steelpoort & Ohrigstad towns	New Indicator	% progress development local area development plans	20% progress development local area development plans: * 5% Procurement of Professional Service provider;* 15% Project Inception & Desktop Analysis (target reduced to 20% from 100% during Mid - year review)	20% progress development local area development plans: *5%- Service provider appointed;* 15% Inception report done and base information collected for analysis purposes.	R 1 000 000	R -	None	None

ECONOMIC AND LAND DEVELOPMENT DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
			Land acquisition/appropriation for servitudes program	New Indicator	% progress acquisition of strategic land for development	40% progress in acquisition of strategic land for development: * 10%- Appointment of Legal Facilitator/ Conveyancer for registration of the servitude; *30% Registration of servitude (target reduced from 100% to 40% during mid - year Reviews).	10% progress in acquisition of strategic land for development:*10%- Legal Facilitator has been appointed.	R 3 000 000	R -	Registration of servitude delayed and is not in the hands of the municipality	The KPI rolled over to 2014/15 financial year.
[illegible]	Building Control Manager	To ensure integrated sustainable human settlement	Land use management	100% Performance of building plans approved/considered : 263 building plans submitted and 62 approved and 81 not approved, 60 occupation certificates issued.	% of Building plan approved/considered within 30/60days	100% of Building plan approved/considered within 30/60days(below 500 sq. Metre& above 500 sq. Metre) respectively	100% of Building plan (below 500 sq. Metre& above 500 sq. Metre) respectively approved/considered within 30/60days	R -600 000	-R 650 668	None	None
[illegible]	Property management	To ensure maintained municipal facilities	Land use management	20% achieved: 5%Site visit of all municipal building facilities conducted. Rental rates for community use are available. 5% guidelines and tariffs for community facilities developed, 10% draft facility management plan with rental rates developed	% progress in development of consolidated Facility Management plan	100% progress : 15% facilities audit report conducted; 20% repairs & maintenance; * 15% - draft facilities management plan developed; * 15% final facilities management plan;15% council adopted facilities management plan; 10% repairs & maintenance	25% progress in development of consolidated Facility Management plan : 15% municipal facilities audit report done; 10% repairs & maintenance done	R -	R -	Slow SCM processes.	Expedite the SCM processes for facilities maintenance programme (KPI withdrawn during Mid - year reviews)
	Town planning	To ensure integrated human settlement	Land use management	100% achievement on non-compliance addressed: out of 65 inspections, 27 contraventions discovered and notices served within 2 days ; 26 addressed & 1 referred to Legal Services for further legal action	% of non - compliance observed during properties audit addressed & referred.	100% of non - compliance observed during properties audit addressed & referred.	100% achieved: 81 properties audit conducted and no non - compliance was observed.	R -	R -	None	None
[illegible]	Property management	To ensure integrated human settlement	Land use management	100% achievement on non-compliance addressed: 77 contraventions discovered and notices served within 2 days and were addresed, 1 matter referred to Legal Services for further action	% of building contraventions identified during routine inspections addressed and referred	100% of building contraventions identified during routine inspections addressed and referred	99% of contraventions discovered adressed and 1% referred to Legal unit(2 out 180 inspections conducted were referred to Legal unit)	R -	R -	none	none
[illegible]	Town planning	To ensure integrated human settlement	Land use management	New Indicator	% of cadastral related queries/ disputes resolved within 30 days	80% of cadastral related issues/ disputes resolved/ addressed	80%- No cadastral issues/ disputes received or identified during the period. (KPI withdrawn during Mid - year reviews)	R -	R -	None	None
[illegible]	Town planning	To ensure integrated human settlement	Land use management (Township Establishment)	0% Achieved	% of section 96,99 & 100 of Ordinance 15 of 1986 applications processed within 120 days.	100% of section 96,99 & 100 of Ordinance 15 of 1986 applications processed within 120 days.	100% of section 96,99 & 100 of Ordinance 15 of 1986 applications processed within 120 days. (3 applications of each section 96,99 and 100 of Ordinance 15 of 1986 application made)	R -	R -7 538	None	None

ECONOMIC AND LAND DEVELOPMENT DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
SR	Town planning	To ensure integrated human settlement	Land use management (Rezoning)	0% Achieved - 16 new application received 14 approved	% of section 56 of Ordinance 15 of 1986 applications processed within 120days.	100% of section 56 of Ordinance 15 of 1986 applications processed within 120days.	100% of section 56 of Ordinance 15 of 1986 applications processed within 120days. (11 applications received and processed within 120 days)	R -	R -12 059	None	None
SR	Town planning	To ensure integrated human settlement	Land use management (Subdivision and Consolidation)	100% Achieved : 3 applications received and 2 approved	% of section 92 (1) (a) & (b) of Ordinance 15 of 1986 and section 6 of Ordinance 20 of 1986 applications processed within 120 days.	100% of section 92 (1) (a) & (b) of Ordinance 15 of 1986 and section 6 of Ordinance 20 of 1986 applications processed within 120 days.	100% of section 92 (1) (a) & (b) of Ordinance 15 of 1986 and section 6 of Ordinance 20 of 1986 applications processed within 120 days. (7applications received and processed within 120 days)	R -	R -15 035.60	none	None
SR	Town planning	To ensure integrated human settlement	Land use management (Consent Uses)	100% Performance : 714 application received and processed within 120 days : (66 xconsent use applications, 648 x rural land use applications received and processed	% of clause 21 & 22 of GTM LUMS 2006, Peri Urban Areas Town Planning Scheme 1975 and other land use regulations (R293/ 1962; R188/ 1969 and/or Act 125 of 1967 as amended) applications processed within 120days.	100% of clause 21 & 22 of GTM LUMS 2006, Peri Urban Areas Town Planning Scheme 1975 and other land use regulations (R293/ 1962; R188/ 1969 and/or Act 125 of 1967 as amended) applications processed within 120days.	100% of clause 21 & 22 of GTM LUMS 2006, Peri Urban Areas Town Planning Scheme 1975 and other land use regulations (R293/ 1962; R188/ 1969 and/or Act 125 of 1967 as amended) applications processed within 120days.	R -	R -125 605	None	None
SR	Town planning	To ensure integrated human settlement	Land use management (Site Development Plans & Temporary Consents)	100% Performance : 714 application received and processed within 120 days : (66 xconsent use applications, 648 x rural land use applications received and processed	% of 17 and 23 of GTM LUMS 2006 applications processed within 30 days.	100% of 17 and 23 of GTM LUMS 2006 applications processed within 30 days.	100% of 17 and 23 of GTM LUMS 2006 applications processed within 30 days. (9 section 17 and 5 section 23 applications received and processed within 30 days)	R -	R -11 192	None	None
	Property Management	To ensure that the municipality owns land for development	Land acquisition	55% Performance : 25% work done: terms of dead of transfer available; 15% Follow ups, 15% Discussion held with LDPW on the status of final registration of the property	% progress in facilitation of transfer of 43.7 hectares of the farm Praktiseer 275 KT for Loncon Housing Development Project	100% progress in facilitation of transfer of 43.7 hectares of the farm Praktiseer 275 KT for Loncon Housing Development Project: *25% Facilitate all outstanding matters as raised with the municipality;*25%Development ofTerms of deed of donation/transfer agreed upon;*25% signing and aceeptance of offer to purchace by the seller;*25% property sale and registration through HDA	25% Progress made: 25% letter to department written detailing status and progress facilitated	R -	R -	No official response received from DPW.	KPI withdrawn during mid - year reviews
	Property Management	To ensure that the municipality owns land for development	Land acquisition	40% Performance : 10%draft terms of deed of transfer available; 15% Government survey diagrams done through GPS and to be submitted to DRDLR; 15% Information to form part of the PSLDC submission submited on 30/05/2013	% progress in facilitation of transfer of Remainder and all other portions of the farm Praktiseer 275KT	100% facilitation of transfer of remainder portions of Praktiseer 275KT farm:* 25% submission to PSLDC; * 25% Development of Terms of deed of donation/transfer agreed upon; * 25% Signed Deeds of Donation; *25% Property registration and transfer	12% progress achieved : 12% letter to department detailing status and progress	R -	R0	PSLDC submission are external processes(DRDLR)	KPI withdrawn during mid - year reviews

ECONOMIC AND LAND DEVELOPMENT DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
	Property Management	To ensure that the municipality owns land for development	Land acquisition	30 % Performance :15% draft pre-feasibility on the best option of the development towards an informed community resolution; 15% HDA through COGHSTA finalised report to inform community resolution meeting	% progress in facilitating of transfer of portions (1,8,9,10,11,12,15 & R/B) 1316.28 hectares of the farm Aaplesdoorndraal 298KT	100% facilitating transfer of 1316.28 hectares of Aaplesdoorndraal 298KT farm: *25% follow up on the submission status to PSLDC for recommendation to the minister; 25% deveolpment of Terms of deed of donation/transfer agreed upon; *25% Signed Deeds of Donation by Limpopo Department of Public Works; *25% Property registration and transfer	25% achieved : 25% follow up letter written to DRDLR about the progress but no meeting held	R -	R 0	No response received from the DRDLR	KPI withdrawn during mid - year reviews
	Property Management	To ensure that the municipality owns land for development	Land acquisition	20% Performance : 20% meeting held with Manoke tribal authority and DRDLR on the 30/09/2012, 15/01/2013, 01/02/2013 towards a tribal resolution.	% progress in facilitation of transfer of portions (1,8,9,10,11,12,15 & R/B) 1316.28 hectares of the farm Viljoenshoop 301KT	* 25% Pre Tribal and Community resolution meetings; *25% Final Tribal and Community resolution meetings; *25% submission of small scale and subdivisional diagrams; * 25% follow up on the submission status to PSLDC for recommendation to the minister	0%	R -	R0	Principle disagreement on the transfer and ownership of the property after the transfer	KPI withdrawn during mid - year reviews
			Spatial development framework	New Indicator	% progress development of new township at Apples	70% progress in establishment of Apples Township :* 10% Procurement of service provider);*5% (Specialist studies- Topocadastral survey; * 5% Geo-technical/ Floodline study); *5% EIA & Engineering Services Investigation);10% Draft layout plan; 10% Environmental Authorisation; 15% Engineering Services Scheme reports; *10% Stakeholder Consultation & Council Resolution	0%	R 1 500 000	R -	The project was affected by a land claim, which was awaiting a judgement in the Land Claims Court.	KPI withdrawn during mid - year reviews
BSD	Property management	To reduce housing backlog with 10% in GTM by 2017	Development of Housing chapter	New Indicator	% progress development of housing chapter	100% progress development of housing chapter: * 20% TOR developed; * 30% Draft housing chapter/plan developed; * stakeholder engagement(25%) * Approval of the plan by council(25%)(KPI was reduced to 10% during Mid - year reviews)	20% Progress in development of housing chapter : *20% Draft TOR developed	R 500 000	R -	Lack of Capacity.	KPI rolled over to 2014/15 year
BSD	Property management	To reduce housing backlog with 10% in GTM by 2017	Development of Housing chapter (Reports)	New Indicator	# of housing report submitted to council	4 - housing report submitted to council	1 report served in council of 02/08/2013	R -	R -	No housing allocation or housing projects for the 2013/14 financial year.	The KPI to be included if the municipality has received housing allocation
				New Indicator	% progress with facilitation of Burgersfort Extension 10 Social Housing project	70% progress with facilitation of Burgersfort Extension 10 Social Housing project: *25% Rezoning of the Erf to Residential 3; * 45% Maket Analysis completed (Target reduced from 100% to 70% during Mid-year reviews)	25% progress : * 25% Council has approved the rezoning of the property to allow high density residential development.	R -	R -	The appointment of Service provider by CoGHSTA was delayed	The study is underway to be completed in the 2014/15 financial year

ECONOMIC AND LAND DEVELOPMENT DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
SR	Town planning	To ensure integrated human settlement	Spatial development framework	New indicator	% progress in land tenure upgrading at Ga-Mapodile Township.	100% progress in land tenure upgrading at Ga-Mapodile Township: *20% procurement of service provider; *20% Management of project; *20% opening of township register; *20% verification of beneficiaries; 20% proclamtion of township	0%	R 300 000	R -	Project depend of the COGHSTA	To engage COGHSTA for progress report
	Property management	To secure a habitable building for day to day municipal operations	Purchase of civic centre	New indicator	% progress in the facilitation of purchase of Civic Center	50% progress on facilitation of purchase of the civic centre: * Development of action plan; * Facilitating consultative meeting with Provincial and National treasury and the property owner; * Development of financial model	0%	R 80 000 000	R -	Insufficient fund to purchase	National treasury to assist the municipality to purchase the civic centre
GPP	IGR	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure meeings	100% of management meeting resolutions implemented	% of management meeting resolutions implemented	100% of management meeting resolutions implemented	100% of management meeting resolutions implemented	R -	R -	None	None
GPP	IGR	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure meeings	100% of ExCo- makgotla resolutions implemented	% of ExCo- makgotla resolutions implemented	100% of ExCo- makgotla resolutions implemented	100% of ExCo- makgotla resolutions implemented	R -	R -	None	None
	IGR	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure meeings	100% of council resolutions implemented	% of council resolutions implemented	100% of council resolutions implemented	100% of council resolutions implemented	R -	R -	None	none
GPP	AUDIT	To ensure clean Audit by 2014	External Audit	0% Achieved	% progress in implementing 2012/13 AG respond Action plan	100% progress in implementing 2012/13 AG respond Action plan	0%	R -	R -	No matter raised by AG that affect ELD	KPI reviewed in 2014/15 financial year
	IGR	To ensure clean Audit by 2014		100% Achievement : quarterly performance audit findings corrected	% of quarterly Performance audit findings corrected	100% of quarterly Performance audit findings corrected	100% of quarterly Performance audit findings corrected	R -	R -	None	None
GPP	IGR	To ensure clean Audit by 2014	Risk and Fruad awareness	0% Achieved	% Risk committee recommendations implementated	100% of Risk committee recommendations implementated	0%	R -	R -	No risk management committee meeting was arranged in the financial year under review	Revival of the Risk Management commitee
		To ensure that GTM is portrayed in ways that restores trust in local government	Communication programs	7 days turnaround time in loading documents/information on Website achieved. (Project amended to % during Mid-Year review)	% Website legislated items in your department loaded on GTM website	100% Website legislated items in your department loaded on GTM website	0%	R -	R -	No matter that needed to be loaded on website from ELD	KPI reviewed in 2014/15 financial year

COMMUNITY SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
GPP	Traffic	To improve accessibility and mobility of Transport by 2017	Regulation of traffic /Event & special projects(Road safety campaigns)	# of road safety campaigns held	Two (2) Road safety campaigns held: *One (1)Pedestrian road safety campaign *One (1)Arrive Alive Campaign	Three(3) Road safety campaigns held: * 04.-31/12/2014 District Launching * 22/12/2014 Local Arrive Allive Road show - Mengatane Village; 17th April 2014	R 45 000	R -	None	None
GPP	Traffic	To improve accessibility and mobility of Transport by 2017	Regulation of traffic (Joint operations)	# of joint operations conducted	Ten(10) Joint Operations conducted	Ten(10) Joint operations conducted	R -	R -	None	None
GPP	Traffic	To improve accessibility and mobility of Transport by 2017	Regulation of traffic (Purchase of traffic vehicles)	# of traffic vehicles purchased	Three (3) vehicles and one (1) motor cycle.	None	R 1 000 000	R -	Procurement processes were stalled in Supply Chain	The project droped off in the 2014/15 financial year
BSD	Environment	To improve accessibility and mobility of Transport by 2017	Public amenities development (Steelpoort Roadworthy Centre)	% progress upgrading of steelpoort road worthy centre	100% progress upgrading of steelpoort road worthy centre: *10% development of TOR *10% tendering processes(SCM);*10% project monitoring * 10% construction (Service provider);*60% Monitoring of the upgrading	20% progress upgrading of steelpoort road worthy centre: *10% developement of TOR * 10% construction of carport and guardhouse (Service provider);	R 800 000.00	R -	Delays from Supply Chain	The project droped off in the 2014/15 financial year
BSD	Traffic	To improve accessibility and mobility of Transport by 2017	Public amenities development (Animal Pound)	% progress development of animal pound	50% Progress in the development of animal pound: 25% development of revised TOR * 25% appoitment of Private pound master(the target reviewed during mid-year review from 100% to 50%)	0% Progress	R 600 000.00	R -	Delays from Supply Chain	The project droped off in the 2014/15 financial year
BSD	Licensing	To improve accessibility and mobility of Transport by 2017	Construction of new roads and transport facilities (Praktiseor testing station)	% progress in upgrading of Praktiseer testing station	100% progress upgrading of Praktiseer testing station: *10% developoment of TOR *10% tendering processes(SCM);*10% project monitoring * 10% construction (Service provider);*60% Monitoring of the upgrading	10% Progress achieved; * 10%TOR develeped	R 500 000	R 0	Delays from Supply Chain	The project droped off in the 2014/15 financial year
GPP	Social Development	To improve social cohesion in GTM	Disaster management (Disaster management plan)	% progress implementation of GTM disaster management plan	100% : - * 30% Holding disaster mangement advisory meetings;* 30% Implementing 100% of taken resolutions; *10% 2x disaster Awareness campaigns	80% Progress in implementation of disaster management plan :*30% disaster management advisory meetings;*30% Implementing 100% of taken resolutions;* 20% 1x Disaster Awareness campaigns	R150 000	R10 981.26	Delay in procurement of relief materials	The project rolled over to 2014/15 financial year.
GPP	Social Development	To improve social cohesion in GTM	Disaster mangement	% of reported disasters responded to within 12hours	100% of reported disasters/ incident responded to within 12hours	100% of reported disasters/ incident responded to within 12hours.(56 cases reported and responded to within 12hours)	R -	R -	None	None

COMMUNITY SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
			Disaster mangement	% of disaster victims who Qualify for relief materials received the relief material, within seven days	*100% Qualifying Disaster victims provided with relief material within seven days	100% Qualifying victims provided with relief material within seven days. (Four(4)qualifying disaster victims identified and provided with relief material within seven(7) days)	R 120 000	R -	None	None
GPP	Public participation	To Promote civic education	Ward committees(functionality)	% functionality of ward committees	100% functionality of ward committees: * 30% 12x Monthly ward committee meetings *30% 4x Quarterly Mass- Meetings *40% submission of 4x Quarterly reports to council	100% functionality of ward committees achieved : * 12x Monthly ward committee meetings held by ward committees (30%) *4x Quarterly Mass- Meetings held (30%) 4x Quarterly reports submitted to council (40%)	R 3 720 000	R 1 844 000,00	None	None
GPP	Public Participation	To Promote civic education	Ward committee(training)	% progress in facilitating the training of ward committees	100% progress in facilitating the training of ward committees: *20% * identification of training needs; * 20% * logistics; * 60% * training (KPI changed during budget adjustment)	0% Progress	R 600 000	R -	No response from service providers	The KPI changed during mid - year review to # of Ward committee workshop conducted
GPP	Public Participation	To Promote civic education	Ward committee(training)	# ward committee workshop organized	1 ward committee workshop organized	1 ward committee workshop held on the 06 June 2014	R 600 000	R 0.00	None	None
GPP	Public Participation	To ensure sufficient political championship and accountability	IGR programs/public participation programs (IDP/Budget consultation)	# of IDP/Budget Community consultation facilitated	2 - IDP/Budget Community consultation facilitated *Forum *Community consultation	2 - IDP/PMS/Budget forums facilitated * Forum was held on the 23/09/2013 at Lapang: * community consultation was held from the 17th to 18th May 2014	R -	R -	*community disrupted consultation at Ward 13 * At Ward 19 the consultation was concelled due to poor attendance by comunity members.	The concern by ward 13 community will be addressed in the compilation of 2015/16 IDP
GPP	Public Participation	To ensure sufficient political championship and accountability	Public participation and IGR (petition committee)	% progress in the facilitation of petition committee meetings	100% progress in the facilitation of petition committee meetings	100% achieved in the facilitation of petition committee meetings: * Three(3) petition committee meetings facilitated as follows: 26/09/2013, 26/02/2014 and 28/03/2014	R -	R -	None	None
GPP	Public Participation	To ensure sufficient political championship and accountability	IGR programs/public participation programs (steering committee)	% of establishement of project steering committee.	100% of establishement of project steering committee *50% establishement of project steering committee * 50% appointment of CLO.	100% Achieved in the establishment of steering committee in municipal projects Twelve(12) municipal projects have steering committees(50%) and have appointed CLO(50%)	R -	R -	Community problems delayed the commencement of Mahlakwena access bridge at Ward 2	The challenge was addressed through the intervention of ward councillor

COMMUNITY SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
GPP	Socio development	To improve social cohesion in GTM	Special programs/Event& special projects (HIV/AIDS strategy)	% Implementation of HIV/AIDS strategy.	100% Implementation of HIV/AIDS strategy; 33% (1x) LAC meetings & resolutions. * 33% (1x) mainstreaming activities *34% establishment of health promotion centre (HPC) (KPI was changed to # of HIV/AIDS strategy activities performed during Mid-year review)	66% achieved on Implementation of HIV/AIDS strategy *(1x) LAC meeting - 20 Nov.2013(33%) * (4x) mainstreaming activities(33%) * 0% Health Promotion centre -	R 70 000	R	*The resident project has pulled out of the project due to unavailability of space. *Lack of HIV/AIDS coordinators.	*Remove the activity from the KPI, 1st Quater Exco resolutions * The post be advertised externally
GPP	Socio development	To improve social cohesion in GTM	Special programs/Event& special projects (HIV/AIDS strategy)	# of HIV/AIDS strategy projects implemented	5 HIV/AIDS strategy projects implemented	6 HIV/AIDS strategy projects implemented:* 2x LAC Meetings held on the 14/03/2014 and 10/03/2014 in preparation for TB month. * (1) mainstreaming activities held ; (2x) LAC meetings held on 09/04/2014 19/06/2014 * (1) mainstreaming activities 24/06/2014 Cluster events	R 70 000	R 41 653,00	None	None
GPP	Socio development	To improve social cohesion in GTM	Sport, Arts and Cultural activities/Event& special projects (Sports programmes)	# of sporting events helds	6x sports events held: *1x O.R.Tambo games *1x Mayoral cup; *1x Indigenous games *1x Chess tournament; games; *1x Cricket Festival; *1x Rugby tournaments	6x sports events held:*1 x Cricket *1xChess tournament Both on the at Alberton. *1x Cricket Festival; 07/09/2013 - Alberton Village *1x Rugby tournaments 19/10/2013 - Winterveld: *1xO.R.Tambo games held on the 08/03/2014 at Motsopula Farms	R 90 000.00	R 41 660,00	Indigenous game was not held	Indigenous postponed to 2014/15 financial year
BSD	Socio development	To ensure cost effective, efficient and responsive economic infrastructure network and assets by 2017	Sport, Arts and Cultural activities/Event& special projects (Sports programmes)	% Progress in the facilitation for the establishment of Maandagshoek Sports complex	75% facilitation for the establishment of Maandagshoek Sports Complex: * 25% Land acquisition; *25% Fencing, Earthworks; * 25% Construction	(0%)	External funding	R	The municipality failed to acquire the identified land due to land dispute in the area; and the second factor was the closing down of business by the prospected sponsor	The KPI was withdrawn during Mid- year assessment
	Public Participation	To improve social cohesion in GTM	Sport, Arts and Cultural activities/Event& special projects (Arts and Culture programmes)	# of cultual activities conducted	3x Arts and Culture programmes. *1x Pageantry. *1x Cultural Show/Festival *1x Indaba	3 x Arts and Culture programmes conducted: *1x Pageantry 07/12/2014; Miss Limpopo 20/12/2012; *1x Indaba held on the 22/03/2014 at Old Municipal Chamber	R 50 000,00	R 41 674,00	None	None
GPP	Social Development	To improve social cohesion in GTM	Sport, Arts and Cultural activities/Event& special projects (Sports, Arts and Culture council)	% Implentation of Sports, Arts and culture council meeting resolutions	100% Implentation of Sports, Arts and culture council meeting resolutions	100% of twelve(12)Sports, Arts and culture council meeting resolutions implementated	R	R 41 681,00	None	None

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KPA	Focus Areas	Objectives	Projects	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
BSD	Library	To ensure effective, efficient and responsive economic infrastructure network and assets by	Operations and Maintenance of Infrastructure (Library Books)	# Number of new books purchased and acquired.	300 new books	No books purchased	R 1 000 000.00	R -	Delays from Supply Chain	KPI rolled over to 2014/15
GPP	Public Participation	To improve social cohesion in GTM	Sport, Arts and Cultural activities/Event& special projects (Library programmes)	# of Library programs conducted	2 Library programmes conducted: * Library week *Worldbook day	6 Library programmes conducted: * Library week 02/12/2013 04/12/2013, 25\09\2013 :18/04/2014 to 19/04/2014 *Literacy Day12\09\2013 * National Library day 18 and 19 March 2014. * Library outreach 1 April 2014; 25 June 2014	R 30 000,00	R 150 538.98	None	None
BSD	Social Development	To improve development and maintenance of municipal infrastructure	Operations and Maintenance of Infrastructure (functionality of Community Facilities)	% functionality of Community Facilities	100 % functionality of Community facilities: Stakeholder Engagement and Monitoring of : * 20% Mokgotho Community Hall;* 20% Driekop Community Hall *20% Mapodile TSC *20% Leboeng Telecentre *20% Kgopaneng TSC	100 % functionality of Community facilities: *Stakeholder Engagement and Monitoring of Mokgotho Community Hall done(20%); *Driekop Community Hall done(20%) * Mapodile TSC done (20%) *20% Telecentre * of Kgopaneng TSC done (20%)	R 80 000,00	R 0,00	None	N/A
	Social Development	To create a healthy environment for the community of Tubatse by 2030	Maintanance of community facilities.	# of municipal community facilities maintained monthly	Maintanance of 5 community facilities. *2x Community halls *3x TSC (Clearing grasses,and pruining of trees, cleaning of offices and gardens)	Maintanance of 5 community facilities done: *2x Community halls are maintained monthly *3x TSC are maintained monthly (Clearing grasses,and pruining of trees, cleaning of offices and gardens)	R 50 000.00	R 0,00	None	N/A
BSD	Environment	To create a healthy environment for the community of Tubatse by 2030	Parks and Gardens (maintenance of open spaces)	# of identified open space debushed	3x Debushing and maintenance of open spaces along 3 (three) main roads *1x @ municipal area along R37 Roads *2x@ municipal area along R555 Roads (Cutting of the trees & grass on the side of the road;)	3x Debushing and maintenance of open spaces along 3 (three) main roads: *1x @ municipal area along R37 Roads *2x@ municipal area along R555 Roads (Cutting of the trees & grass on the side of the road;)	R -	R -	None	N/A
BSD	Environment	To create a healthy environment for the community of Tubatse by 2030	Parks and Gardens (Maintenance of parks and garden)	# of municipal parks and gardens maintained weekly	Maintenance of 10 (ten) parks and garden *2 (two) Municipal Parks *8 (eight) Municipal Garderns (Cutting of lawn,Removal of weeds, Irrigation, Application of fertilizers, Pruning of flowers.)	Maintenance of 10 (ten) parks and garden. *2 (two) Municipal Parks *8 (eight) Municipal Garderns	R 100 000	R -	None	N/A

COMMUNITY SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
	Environment	To ensure cost effective, efficient and responsive economic infrastructure network and assets by 2017	Operations and Maintenance of Infrastructure (Cemetery maintanance)	# of municipal cemetries maintained monthly	Maintenance of 4 (four) cemetaries: Praktiseer Ohrigstad Mapodile Penge (Clearing grasses and bushes in the grave yards)	Maintenance of 4 (four) cemetaries: Praktiseer Ohrigstad Mapodile Penge (Clearing grasses and bushes in the grave yards)	R 100 000	R -	None	N/A
BSD	Environment	To ensure cost effective, efficient and responsive economic infrastructure network and assets by 2017	Operations and Maintenance of Infrastructure (Development of Cemetery management system)	% development of Cemetery management system	100% developed Cemetery Management System: * 20% development of TOR * 80% implementation of the developed system	20% acheived : * 20%TOR developed	R 100 000	R -	Delays from Supply Chain	The Project removed from the 2014/15 SDBIP
BSD	Environment	To create a healthy environment for the community of Tubatse by 2030	Planting of trees/Event& special projects (Greening)	# of trees planted during Arbor Day celebration.	*1x Arbor Day celebration. * 20 trees planted	*1x Arbor Day celebration - 06/09/2013 Ntwampe Sports ground * 20 trees planted - 1600 trees planted to Magakala curcuit cluster.	R 100 000	R -	None	None
FVBM	Expenditure	To improve revenue base with 25% by 2017	Expenditure	R-value spent on Departmental budget	Com. Serv.Adm =R9 434 425; Protection serv = R16 351 862; Cemeteries = R3 441 456; Library = R3 816 507	Com. Serv.Adm =R7 927 160 Protection serv = R11 706 135 Cemeteries = R3 025 877 Library = R2 718 286	Com. Serv.Adm =R9 434 425; Protection serv = R16 351 862; Cemeteries = R3 441 456; Library = R3 816 507	Com. Serv.Adm =R7 927 160 Protection serv = R11 706 135 Cemeteries = R3 025 877 Library = R2 718 286	No spending in some projects occur due to Supplychain management delays	Municipality has resolve to redesign the supply chain management
GPP	AUDIT	To improve perfomance	Council structure meeings	% of management meeting resolutions implemented	100% of management meeting resolutions implemented	100% management meeting resolutions implemented	R -	R -	None	None
GPP	IGR	To improve perfomance	Council structure meeings	% of ExCo- makgotla resolutions implemented	100% of ExCo- makgotla resolutions implemented	0%	R -	R -	No exco -lekgotla resolution for the department	None
GPP	IGR	To improve perfomance	Council structure meeings	% of council resolutions implemented	100% of council resolutions implemented	100% of council resolutions implemented	R -	R -	None	None
GPP	IGR	To ensure clean Audit by 2014	External Audit	% progress in implementing 2012/13 AG respond Action plan	100% progress in implementing 2012/13 AG respond Action plan	0%	R -	R -	Department did have an item to take care of on the AG action plan	None
GPP	IGR	To ensure clean Audit by 2014	Internal Audit	% of quarterly Performance audit findings corrected	100% of quarterly Performance audit findings corrected	100% of Performance audit findings corrected	R -	R -	None	None

COMMUNITY SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
GPP	IGR	To ensure clean Audit by 2014	Risk and Fruad awareness	% Risk committee recommendations implementated	100% of Risk committee recommendations implementated	0%	R -	R -	No Risk committee meeting was convened in the financial year under review, hence no resolutios were received from Risk committee	Management to revive the Risk management committee
GPP	IGR	To ensure that GTM is portrayed in ways that restores trust in local government	Communication programs	% Website legislated items in your department loaded on GTM website	100% Website legislated items in your department loaded on GTM website	0%	R -	R -	The department did not have an item to be placed on website in the financial year under review	None

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KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
IDT	HR	To build a disciplined Organizational culture by 2014	Review and enforce HR policies	New Indicator	# of HR policies reviewed	12 HR policies reviewed	0	R -	R -	* Policies were reviewed but not yet submitted to council for adoption * Travelling allowance policy referred back to be reworked	* reviewed policies to serve in council for approval; * Task team delegated to rework the travelling allowance policy to conclude its work
				New Indicator	# of new policies developed.	2 - new policies developed. * Sport policy; * Bereavement policy (staff)	2- draft policies developed - * Bereavement policy for staff and *sporting policy	R 70 000	R -	None	None
			Review and enforce HR policies (HR plan)	New Indicator	% progress in the development of HR plan	100% progress in the development of HR plan: *15% conduct an HR Strategic analysis; *15% Identify strategic HR Issues: *20 % Address ongoing HR Issues;*30% confirm and prioritise strategic and ongoing HR Issues;* 20%Draw up the HR plans	80% progress achieved in the development of HR plan: *15% conduct an HR Strategic analysis; *15% Identify strategic HR Issues: *20 % Address ongoing HR Issues;*30% confirm and prioritise strategic and ongoing HR Issues;	R 400 000	R -	Prolonged procurement processes in appointment of service provider	To be finalised in the 2014/15 Financial Year
			Review and enforce HR policies (Organsational re-engeoring)	0%	% progress in review of organization structure	20% progress in the review of Organization structure: *20% development of terms of reference	20% Organisational Structure reviewed: 20% Terms of reference developed	R 1 000 000	R -	None	None
			Review and enforce HR policies (Employement Equity plan)	0%	% progress in the development of Employement Equity plan	100% development of employment equity plan: * 20% Resuscitate the EE Committee; *20% Induction of the committee; * 20% Development of the EE plan; *20% Stakerholder consultation; *10% Approval by council; *10% Submit EE Plans and Reports	60% progress : * 20% the EE Committee resuscitated; *20% Employment Equity Plan Draft in place; *20% Stakeholder consultation done(presented to management and sector department	R 70 000	R -	Lack of capaciteas HR Manager and Snr HR Officer who were working on the project resigned	Replace with seconded officials
IDT	HR	To build a disciplined Organizational culture by 2014	Review and enforce HR policies(wellness program)	New Indicator	# of Wellness calender day events coordinated	12- Wellness calender day events coordinated;	3 - Wellness calender day events coordinated: *1 cancer awareness event coordinated on the 26th of September 2013; *Melonoma/Skin Cancer awareness, *Prostate cancer awareness	R -	R -	Lack support from relevent stakeholders	To lobby relevent stakeholders in the municipal arranged events
				New Indicator	# of Municipal wellness day co-ordinated	1- Municipal wellness day co-ordinated	1 Municipal wellness day co-ordinated(October 2013)	R 400 000	R 372 889,00	None	None

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KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
				New Indicator	# of employee satisfication survey conducted	1- employee satisfication survey conducted	Employee satisfaction survey not done	R 400 000	R -	Budgetary constraints	To be considered during budget adjustment
				New Indicator	# of debt management intervention coordinated	1- debt management intervention coordinated	One intervention during the wellness day event			None	None
				New Indicator	# sporting activities Facilitated	12x sporting activities Facilitated	9 x sporting activities facilitated : * Sekhukhune FET 01/08/2013;* Marula Platinum 28/08/2013;* Namibia 20/09/2013; *TRP 13/03/2014) *Makhuduthamaga(02/03/14 *1 soccer & 2 netball;* 1 Lepelle Nkumpi, * 1 Provincial Games at Vhembe ; 1 against SADTU			Some games were not honoured	Reduce number of sporting activities
				New Indicator	% of Employee wellness interventions identified conducted/facilitated(Medical referals, bereavements & exist interviews)	100% of Employee wellness interventions identified conducted/facilitated(Medical referals, bereavements & exist interviews)	100% of employee wellness interventions identified conducted: *Three(3) referals made;*four(4)bereavements and exit interviews conducted			None	None
IDT	HR	To build a disciplined Organizational culture by 2014	Review and enforce HR policies(Occupational Health and Safety program)	New Indicator	# of OHS audit conducted	1 - OHS audit conduct(July);	1 OHS Audit conducted	R 350 000	R 2 994	None	None
				New Indicator	# of OHS committee meetings held	4 - OHS committee meetings held	4 OHS committee meetings held			None	None
				New Indicator	# of site inspection and monitoring of Capital projects conducted	12 - site inspection and monitoring of Capital projects conducted	14 project site inspections conducted			None	None
				New Indicator	# of medical surveillance and screening conducted	2- medical surveillance and screening conducted	2-Medical surveillance and screeing conducted			None	None
				New Indicator	# of fumication and pest control conducted in the municipal offices;	4 - fumication and pest control conducted in the municipal offices;	0			SCM delays	Municipality to capacitate SCM

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KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
				New Indicator	# of change room facilities constructed	1 - change room facilities constructed	0			Delays by landlord to respond to Municipal request	Follow up with the landlord
				New Indicator	# of paraplegic access facilitated	1 - paraplegic access facilitated (Sep)	0			Budgetary constraints	Project withdrawn
				New Indicator	# of medical supply Provision made	4 - medical supply Provision made	1 medical supply			Budgetary constraints	Project withdrawn
				New Indicator	# of OHS reps training session conducted	1 - OHS reps training session conducted	0			Budgetary constraints	Project withdrawn
				New Indicator	# of COIDA interventions facilitated	4x COIDA interventions facilitated	*2x COIDA intervevtion facilitated			Only two intervention was need	To recoin the KPI
IDT				New Indicator	# of OHS mock drill training conducted	1 x OHS mock drill training conducted	0			Low turn up of employees due to poor communication with relevant stakeholders	Project withdrawn
	HR	To build a disciplined Organizational culture by 2014	Review and enforce HR policies(Occupational Health and Safety program)	60% achievement in compliance with hygiene standards for Office cleanliness:*20% - clear area delegations for cleaners develped*20% - cleaning amenities provided ; *20% - provision of PPE	# of hygiene standards for Office cleanliness activities conducted	9- hygiene standards for Office cleanliness activities conducted: *Determine a clear area delegations for cleaners; *4x Provision of requisite cleaning amenities; *4x provision of PPE	7 - hygiene standards for office cleanliness conducted : *Clear area of delegation for cleaners determined.*3 x PPE provided to cleaners.*3 x Requisite cleaning amenities provided;	R 150 000	R 155 925.10	Provision of first quarter was skip due delayed SCM processes	Target reduced to one provission of PPE per annuam
IDT	HR	To build a disciplined Organizational culture by 2014	Review and enforce HR policies(Leave Administration)	2 monthly leave reconciliation reports generated in cogruence to Finance	# of leave reconciliation reports generated in congruency to finance	4 - leave reconciliation reports generated in congruency to finance	Four(4) leave reconciliation report generated in congruency to finance	R -	R -	None	None
			Review and enforce HR policies(Employee records management)	New Indicator	# of Employee profile/records submitted to council	4 - Employee profile submitted to council	one(1) Employee profile submitted to council	R -	R -	Inconsistent sitting of council delay/unable submission of reports to council	Council to adhere to its schedule
IDT	HR	To capacitate GTM Employees for optimal service delivery by 2015	Skill developemnt program	New Indicator	# of WSP activities performed (Employees & Councillors)	11- WSP activities performed : *1 x Identify and enrol employees for Training; * 4 x Submission of quarterly training report LGSETA; * 4 x Facilitate quarterly training committee meeting * Conduct skill audit; * Review and develop 2014/15 WSP	9 - WSP activities perfomed : * 1 x employees identified and enrolled for training; *3 x Quarterly report submitted to LGSETA; *3 x Training meeting held;* Conduct skill audit; * Review and develop 2014/15 WSP	*R900000(employees) *R600 000(councillors)	R -	first Quarter meeting and training report not done	To stick to the developed plan

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KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
				New Indicator	# of skill development report served in council	4 - skill development report served in council	2- Skill development report served in council	R -	R -	Inconsistent sitting of Ordinary councils	Council to adhere to its schedule
				New Indicator	% spend on the Employee bursary	100% spend on the Employee bursary	30% spent on employee bursary	R 350 000.00	R 103 740.00	policy gab in terms of authorisation and cotractual obligations	Amend the policy to close the identified gabs
IDT	Labour relation	To minimize litigations by implementing Employee benefits by 2013	LLF programs	New Indicator	# of LLF meetings held	12 LLF meetings held	5 LLF meetings held	R -	R -	Unavailability of stakeholders	Review of stakeholders' representatives
				80% Achieved on functionality of LLF : implementation of LLF resolution:	% of LLF resolutions implemented	100% of LLF resolutions implemented	80% of LLF resolutions implemented	R -	R -	Organizational re - engineering delayed	To be done in the 2014/15 financial year
				New Indicator	% of labour cases addressed/attended to within three months after been reported	100% of labour cases addressed/attended to within three months after been reported	100% of labour cases responded to and adressed	R -	R -	None	None
			Lease agreements and Legal Issues	New Indicator	# of performance reports generated on the SLA in the corporate service department	4 - performance reports generated on the SLA in the corporate service department	3 - performance reports generated on the SLA in the corporate service department	R -	R -	Inconsistent sitting of Ordinary councils	KPI withdrawned
IDT	Human Resources	To reduce salary bill to a minimum requirement by 2017	Appointment on vacant positions	New Indicator	% appointments made against budgeted posts	100% appointment made against budgeted posts	37% achieved : 3 appointments made against 8 vacant position	R -	R -	Shoratage of staff to deal with recruitment	Appointment of a dedicated recruitment officer
BSD	corporate Admin	To ensure cost effective, efficient and responsive economic infrastructure network and assets by 2017	Operations and maintenance of Infrastructure	New Indicator	% faults(lights, doors, abulation & cracks) identified in the municipal offices fixed within 30 days	100% faults(lights, doors, abulation & cracks) identified in the municipal offices fixed within 30 days	85% achieved : repair of chairs; doors, security, window and lights, maintenance of air conditioner and lifts	R -	R -	Lengthy procurement processes	KPI withdrawned during mid-year review
IDT	IGR	To build sound stakeholder relations by 2014	Stakeholder management	New Indicator	% progress in development of stakeholder management framework	100% progress in development of stakeholder management framework: *25% draft framework developed; *25% framework served in LLF;*25% draft framework workshoped to council;* 25% The final framework served in council	25% achieved : Draft stakeholder management framework developed	R 150 000	R -	Delays in commencement of the project as there was no dedicated person to perform the tasks	KPI withdrwaned during mid-year review

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KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
	IGR	To ensure that GTM is portrayed in ways that restores trust in the local government	Intergovernmental relations	New Indicator	# Batho Pele Campaigns held	4 Batho Pele Campaigns held	4 Batho pele campaign held as follows: Ohrigstad, ga-Mampuru, Dresden, Praktiseer	R -	R -	None	None
GPP	Secretariat	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure and meetings	90% Achieved in performance of portfolio committees : Portfolio committees met according to their programmes	% of portfolio committees met according to their programs	100% of portfolio committees met according totheir programs	100% of portfolio committees met according to their programs	R -	R -	None	None
				R 5.00	# of Executive committees meetings held	12 x Executive committees meetings held	6 x Exco meeting held	R -	R -	Unavailability of stakeholders due to other work commitments	Reschedule meetings
GPP	Secretariat	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure and meetings	100% Achieved on Exco Makgotla resolutions attended to	% of Exco - Lekgotla resolutions that are relevent to Corporate Services Department implemented	100% of Exco - Lekgotla resolutions that are relevent to Corporate Services Department implemented	100% of Corporate Exco Resolutions implemented	R -	R -	None	None
GPP	Secretariat	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure and meetings	4 council meetings held as planned	# of Ordinary Council meetings held	4 Ordinary Council meetings held	4 Ordinary council meetings held	R -	R -	None	None
GPP	Secretariat	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure and meetings	85% Performance on implementation of council resolutions:	% of council resolutions which needed attention of Corporate service department implementated	100% of council resolutions which needed attention of Corporate service department implementated	100% of council resolutions which needed attention of Corporate service department are implementated	R -	R -	None	None
				New Indicator	# of council resolution progress reports submitted to council	4 council resolution progress reports submitted to council	4 Progress reports on council resolutions submitted to council	R -	R -	None	None
GPP	MPAC	To ensure sufficient political championship and accountability	MPAC programs	New Indicator	# of MPAC /Oversight Quarterly reports submitted to council	4	2	R -	R -	2012/2013 Annual Report and oversight report still outstanding	MPAC to submit the 2012/13 annual Report and Oversight Report to Council
				New Indicator	# of MPAC oversight visits to Municipal projects/programs	4 - MPAC oversight visits to Municipal projects/programs	2 - MPAC oversight visits to Municipal projects conducted	R -	R -	Other work related commitments distributed the programme	To be conducted in 2013/14 financial year

CORPORATE SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
				New Indicator	# Annual report reviews conducted by MPAC	1- Annual report reviews conducted by MPAC	One(1) Annual report review conducted by MPAC	R -	R -	The report is still with MPAC not yet submitted to council for adoption	The report to be supported to council for adoption
GPP	AUDIT	To ensure clean Audit by 2014	External Audit	60% Achievement in implementation of 2011/12 AG Action Plan	% progress in implementing 2012/13 AG respond Action plan	100% progress in implementing 2012/13 AG respond Action plan	50% of AG Action plan responded to	R -	R -	Leave management still need improvement	Municipality to introduce a new leave management system
	IGR	To ensure clean Audit by 2014		80% Achievement : quarterly performance audit findings corrected	% of quarterly Performance audit findings corrected	100% of quarterly Performance audit findings corrected	50%	R -	R -	Inconsistent submission of Portfolio of Evidence	The department to improve submission of Portfolio of Evidence in 2014/15 financial year
GPP	IGR	To ensure clean Audit by 2014	Risk and Fruad awareness	16% Performance : Recommendations from risk committee implemented : Security function delegated to Risk Management Unit , Security Report generated	% Risk committee recommendations implementated	100% of Risk committee recommendations implementated	0%	R -	R -	No Risk management committee meetings were held in the finacial year under review	Appointment of Risk management committee chairperson to convene Risk management committee meetings
		To ensure that GTM is portrayed in ways that restores trust in local government	Communication programs	100% Performance in loading documents on the website : 100% documents placed on the website (Quarterly reports, Posts advertised, Public notice, Exco Meeting, Council meetings)	% Website legislated items in your department loaded on GTM website	100% Website legislated items in your department loaded on GTM website	100% Website loaded : * Posts advertisements * Notice of council meetings *Annual report notice	R -	R -	None	None
GPP	Special programs	To improve social cohesion in GTM	Special programs	New Indicator	# of youth programs implemented	5 - youth programs conducted:* 2x youth forum Quarterly meeting; * conduct strategic planning * Youth month celebration *Conduct economic summit(target reduced from 23 to 5 during mid - year review)	3 - Youth Programs conducted : 2 Quarterly meetings held ; 1x youth month lauching instead of strategic planning	R 500 000	R 252 252.00	Two events were not implemented due financial constriant	Budget increased in 2014/15 financial year
GPP				New Indicator	# of elderly program implemented	4- elderly program conducted: * 2x elderly forum Quarterly meeting; * conduct strategic planning; * Consultative meeting (target reduced from 19 to 4 during mid - year review)	3- elderly program conducted:*2 x elderly forum quarterly meeting;*Strategic planning conducted on the same day(26/03/2014)	R 35 000	R 13 100.00	Strategic planning could not be conducted due to budgetconstraints	Strategic planning to be conducted in 1st quarter of 2014/15

CORPORATE SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
				New Indicator	# of Gender programs implemented	5-Gender programs implemented:* 2x Gender forum Quarterly meeting; * conduct strategic planning * 1x Men Indaba; *1x Women Indaba	3-Gender programs implemented:*2x Gender forum quarterly meetings held(21/01/2014 & 25/03/2014) ;*1x strategic planning	R 65 000	R 45 393.00	Men and women Indaba not held	The ywo(2) Indaba will be implemented in 2014/15 financial year
GPP				New Indicator	# of children programs implemented	4 - Children program implemented:* 1 x Stakeholder engagement meeting; * 2 x Task Team meeting; * * 1 x Establishment of forum	2 - Children program implemented:*1x Stakeholder engagement meeting held (26/03/2014); *1x Task Team meeting held	R 65 000	R 16 535.00	Review of the committee delayed	The review of the Children forum will be done in 2014/15 financial year
				New Indicator	# of Geographic names committee program implemented	4 - Geographic names committee program implemented: * 2x quarterly forum meetings; * 1x consultative meeting held; * 1x Reviewing of forum;	3 - Geographic names committee program implemented:*2x forum meetings held and *1x consultative meeting held in one day(28/02/2014);	R 45 800	R 28 240.00	Consultative meeting could not be conducted due to budget constraint	Provide budget
GPP				New Indicator	# of moral regeneration movement program implemented	4 - moral regeneration movement program implemented:* 2x forum meetings; * 1x Strategic planning conducted; * 1x consultative meeting	3 - moral regeneration movement program implemented:*2x forum meeting held and *1x strategic planning conducted on the same day(20/03/2014)	R 45 800	R 20 440.00	Consultative meeting could not be conducted due to budget constraint	Provide budget
				New Indicator	# of Disability programs implemented	4 - Disability programs implemented:* 2 x diasbility forum meetings held; * 1x Disability indaba; * workshop on inclusive education	3 - Disability programs implemented:*2 x forums meeting held and *1x strategic planning held instead of indaba(25/03/2014)	R 150 000	R 90 096.00	Disability indaba could not be held due to budget constraints	To be conducted in 1st quarter of 2014/15
GPP	Special programs	To improve social cohesion in GTM	Special programs	2 activities performed : 21 Students awarded bursaries, 1 Career exibition coordinated	# of Education related activities implemented in preparation for awarding of bursaries	3 Education related activities implemented in preparation for awarding of bursaries:* Advocacy of the bursary in the local school; * Career exibition; * Awarding of bursaries to need pupils	3 Education related activities implemented in preparation for awarding of bursaries:*1 Career exhibition facilitated; * 1 Advocacy of the bursary *Bursaries awarded to 17 need pupils to further their studies at tertiaries of their choice	R 350 000	R317 543	None	None
GPP	IGR	To ensure sufficient political championship and accountability	IGR programs	No issues found in the suggestion boxes	# of progress reports generated from matters raised through suggestion boxes/walk-ins	4 progress reports generated from matters raised through suggestion boxes/walk-ins	4 progress reports generated from matters raised through suggestion boxes/walk ins	R -	R -	None	None

CORPORATE SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
GPP	IGR	To ensure sufficient political championship and accountability	IGR programs	100% of Presidential /Premier hotline queries attended to within 7 days	% of Presidential / Premiere hotline queries attended to	100% of Presidential / Premiere hotline queries attended to	*100% of Presidential /Premier hotline queries attended to	R -	R -	None	None
				New Indicator	# of Exco-outreaches held	4 Exco-outreaches held(One per Quarter)	2 outreaches held : 1 at Mareseleng, another at Kgautswane	R -	R 49 428 731	None	None
FVBM	Expenditure	To improve rvenue base with 25%by 2017	Revenue enhancement program	R 55 623 058.75	R-value spent on Departmental Budget(Corporate Services)	R 63 401 511	R 66 154 637	R 63 401 511	R 66 154 637	None	None

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KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
BSD	Project management Unit	To ensure cost effective, efficient and responsive economic infrastructure network and assets by 2017	Operations and Maintenance of Infrastructure	100% Performance in fixing faulty traffic lights and streetlights within 36 days	% of faulty Traffic lights(robots) & streetlights fixed within 36 days	100% of faulty Traffic lights(robots) & streetlights fixed within 36 days	71% of faulty traffic lights(robots) & streetlights fixed within 36days. 15 out 21 requests addressed within 36 days	R 2 000 000	R 1 871 798.73	Procurement delays in Supply chain management	Municipality to improve the turnaround time in 2014/15
			Tubatse Highmast Lights	New Indicator	% progress in the construction of Highmast light	45% progress in the construction of Highmast light: 5% MIG BP; *5% ToR for Consultant;*5%Designs ;*5% ToR Contractor;*5% Site hand over;*5% Site Establishment; *5% Excavation; *10% Cast footing	10% Progress : MIG BP 5%; 5% TOR Consultants done	R 1 440 888	R -	Procurement delays in Supply chain management	Project to be implemented in 2014/15 financial year
				100% Achievement : Identified potholes patched within 14 days	% of identified potholes patched within 14 days	100% of identified potholes patched within 14 days	4% of idnetified potholes patched within 14days.	R 3 600 000	R 1 149 251.24	Delay in SCM processes	Municipality to improve the turnaround time in 2014/15
BSD			Establishment of maintenance workshop	New Indicator	% progress in the establishment of maintenance workshop	20% progress in the estabilishment of maintenance workshop:10% Develop TOR; *10% Development od designs	10% progress in the establishment of maintenance workshop:10% Develop TOR;	R 400 000	R -	None	None
BSD			Procurement of three tipper trucks	New Indicator	# Tipper Trucks purchased	3 Tipper Trucks purchased	None	R 2 300 000	R -	delay in issuing appointment of service provider	Project to be implemented in 2014/15 financial year
BSD	Project management Unit	To improve social cohesion within GTM by 2018	Public amenities development	20% Performance on establishment of Ohrigstad Sports complex : 10% Application of MIG funding; 10% Development of ToR for consultant done	% progress in establishment of Ohrigstad sport complex	60% progress in the establishment of Ohrigstad Sport Complex : 5% Designs; 10% TOR for consultant; 5% Site hand over; 5% Site Establishment; *5% Excavation & layer works; *10% Perimeter wall building; *10% Multi/ Combo courts;* 10% Pools	30% progress: 5% Designs; 10% TOR for consultant; 5% Site hand over; 5% Site Establishment; *5% Excavation & layer works	R 7 000 000	R 1 391 942.00	Delay in SCM processes	Municipality to improve the turnaround time in 2014/15
BSD	Project management Unit	To reduce electricity backlog by half in 2017	Electricity acceleration program	5777 households receive Free Basic Electricity	# of households benefiting from FBE programme	9 292	9292	R 3 500 000	R 1 325 479.57	None	None

TECHNICAL SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
BSD	Project management Unit	To reduce electricity backlog by half in 2017	Kutullo	New Indicator	% progress in the electrication of Kutullo	100% progress in the electrication of Kutullo: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 865 351	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
			Kopple	New Indicator	% progress in the electrication of Kopple	100% progress in the electrication of kopple: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 259 605	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
			Mapareng	New Indicator	% progress in the electrication of Mapareng	100% progress in the electrication of Mapareng: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 951 886	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
BSD	Project management Unit	To reduce electricity backlog by half in 2017	Kgopaneng	New Indicator	% progress in the electrication Mareseleng	70% progress in the electrication of Mareseleng: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 346 140	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
			Buffelshoek	New Indicator	% progress in the electrication of Buffelshoek	70% progress in the electrication of Buffelshoek: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 103 842	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan

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KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
BSD	Project management Unit	To reduce electricity backlog by half in 2017	Kalkfontein	New Indicator	% progress in the electrication of Praktiseer	**70% progress in the electrication of Praktiseer:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 432 676	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
			Barcelona(Driekop)	New Indicator	% progress in the electrication of Barcelona(Driekop)	**100% progress in the electrication of Barcelona(Driekop):** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and BNS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 519 211	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
BSD	Project management Unit	To reduce electricity backlog by half in 2017	Dibakwane(Driekop)	New Indicator	% progress in the electrication of Dibakwane(Driekop)	**100% progress in the electrication of Dibakwane(Driekop):** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and BNS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 519 211	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
			Maphutle(Driekop)	New Indicator	% progress in the electrication of Maphutle(Driekop)	**100% progress in the electrication of Maphutle(Driekop):** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and BNS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 680 166	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan

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KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
			Kampeng(Driekop)	New Indicator	% progress in the electrication of Kampeng(Driekop)	100% progress in the electrication of Kampeng(Driekop): *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 1 055 729	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
BSD	Project management Unit	To reduce electricity backlog by half in 2017	Mandela park	New Indicator	% progress in the electrication of Mandela park	100% progress in the electrication of Mandela park: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 1 176 878	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
			France(Driekop)	New Indicator	% progress in the electrication of France(Driekop)	100% progress in the electrication of France(Driekop): *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 2 249 913	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
BSD	Project management Unit	To reduce electricity backlog by half in 2017	Leboeng	New Indicator	% progress in the electrication of Leboeng	100% progress in the electrication of Leboeng: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 768 432	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan

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KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
			Dithamaga	New Indicator	% progress in the electrication of Dithamaga	100% progress in the electrication of Dithamaga: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 65 767	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
BSD	Project management Unit	To reduce electricity backlog by half in 2017	Taung	New Indicator	% progress in the electrication of Taung	100% progress in the electrication of Taung: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 865 351	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
			Malaeneng	New Indicator	% progress in the electrication of Malaeneng	100% progress in the electrication of Malaeneng: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 974 386	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
BSD	Project management Unit	To reduce electricity backlog by half in 2017	Sekopung	New Indicator	% progress in the electrification of Sekopung	100% progress in the electrification of Sekopung: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 519 211	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
			Makofane	New Indicator	% progress in the electrication of Makofane	100% progress in the electrication of Makofane: *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and ENS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 1 038 422	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan

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KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
BSD	Project management Unit	To reduce electricity backlog by half in 2017	Pidima	New Indicator	% progress in the electrication of Pidima	**100% progress in the electrication of Pidima:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and BNS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 455 175	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
			Matokomane	New Indicator	% progress in the electrication of Matokomane	**100% progress in the electrication of Matokomane:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and BNS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 605 746	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
BSD	Project management Unit	To reduce electricity backlog by half in 2017	Makotaseng	New Indicator	% progress in the electrication of Makotaseng	**100% progress in the electrication of Makotaseng:** *5% Project plan developed, *5% ToR for Consultant;*15% designs ;*10% ToR Contractor;*10% Site hand over,* 5% Site establishment,* 5% Pegging + digging, *10% Plant poles, *10% Stays; *10% Stringing mv/lv lives ;*10% house connection ;*10% mounting transformers ;*5% submit PCS and BNS docs;*5% Closeout report	25% progress: 5% Project plan developed, *5% ToR for Consultant;*15% designs	R 546 902	R -	None compliance by the Service provider to submit revised implementation plan. Failure to kick-start project implementation	Letter of instruction written to the service provider to submit necessary revised implementation plan
BSD	Project management Unit	To improve accesibility and mobilityof transport by 2017	Internal roads upgrading	A total of 1865.23km of gravel roads graded	Total km of roads graded against total km of gravel roads	1500km	1554.3KM	R 3 880 000	R 1 695 462.15	None	None
				100% of emergency requests on internal roads upgrading responded to	% of emergenies requested and responded to	100% of emergency requests responded to as requested	100% of emergency requests respond to as requested		R 546,210.91	Continous breakdown of old machinery, more of work done are district roads instate on municipal roads	additional new resources e.g grader

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KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
BSD	Waste management	To ceate a healthy environment for the community of Tubatse by 2030	PPP solid waste management project	20% Achieved : 5% Appointment of Private Party, 5% conclusion of SLA, 10% Permit reviewed until 2018; 0% Communicty participation, 0% operation of PPP	% progress in implementation of PPP waste project/program	100% progress in the implementation of PPP waste project: 5% Appointment of Private Party, 5% conclusion of SLA, 10% Permit reviewed until 2018; Comments from bidders on PPP/ ToR(5%). Issue final RFP Closure & Receipt of RFP responses(5%). Evaluation of Bids Draft TVR IIB report(5%). Annoucement of preffered bidder(5%);Negotiation and Final closure(5%). Council Resolution(5%);Commencement of Service (PPP Implementation)(50%)	10% Evaluation of the bids. Evaluation conducted without TAS. Evaluation report submitted to MM	R 13 000 000	R 638 400.00	Non - Payment of TAS fees resulted in withdrawal now the project Evaluation conducted with TAs & stakeholders	Payment TAs re-evaluate with TET Committee reconstituted seek treasury views or recommendation on Evalution
BSD	Waste Management	To create a healthy environment for the community of Tubatse by 2030	PPP Solid waste program	4 472	# of households benifiting from weekly Refuse removal	4 472	4 923	R 977 000	R 957 600.00	Non-collection capacity of service provider landfill air space depleting	Monitoring collection that penalities compaction of layers
			Tubatse Rehabilitation of waste facilities	New Indicator	# of waste Tubatse waste facilities rehabilitated	3 - waste Tubatse waste facilities rehabilitated	No waste site rehabilitated	R 300 000	R -	Bids non-responsive to bid pre-qualifying conditions	Project to be implemented in 2014/15 financial year
BSD	PMU	Reduce roads infrasture backlogs by quarter in 2018	Construction of Madifahlane Access bridge	75% Achievement in construction of Madifahlane Access Bridge : 10% Site handover; 10% contractor appointed; 45% Construction (Multi-year project), *10% Road works complete and contractor is finalizing gabions and handrails.	% progress in Construction of Madifahlane Access bridge	100% progress in the construction of Madifahlane Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	100% achieved : MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 760 055	R 690 044.00	None	None
BSD	PMU	Reduce roads infrasture backlogs by quarter in 2018	Construction of Shakung Access Bridge	50% Progress in construction of Thokwane/Shakung Access bridge : Project on construction stage	% progress in the construction of Shakung Access Bridge	100% progress in the construction of Shakung Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	100% progress in the construction of Shakung Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 5 198 182	R 4 992 640.00	None	None
			Construction of Mahlakwena Access Bridge	10% Achieved on construction of Mahlakwena Access Bridge : 10% T.O.R for contractor developed	% progress in the construction of Mahlakwena Access Bridge	100% progress in the construction of Mahlakwena Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	100% progress achieved in the construction of Mahlakwena Access Bridges: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 3 650 000	R 2 508 638.00	None	None

TECHNICAL SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
BSD	PMU	Reduce roads infrasture backlogs by quarter in 2018	Construction of Tsatsapane Access Bridge	20% performance in construction of Tsatsapane Acces bridge :10% T.O.R (consultant); * 10% T.O.R (contractor)	% progress in the construction of Tsatsapane Access Bridge	100% progress in the construction of Tsatsapane Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	100% progress: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 5 066 545	R 3 411 644.00	None	None
			Construction of Modubeng Access Bridge	20% Performance in construction of Modubeng Access Bridge : 10% T.O.R for consultant done and 10% for contractor done	% progress in the construction of Modubeng Access Bridge	100% progress in the construction of Modubeng Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	100% progress: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 3 900 000	R 3 256 319	None	None
			Construction of Pidima/Maakubu Access Bridge	20% performance in construction of Pidima Access bridge :10% T.O.R for consultant and 10% for contractor done	% progress in the construction of Pidima/Maakubu Access Bridge	100% progress in the construction of Pidima Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	100% progress: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 7 479 999	R 3 118 344	None	None
			Construction of Ga-Malepe Access Bridge	20% performance in construction of Ga-Malepe Access Bridge : 10% T.O.R for consultant and 10% for contractor done	% progress in the construction of Ga-Malepe Access Bridge	100% progress in the construction of Ga-Malepe Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	100% progress achieved in the construction of Ga-malepe Acces Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 2 400 000	R 2 729 821	None	None
			Construction of Ga-Maphopha Access Bridge	10% Performance in construction of Maphopha Access Bridge : 10% T.O.R for consultant	% progress in the construction of Ga-Maphopha Access Bridge	100% progress in the construction of Ga-Maphopha Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	40% progress: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%	R 1 500 000	R 1 264 969	Delay on project commencement due to Environmental issues. This is a multi year project.	Letter issued to LEDET for fast-tracking acquisition of Environmental Authorization
BSD	PMU	Reduce roads infrasture backlogs by quarter in 2018	Construction of Kgautswane/Mokutung Access Bridge	20% Performance in construction of Kgautswane/Makopung Access Bridge : 10% T.O.R for consultant and 10% for contractor done	% progress in construction of Kgautswane/Mokutung Access Bridge	100% progress in the construction of Kgautswane/Mokupung Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	70% progress achieved in construction of Kgautswane/Mokupung Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%; bridge structure 5%	R 10 968 000	R 5 466 725	Delay on progress of works due to inclimate weather	Rainfall records captured on site and application for extension of time authorized

TECHNICAL SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
BSD	PMU	Reduce roads infrasture backlogs by quarter in 2018	Construction of Habeng Access Bridge	New Indicator	% progress in the construction of Habeng Access Bridge	100% progress in the construction of Habeng Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	65% progress achieved in the construction of Habeng Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%;Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%	R 1 500 000	R 1 171 225	Delay on progress on site due to existing hard rock outcrop on site. This is a multi year project	Blasting activity executed
BSD	PMU	Reduce roads infrasture backlogs by quarter in 2018	Resealing of Burgersfort roads	New Indicator	% Progress in resealing of Burgersfort roads	100% Progress in resealing of Burgersfort roads: ToR consultant 10%; Designs 15%, ToR Contractor 5%;Site handover 5%, Site Establishment 5%, Base repair 15%;Base repair 10%, Surfacing 30%, Closeout 5%	30% progress achieved in resealing of Burgersfort roads: ToR consultant 10%; Designs 15%, ToR Contractor 5%. Contractor appointed 30 June 2014	R 5 000 000	R -	Commencement of the project was delayed due to delays in SCM	Project to be concluded in 2014/15 financial year
			Tubatse stormwater Drainage	New Indicator	% progress in the construction of Tubatse Stormwater Drainage	100% progress in the construction of Burgersfort Stormwater Drainage: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%; Site handover 5%, Digging 30%, Laying pipes + culverts 15%;Laying pipes + culverts 15%, Closeout 5%	30% progress: MIG BP 5%, ToR 5% Consultant; Designs 15%, ToR Contractor 5%	R 3 032 873	R 105 000	Project delayed	Project earmarked for completion on during 2014/15fy and implemented on a Multi-year approached
			Praktiseer internal road/street	0%	% progress in the construction of Praktiseer internal road/street	100% progress in the construction of Praktiseer street: 10% T.O.R(contractor) ;* 10% site hand over; *70% Construction; *10% close out	0%	R 328 280	R -	Delayed on procurement process.	Capacitation of SCM
			Ohrigstad internal roads/street (Works completion)	40%	% progress in the construction of Ohrigstad internal road/street (Works completion)	60% progress in the construction of Ohrigstad street: 10% T.O.R(contractor) ;* 10% site hand over; *70% Construction; *10% close out	30% progress progress in the construction of Ohrigstad street: ToR consultant 10%; Designs 15%, ToR Contractor 5%	R 2 100 000	R -	Delayed on procurement process.	Capacitation of SCM
			Burgersfort internal Street	0%	% progress in the construction of Burgersfort internal street	40% progress in the construction of Burgersfort internal road/street: 10% T.O.R(contractor) ;* 10% site hand over; *40% Construction;	10% progress achieved in the construction of Burgersfort internal road/street: ToR Contractor 10%	R 700 000	R -	Delayed on procurement process.	Capacitation of SCM
			kampeng access bridge	0%	% progress in the construction of Kampeng access bridge	100% progress in the construction of Kampeng Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	100% progress in the construction of Kampeng Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 233 019	R 201 487	None	None
			Phiring access bridge	0%	% progress in the construction of Phiring access bridge	100% progress in the construction of Phiring Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	100% progress in the construction of Phiring Access Bridge: MIG BP 5%, ToR 5%, Consultant;Designs 15%, ToR Contractor 5%Site hand over 5%,Site Establishment 5%, Digging 10%,Base slab15%;Culverts 10%, Top slab 5%, Gabions 10%, Stone pitching 5%, Closeout 5%	R 365 745	R 271 134	None	None

TECHNICAL SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
LED	PMU	To facilitate labor intensive projects for job creation	EPWP program	45	# of job opportunities created through EPWP Incentive Grants	60	62	R -	R -		
LED	PMU	To facilitate labor intensive projects for job creation	EPWP program	New Indicator	# Job opportunities created through construction of road related projects(Access roads, stormwater & Resealing of roads)	100 Job opportunities created through construction of road related projects(Access roads, stormwater & Resealing of roads)	159	R -	R -	None	None
BSD	PMU	Reduce roads infrasture backlogs by quarter in 2018	Burgersfort Hawkers facilities	20% Achievement in construction of Burgersfort Hawkers facilities : 10% Application for MIG funding done, 10% Development of Terms of Reference for consultant done	% progress in the construction of new Hawker facilities at Burgersfort	100% progress in the construction of new Hawker facilities at Burgersfort: Design 5%, ToR Contractor 5%;Site handover 5%, Site Establishment 5%, Setting out 10%;Foundation 10%, Brick/Steelworks 10%;Roofing 15%, Paving 15%, Finishing 15%, Closeout 5%	30% progress achieved in the construction of new Hawker facilities at Burgersfort: Design 5%, ToR Contractor 5%; Site handover 5%, Site Establishment 5%, Setting out 10%	R 3 000 000	R 854 206	Late commencement of project due to Informal Hawker Traders occupation on project site.	The matter was addressed and the construction has commenced
BSD	PMU	Reduce roads infrasture backlogs by quarter in 2018	Praktiseer Hawkers facilities	20% Achievement in construction of Praktiseer Hawkers facilities : 10% Application for MIG funding done, 10% Development of Terms of Reference for consultant done	% progress in the construction of new Hawker facilities at Praktiseer	100% progress in the construction of new Hawker facilities at Praktiseer : Design 5%, ToR Contractor 5%;Site handover 5%, Site Establishment 5%, Setting out 10%;Foundation 10%, Brick/Steelworks 10%;Roofing 15%, Paving 15%, Finishing 15%, Closeout 5%	30% progress achieved in the construction of new Hawker facilities at Praktisser: Design 5%, ToR Contractor 5%; Site handover 5%, Site Establishment 5%, Setting out 10%	R 1 500 000	R 208 308	Late commencement of project due to Informal Hawker Traders occupation on project site.	The matter was addressed and the construction has commenced
			Burgersfort Flea market	20% Performance on design and development of Burgersfort Flea Market : 10% Application of MIG funding; 10% Development of ToR for consultant done	% progress in the construction of Burgersfort Flea Market	100% progress in the construction of Burgersfort Flea Market: Design 5%, ToR Contractor 5%;Site handover 5%, Site Establishment 5%, Setting out 10%;Foundation 10%, Brick/Steelworks 10%;Roofing 15%, Paving 15%, Finishing 15%, Closeout 5%	30% progress achieved in the construction of Burgersfort Flea Market: Design 5%, ToR Contractor 5%;Site handover 5%, Site Establishment 5%, Setting out 10%	R 2 018 000	R 1 488 085	Project delays due to existing Eskom electricity line and Telkom services	Matter reffered to Eskom and required data submitted for re-routing the existing line.
LED	PMU	To facilitate labor intensive projects for job creation	EPWP program	New Indicator	# Job opportunities created through construction of Hawkers facilities/flea market	60 Job opportunities created through construction of Hawkers facilities/flea market	29	R -	R -	Late commencement of the project and that the project is still in infant stage	The project to be concluded in 2014/15 financial year
GPP	IGR	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure meeings	100% of management resolutions implemented	% of management meeting resolutions implemented	100% of management meeting resolutions implemented	57% of management meeting resolutions implemented(4/7)	R -	R -	None	None
GPP	IGR	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure meeings	100% of Exco Lekgotla resolutions implemented	% of ExCo- makgotla resolutions implemented	100% of ExCo- makgotla resolutions implemented	100% of ExCo- makgotla resolutions implemented	R -	R -	None	None

TECHNICAL SERVICE DEPARTMENT

KPA	Focus Areas	Objectives	Projects	2012/13 Performance	KPI	Annual Target	Annual Performance	Budget	Expenditure	Challenge	Mitigation
	IGR	To ensure that GTM is portrayed in ways that restores trust in local government	Council structure meeings	100% of council resolutions implemented	% of council resolutions implemented	100% of council resolutions implemented	100% of council resolutions implemented	R -	R -	None	None
GPP	AUDIT	To ensure clean Audit by 2014	External Audit	No issues raised by AG for Technical Services	% progress in implementing 2012/13 AG respond Action plan	100% progress in implementing 2012/13 AG respond Action plan	No AG matter in technical service Department	R -	R -	None	None
	IGR	To ensure clean Audit by 2014		100% of internal audit unit findings addressed	% of quarterly Performance audit findings corrected	100% of quarterly Performance audit findings corrected	100% of quarterly Performance audit findings corrected	R -	R -	None	None
GPP	IGR	To ensure clean Audit by 2014	Risk and Fruad awareness	80% Implemenetation of risk committee recommendations	% Risk committee recommendations implementated	100% of Risk committee recommendations implementated	None	R -	R -	Risk committee never sit in the financial year under review	To strengthen the Risk management committee by apointing Chairperson
		To ensure that GTM is portrayed in ways that restores trust in local government	Communication programs	100% of section 75 (MFMA) documents and other documents as per other legislation that have to be loaded on website submitted to Communication secretariat	% Website legislated items in your department loaded on GTM website	100% Website legislated items in your department loaded on GTM website	None- No item was place on website	R -	R -	None	None
FVBM	Expenditure	To improve rvenue base with 25%by 2017	Revenue enhancement program	• Tech. Serv.Adm =(R50 322 060.21); •Roads and stormwater = R26 479 012.56 •Refuse removal = R5 887 773.74	R-value spent on Departmental Budget(Technical Services)	• Tech. Serv.Adm =R13 043 893 •Roads and stormwater = R25 603 768 •Refuse removal = R 19 134 601	• Tech. Serv.Adm =R12 540 276 •Roads and stormwater = R15 206 393 •Refuse removal = R17 375 594	• Tech. Serv.Adm =R13 043 893 •Roads and stormwater = R25 603 768 •Refuse removal = R 19 134 601	• Tech. Serv.Adm =R12 540 276 •Roads and stormwater = R15 206 393 •Refuse removal = R17 375 594	None	None

ANNEXURE I : ANNUAL FINACIAL STATEMENT

The GTM
GREATER TUBATSE
MUNICIPALITY

South Africa's first democratic platinum city

Greater Tubatse Municipality
(Registration number Lim 475)

Adjusted Annual Financial Statements
for the year ended 30 June 2014

General Information

Legal form of entity Local Municipality

Nature of business and principal activities Provision of municipal services in terms of the Municipal Finance Management Act No. 56 of 2003 and the Municipal System Act No. 32 of 2000

Mayor	Cllr R S Mamekoa
Executive Committee	Cllr N D Mphethi
	Cllr M E Mogofe
	Cllr M L Mabilu
	Cllr R F Lourens
	Cllr L D Moraba
	Cllr N M Moropane
	Cllr P A Mohlala
	Cllr P C Sekgobela
	Cllr M E Makgoga
	Cllr S M Nkosi (Chief Whip)
	Cllr Q M Moeng (Speaker)
Councillors	Cllr M M Mabelane
	Cllr M P Makine
	Cllr M R Meshabela
	Cllr M A Malatji
	Cllr D Kgoete
	Cllr B E Hlatshwayo
	Cllr M R Riba
	Cllr M S Hlongwa
	Cllr D P Nkwana
	Cllr N C Moropane
	Cllr M T Lesinya
	Cllr D M Magane
	Cllr L R Maroga
	Cllr K V Mphofelo
	Cllr K M Maile
	Cllr M C Komane
	Cllr M E Riba
	Cllr P J Hlatshwayo
	Cllr M N Thobejane
	Cllr A W Mbuyane
	Cllr S S Kgoete
	Cllr A S Maepa
	Cllr A M Shai
	Cllr N M Tshehla
	Cllr L J Rantho
	Cllr T D Komane
	Cllr J B Sekgobela
	Cllr N L Selahle
	Cllr L C Tau
	Cllr K J Mogale
	J L Kgwedi
	Cllr E Maleka
	Cllr I T Makofane
	Cllr R R Manotwane
	Cllr R L Makofane
	Cllr P E Malapane
	Cllr S M Malatjie
	Cllr M R Khoza
	Cllr S I Selala

General Information

	Cllr M D Thobejane Cllr P M Mahlaba Cllr R Makhubedu Cllr S C Mphogo Cllr M D Nkosi Cllr O S Serothwane Cllr K J Moraba A D Ngwatle M M Mametja N J Mahlake
Grading of local authority	Grade 4
Acting Chief Finance Officer (CFO)	Mr MW Maepa
Acting Accounting Officer	Ms. MA Monyepao
Registered office	
Business address	NO. 01 Kastania Street Burgersfort 1150
Postal address	The Greater Tubatse Municipality Box 206 Burgersfort 1150
Bankers	First National Bank
Auditors	Auditors General South Africa Polokwane 0777

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The reports and statements set out below comprise the financial statements presented to the Greater Tubatse Local Municipality's Council:

Abbreviations

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

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 my responsibility 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 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.

I acknowledge that I am 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 me to meet these responsibilities, I set the 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 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 risk 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.

I am 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.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2014 and, in the light of this review and the current financial position, I am satisfied that the Municipality has access to adequate resources to continue in operational existence for the foreseeable future.

The Municipality's operations depend on a number of sources of revenue, ranging from National Government to its own sources and donations. There are no signs or indications that any of these sources will be significantly curtailed. As such, the Annual Financial Statements are prepared on the basis that the Municipality is a going concern and that the Municipality has neither the intention nor the need to liquidate or curtail materially the scale of its operations.

The external auditors are responsible for independently reviewing and reporting on the Municipality's Annual Financial Statements

The Annual Financial Statements set out on page 7 to 59, which have been prepared on the going concern basis, were approved and signed by me on 31 August 2014.

Accounting Officer

Acting Municipal Manager
MOJA M.M

25/11/2014
DATE

Accounting Officer's Report

The accounting officer submits her report for the year ended 30 June 2014.

1. Review of activities

Main business and operations

Net surplus of the municipality was R 58 879 305 (2013: surplus R 45 005 748).

The municipality performed the debtor administration of water and sanitation services on an agency basis in term of a service level agreement. The current period of the water and sanitation services contract expires on 30 June 2013. The Greater Sekhukhune District Municipality has extended the current contract until 30 June 2014. This change is not expected to have a major effect on the financial position and performance of the municipality for the period under review or future financial periods.

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.

3. Subsequent events

The accounting officer is not aware any subsequent event after reporting date which may negatively impact on the annual financial statemetns except the proclamation by the President of the RSA to conduct an investigation into certain matters in respect of the affairs of the Greater Tubatse Municipality. Proclamation R.51 of 2014 as published in Government Gazette.

4. Accounting Officer's interest in contracts

The accounting officer did not declare any interests in contracts of the Municipality.

5. Accounting policies

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

6. Accounting Officer

The Acting accounting officer of the municipality during the year and to the date of this report is as follows:

Name	Nationality	Changes
Ms MA Monyepao	RSA	Acting contract expired 29 August 2014

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 responcibilities 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

Greater Tubatsi Local Municipality

Financial Statements for the year ended 30 June 2014

Statement of Financial Position (Figures in Rand)

	Note (s)	2014	2013
ASSETS			
Current Assets			
Receivables from Exchange Transactions	10	1,437,356	5,936,352
Other Receivables from Non-exchange Transactions	9	3,107,301	4,048,335
Consumer Debtors from Exchange Transactions	11	21,696,537	4,770,149
Consumer Debtors from Non-exchange Transactions		50,993,768	25,945,469
Cash and Cash Equivalents	12	108,638,895	86,285,631
		185,873,856	126,985,935
Non-Current Assets			
Investment Property	2	120,255,400	116,114,800
Property, Plant and Equipment	3	1,449,089,504	1,451,634,697
Intangible Assets	4	64,062	101,500
		1,569,408,966	1,567,850,997
Total Assets		1,755,282,823	1,694,836,932
LIABILITIES			
Current Liabilities			
Other financial liabilities	13	1,084,555	1,039,746
Finance lease obligation	14	2,457,375	3,779,193
Payables from exchange transactions	17	38,895,325	20,996,379
VAT Payables	18	2,852,918	3,958,123
Consumer Deposits	19	1,192,319	1,143,396
Unspent Conditional Grants and Receipts	15	3,515,567	14,529,252
Provisions	16	678,536	678,536
		50,676,595	46,124,625
Non-Current Liabilities			
Other Interest Bearing Liabilities	13	14,215,385	16,069,395
Finance Lease Obligation	14	25,260,980	27,718,355
Retirement Benefit Obligation	6 & 7	21,264,000	20,149,000
Provisions	16	6,093,325	5,882,325
		66,833,691	69,819,075
Total Liabilities		117,510,286	115,943,700
Net Assets		1,637,772,537	1,578,893,232
NET ASSETS			
Reserves			
Government grant reserve		-	-
Accumulated surplus		1,637,772,537	1,578,893,232
Total Net Assets		1,637,772,537	1,578,893,232

Statement of Financial Performance (Figures in Rand)

	Note (s)	2014	2013
REVENUE			
Service Charges	22	7,984,926	8,886,773
Rental of Facilities and Equipment		557,171	526,064
Interest Received -Investment	24	12,968,187	4,499,640
Licences and Permits	24	6,413,748	5,750,760
Commission received	24	4,840,807	4,464,215
Fees Earned	24	651,301	1,068,490
Other Income	24	665,519	1,625,674
Total revenue from exchange transactions		**34,081,659**	**26,821,616**
Property rates	21	70,009,714	60,820,920
Property rates-Penalties imposed	21	5,383,223	2,908,594
Government Grants & Subsidies	23	211,942,000	178,363,895
Fines		185,948	417,376
Total revenue from non exchange transactions		**287,520,885**	**242,510,785**
Total revenue		**321,602,544**	**269,332,401**
EXPENDITURE			
Personnel Costs	27	86,412,950	82,440,769
Remuneration of Councillors	28	17,789,181	17,946,712
Depreciation and Amortisation	31	59,775,155	33,997,016
Finance Costs	32	16,288,622	12,913,855
Debt Impairment	29	1,800,000	28,282,842
Charges	50	14,908,433	11,990,424
Repairs and Maintanance	49	6,796,939	5,444,158
Contracted Services	35	13,404,989	10,489,337
Grant and Subsidies	36	3,698,699	3,616,476
General Expenses	25	42,141,871	31,271,764
Total Expenditure		**263,016,839**	**238,393,353**
Surplus / (deficit) for the term		**58,585,705**	**30,939,048**
Fair value adjustments Investment Properties	30	4,140,600	15,058,700
Actuarial Gains and Losses Post Employment Benefits		(3,847,000)	(992,000)
Surplus for the year		**58,879,305**	**45,005,748**

Statement of Changes in Net Assets (Figures in Rand)

	Notes	Total Reserves	Accumulated Surplus	Total Net Assets
Opening balance as previously reported		-	792,140,075	792,140,075
Adjustments		-		-
Correction of errors		-	(27,392,372)	(27,392,372)
Change in accounting policy		-		-
Total Changes		**-**	**(27,392,372)**	**(27,392,372)**
Balance at 01 July 2012			**764,747,703**	**764,747,703**
Changes in net assets		-	769,139,781	769,139,781
Surplus for the year		-	45,005,748	45,005,748
Total Changes		**-**	**814,145,529**	**814,145,529**
Balance at 01 July 2013		**-**	**1,578,893,232**	**1,578,893,232**
Changes in net assets				
Surplus for the year		-	58,879,305	58,879,305
Total Changes			58,879,305	58,879,305
Balance at 30 June 2014			**1,637,772,537**	**1,637,772,537**

Cash Flow Statement (Figures in Rand)

	Note (s)	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		41,459,983	73,118,796
Grants		211,942,000	178,363,895
Interest received	24	18,351,410	4,499,640
Other Receipts		13,314,493	13,350,070
Other cash item		-	15,058,700
Total Receipts		**285,067,886**	**284,391,101**
Payments			
Employee costs		(104,202,130)	(100,387,481)
Suppliers		(64,063,458)	(78,379,845)
Finance Costs		(16,288,622)	(12,913,855)
Other payments		-	(992,000)
Other cash item		(18,015,054)	-
Total Payaments		**(202,569,265)**	**(192,673,181)**
Net Cash Flows From Operating Activities	37	**82,498,621**	**91,717,920**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	3	(54,556,969)	(47,232,877)
Proceeds from sale of biological assets that form part of an agricultural activity		-	(992,000)
Net Cash Flows From Investing Activities		**(54,556,969)**	**(48,224,877)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Other Interest Bearing Liabilities		(1,809,201)	(1,027,059)
Finance Lease Payments		(3,779,193)	(951,424)
Net Cash Flows From Financing Activities		**(5,588,394)**	**(1,978,483)**
Net Increase/ (Decrease) in Cash and Cash Equivalents		22,353,259	41,514,560
Net Increase/ (Decrease) in Cash and Cash Equivalents		22,353,259	41,514,560
Cash and Cash Equivalents at the Beginning of the Year		86,285,636	44,771,076
Cash and Cash Equivalents at the End of the Year	12	**108,638,895**	**86,285,636**

Accounting Policies

1. Presentation of Financial Statements

1.1 Statement of Compliance

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

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

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

1.2 Accounting estimates and judgements

Key source of estimation and judgements

The preparation of financial statements in conformity with GRAP requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Although these estimates are based on management's best knowledge of the current events and actions they may undertake in the future actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In the process of applying the municipality's policies, management has made the following significant accounting judgments, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements and these are consistent with the previous period.

Impairment of Trade and Other Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their payment history. Debtors will be analyzed in terms of concentrations of individual risk classes showing each individual ageing.

Accounting Policies

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

Provisions and other post-retirement benefits

The cost of defined benefit pension 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 6

Classification as investment property

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

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.

1.3 Investment property

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

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

Investment property is held at fair value.

Accounting Policies

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Fair value

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

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.

The fair value of investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

1.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment or at fair value where assets have been acquired by grant or donation.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery capabilities of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

The municipality maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for any economic gain, and thus no residual values are determined other than for motor vehicles.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value, and is recognised in the Statement of Financial Performance.

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

Accounting Policies

Assets held under finance leases are depreciated over their useful lives on the same basis as owned assets or, where appropriate, the terms of the relevant lease and the depreciation are recognised in the Statement of Financial Performance.

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its intended use.

The useful lives of items have been assessed as follows:

Item	Average useful life
Buildings	30
Furniture and fixtures	5-10
Motor vehicles	7-10
Office equipment	5-7
IT equipment	5
Emergency Equipment	5-10
Refuse Tankers	5-10
Infrastructure	10-40
· Roads and Stormwater	5-150
· Refuse	20-50
· Electricity	10-100
· Water	10-200
· Sewerage	10-200
· Housing	20-100
Community	15-30
· 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	4-20
· Building	20-100
· 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
· Specialised 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

Impairment of property, plant and equipment

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

1.5 Heritage assets

A heritage asset is defined as an asset that has cultural, environmental, historical, natural, scientific, technological or artistic significance, and are held and preserved indefinitely for the benefit of present and future generations.

A heritage asset that qualifies for recognition as an asset shall be measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

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

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.

1.6 Site restoration and dismantling cost

Where the municipality has an obligation to dismantle, remove and restore items of property, plant and equipment, such obligations are referred to as 'decommissioning, restoration and similar liabilities'. These costs include the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located and the obligation for which municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. The costs are capitalised to the cost of the relevant assets.

1.7 Financial instruments

Accounting Policies

Classification

The Financial instruments are recognised when the municipality becomes a party to the contractual provisions of the instrument and are initially measured at fair value plus, in the case of a financial asset or liability, not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability:

The municipality classifies financial assets and financial liabilities into the following categories:
- Held-to-maturity investment
- Loans and receivables
- Financial liabilities 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.

Impairment of financial assets

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

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

Impairment losses are recognised in surplus or deficit.

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

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

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

Trade and other receivables

Accounting Policies

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost.

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 amount of the provision is the difference between the asset's carrying amount and the amount expected to be recovered in future. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit. Interest is charged on overdue amounts.

Amounts receivable within 12 months from the date of reporting are classified as current.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Liabilities for annual leave (accrued leave pay) and annual bonus are recognised as they accrue to employees. Accrual is based on the potential liability of the Municipality. Liabilities for goods and services rendered to the municipality before yearend are accrued based on management's estimate if the invoice or statement have not been issued.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months and are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks, net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets, loans and receivables. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. Cash and cash equivalents and bank borrowings are subsequently recorded at amortised cost.

Bank overdraft and borrowings

Accounting Policies

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

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.

Financial liabilities and equity instruments

Financial liabilities are classified according to the substance of contractual agreements entered into. Trade and other payables are stated at their nominal value. Equity instruments are recorded at the amount received, net of direct issue costs.

Gains and losses

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

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit;
- 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

Accounting Policies

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the municipality has transferred substantially all risks and rewards of ownership, or when the municipality loses control of contractual rights that comprise the assets.

Financial liabilities

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

1.8 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

Finance leases - municipality 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

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.

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

Assets leased under operating leases, except for property interests held by the municipality as investment property, are not recognised in the statement of financial position.

Operating leases - municipality as 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

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

Operating leases -municipality as 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.

Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

1.9 Inventories

Inventories consist of raw materials, work in progress, consumables finished goods and unsold properties. Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are 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.

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. Where inventories are acquired at no cost, or for nominal consideration, the cost is deemed to be the fair value as at the date of acquisition. Cost is generally determined using the first-in-first-out principle except where stated otherwise.

Unsold properties are measured at the lower of cost and net realisable value. Cost is primarily determined by reference to Valuation roll values as at the date of initial recognition or total cost of servicing the land. Net realisable values are based on the latest valuation roll values less estimated cost to sell.

1.10 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

1.11 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return.

When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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 held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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

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

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

Recoverable 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:

Identification

Accounting Policies

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

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

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

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

Reversal of impairment loss

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

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

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

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

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

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Liabilities for short-term employee benefits that are unpaid at year-end are measured at the undiscounted amount that the municipality expects to pay in exchange for that service and had accumulated at the reporting date.

Defined contribution plans

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in surplus or deficit in the period in which the service is rendered by the relevant employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The municipality contributes to various national-and provincial-administered defined benefit plans on behalf of its qualifying employees. These funds are multi-employer plans and are accounted for as defined contribution plans as there is no consistent and reliable basis available for allocating the obligation, plan assets and cost to individual municipalities participating in the plan. The contributions to fund obligations for the payment of retirement benefits are expensed in the year it becomes payable. These multi-employer plans are actuarially valued annually on a national-or provincial level using the projected unit credit method. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Defined benefit plans

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses are recognised in full in the year they are incurred.

Accounting Policies

The municipality provides certain post- retirement medical benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of all of the medical aid funds with which the municipality is associated, a member is entitled to remain a continued member of the medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. These medical aid funds are classified as defined benefit plans.

The current service cost is recognised as a period expense in the statement of financial performance and is matched to the benefit received during the working life of the employee. The current service cost includes the expense for benefits received by the employee currently in service and the cost of funding the employee when no longer in service. The expense for the year is included in the employee benefits expense in the statement of financial performance.

Where some of the employees are not members of any qualifying medical aid scheme as at reporting date, the municipality accrues 50% of such potential liability. This management estimate is meant to cater for employees who are likely to join the qualifying medical schemes in future but before retirement.

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.

The current service cost is recognised as a period expense in the statement of financial performance and is matched to the benefit received during the working life of the employee. The current service cost includes. the expense for benefits received by the employee currently in service. The expense for the year is included in the employee benefits expense in the statement of financial performance.

Where some of the employees have already reached the prescribed milestones but payments for the equivalent leave days accrued has not been made by year- end, the amount is recognised as accruals.

1.13 Provisions and contingencies

Accounting Policies

Provisions are recognised when:

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

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

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

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.

Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 38.

Site Restoration, Onerous contracts, Reimbursments, Restructuring, Long Service Award

Site Restoration

In accordance with applicable legal requirements, a provision for site restoration in respect of landfill sites is recognised when the land is contaminated. The related expense is capitalised against the cost of the landfill sites.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the municipality from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

Reimbursements

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 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.

Accounting Policies

Restructuring

A provision for restructuring is recognised when the municipality has approved a detailed and formal restructuring plan and the restructuring either has commenced or has been announced as publicly.

Long Service Award

In terms of the Collective Bargaining Agreement, employees who achieve a certain predetermined milestone of service within the municipality are entitled to leave days or cash equivalent. A provision is made at the end of each balance sheet date based on the estimated number of employees who are likely to achieve the milestones in the future .The provision is discounted using a reasonable discounting rate.

1.14 Revenue

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

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

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

(3) the amount of revenue can be measured reliably;

(4) it is probable that the economic benefits associated with the transaction will flow to the municipality; and

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

Revenue from the rendering of services is recognised in surplus or deficit in proportion to the stage of completion of the transaction at the reporting date.

Revenue is measured at the fair value of the consideration received or receivable, net of value added tax, estimated returns, rebates and discounts.

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 services potential associated with the transaction will flow to the municipality; and ;

Accounting Policies

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

Service Charges

Service charges relating to distribution of water are based on consumption. Meters are read on a regular basis consumption is recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made on a monthly basis when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is raised based on the average monthly consumption. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters are read. These adjustments are recognised as revenue in the invoicing period.

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

Service charges from sewerage and sanitation services are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council. Revenue

Interest, royalties and dividends

Interest earned and rentals received

Interest income is recognised in surplus or deficit as it accrues, using the effective interest method. Interest earned on unutilised conditional grants is recognised as an unspent conditional grants liability if the grant conditions indicate that interest is payable to the grantor.

Rental income from operating leases is recognised on a straight line basis over the lease term.

Dividends

Dividends are recognised on the date that the municipality's right to receive the dividend has been established.

Royalties

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreements.

Accounting Policies

Other

Tariff charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised as it accrues in surplus or deficit using the effective interest method.

1.15 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, the amount of the revenue can be measured reliably and, if applicable, there has been compliance with the relevant legal requirements or restrictions

Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Rates and Taxes

Assessment Rates and fixed property valuations are conducted in terms of the Local Government: Municipal Property Rates Act No. 6 of 2004.

Revenue from rates, including collection charges and penalty interest, is recognised on a monthly basis when the taxes are levied as this is regarded to be the date when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and there has been compliance with the relevant legal requirements.

A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Accounting Policies

The charges are based on the approved value of the land and buildings multiplied by the approved tariff (cents in the rand) Assessment Rates is levied in July for the entire financial year end and payable by the 30 September, alternatively levied at proportionately 1/12 per month end payable monthly.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

Revenue from the issuing of fines is recognised on receipt.

Donations and contributions

Revenue from donations is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and any restrictions associated with the donation have been met.

Revenue from donations is measured at the fair value of the consideration received or receivable, which is the cash amount received or where the donation is in the form of property, plant and equipment, the fair value of the property, plant and equipment received or receivable.

Unconditional grants and receipts

Revenue from unconditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality and the amount of the revenue can be measured reliably. Since these grants are unconditional and there are no attached stipulations, the grants are recognised as revenue or, if the recognition criteria had been met, as assets in the reporting period in which they are received or receivable.

Conditional grants and receipts

Revenue from conditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality the amount of the revenue can be measured reliably and to the extent that there has been compliance with any restrictions associated with the grant.

Interest earned on investments is treated in accordance with grant conditions. If interest is payable to the grantor, it is recognised as a liability and if not, it is recognised as interest earned in the statement of financial performance.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

Accounting Policies

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, 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.

1.16 Investment income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method. Dividend income is recognised in surplus or deficit on the date that the municipality's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets through profit or loss and impairment losses recognised on financial assets.

Borrowing costs are recognised in surplus or deficit using the effective interest method.

1.17 Consumer deposits

Accounting Policies

Consumer deposits are charged when new water and/or electricity accounts are opened except for owner occupied proportions. The amounts vary per type of consumer and are approved by Council as part of the tariff structure.

1.18 Comparative figures

When the presentation or classification of items in the annual financial statements are amended, comparative amounts are reclassified. The nature and amounts of reclassifications as well as the reasons are disclosed in the notes to the financial statements.

1.19 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). Unauthorised expenditure is accounted for as an expense and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21 Irregular expenditure

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 municipality's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance. If the expenditure is not condoned by the relevant authority, it is treated as a receivable until it is recovered or written off as irrecoverable.

1.22 Presentation of currency

These annual financial statements are presented in South African Rand, which is the municipality's functional currency. All financial information has been rounded to the nearest Rand.

Accounting Policies

1.23 Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the municipality has a legal right to set off amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.24 Budget information

Greater Tubatse Local Municipality is subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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 has been included in the annual financial statements.

The Statement of comparative and actual information have 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 GRAP 1.

1.25 Tax

Value Added Tax (VAT)

The municipality accounts for VAT on the cash basis. The municipality is liable to account for VAT at the standard rate (14%) in terms of section 7 (1) (a) of the VAT Act in respect of the supply of goods or services, except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or are scoped out for VAT purposes. The municipality accounts for VAT on a monthly basis.

- The annual financial statements have been prepared on the assumption that the municipality will continue to operate on a going concern basis for at least the next twelve months.

1.26 Net reserves

Net reserves are a residual interest in the assets of an municipality after deducting all of its liabilities from the total municipal assets.

1.27 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

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

1.28 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.29 Capital commitments

Capital commitments disclosed in the financial statements represents the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

Notes of the Financial Statements (Figures in Rand)

2. Investment Property

	2014			2013		
	Cost/ Valuation	Accumulated Depreciation and Accumlated Impairment	Carrying Value	Cost/ Valuation	Accumulated Depreciation and Accumlated Impairment	Carrying Value
Investment Property	120,255,400	-	120,255,400	116,114,800	-	116,114,800.0

Reconciliation of Investment Propoerty - 2014

	Opening Balance	Fair Value Adjustments	Total
Investment Property	116,114,800	4,140,600	120,255,400

Reconciliation of Investment Propoerty - 2013

	Opening Balance	Fair Value Adjustments	Total
Investment Property	101,056,100	15,058,700	116,114,800

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

Details of valuation
The effective date of the revaluations was 30 June 2013. Revaluations were performed by an independent valuer, Mr A Zeybrand of Zeybrand valuers are not connected to the municipality and have recent experience in location and category of the investment property

Notes of the Financial Statements (Figures in Rand)

3. Property, Plant and Equipment

	2014			2013		
	Cost/ Valuation	Accumulated Depreciation and Accumlated Impairment	Carrying Value	Cost/ Valuation	Accumulated Depreciation and Accumlated Impairment	Carrying Value
Land	54,945,294	-	54,945,294	54,945,294	-	54,945,294
Buildings	-	-	-	-	-	-
Plant and Machinery	123,150	(51,806)	71,543	109,750	(2,752)	106,998
Furniture and Fixtures	4,688,373	(2,263,138)	2,425,235	4,687,501	(1,771,385)	2,916,116
Motor Vehicles	16,174,015	(15,883,792)	290,223	16,174,015	(12,657,853)	3,516,162
Office Equipment	[illegible]	[illegible]	427,324	[illegible]	[illegible]	[illegible]
IT Equipment	4,134,562	(1,367,219)	2,767,342	4,115,923	(569,096)	3,546,027
Infrastructure	1,625,484,521	(294,363,372)	1,331,121,149	1,570,997,998	(240,459,459)	1,330,538,539
Community Buildings	27,544,312	(3,026,349)	24,517,962	27,544,312	(1,926,964)	25,617,347
Park Facilities	-	-	-	-	-	-
Other	1,276,679	(33,976)	1,242,703	1,239,144	(2,272)	1,236,872
Capital Works In Progress	31,280,728	-	31,280,728	28,566,577	-	28,566,577
Total Assets	1,766,373,999	(317,284,495)	1,449,089,504	1,709,102,879	(257,468,183)	1,451,634,697

Property, Plant and Equipment Reconciliation - 2014

	Opening Balance	Additions	Transfers	Depreciation	Total
Land	54,945,294			-	54,945,294
Buildings	-			-	-
Plant and Machinery	106,998	13,400		(48,855)	71,543
Furniture and Fixtures	2,916,116	872		(491,753)	2,425,235
Motor Vehicles	3,516,162			(3,225,939)	290,223
Office Equipment	643,964	-		(216,640)	427,324
IT Equipment	3,546,827	18,638		(798,123)	2,767,342
Infrastructure	1,330,538,539	54,486,524		(53,903,913)	1,331,121,149
Community Buildings	25,617,347	-		(1,099,385)	24,517,962
Park Facilities	-			-	-
Other	1,236,872	37,535		(25,986)	1,248,422
Capital Works In Progress	28,566,577	-		-	31,280,728
Total Assets	1,451,634,697	54,556,969	-	-59810593.21	1,449,095,223

4 Intangible Assets

	2014			2013		
	Cost/ Valuation	Accumulated Depreciation and Accumlated Impairment	Carrying Value	Cost/ Valuation	Accumulated Depreciation and Accumlated Impairment	Carrying Value
Computer	99,500	(35,438)	64,062	99,500	(2,000)	101,500
Servitudes	-	-	-			
	99,500	(35,438)	64,062	99,500	(2,000)	101,500

3. Property, Plant and Equipment (continue)

Property, Plant and Equipment Reconciliation - 2013

	Opening Balance	Additions	Transfers/Restatement Adjustments	Depreciation	Total
Land	16,548,000	-	38,397,294	-	54,945,294
Buildings	20,776,065		(18,181,278)	(2,594,787)	-0
Plant and Machinery	4,883,978	5,717,568	(9,883,727)	(610,821)	106,998
Furniture and Fixtures	3,461,591	2,160	(228,170)	(319,465)	2,916,116
Motor Vehicles	3,623,966	-	1,010,035	(1,117,840)	3,516,161
Office Equipment	8,383,246		(4,748,338)	(2,990,944)	643,964
IT Equipment	10,353,463	1	(3,930,823)	(2,875,813)	3,546,828
Infrastructure	629,456,657	12,946,571	710,554,783	(22,419,473)	1,330,538,538
Community Buildings	8,514,339	-	17,492,157	(389,148)	25,617,34[illegible]
Park Facilities	18,332,843	-	(17,654,118)	(678,725)	-
Other assets			1,236,872	-	1,236,872
Capital Works in Progress	-	28,566,577		-	28,566,577
Total Assets	**724,334,148**	**47,232,877**	**714,064,688**	**(33,997,016)**	**1,451,634,697**

Pledged as security

Leased vehicles as self-secured in that they are used as security for the loans which were taken to fund them. Carrying value of assets has been pledged as security.

Motor Vehicles	3,623,966	3,623,966

The terms of the agreement are such that the lessor would retain ownership of the vehicles until the loan is fully repaid. More details of the loan are disclosed under finance leases.

The municipality's obligations under finance leases are secured by the lessor's change over the leased assets. Refer note 14.

Assets subject to finance lease (Net carrying amount)	3,516,161	3,516,161

Motor Vehicles

Notes of the Financial Statements (Figures in Rand)

	2014	2013

6. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

	2014	2013
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(20,149,000)	(15,121,000)
Net actuarial gains or losses not recognised	3,068,000	(1,393,000)
Past service cost not recognised	(2,742,000)	(3,654,000)
Interest cost	(1,460,000)	19,000
Other	19,000	
Net liability	**(21,264,000)**	**(20,149,000)**

Changes in the present value of the defined benefit obligation are as follows:

	2014	2013
Opening balance	20,149,000	15,121,000
Net expense recognised in the statement of financial performance	1,115,000	5,028,000
Closing balance	**21,264,000**	**20,149,000**

Net expense recognised in the statement of financial performance

	2014	2013
Opening Balance	20,149,000	15,121,000
Benefits Paid		-
Net Expense recognized in the Statement of Financial Performance	1,115,000	5,028,000
Closing Balance	**21,264,000**	**20,149,000**

	2014	2013
Net Expense recognized in the Statement of Financial Performance		
Current Service Cost	2,742,000	3,654,000
Interest Cost	1,460,000	1,393,000
Curtailment or settlement	(19,000)	(19,000)
Total Included in Employee Related Costs	**4,183,000**	**5,028,000**

Calculation of Actuarial gains and losses

	2014	2013
Actuarial (gains) losses – Obligation	(3,068,000)	1,393,000
Total	**(3,068,000)**	**1,393,000**

	2014	2013

6. Employee Benefit Obligations (continue)

Key Assumptions Used

Assumptions used at the reporting date:

	2014	2013
Discount rates used	7.25%	7.25%
Medical cost trend rates	6.75%	6.75%
Expected increase in salaries - inflation rate	6.25%	6.25%
Normal retirement age	63	63
Expected increase in healthcare costs	6.75%	6.75%
Fully accrued age	60	63

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	**One percentage point** decrease
Effect on the aggregate of the service cost and interest cost	5,967,000	3,739,000
Effect on defined benefit obligation	5,428,000	4,138,000

Amounts for the current and previous four years are as follows:

	Defined benefit obligation
2014	21,264,000
2013	20,149,000
2012	15,121,000
2011	12,189,000
2010	-

7. Defined contribution plan

It is the policy of the municipality to provide retirement benefits to its employees as per employee defined benifits on their specific relevant contracts.

The municipality is under no known obligation to cover any unfunded benefits

Notes of the Financial Statements (Figures in Rand)

	2014	2013
8. Inventories		
Inventories		-
Total	-	-

Inventory Pledged as Security

There were no security pledges made against inventory during the current and prior financial period.

9. Other Receivables from Non-Exchange Transactions

	2014	2013
Fines	-	693,926
Creditors balances in debit	3,107,301	3,354,409
Net Balance	3,107,301	4,048,335

10. Receivables from Exchange Transactions

	2014	2013
Trade Debtors	616,465	612,014
WSP Sekhukhune Distric Municipality	820,891	5,324,337
Net Balance	1,437,356	5,936,352

The debt is greater than 90 days

Notes of the Financial Statements (Figures in Rand)

11. Consumer Debtors

	2014	2013
Gross Balances per Service		
Rates	71,450,724	46,402,425
Refuse	13,131,003	12,442,857
Other (specify)	27,435,525	14,088,095
Total	**112,017,253**	**72,933,377**
Less: Provision for debts impairment		
Rates	20,456,957	20,456,956
Refuse	7,672,708	7,672,708
Other (specify)	11,197,283	10,324,576
Total	**39,326,948**	**38,454,240**
Net Balances per Service		
Rates	50,993,768	25,945,469
Refuse	5,458,295	4,770,149
Other (specify)	16,238,242	3,763,519
Total	**72,690,305**	**34,479,137**

The ageing of debt not impaired per service:

	2014	2013
Rates		
Current (0 - 30 days)	4,642,161	10,392,655
31 - 60 days	2,627,620	2,644,095
61 - 90 days	1,877,617	1,575,999
91 - total days	66,801,853	14,753,436
	75,949,252	**29,366,185**
Refuse		
Current (0 - 30 days)	761,485	788,148
31 - 60 days	515,414	556,816
61 - 90 days	731,869	442,018
91 - total days	13,259,841	2,983,166
	15,268,608	**4,770,148**
Other (specify)		
Current (0 -30 days)	100,004	528,589
31 - 60 days	75,089	279,630
61 - 90 days	1,294,200	84,400
91 - 120 days	5,798,724	-
	7,268,018	**892,619**

	2014	2013
Reconciliation of debt impairment provision		
Balance at beginning of the year	(38,454,240)	(11,676,393)
Contributions to allowance	(1,800,000)	(28,282,842)
Debt impairment written off against allowance	927,292	1,504,995
Reversal of allowance		-
Balance at end of the period	**(39,326,948)**	**(38,454,240)**

	2014	2013

12. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	2014	2013
Cash on hand	3,999	4,000
Bank balances	108,634,896	86,281,631
	108,638,895	86,285,631

The municipality had the following bank accounts:

Account number / description	Bank Statement Balances			Cash Book Balances		
	28-Jun-14	30-Jun-13	30-Jun-12	28-Jun-14	30-Jun-13	30-Jun-12
1 FNB BANK - CALL ACCOUNT - 620-623-0699	35,112	34 854	34,854	35,112	34,854	34 491
2 FNB BANK - CHEQUE ACCOUNT - 565-500-22466	34,571,346	5,081,499	8,121,661	19,310,478	825,104	2,101,726
3 FNB BANK - BUSINESS MONEY MARKE - 621-714-33982	179,515	173,311	167,425	179,515	173,311	167,425
4 FNB BANK - CALL ACCOUNT - 620-275-10818	33,947,234	32,746,953	2,278,132	33,947,234	32,746,953	2,278,132
5 FNB BANK - CALL ACCOUNT - 616-550-0887	72,409	71,715	70,789	72,409	71,715	70,789
6 NEDBANK - 90DAYS NOTICE - 788-109-6004	55,090,147	52,315,173	40,114,521	55,090,148	52,429,694	40,114,521
7 FNB BANK - CHEQUE ACCOUNT - 620-9737-4319	-	11,944	11,944	-	-	-
	123,895,763	90,400,595	50,799,326	108,634,896	86,281,631	44,732,593

13. Other Interest Bearing Liabilities

	2014	2013
At amortised cost		
DBSA Loans 102904/1&2	12,873,882	14,226,514
Terms and conditions		
DBSA Loan 13585/102	1,341,503	1,842,881
Terms and conditions		
DBSA LOAN 102904/1&2 - Short term portion	852,632	825,090
Terms and conditions		
DBSA Loans 13585/102 -Short term portion	231,922	214,656
Terms and conditions		
Total other financial liabilities	15,299,940	17,109,141

Notes of the Financial Statements (Figures in Rand)

13. Other Interest Bearing Liabilities (continue)

	2014	2013
Non-current liabilities at amortised cost		
DBSA (61000751)/(61000752)	12,873,882	14,226,514
DBSA (61003227)	1,341,503	1,842,881
	14,215,385	**16,069,395**
Current liabilities at amortised cost		
DBSA (61000751)/(61000752)	852,632	825,090
DBSA (61003227)	231,922	214,656
	1,084,555	**1,039,746**
Total other financial liabilities	**15,299,940**	**17,109,141**

DBSA LOAN 102904/1 /(61000751)
Interest rate: 10.415% Loan period: 20 years
DBSA LOAN 102904/2 /(61000752)
Interest rate: 5% Loan period : 20 years
DBSA LOAN 12713/102
Interest rate: 0% Loan period : 20 years
DBSA LOAN 13585/102 /(61003227)
Interest rate: 16.2% Loan period : 20 years

	2014	2013
Non-current liabilities		
At amortised cost	**14,215,385**	**16,069,395**
Current liabilities		
At amortised cost	**1,084,555**	**1,039,746**

14. Finance lease obligation

	2014	2013
Minimum lease payments due		
Within one year	15,475,669	15,990,875
In second to fifth year inclusive	74,787,541	66,679,536
Later than five years	21,787,437	41,594,197
	112,050,647	124,264,608
Less: Future Finance Charges	80,555,379	92,767,060
Present value of minimum lease payments	31,495,269	31,497,548
Present value of minimum lease payments due		
Within one year	2,457,375	3,779,193
In second to fifth year inclusive	12,534,024	9,683,996
Later than five years	12,726,956	18,034,359
	27,718,355	31,497,548

It is municipality policy to lease certain [property] motor vehicles and equipment under finance leases.

The average lease term was 3-10 years and the average effective borrowing rate was 10%.

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.

	2014	2013

15. Unspent Conditional Grants and Receipts

Unspent Conditional Grants and Receipts comprises of:		
Municipal Infrastructure Grant (MIG)		14,520,078
Finance Management Grant (FMG)	-	9,174
Intergrated national electrification programme grant	-	-
Muncipal System Improvement Grant (MSIG)	-	-
Neighborhood Development Programme Grant	3,515,567	
	3,515,567	14,529,252

Movement during the year

Balance at the beginning of the year	14,529,252	549,147
Additions during the year	11,013,685	13,980,105
	3,515,567	14,529,252

See note 23 for reconciliation of grants from National/ Provincial Government

16. Provisions

Reconciliation of provisions - 2014

	Opening Balance	Additions	Interest Cost	Utilised during the current	Acturial (gains) losses	Actual benefit payments	Total
Environmental Rehabilitation - Landfill Site	1,174,325	-	-	-	-	-	1,174,325
Provision for Performance Bonus	678,536	-	-	-	-	-	678,536
Long Service Leave Provision	4,708,000	971,000	-	-	(523,000)	(237,000)	4,919,000
	6,560,861	971,000	-	-	(523,000)	(237,000)	6,771,861

Reconciliation of provisions - 2013

	Opening Balance	Additions	Interest Cost	Utilised during the year	Acturial (gains) losses	Actual benefit payments	Total
Environmental Rehabilitation - Landfill Site	1,174,325	-	-		-	-	1,174,325
Provision for Performance Bonus	777,422	-	-	(98,886)	-	-	678,536
Long Service Leave Provision	4,188,000	520,000	-	-	-	-	4,708,000
	6,139,747	520,000	-	(98,886)	-	-	6,560,861

	2014	2013
Non-current liabilities	6,093,325	5,882,325
Current liabilities	678,536	678,536
	6,771,861	6,560,861

Employee benefit cost provision

A brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits or service potential.

An indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph .61.

Notes of the Financial Statements (Figures in Rand)

	2014	2013
17. Trade and other payables		
Trade payables	21,260,976	9,808,649
Payments in Advance	1,058,729	1,058,729
Employee costs	-	-
Staff leave	4,881,906	5,080,623
Retention Creditors	3,470,911	5,048,378
Other	8,222,803	-
	38,895,325	20,996,379
18. VAT payable		
Tax payables	2,852,918	3,958,123
19. Consumer deposits		
Water	1,192,319	1,143,396
	1,192,319	1,143,396

Notes of the Financial Statements (Figures in Rand)

	2014	2013
20. Revenue		
Service charges	7,984,926	8,886,773
Rental of facilities & equipment	557,171	526,064
Interest received -investment	11,167,175	4,499,640
Licences and Permits	6,413,748	5,759,760
Fees earned	651,301	1,068,490
Commission received	4,839,601	4,464,215
Other Income	665,519	1,625,674
Property rates	70,009,714	60,820,920
Property rates-Penalties imposed	5,383,223	2,908,594
Fines	185,948	417,376
Government grant & subsidies	211,942,000	178,342,046
	319,800,326	269,319,552

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

	2014	2013
Service charges	7,984,926	8,886,773
Rental of facilities & equipment	557,171	526,064
Licences and permits	6,413,748	5,750,760
Fees earned	651,301	1,068,490
Commission received	4,839,601	4,464,215
Other Income	665,519	1,625,674
Interest received-Investment	11,167,175	4,499,640
	32,279,441	26,821,616

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

	2014	2013
Taxation revenue		
Property rates	70,009,714	60,820,920
Property rates-Penalties imposed	5,383,223	2,908,594
Transfer revenue		
Grant and Subsidies	211,942,000	178,342,046
Fines	651,301	417,376
	287,986,238	242,488,936

21 Property rates

	2014	2013
Residential	70,169,502	60,966,396
Less: Income forgone	(159,788)	(145,476)
	70,009,714	60,820,920
Property rates-Penalties imposed	5,383,223	2,908,594
	75,392,937	63,729,514

Valuations

	2014	2013
Residential	2,045,897,000	2,045,897,000
Commercial	1,135,312,000	1,135,312,000
State	940,451,000	940,451,000
Municipal	87,739,600	87,739,600
Small holdings and farms	1,079,516,000	1,079,516,000
Schools	22,600,000	22,600,000
Mines	460,400,000	460,400,000
Churches	23,735,000	23,735,000
	5,795,650,600	5,795,650,600

Valuations on land and buildings are performed every four years. The latestgeneral valuation came into effect on 1 July 2011. Interim valuations are processed on a continuous basis to take into account changes in individual property values due to alterations and and subdivisions.

A general rate is applied to property valuations to determine assessment rates. Rebates of 30% are granted to residential and state property owners.

Rates are levied on an annual basis and paid on monthly basis with the final date for payment being 30 June 2013 (). Interest at prime plus 1% per annum and a collection fee of is levied on rates outstanding two months after due date.

The new general valuation was implemented on 01 July 2011.

	2014	2013
22 Service charges		
Refuse removal	7,984,926	8,886,773

Notes of the Financial Statements (Figures in Rand)

	2014	2013
23. Government grants and subsidies		
Operating Grant		
Equitable share	139,644,000	122,245,000
Council Remuneration Grant	8,464,000	7,551,000
Finance Management Grant (FMG)	1,550,000	1,500,000
MIG PMU-Adm	2,136,360	2,202,400
Municipal Systems Improvement Grant (MSIG)	890,000	800,000
EPWP	1,000,000	-
	153,684,360	**134,298,400**
Capital Grant		
Intergrated National Electrification Progamme Grant	14,215,000	15,739,973
Municipal Infrastructure Grant (MIG)	38,514,640	29,527,922
Neighbourhood Development Grant	5,528,000	-
	58,257,640	**45,267,895**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigent consumers receive a subsidy of 6 kilolitres of water per month which is funded from the grant.

Municipal Infrastructure Grant (MIG)		
Balance of Unspent Grant at beginning of year	14,520,078	44,048,000
Current year receipts	40,651,000	29,527,922
Conditions met - grant amount transferred to revenue	55,174,695	-
Conditions met - VAT	-	-
	-3,617	**14,520,078**

Conditions still to be met remain liabilities (see not 15)

The grant was used to fund infrastructure related projects (mainly as part of the service delivery). Capitalised projects funded by this grant are included in property, plant & equipment whilst the unspent portion of the grant is included in current liabilities (see note 15).

No grant was withheld during the current period.

INEPT Grant		
Balance of Unspent Grant at beginning of year	-	539,973
Current year receipts	14,215,000	15,200,000
Conditions met - grant amount transferred to revenue	14,215,000	15,739,973
Conditions met - VAT	-	-
	-	-

Conditions still to be met remain liabilities (see not 15)

Notes of the Financial Statements (Figures in Rand)

	2014	2013

23. Government grants and subsidies (continued)

Finance Management Grant (FMG)

	2014	2013
Balance of Unspent Grant at beginning of year	9,174	9,174
Current year receipts	1,550,000	-1,500,000
Conditions met - grant amount transferred to revenue	1,559,174	1,500,000
	-	9,174

Conditions met - grant amount transferred to revenue

The grant is mainly used for promoting and supporting reforms in financial management by building capacity in the municipality to implement the MFMA and progressive financial reporting.

Portion of grant which conditions still to be met are included in current liabilities.

No grant was withheld during the current period.

Muncipal System Improvement Grant (MSIG)

	2014	2013
Balance of Unspent Grant at beginning of year	-	-
Current year receipts	890,000	800,000
Conditions met - grant amount transferred to revenue	890,000	800,000
	-	-

Conditions still to be met remain liabilities (see not 15)

The grant is meant to assist the municipality in the improvement of governance system related transactions.

NDPG

	2014	2013
Balance of Unspent Grant at beginning of year	-	-
Current year receipts	5,528,000	-
Conditions met - grant amount transferred to revenue	2,012,433	-
	3,515,567	-

Conditions still to be met remain liabilities (see not 15)

EPWP

	2014	2013
Balance of Unspent Grant at beginning of year	-	-
Current year receipts	1,000,000	1,000,000
Conditions met - grant amount transferred to revenue	1,000,000	1,000,000
	-	-

24 Other revenue

	2014	2013
Fees Earned	651,301	1,068,490
Commision received	4,840,807	4,464,215
Fines	185,948	417,376
Other Income	665,519	1,625,674
Licences and Permits	6,413,748	5,750,760
	12,757,323	13,326,515

Interest revenue

	2014	2013
Interest on current aland gene	927636	652,483
Interest on outstanding debtors	873,376	528,919
Interest received -investment	11,167,175	3,318,238
	12,968,187	4,499,640

Notes of the Financial Statements (Figures in Rand)

25. General Expenses

	2014	2013
Advertising	629,133	422,204
Auditors fees	2,404,365	1,949,859
Bank charges	314,679	308,146
Consulting and professional fees	14,083,476	3,593,897
Consumables	111,056	111,736
Donations Electrification Projects	-	3,511,500
Entertainment	346,714	306,102
Fines and penalties	14,459	2,733
Insurance	396,241	344,488
IT expenses	691,861	763,060
Finance lease	-	1,523,301
Promotions and sponsorships	1,214,771	200,030
Magazines, books and periodicals	54,467	44,931
Fuel and oil	370,702	884,200
Printing and stationery	909,138	769,887
Protective clothing	381,204	296,178
Royalties and license fees	50,102	43,389
Staff welfare	719,777	522,471
Subscriptions and membership fees	710,753	526,991
Telephone and fax	1,361,271	1,171,618
Training	1,132,816	934,594
Travel - local	5,315,461	4,169,348
Refuse	1,360	19,343
Special programs	1,581,291	1,554,754
Ward committee	3,483,000	3,657,779
Other expenses	5,263,776	3,639,225
	42,141,871	**31,271,764**

Notes of the Financial Statements (Figures in Rand)

27. Personnel Expenses

	2014	2013
Basic Salary	54,719,658	50,488,549
Bonus	4,122,590	3,694,678
Medical Aid - Company contributions	3,874,669	3,213,279
UIF	396,212	367,062
SDL	717,882	661,785
Pensioner Fund	10,476,561	9,719,767
Other payroll levies	20,085	615,783
Post-employment benefits - Pension - Defined contribution plan		9,719,769
Overtime payments	1,987,584	1,601,388
Long-service bonus provision	-	921,000
13th Cheques	-	3,582,925
Car allowance	8,922,834	8,484,436
Housing benefits and allowances	388,142	350,852
Telephone allowance	770,013	617,187
Other allowance	16,720	12,860
Standby allowance	-	1,246,000
Post Employment Health Care Benefit Current Cost	-	2,389,000
	86,412,950	97,686,320

Remuneration of Municipal Manager

	2014	2013
Annual Remuneration	985,541	1,011,628
Car Allowance	132,000	144,780
Telophone Allowance	17,809	-
Acting Allowance	-	37,537
Contribution to UIF, Medical and Pensioner Fund	-	13,141
Other Allowance	-	35,659
	1,135,350	1,242,745

Remuneration of Acting Chief Financial Officer

	2014	2013
Annual Remuneration	-	453,401
Car Allowance	32,225	55,996
Telephone Allowance	-	
Acting Allowance	304,863	86,984
Contribution to UIF, Medical and Pensioner Fund	-	3,818
Other Allowance	2,682	
Bonus	-	111,754
	339,771	711,953

Remuneration of Corporate Services

	2014	2013
Annual Remuneration	801,341	770,901
Car Allowance	170,550	171,474
Telephone Allowance	37,428	
Contribution to UIF, Medical and Pensioner Fund	-	10,481
Other Allowance	-	-
	1,009,319	952,856

Remuneration of Community Services

	2014	2013
Annual Remuneration	845,891	778,061
Car Allowance	100,160	96,520
Telephone Allowance	43,428	
Housing Allowance	24,000	
Contribution to UIF, Medical and Pensioner Fund	-	10,657
Other Allowance		78,591
	1,013,479	963,829

Remuneration of Director Technical Services

	2014	2013
Annual Remuneration	711,558	431,391
Car Allowance	321,976	155,747
Telephone Allowance	-	-
Contribution to UIF, Medical and Pensioner Fund	-	6,902
Bonus	59,028	-
Other Allowance	12,268	62,185
	1,104,831	656,225

Notes of the Financial Statements (Figures in Rand)

	2014	2013

28. Remuneration of councillors

Mayor	727,009	690,159
Executive Members	4,125,471	3,808,943
Speaker	626,357	603,408
Councillors	11,684,767	12,257,510
Chief Whip	625,577	586,692
	17,789,181	17,946,712

In-kind benefits

The Executive Mayor, Speaker, Single Whip of Council and Mayoral Committee Members are full-time and are provided with office space at the cost of the council. In addition, all councillors are paid travelling allowances for trips outside GTM. The Executive Mayor, Speaker and Single Whip of Council are also provided with secreterial support at the cost of the Council.

The Executive Mayor has been provided with Council owned vehicle for the use on official duties.

Remuneration of mayor

Salary	527,851	522,587
Car allowance	175,950	167,572
Telephone Allowance	20,868	-
Reinbursive allowances	2,340	-
Substitences Allowance	-	-
	-	-
	727,009	690,159

The remuneration of councillors including the Mayor has been disclosed in the financial statements for the first time this year. Comparative figures are not available for disclosure purposes as the system does provide the required information.

Remuneration of speaker

Remuneration of councillors

Salary	422,280	422,044
Car Allowance	140,760	134,057
Telephone Allowance	20,868	-
Reimbursive allowances	40,369	47,307
Substitences Allowance	2,080	-
	626,357	603,408

Remuneration of chief whip

Salary	395,888	396,906
Car Allowance	131,963	125679
Telephone Allowance	20,868	-
Reinbursive allowances	73,818	64105
Substitences Allowance	3,040	-
	625,577	586,690

Notes of the Financial Statements (Figures in Rand)

	2014	2013
Remuneration of executive councillors		
Salary	2,670,823	2,687,581
Car Allowance	883,915	848,331
Telephone Allowance	187,812	-
Reinbursive allowances	372,441	273,031
Substitences Allowance	10,480	-
	4,125,471	3,808,943

28. Debt impairment

Contributions to debt impairment provision	184,551	28,282,842

30. Fair value adjustments

Investment property (Fair value model)	4,140,600	15,058,700
Other financial liabilities		-
	4,140,600	15,058,700

31. Depreciation and amortisation

Property, plant and equipment	59,843,760	33,997,016

32. Finance costs

Trade and other payables (LATE PAYMENT)	14,459	42,385
Finance leases	14,979,935	11,629,040
Current borrowings	1,294,228	1,242,430
	16,288,622	12,913,855

Greater Tubatse Local Municipality

Financial Statements for the year ended 30 June 2014

Notes of the Financial Statements (Figures in Rand)

	2014	2013
33. Auditors' expenses		
Auditors' Fees	2,310,586.96	1,880,617
Consulting	-	3,766
Audit Committee	93,778	69,242
	2,404,365	1,953,625
34. Rental of facilities and equipment		
Rental of facilities and equipment	557,171	526,064
35. Contracted Services		
Cash collection cost	312,295	191,778
Professional services	1,701,061	807,191
Security banking services	-	-
Security Services	11,391,634	9,490,368
	13,404,989	10,489,337
36 Grants and subsidies paid		
Other subsidies		
Grant in Aid & Burial	148,255	56,962
Indigents Subsidies	66,458	48,014
Free Basic Eletricity	3,483,987	3,511,500
	3,698,699	3,616,476
37. Cash generated from operations		
Surplus (deficit)	58,585,705	45,005,748
Adjustment for:		
Depreciation and amortisation	59,810,593	33,997,016
Gain on sale of assets and liabilities	-	992,000
Fair value adjustments	(4,140,600)	(15,058,700)
Finance costs - Finance leases	(16,288,622)	118,153
Debt impairment	1,800,000	28,282,842
Movements in retirement benefit assets and liabilities	1,115,000	5,028,000
Movements in provisions	211,000	1,595,439
Changes in working capital:		
Inventories	-	53,497
Receivables from exchange transactions	603,581	5,871,940
Other receivables from non-exchange transactions	941,034	-6,955,270
Consumer debtors	-16,926,388	-17,076,417
Payables from exchange transactions	17,898,946	2,953,352
VAT	-1,105,205	132,214
Unspent conditional grant and receipts	-11,013,685	13,980,105
Consumer deposits	48,923	135,196
	91,540,282	**99,055,115**
38 Commitments		
Authorized capital expenditure		
Approved and contracted for:		
Parking Shades	-	-
IT Infrastracture	-	-
Sportsground & Facilities	-	-
Rural Cemetries	-	-
Electrification of villages	2,481,897	-
Municipal infrastructure	-	14,520,078
Other financial assets	-	9,174
	2,481,897	**14,529,252**
Not yet contracted for but authorized:		

This committed expenditure relates to plant and equipment and was financed by previos financial year MIG and INEP and also internal funding. Electrification project will be financed in phases.

Notes of the Financial Statements (Figures in Rand)

38. Contingencies Liabilities

The following are the cases lodge with in court with status

	2014	2013
Mopicon vs GTM	1,100,000	2,000,000
Limpopo Binders vs GTM	-	700,000
Amelia Mashego vs GTM	-	1,000,000
Kgoetste Justice vs GTM	-	125,000,000
Malicious proceedings	-	100,000
Matladi Family Trust vs GTM and Developers	540,000	-
Loncon Developments (Pty) Ltd vs GTM	1,650,000	-
Makonko Daniel Madisha & another vs GTM	65,000	-
Thushanang Construction vs GTM	56,000	-
Munsoft (Pty)Ltd vs GTM	251,000	-
	3,662,000	**128,800,000**

Notes of the Financial Statements (Figures in Rand)

	2014	2013

39. Related parties

Related party comprised of:

Councillors	Ref to note 27
Directors	Ref to note 28

Notes of the Financial Statements (Figures in Rand)

	2014	2013

41 Going Concern

The annual financial statement has been prepared on a going concern basis.

42. Unauthorized expenditure

	2014	2013
Opening Balance	77,687,230	-
Current Year Expenditure -On Cash Votes	-	58,811,831
Current Year Expenditure: On Non Cash Votes	-	18,875,399
Less Amount Condoned	-	
Closing Balance	77,687,230	77,687,230

Measures are in place to seek council approval for the condonement of prior year unauthorised expendititure.

43. Fruitless and wasteful expenditure

	2014	2013
Opening balance	77,319	29,084
Add: Fruitless and Wasteful Expenditure- current year:	240,804	48,235
Less: Amounts condoned	-	-
Closing Balance	318,123	77,319

Include particulars of any criminal or disciplinary steps taken as a consequence of above expenditure

44. Irregular expenditure

	2014	2013
Opening balance	7,607,725	7,607,725
Add: Irregular Expenditure - current year	-	-
Less: Amounts condoned	-	-
Closing Balance	7,607,725	7,607,725

Include particulars of any criminal or disciplinary steps taken as a consequence of above expenditure

The municipality is investigating possible instances of irregular expenditure which has not been included in the amount disclosed above. The full extent of irregular would only known at the conclusion of these investigation. The amount disclosed above may change based on the outcomes of these investigation.

Notes of the Financial Statements (Figures in Rand)

		2014	2013
45	**Audit Fees**		
	Opening balance	1,880,617	1,880,617
	Current year fee	-	-
	Amount paid - current year	2,310,587	
		-429,970	1,880,617
46	**PAYE and UIF**		
	Opening balance	-	-
	Current year costs	16,921,191	14,873,820
	Amount paid - current year	16,921,191	14,873,820
		-	-
47	**Pension and Medical Aid Contributions**		
	Opening balance	-	-
	Current year costs	24,740,964	22,252,880
	Amount paid - current year	24,740,964	22,252,880
		-	-
48	**VAT**		
	VAT payable	2,852,918	4,297,585

The municipality is registered for VAT on a cash basis. As such VAT is claimed or paid on receipt of payment or settlement of the transaction, respectively.

All VAT returns have been submitted by the due date throughout the year.

		2014	2013
49	**Repair & Maintanance**		
	R & M Building	184,551	-
	R & M Machinery & Equipment	3,558,540	344,259.42
	R & M Furniture and Equipment	23,893	95,830.09
	R & M OF IT	546,326	-
	R & M Street lights and robots	1,972,043	1,775,820.23
	Vehicle and Machinery	511,587	-
		6,796,939	2,215,910
50	**Inter-Deparmental Charges**		
	Assessment Rates	17,725	16,650
	Electricity	2,090,419	287
	Refuse Removal	12,800,289	11,973,487
	Sewer	-	2,635
	Water	-	5,055
		14,908,433	11,990,424

Notes of the Financial Statements (Figures in Rand)

		2014	2013
51	**Additional disclosure in terms of Municipal Finance Management Act (continued)**		
	Councillors' arrear consumer accounts		
	Clr IM NKOSI	19,401.93	-
52	SALGA	809,410.00	2,013,001.00

Notes of the Financial Statements (Figures in Rand)

	2014	2013
53 Money Market Investments		
FNB BANK - CALL ACCOUNT -620-623-0699	35,112	34,854
FNB BANK - BUSINESS -621-714-33982	179,515	173,311
FNB BANK - CALL ACCOUNT -620-275-10818	33,947,234	32,746,953
FNB BANK - CALL ACCOUNT -616-550-0887	72,409	71,715
NEDBANK - 90 DAYS NOTICE -788-109-6004	55,090,147	52,315,173
FNB BANK - CHEQUE ACCOINT -620973-4319 (Collateral Security)	-	11,944
	89,324,417	85,353,950

ANNEXURE J : AUDITOR GENERAL REPORT

Report of the auditor-general to Limpopo Provincial Legislature and the council on Greater Tubatse local municipality

Report on the financial statements

Introduction

1. I was engaged to audit the financial statements of the Greater Tubatse Municipality set out on pages xx to xx which comprise the statement of financial position as at 30 June 2014, the statements of financial performance, changes in net assets, cash flows and the statement of comparison of budget information with actual information for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), Division of Revenue Act of South Africa, 2013(Act No. 2 of 2013) (DoRA) and for such internal control as the accounting officer determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Property, plant and equipment

4. I identified a number of assets belonging to the municipality that were not included in the accounting records and financial statements. As the municipality did not maintain adequate records for property, plant and equipment, I was not able to determine the full extent of the understatement on property, plant and equipment stated at R1 449 089 504 (2013: R1 451 634 697) in the financial statements, as it was impracticable to do so.

5. I was unable to physically verify items of property, plant and equipment amounting to R93 304 032 as the municipality did not maintain adequate records for the identification of property, plant and equipment. I was unable to confirm the physical assets by alternative means. Consequently I was unable to determine whether any adjustment relating to property, plant and equipment stated at R1 449 089 504 (2013: R1 451 634 697) in the financial statements was necessary.

6. The municipality did not adequately assess at reporting date whether there were any indications that assets might be impaired, as required by SA Standards of GRAP 21 *Impairment of non-cash-generating assets*. I identified assets amounting to R16 519 450 with impairment indicators included in the accounting records and financial statements which were not subjected to impairment testing. Consequently I was unable to determine whether any adjustments relating to property, plant and equipment stated at R1 449 089 504 (2013: R1 451 634 697) in the financial statements was necessary.

7. The municipality did not account for retentions amounting to R2 906 756 for assets that were capitalised in 2012-13 in accordance with the requirements of SA Standards of GRAP 3 *Accounting policies, estimates and errors*. The retentions were accounted for as additions in the current year. Consequently, property, plant and equipment are understated by R2 906 756 (2013). Additionally, there is a consequential impact on the surplus for the period and the accumulated surplus.

8. The accumulated depreciation disclosed as per financial statements are misstated by R4 147 126 as the municipality did not calculate the depreciation as per accounting policy.

9. The underlying accounting records of the municipality did not in all instances include sufficient details of infrastructure assets to enable me to perform a physical verification of these assets. In addition, assets could also not in all cases be found at their recorded locations. I was unable to confirm the existence of these assets by alternative means. Consequently I was unable to determine whether any adjustment relating to infrastructure assets stated at R1 331 121 149 (2013: R1 330 538 539) disclosed in note 3 to the financial statements was necessary

10. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for property, plant and equipment. The restatement was not made to rectify a prior year misstatement. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment to the property, plant and equipment corresponding figure stated at R1 451 635 in the financial statements was necessary

11. I was unable to obtain sufficient appropriate audit evidence for roads and bridges included in the accounting records and financials statements of the municipality as adequate evidence of the deemed cost calculations could not be provided. I could not confirm the correctness of the deemed cost by alternative means. Consequently, I was unable to determine whether any adjustment to additions stated at R54 556 969 in the financial statements was necessary

12. The municipality did not review the residual values and useful lives of property, plant and equipment at each reporting date, in accordance with SA Standards of GRAP 17 *Property, plant and equipment*. Property, plant and equipment with a gross carrying amount of R35 771 375 were included in the financial statements at a R12 729 net carrying amount while still being in use. I was not able to determine the correct net carrying amount of property, plant and equipment, as it was impracticable to do so.

13. I identified assets such as computer equipment, furniture and fittings and other assets to the value of R21 182 154 which were incorrectly classified as infrastructure assets. Consequently, infrastructure assets was overstated by R21 182 154 and the computer equipment and other assets was understated by R21 182 154. Additionally, there was a resultant impact on the surplus for the period and the accumulated surplus.

14. I was unable to obtain supporting documents for journals passed to the amount of R153 794 681, as internal controls were not established over recording and safekeeping of records. Consequently I was unable to determine whether any adjustments relating to property, plant and equipment stated at R1 449 089 504 (2013: R1 451 634 697) in the financial statements was necessary.

15. The net carrying amount of property, plant and equipment disclosed as per financial statements are misstated by R8 383 120. The municipality could not provide an explanation or supporting documentation for the differences noted. Consequently I was unable to determine whether any adjustments to the property, plant and equipment balance in the financial statements were necessary.

16. I identified differences to the amount of R714 066 688 between the amount that was disclosed as Property, plant and equipment per the 2013 closing balance and the 2014 opening balance. The municipality could not provide an explanation or supporting documentation for the differences noted. Consequently I was unable to determine whether any adjustments to Property, plant and equipment stated at R1 449 089 504 in note 3 to the financial statements were necessary.

Investment properties

17. I identified a number of investment properties belonging to the municipality that were included in the accounting records and financial statements at no values. As the municipality did not maintain adequate records for investment properties, I was unable to confirm the adjustment by alternative means. Consequently I was unable to determine whether any adjustment relating to investment properties stated at R120 255 400 (2013: R116 114 800) in the statement of financial position was necessary.

Personnel cost

18. I was unable to obtain supporting documents for journals passed to the amount of R8 464 000, as internal controls were not established over recording and safekeeping of records. I was unable to determine whether any adjustments to general expenses stated at R86 412 950 in the financial statements were necessary.

General expenses

19. The municipality could not provide sufficient appropriate audit evidence for expenditure incurred amounting to R12 103 666. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that expenditure was actually incurred and in accordance with the applicable regulations. Consequently I was unable to determine whether any adjustment relating to general expenses stated at R42 141 871 in the statement of financial position was necessary.

20. I was unable to obtain journals passed to the amount of R60 828 225, as internal controls were not established over recording and safekeeping of records. Consequently,

I was unable to determine whether any adjustments to general expenses stated at R42 141 871 in the financial statements were necessary.

21. I was unable to obtain supporting documents for journals passed to the amount of R74 752 690, as internal controls were not established over recording and safekeeping of records. I was unable to determine whether any adjustments to general expenses stated at R42 141 871 in the financial statements were necessary.

Cash flows statement

22. SA Standards of GRAP 2 *Cash flow statements*, requires that the municipality summarises it's operating, investing and financing activities. I was unable to obtain sufficient appropriate audit evidence to confirm an amount of R72 572 023 included in other non-cash items in the cash flow statement. The entity's records did not permit the application of alternative procedures. Consequently I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the correctness of the cash flow statement presented in the financial statements

Revenue

23. I was unable to obtain sufficient appropriate audit evidence on commission received, as internal controls were not established over water meter reading. The municipality used estimates for the whole financial year. I was unable to confirm the correctness of the commission received by alternative means. Consequently I was unable to determine whether any adjustments to commission received stated at R4 840 807 (2013: R4 464 215) in the statement of financial performance were necessary

24. During 2013 the financial year I reported that I was unable to obtain evidence of journals passed for revenue to the amount of R6 392 195, as internal controls were not established over recording and safekeeping of records. My audit opinion on the financial statements for the period ended 30 June 2013 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

25. I was unable to obtain sufficient appropriate audit evidence about revenue received, as the municipality did not recognise traffic fines revenue in line with SA Standards of GRAP 23 *Revenue from non-exchange transactions* and GRAP 1 *Applying the probability test on initial recognition of revenue*. The entity's records did not permit the application of alternative procedures. Consequently, I am unable to determine whether any adjustments to the revenue stated at R 321 602 544 in the financial statements was necessary.

26. I was unable to obtain the journal passed to the amount of R45 683 668, as internal controls were not established over recording and safekeeping of records. Consequently, I was unable to determine whether any adjustments to revenue stated at R321 602 544 (2013: R269 332 401) in the financial statements were necessary.

27. I was unable to obtain supporting documents for journals passed to the amount of R14 367 711, as internal controls were not established over recording and safekeeping of records. Consequently, I was unable to determine whether any adjustments to revenue stated at R321 602 544 (2013: R269 332 401) in the financial statements were necessary.

28. Revenue on grants and subsidies was overstated by R17 633 895 and unspent conditional grants was understated by R17 633 895 as expenditure on conditional grants could not agree to the revenue recognised.

29. The municipality did not recognise all its revenue, in accordance with SA Standards of GRAP 23 *Revenue from non exchange transactions*. Amounts rolled over from the previous year were not included in revenue reported in the statement of financial performance. Consequently, revenue is understated by R 14 529 174.

Cash and bank

30. I was unable to obtain year end journals passed to the amount of R10 000 000, as internal controls were not established over recording and safekeeping of records. Consequently, I was unable to determine whether any adjustments to cash and cash equivalents stated at R108 638 895 (2013: R86 285 631) in the financial statements were necessary.

31. The cash and cash equivalents disclosed are misstated by R15 260 868 as the cash book balance as per general ledger amount does not reconcile to the bank statement. Consequently, I am unable to determine whether any adjustments to cash and cash equivalent stated at R108 638 895 (2013: R R86 285 631) in the financial statements were necessary.

Receivables

32. I identified differences to the amount of R18 029 903 between receivables presented in the statement of financial position and the debtors age analysis. The entity did not reconcile these differences. Consequently I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the correctness of the receivables presented in the financial statements.

33. I identified differences to the amount of R3 193 877 between the external confirmation for commission on water related transactions and amounts disclosed per annual financial statements Consequently I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the correctness of the receivables stated at R1437 356 in note 10 to the financial statements

34. The municipality did not provide sufficient allowance for impairment on long outstanding receivables as the municipality did not consider all irrecoverable debtors. Consequently, provision for doubtful debts was understated R4 512 542 and total receivables was overstated by R4 512 542

Other interest bearing liabilities

35. I identified differences to the amount of R2 564 692 between the external confirmation from the Development Bank of Southern Africa on loan transactions and amounts disclosed in the annual financial statements. The municipality's records did not permit the application of alternative procedures. Consequently I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the correctness of the other financial liabilities stated at R15 299 940 as per note 13 to the financial statements

Provisions

36. I was unable to obtain information to substantiate the provision for environmental rehabilitation disclosed in the annual financial statements for the year ended 30 June 2014 to the amount of R4 489 282. Management could not provide supporting documentation for this provision. I was unable to confirm the estimates for provisions by alternative means. Consequently, I was unable to determine whether any adjustment to provisions reflected at R6 771 861 in the financial statements was necessary.

37. I identified leave provisions to the amount of R10 439 740 that were included in the accounting records of the municipality and not disclosed in the financial statements. Consequently I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the correctness of provisions presented in the financial statements.

38. I identified differences to the amount of R4 719 162 between the amount that was disclosed as provisions per the 2013 closing balance and the 2014 opening balance. The municipality could not provide an explanation or supporting documentation for the differences noted. Consequently I was unable to determine whether any adjustments to the provisions stated at R678 536 in note16 to the financial statements were necessary

Contingent liabilities

39. As per note 38 to the annual financial statements, the municipality has disclosed R3 662 000 as contingent liabilities. In addition, it has been established that the municipality is involved in additional litigation claims with service providers to an amount of R113 732 319, this amount has been excluded from the disclosure. Therefore contingent liabilities is understated R113 732 319.

Commitments

40. The municipality could not provide contract files and other supporting documents for contracts committed amounting to R2 481 896 (2013: R28 990 000). There were no alternative audit procedures that I could perform to obtain reasonable assurance that contracts were committed. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to whether any adjustment relating to commitments as disclosed in note 38 to the financial statements were necessary

41. I identified commitments to the amount of R64 574 670 that were not included in the financial statements. As the municipality did not maintain adequate records for commitments, I was unable to determine the full extent of the understatement in commitments as it was impracticable to do so. Consequently I was unable to determine whether any adjustment relating to commitments stated at R2 481 897 (2013: R14 529 252) in the statement of financial position was necessary.

Lease commitments

42. The lease commitments disclosed as per financial statements are overstated by R3 776 914 as the lease commitments amount does not agree to the supporting documentation. Consequently I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the correctness of lease commitments presented in the financial statements

Trade and other payables

43. I identified differences to the amount of R2 906 935 between the disclosed amount for trade and other payable per the 2013 closing balance and the 2014 opening balance. The municipality could not provide an explanation or supporting documentation for the differences noted. Consequently I was unable to determine whether any adjustments to the trade and other payables stated at R38 895 325 in note17 of the financial statements were necessary.

44. I identified differences to the amount of R9 873 095 between the external confirmation for trade payables on water related transactions and amounts disclosed per annual financial statements. Consequently I was unable to determine whether any adjustments to the trade and other payables stated at R38 895 325 in note 17 to the financial statements were necessary.

Budget information

45. The municipality did not present the statement of comparison of budget and actual amounts in accordance with the SA Standards of GRAP 24, *Presentation of budget information in financial statements*. We further noted that the municipality did not disclose the explanation of the material variances between the budget and the actual amounts. Material variances were noted between the budget and the actual amounts.

46. The following differences were noted between the original budget as per the statement of comparison and the approved original budget. The municipality did not reconcile these differences. Consequently I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the correctness of the budget statement disclosed in note 24 to the financial statements.

Description	Adjusted Budget	Actual Expenditure/ Revenue	Variances
Expenditure			
Employee salaries and allowances	72 743 361	86 412 950.00	3 521 492
Employee social contributions	17 191 081		
Councillors remuneration	17 520 000	17 789 181	(269 181)
General expenses	68 629 611	42 141 871	26 487 740
General expenses - contracted services	15 550 000	13 404 989	2 145 011
Interest expenses external borrowings	1 850 000	16 288 622	(14 438 622)
Repair and maintenance - municipal assets	8 490 000	6 796 939	1 693 061
Inter-departmental charges	15 000 000	14 908 433	91 567.00
Grants and subsidies paid	-	3 698 699	(3 698 699)
Depreciation	6 300 000	59 775 155	(53 475 155)
Contributions to bad debts reserve	2 700 000	1 800 000	900 000
			(39 611 733)

Description	Adjusted	Actual Expenditure/ Revenue	Variances
Property rates	(52 000 000)	(70 009 714)	18 609 714
Less : income foregone	600 000		
Service charges	(11 000 000)	(7 984 926)	(3 015 074)
Operating grants and subsidies	(157 226 860)	(153 684 360)	(3 542 500)
Capital grants and subsidies	(160 792 718)	(58 257 640)	(102 535 078)
Fines	(601 500)	(185 948)	(415 552)
Interest earned - external investments	(3 200 000)	(2 774 974)	(425 026,00)
Interest earned - outstanding debtors	(2 300 000)	(6 256 599)	(3 956 599)
Rent facilities and equipment	(650 000)	(557 171)	(92 829.00)
Other income	(41 946 000)	(12 571 375)	(29 374 625)
			(116 834 371)

Irregular expenditure

47. During 2013, I reported that the municipality procured goods and services amounting to R49 703 321 in contravention of the municipality's procurement policy requirements. Due to a lack of appropriate proper procurement system at the municipality, I was unable to confirm whether the disclosure regarding the irregular expenditure in the financial statements was complete. My audit opinion on the financial statements for the period ended 30 June 2013 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

48. The municipality could not provide tender files and other supporting documents for contracts awarded amounting to R25 182 284 (2013: R66 777 763). There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that contracts were awarded in accordance with the supply chain management regulations. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness of irregular expenditure as disclosed in note 44 to the financial statements.

49. I identified differences to the amount of R21 568 518 between the amount that was disclosed as irregular expenditure per the 2013 closing balance and the 2014 opening balance. The municipality could not provide an explanation or supporting documentation for the differences noted. Consequently I was unable to determine whether any adjustments to the irregular expenditure stated at R7 607 725 in note 44 to the financial statements were necessary

Unauthorised expenditure

50. The municipality did not include full particulars of unauthorised expenditure in the notes to the financial statements. The municipality incurred unauthorised expenditure amounting to R9 611 733 00 as a result of overspending of the total amount appropriated for votes in the approved budget, resulting in unauthorised expenditure being understated by the same amount. With reference to note 42 to the financial

statements R77 687 230 was disclosed as unauthorised expenditure, resulting in unauthorised expenditure being cumulatively understated by R9 611 733 00

The difference between the annual financial statements and the trial balance

51. The municipality did not reconcile differences between the financial statements and the underlying accounting records. The impact on the account balances and classes of transactions is reflected in the table below. I therefore could not determine the effect on other account balances or classes of transactions contained in the financial statements. Consequently, I was unable to determine whether any adjustments to these elements were necessary.

Property rates	-70 169 502	70 009 714.00	-159 787.60
Interest received	-6 256 599	5 383 223.00	-873 376
Personnel	81 927 510	86 412 950.00	-4 485 439
Remuneration of councillors	17 715 494	-17 789 181.00	-73 686
Depreciation and amortisation	59 853 610	-59 775 155.00	78 455
Finance costs	20 051 075	16 288 622	3 762 453
Repairs and maintenance	6 726 494	-6 796 939.00	-70 444
Grants and subsidies paid	51 214.39	-3 698 699.00	-3 647 484
General Expenses	44 619 774	42 141 871	2 477 903
Fair Value adjustments investment properties	0	4 140 600.00	4 140 600.00
Receivables from non-exchange transactions	4 715 996	3 107 301.00	1 608 695
Cash and cash equivalents	106 383 074	108 638 895.00	-2 255 820
Investment property	121 631 579	120 255 400.00	1 376 179
Property, plant and equipment	1 362 008 275	1 449 089 504.00	-87 081 228
Intangible Assets	0	64 062.00	64 062.00
Other financial liabilities	831 120	1 084 555.00	-253 434
Payables from exchange transactions	34 456 449	38 895 325.00	-4 438 875.65
VAT payable	1 590 090	2 852 918.00	-1 262 827
Consumer deposits	1 271 767	1 192 319.00	79 448
Unspent conditional grants and receipts	9 173	3 515 567.00	-3 506 393.25
Other interest bearing liabilities	14 226 513	14 215 385.00	11 128
Provisions	6 002 417	6 093 325.00	-90 907

Aggregation of immaterial uncorrected misstatements

52. The financial statements as a whole are materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements making up the statement of financial position, statement of financial performance and the notes to the financial statements:

- Provision for performance bonus reflected at R678 536 was overstated by R123 940 (2013: R1 710 660)
- VAT payable stated reflected at R2 794 241 understated by R2 454 779 (2013 : R1 145 092)
- Expenditure: subsistence reflected at R5 315 461 overstated by R62 781
- The grants and subsidies reflected at R3 698 699 overstated by R402 578
- Provision for leave pay reflected at R0 is understated by R10 680 998 (2013: R957 368)
- Depreciation reflected at R59 775 155 is understated by R78 456 (2013 : R1 302 717)
- Revenue from licensing and permits reflected at 6 413 748 is overstated by R939 223.
- Fruitless and wasteful expenditure reflected at R318 123 is overstated by R88 431 (2013 : R77 643)
- Commission revenue on water transactions reflected at R4 840 807 is overstated by R627 832 (2013: R75 567)
- Payable from exchange transactions reflected at R38 895 325 is overstated by R430 595.

As a result, I was unable to determine whether any adjustment to these items was necessary.

Disclaimer of opinion

53. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

Emphasis of matters

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

Significant uncertainties

55. With reference to note 38.1 to the financial statements, the municipality is the defendant in various lawsuits. The ultimate outcome of the matters cannot presently be determined and no provision for any liability that may result has been made in the financial

statements.

Irregular expenditure

56. As disclosed in note 44 to the financial statements, the municipality incurred irregular expenditure which is under investigation and has not been disclosed in the financial statements. The full extent of the irregular expenditure cannot be presently determined pending outcome of the investigations

Material underspending of the conditional grant

57. As disclosed in the note 23 the municipality has materially underspent the budget on economic and land development to the amount of R3 515 567. As a consequence, the municipality has not achieved its objectives of the above mentioned development priority.

Additional matters

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

Unaudited disclosure notes

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

Unaudited supplementary schedules

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

Report on other legal and regulatory requirements

61. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

62. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30

June 2014:

- Community services on pages x to x
- Technical services on pages x to x
- Economic and land development on pages x to x

63. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

64. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).

65. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

66. The material findings in respect of the selected programmes are as follows:

Community services

Reliability of reported performance information

67. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of frequent review of the validity of reported achievements against source documentation.

Technical services

Reliability of reported performance information

68. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of frequent review of the validity of reported achievements against source documentation.

Economic and land development

Reliability of reported performance information

69. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important

targets were not reliable when compared to the source information or evidence provided. This was due to a lack of frequent review of the validity of reported achievements against source documentation.

Additional matters

70. I draw attention to the following matter:

Achievement of planned targets

71. Refer to the annual performance report on pages xx to xx for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected development priorities reported in paragraphs xx to xx of this report.

Compliance with laws and regulations

72. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Budgets

73. Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA

Annual financial statements, performance and annual reports

74. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer audit opinion.

75. The 2012-13 annual report was not tabled in the municipal council within seven months after the end of the financial year, as required by section 127(2) of the MFMA.

76. A written explanation was not submitted to council setting out the reasons for the delay in the tabling of the 2012-13 annual report to the council, as required by section 127(3) and 133(1)(a) of the MFMA.

77. An oversight report, containing comments on the annual report, was not adopted by council within two months from the date on which the 2012-13 annual report was tabled, as required by section 129(1) of the MFMA.

78. The performance management system and related controls was inadequate as it did not describe and represent the processes of performance review and how it is conducted, organised and managed, as required by sections 38 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and regulation 7 of the *Municipal planning and performance*

management regulations.

Strategic planning and performance management

79. The performance management system and related controls were inadequate as it did not describe and represent the processes of performance review and how it is conducted, organised and managed, as required by sections 38 of the MSA and regulation 7 of the *Municipal planning and performance management regulations.*

Expenditure management

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

81. An adequate management, accounting and information system was not in place which recognised expenditure when it was incurred and accounted for creditors, as required by section 65(2)(b) of the MFMA.

82. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.

Procurement and contract management

83. Sufficient appropriate audit evidence could not be obtained that all contracts and quotations were awarded in accordance with the legislative requirements and a procurement process which is fair, equitable, transparent and competitive, as supporting documents could not be located.

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

85. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

86. Bids were not always evaluated by bid evaluation committees which were composed of officials from the departments requiring the goods or services and at least one SCM practitioner of the municipality as required by SCM regulation 28(2).

87. Contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA).

88. Awards were made to providers who are in the service of the municipality in contravention of section 112(j) of the MFMA and SCM regulation 44

Revenue management

89. An adequate management, accounting and information system which accounts for revenue was not in place, as required by section 64(2)(e) of the MFMA.

90. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

Human resource management and compensation

91. An acting CFO was appointed for a period of more than 3 months, in contravention of section 56(1) (c) of the MSA.

92. An acting MM was appointed for a period of more than 3 months, in contravention of section 54A (2A) of the MSA.

Assets and liabilities management

93. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

94. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Consequence management

95. Unauthorised, irregular, fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA.

96. Authorisation of unauthorised expenditure was not done through an adjustment budget, as required by section 32(2)(a)(i) of the MFMA.

97. The accounting officer did not always report to the South African Police Service cases of alleged irregular expenditure that constituted a criminal offence, as required by section 32(6) of the MFMA.

Conditional grant

98. The municipality did not evaluate its performance in respect of functions funded by the Municipal Systems Improvement Grant allocation, as required by section 12(5) of the DoRA.

99. Municipal Systems Improvement Grant funds were retained or rollover to the next financial year without seeking the approval of the National Treasury, as required by sections 21(1) of the DoRA.

100. The Municipal Systems Improvement Grant allocation was not spent in accordance with the applicable grant framework, in contravention of section 16(1) of the DoRA.

101. Local Government Financial Management Grant funds were retained or rolled-over to the next financial year without seeking the approval of the National Treasury, as required by sections 21(1) of the DoRA.

Audit committee

102. The audit committee did not advise the accounting officer on matters relating to the adequacy, reliability and accuracy of financial reporting and information, as required by section 166(2)(a)(iv) of the MFMA.

103. The audit committee did not review the annual financial statements to provide the council with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with legislation, as required by section 166(2)(b) of the MFMA.

104. The audit committee did not meet at least four times a year, as required by section 166(4)(b) of the MFMA.

Internal controls

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

Leadership

106. Oversight responsibility regarding financial and performance reporting and compliance and related internal controls was not exercised.

107. The accounting officer did not implement HR management effectively to ensure that adequate and sufficiently skilled resources are in place.

108. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure.

Financial and performance management

109. The financial statements and other information to be included in the annual report were not reviewed for accuracy and completeness by the accounting officer.

110. Controls over daily and monthly processing and reconciling of transactions were not implemented by the accounting officer.

111. Compliance with laws and regulations was not reviewed and monitored by the accounting officer.

112. There was no proper record keeping supporting the financial statements and the annual performance report, consequently requested information was not submitted.

113. The significant number of adjustments to the PPE balances and qualification paragraphs would be attributable to capacity constraints.

Governance

114. The audit committee did not review the financial statements and annual performance report for adequacy, reliability and accuracy prior to submission for audit.

115. The risk assessment procedures implemented by the municipality were not adequate, as all risks affecting the municipality were not identified.

Other reports

Investigations

116. There are an investigations being conducted at the municipality which are at different stages and have not been concluded at the reporting date.

Auditor General

Polokwane

28 November 2014

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE K : AUDIT COMMITTEE REPORT

The GTM

GREATER TUBATSE MUNICIPALITY

South Africa's first democratic platinum city

REPORT OF THE AUDIT COMMITTEE

TO

GREATER TUBATSE MUNICIPAL COUNCIL

FOR

THE PERIOD ENDING 31st DECEMBER 2014

REPORT OF THE AUDIT COMMITTEE: 1st July – 31st December 2014

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1. INTRODUCTION

In terms of section 166 2 [b] of the Municipal Finance Management Act, No. 56 of 2003 (MFMA), the Audit Committee is required to report quarterly to the municipal council on their perception of the overall control environment and whether or not they consider that the report should be accepted by the Council.

The Committee is comprised of five Independent members as at the end of the 2nd Quarter reporting period.

2. TERMS OF REFERENCE

The Audit Committee has adopted an Audit Committee Charter which sets out the fundamental roles and responsibilities of the Committee. The Charter was informed by the requirements of section 166 of the Municipal Finance Management Act. The Committee has conducted its affairs in line with this Charter.

3. AUDIT COMMITTEE MEMBERS

The members of the Audit Committee during the period under review were as follows:

No	Member	Position
1.	Mr. K.M. Ramukumba	Chairperson
2.	Ms. S.V. Mabilane	Member
3.	Mr. L. Langalibalela	Member
4.	Mr. P. R. Mnisi	Member
5.	Mrs. S.M. Makinta	Member

4. RESPONSIBILITIES OF THE AUDIT COMMITEE

4.1 RESPONSIBILITIES RELATING TO THE INTERNAL AUDIT FUNCTION

Internal audit function is an important function within any organization which is supposed to assist an organization review the adequacy, effectiveness and efficiency of its internal controls as well as compliance to legislations, policies and procedures with an intention of making recommendations to improve on these to ensure that organizational objectives are achieved in an efficient, effective and economical manner and in compliance with the relevant regulations, laws and best practices.

For an internal audit function to achieve this it must be adequately capacitated in relation to the internal audit requirements of the organization. The Audit Committee noted the gross understaffing of the internal audit unit both in terms of the number of personnel and the requisite skills and various expertise required for an adequate internal audit unit that can adequately carry out its duties. The lack of capacity of the audit unit was apparent in the level of control deficiencies identified by the Auditor General in his audit reports presented to the Audit Committee.

The Audit Committee recommends that, internal audit unit be capacitated either through appointing internal staff to boost the in house capacity of the unit for it to conduct its work effectively and add value to the Municipality; or an outsourced approach be taken where an external firm with capacity is appointed. The other alternative will be to go for a hybrid of internal capacitation and outsourcing of certain specialized skills like IT, Performance Audit, etc.

Given the current situation of the Municipality and the importance of the internal audit function, as an interim measure, the Council should consider engaging the District Municipality to second their outsourced Internal Audit function to assist the Municipality until such time that the Municipality is able to procure its own outsourced partner or staff the unit adequately.

4.2 RESPONSIBILITIES RELATING TO THE EXTERNAL AUDIT FUNCTION

The Audit Committee met with the Auditor-General to discuss the Municipality's audit outcome for the year ended 30th June 2014. Both the Auditor-General report and the Management Report were considered by the Audit Committee. Both reports reflected on collapse of governance and poor leadership in the Municipality. The Auditor-General was unable to obtain sufficient appropriate audit evidence relating to the Municipality's financial statements and performance information and this resulted in a disclaimer on opinion. The Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statement for the year ended 30th June 2014 and is of the opinion that the Audited Financial Statements be accepted and read together with the report of the Auditor General.

The review of the Management Letter and the Audit Report from the Auditor General by the Audit Committee members revealed a Municipality whose daily controls are in a state of total collapse. Day to day accounting for accounting transactions coupled with the necessary reconciliations were not done which affected the accuracy and completeness of the reports presented to Council for noting and decision making. The most worrying factor was the Auditor Generals specific concerns around tender documents for tenders worth millions which according to the Auditor Generals representative *"just grew wings and disappeared from Municipal buildings and could not be located and presented for audit purposes"*. A further concern was a total disregard of such an important function as the audit of the Auditor General where the Auditor General reported the absence of key staff members when they were required to respond to audit queries and provide information for audit purposes.

The Audit Committee recommends that a clear corrective action plan be developed for all the findings raised by the Auditor General and progress reports on their implementation be submitted to the Mayor on a monthly basis and to Council on a quarterly basis for monitoring.

4.3 RESPONSIBILITIES RELATING TO ANNUAL FINANCIAL STATEMENTS

The Audit Committee was convened to review the Annual Financial Statements of the Municipality prior to submission to the Auditor General as required by the PFMA. The meeting was convened just three days before the submission date. Audit Committee members were not provided with copies of the Financial Statements prior the meeting and officials for what was wrong in the Municipality when she was supposed to be the Chief Administrator of the Municipality.

The Audit Committee sought to intervene by detailing what needs to be done for preparations for future meetings in order to address the apparent deficiencies as observed in that first meeting ranging from day to day management of Municipal operations, performance management, consequence management, leadership, unity and professionalism as well as professional and courteous behavior amongst colleagues. Furthermore, the Committee met with the Mayor, Acting MM and the Acting CFO to highlight its concerns and offer counsel on corrective measures.

It must be noted that the Mayor offers hope to the future of the Municipality as he demonstrated commitment and willingness to correct things to turn the fortunes of the Municipality around, however without the right administrative team the Municipality will continue to be in a state of paralysis.

Notwithstanding the Audit Committee's intervention, unfortunately the question of lack of leadership which was underpinned by the undermining of the acting MM by her officials persisted throughout the rest of the meetings and the attitude of unwillingness to take responsibility and accountability continued. Given what we have observed as the Audit Committee, one would have been forgiven to think that there was a deliberate intent to sabotage each other amongst the Senior Officials at the expense of the Municipality and with very little care for what impact this had on service delivery.

The Audit Committee has noted the change of leadership in the form of the replacement of the Acting MM with another Acting MM, Mr. Moja; as well as the replacement of the Acting CFO with another Acting CFO, Mr. Mhangwana. Whilst this appears to have minimized the leadership challenge, it is important to note that the Audit Committee remains concerned about the progress that will be made towards the 2014/2015 Annual Financial Statements and external audit given that these changes are themselves not permanent and the replacements are new to the Municipality who have to understand the Municipality operations and the challenges faced by the Municipality.

A further concern is the limited authority that comes with an Acting position for the incumbents, which given the rooted culture of non-performance, unprofessionalism and infighting amongst the Municipal staff members may pose a challenge to their abilities to turn the ship around speedily.

The Audit Committee recommends that all vacancies at Senior Management level be filled with permanent/fixed term appointees who will have authority and a long term commitment to fixing the current challenges faced by the Municipality.

5.2 VACANCIES AT SENIOR MANAGEMENT LEVEL

The Audit Committee noted with concern, the number of Senior Management positions which are vacant as this creates a leadership vacuum and affects the ability of the Municipality to drive service delivery. A further challenge is the lack of authority of those in Acting positions over their subordinates as demonstrated by some of the practical experiences of the Audit Committee at Audit Committee meetings where the acting MM was taken on by her juniors in a disrespectful manner even in front of the Audit Committee, the Auditor General and Service Providers.

The Audit Committee recommends that the Municipality moves to fill all vacant Senior and critical positions within the Municipality to bring the much needed stability on the operations of the municipality and within the leadership level of the Municipality to ensure continued and improved service delivery.

5.3 UNDERSTANDING OF THE AUDIT COMMITTEE FUNCTION

Management appears to see the Audit Committee as a matter of compliance rather than a Management assistant tool. Preparations for the 2013/2014 annual audit is proof enough that the Audit committee is a compliance matter for management since the timing of the meetings to review the AFS before submission to the AG gave the Audit Committee very little time to review and make meaningful contributions. This was also evident in the signing off of the AGSA Audit Report, the report was presented to the Audit Committee after it was signed-off. As a result, the Audit Committee was not able to perform its oversight role effectively for the period.

The Audit Committee recommends that management be oriented on the role and responsibilities of the Audit Committee and it's important in the life of any organization.

6. APPRECIATION

The Audit Committee would like to appreciate the support provided by the Acting Mayor who has demonstrated at all times a commitment to solving the challenges facing the Municipality and has supported the work of the Audit Committee. Appreciations are further extended to the members of Management who have supported the work of the Audit Committee.

Further appreciation is extended to the Council for affording the members of the Audit Committee an opportunity to play a role in making Government work for the people of Greater Tubatse Local municipality in the interests of service delivery and a better life for all.

KHATHU RAMUKUMBA (CA) SA

CHAIRPERSON: AUDIT COMMITEE