2017/2018

THEMBISILE HANI

LOCAL MUNICIPALITY DRAFT

ANNUAL REPORT

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Chapter 1

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

1. EXECUTIVE MAYOR'S FOREWORD

Our performance as a Municipality for each financial year is measured by whether we have achieved the key objectives set out in our IDP within the allocated budget.

VISION

The Municipality's vision is as follows:

"To better the lives of our people through equitable, sustainable service delivery and economic development"

MISSION

Thembisile Hani Local Municipality aims to work towards achieving its long-term vision by:

- Participatory Integrated Development Planning
- Sustainable, accountable and accelerated service delivery
- Promoting socio-economic development
- Intensifying community participation
- Shared economic growth
- Allocating resources within budgetary constraints
- Ensuring effective and efficient financial governance
- Applying good and transparent corporate governance and Batho pele principles in order to create a high performing municipality

Chapter 1

THEMBISILE HANI LOCAL MUNICIPALITY VALUES & PRINCIPLES

The Municipality will continue to be driven by and observe the following service delivery principles:

- Showing compassion and care to all municipal customers
- Treating all residents equality and with integrity and respect
- Attending to and responding to all queries efficiently
- Conducting the municipal business processes in an ethical and professional manner

KEY POLICY DEVELOPMENTS

Council in 2017 adopted a five year Integrated Development Plan, which is a single, inclusive and strategic plan for the development of the municipality as a whole. It links, integrates, coordinates plans and aligns resources and the budget. Council also approved the budget in 2017/2018, SDBIP and reviewed the IDP.

The 2017/2018 Annual Report reflects on whether our performance is gearing us towards our objective of becoming one of the top 5 best performing municipalities – whether the limited resources at our disposal are enabling progress of meeting our service delivery obligations – or whether the goals we set ourselves to achieve have been a highest mountain to climb resulting in an unsatisfactory report. Effective financial policies and systems are envisaged to ensure financial viability and sustainability.

As alluded in the 2017/2018 budget speech, there are challenges facing Thembisile Hani Local Municipality as a fast growing municipality. These are the highlights which further confirm that *we are yet not where we were before*:

- Improving access to potable water in Thembisile Hani Local Municipality remains an apex priority. I am proud to say that there has been significant work completed on water infrastructure projects during the 2017/ 2018 financial year. The construction of a 10 Ml/ Day Water Treatment Plant (known as Bundu Weir/ Moses River) is currently under implementation, and the first phase will be completed in December 2018, where 2.5 Ml/ Day will be commissioned, and the remainder of 7.5 Ml/ Day will be commissioned on/ or before June 2019. The New Reservoir and Pipeline in KwaMhlanga project will be completed on/ or before September 2018.

KEY SERVICE DELIVERY IMPROVEMENTS

During the period under review, a concerted effort to implement projects and programs that were budgeted for and encapsulated in our IDP were undertaken and the outcomes thereof are evident within our area of jurisdiction.

Our IDP and Budget consultation meetings gave us the opportunity to listen to the community's needs and we acted on delivering the much needed services. Amongst the completed 2017/ 2018 projects the following are highlights:

- Allocation of an additional R 5 000 000.00 to the municipality due to good performance on the Municipal Infrastructure Grant (MIG).
- 100% expenditure on the Municipal Infrastructure Grant (MIG).
- 100% expenditure on the Water Services Infrastructure Grant (WSIG).
- Commissioning of the Upgrading of Vreischgewaagd Reservoir Storage project.
- Commissioning of the Upgrading of Tweefontein 'A' Reservoir Storage project.
- Commissioning of the Phase 2 of the Upgrading of Kwaggafontein Bulk Pipeline project.
- Installation of High Mast Lights Tweefontein B2, Sheldon, KwaMhlanga B, Tweefontein F, Tweefontein G, Tweefontein H, Tweefontein J, Sun CityD and Mahlabathini.
- Installation of Street Lights in Mzimuhle intersection.

- Energising of 8 High Mast Lights in Buhlebuzile, Thembalethu, Thokoza, Chris Hani, Miliva RDP, Sun CityAA, Verena D, and Verena A which were never completed in the 2012/ 13 and 2013/ 14 financial years due to reprioritization of funds.
- Completion of the interconnection at the Upgrading of Enkeldoornoog B Water Infrastructure project, which entailed the interconnection between the 500mm Diameter City of Tshwane and 1 000mm diameter Rand Water Bulk Pipelines.
- Completion of the Mabhoko Cemetery Road.
- Regravelling of Internal Streets in KwaMhlanga and Vlaklaagte No. 1.
- Construction of the Multi-Puprose Centre in Phumula, which will be completed on/ or before the end of September 2018.
- Commencement of the Upgrading of Kwaggafontein Landfill Site, a first legalised landfill site for Thembisile Hani Local Municipality.
- Upgrading of Vlaklaagte and Kwaggafontein Water Infrastructure project, which will be completed on/ or before the end of December 2018.
- Upgrading of Mathysensloop Water Infrastructure project, which will be completed on/ or before the end of October 2018.
- Installation of 300 yard taps in Kwaggafontein A (Emasimini), which will be completed on/ or before the end of October 2018.
- Construction of the New Reservoir and Pipeline at KwaMhlanga project, which will be completed on/ or before the end of October 2018.
- Conducting designs for the Upgrading of Tweefontein K and Luthuli Waste Water Treatment Works projects, off which construction is scheduled to commence in the 2018/ 19 financial year.

Though we had to journey through the harsh realities of economic meltdowns, job-losses resulting in an increased unemployment rate and people living beyond poverty lines, factors which affected payment for services negatively, the report indicates improvements that reaffirm that *even though we are still not where we want to be, we are indeed moving forward*.

PUBLIC PARTICIPATION

The Municipality uses ward committee meetings, Mayoral outreach meetings, Budget and IDP indaba, radio interviews, loud-hailing and stakeholder meetings to engage the public in decision making process like budget consultation meetings and to improve accountability to communities.

FUTURE ACTIONS

Good governance, leadership and good financial management were enhanced for the period under review through functional Portfolio Committees, Municipal Public Accounts Committee and the Audit Committee (external). The task ahead is to attain 100% of our developmental goals in the remaining financial years through good leadership, good governance and sound financial management to ensure the following:-

- To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible roads
- To create integrated and sustainable human settlements through the proactive planning and development of land
- To create a safe, clean and healthy environment conducive for social development and recreation
- To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue collection
- To create a conducive environment for economic development, investment attraction and job creation.

- To improve organizational efficiency and promote a culture of professional conduct in order to render quality services
- To deepen democracy and promote active community participation in the affairs of the institution

AGREEMENTS / PARTNERSHIPS

The Municipality in Partnership with Sector Departments in the province, participates in a number of service delivery initiatives through CRDP where departments collaborate in a comprehensive way to among others, build schools, houses, assists communities in agriculture and encourage SMME`s in the project they initiate.

CONCLUSION

The journey of transforming our society and unblocking process of change continues. Commitment by all in this Municipality without reservations is on the rise. The political will is evident and will continue to add value to the required changes. I pledge my competence, commitment and knowledge to this municipality.

Cllr. NS Mtsweni
Executive Mayor

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

As the Municipal Manager of Thembisile Hani Local Municipality, I am privileged to have this opportunity in presenting the 2017/2018 annual report.

The 2017/2018 Annual Report will reflect on the progress made in achieving the objectives of the municipality as outlined in our Service Standards, the Integrated Development Plan (IDP), Budget and Service Delivery and Budget Implementation Plan (SDBIP). There are various factors that we consider in our planning, the primary ones being the population and households. The population and number of households is proving to be increasing rapidly as compared to the statistics of 2011. This rapid growth affects the planning of the municipality as the demand for service delivery increases.

Land invasion is high within the municipality, hence the municipality has established a program to strengthen the relationship with traditional leaders in the jurisdiction of Thembisile Hani Local Municipality (THLM). A draft Memorandum of Understanding (MOU) has been drafted and presented to the traditional leaders and they have also made inputs. The document will be adopted by all parties involved and be implemented. Strengthening this relationship will assist us in alleviating land invasion and we will be able to plan accordingly.

The financial viability of the municipality is stable. The enhancement of the financial policies and monitoring thereof is crucial in improving the municipality's finances. In the year under review the municipality has adopted a revenue enhancement strategy to address the challenge of revenue collection. The implementation of the strategy will encourage members of the public to pay for municipal services and educate them about the importance and benefits of paying for municipal services.

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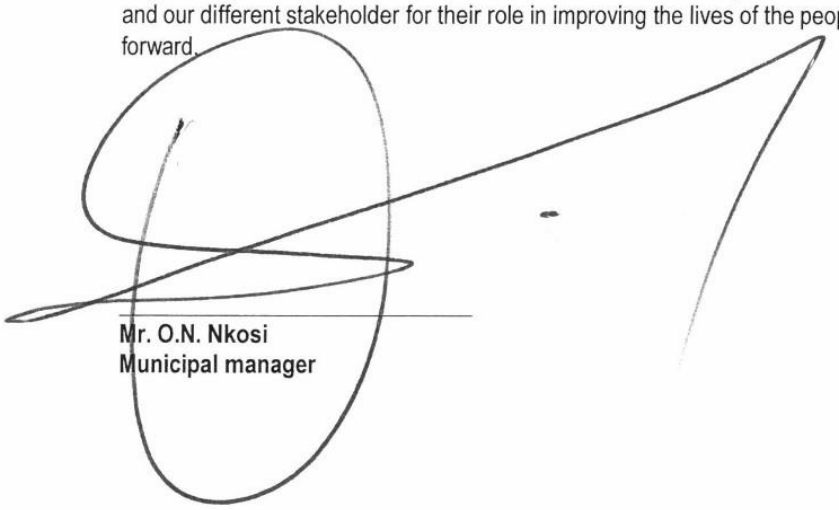
The Expanded Public Works Programme (EPWP) is central in our waste collection programme. The programme assists us in ensuring that our environment is clean and healthy for the people of THLM. Waste is collected in all the 32 wards, however the frequency of waste collection is low due to lack of resources.

For the previous years we have been prioritising water infrastructure to address the water challenge that is facing the municipality and causing unrests. During the year under review the Bundu Weir project was implemented. It is the first project of its nature to be implemented by the municipality. The project entails the abstraction works and construction of reinforced concrete weir, construction of a 10 Ml/ Day Water Treatment Plant, Construction of a 10 Ml Reinforced Concrete Reservoir and Bulk Pipeline. The project will assist the municipality to alleviate water shortage and will have a major iMunicipal Public Account Committee (MPAC)t on the overall water supply of the municipality.

The municipality is involved in the Moloto road project that is implemented by SANRAL. Through the municipal Local Economic Development unit the municipality monitors the progress that is being made, ensure that the interests of the people of THLM are catered for as this project will assist in boosting the economy of the municipality. The municipality will make sure that the people of THLM are prioritised in the recruitment processes of the project.

I would like to take this opportunity and thank the Executive Mayor, Members of the Mayoral Committee, Councillors, official and our different stakeholder for their role in improving the lives of the people of THLM. Together we are moving THLM forward.

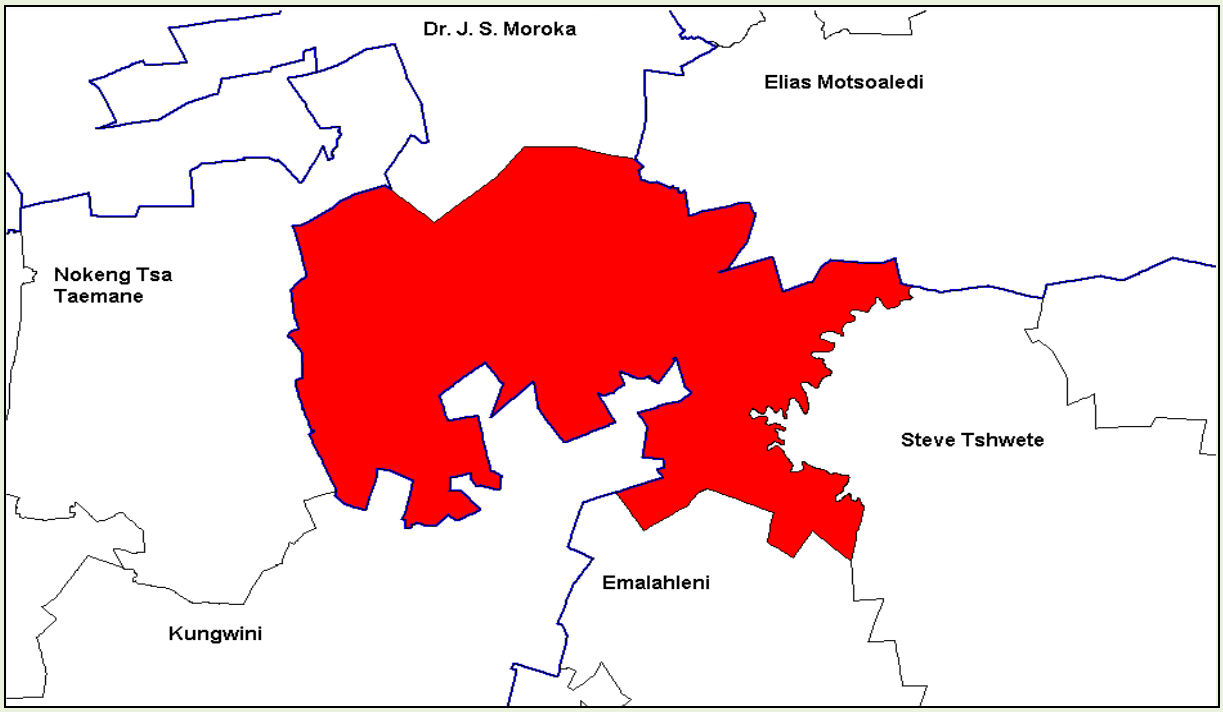


Mr. O.N. Nkosi
Municipal manager

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

ABOUT THEMBISILE HANI LOCAL MUNICIPALITY

LOCALITY MAP – ADJACENT LOCAL MUNICIPALITIES



SOCIO-ECONOMIC OVERVIEW

Mathyzensloop, Boekenhouthoek, Bundu, Enkeldoornoog, Goederede, Moloto North & South, Sun CityA-C, Phola Park, Buhlebesizwe, Vlaklaagte 1, Mzimuhle, Sybrandskraal, Vlakfontein, Witnek, Skoongesight, Modderfontein, Valchspruit, Blesbokfontein, Taaifontein, Rietfontein A, Rietfontein(Bly N Bietjie), Papskuil, Vandykspruit, Loopspruit, Nooitgedaght, Serengkop, Rooipoort, Swaartkoppies, Waterval Farm, Rooiground, Gemsbokfontein.

The majority of the urban areas are informal settlements with limited infrastructure. Urban sprawl due to un-contained and unplanned extensions of settlements is apparent and leads to challenges in providing bulk and reticulation infrastructure. Population density in urban areas is high and low in rural residential areas. Mathyzensloop, Kwaggafontein, Verena, Milliva, Kwamhlanga and Moloto can be regarded as principal business nodes with a neighbourhood shopping centre with some anchor tenants such as chain stores in each node. Secondary nodes exist along the R573 provincial road leading to Marble Hall. Similar nodes exist along the R25 provincial road which links Kempton Park, Bronkhorstspruit and Verena to Groblersdal. To some extent, the two above mentioned provincial roads act as regional activity spines.

Most of the urban, peril-urban and agricultural settlements are situated along the R573 provincial road also known as the Moloto road. The road serves as a major communication and transportation route for the municipality, linking it with Marble hall and Groblersdal to the east and Gauteng to the south- west. Many future residential and economic developments in the region are planned along the Moloto road.

The economic analysis of the area indicates that Thembisile Hani Local Municipality's local economy is dominated by community services, trade (formal & informal, with the latter performing higher than the former) and manufacturing. The remaining sectors are all relatively small. The municipal area's economy is very small when its gap is compared to that of the other municipalities. Agriculture has a high potential and needs to be nurtured. So is eco-tourism encompassed with rehabilitation of dilapidating tourist destinations and formation of a tourist belt? Therefore specific actions need to be undertaken to broaden the tax base and improve participation in these activities.

There are a few mining activities around the area and these contribute to the creation of jobs and their slp's need to contribute to the uplift of the community of thlm. This issue is pursued by both council and municipality. There is a need to sign MOU's by the municipality and mine owners. The application for expansion of the Palesa mine is receiving the attention of the municipality and the Department of Energy.

VISION AND MISSION

VISION

"To better the lives of our people through equitable, sustainable service delivery and economic development ".

MISSION

- Thembisile Hani Local Municipality aims to work towards achieving its long-term vision by:
- Participative Integrated Development Planning
- Sustainable and accountable, accelerated service delivery
- Promotion of socio-economic development
- Intensified community participation
- Shared economic growth
- Allocate resources within annual budgetary constraints

DEMOGRAPHIC PROFILE

Population Size

According to Stats SA (2011 census), 310 458 people were recorded in 2011 which accounts for 23.7% of nkangala's population. The population grew by 1.9% pa between 2001 & 2011. The population number is estimated to be in the area of 445 939 people by 2030 given the historic population growth rate per annum. Of the total population 52.4% are female and 47.6% are male and approximately 99.2% are Africans. Youth up to 34 years of age is estimated at 68.7% of the population and the number of households is 75 634 which amounts to 4.1 people per household and 21.2% of the total households in Nkangala. Female headed households are estimated at 46.1% and child headed (10-17 years) households at 0.9 % in 2011. The municipality's population has increased by about an additional 33 000 households in 2015. To date the total number of households in Thembisile is 109 282.

Table: 2.1: population size

demographic indicators	stats SA census	stats SA census	share of nkangala's figure	share of Mpumalanga's figure	ranking: highest (1) – lowest (18)
	2001	2011	2011	2011	
population number	258 871	310 458	23.7%	7.7%	5
number of households	58 797	75 634	21.2%	7.0%	6
area size – km^2		2 385	14.2%	3.1%	15
population per km^2		130			

Source: statistic South Africa, 2011.

Population Composition

The gender composition

The gender composition of the municipality indicates that 47.6 % of the population is male and 52.4 % is female. The dominance of the female population is evident over the whole age spectrum. Figure 3.2.2a below shows that there is an increased distortion in gender composition in the age groups ranging between 15 and 54 where there are noticeably less males as compared to females. This can be attributed to the migration of the male populace to the Gauteng region to seek better employment opportunities.

Table 3.2.2.1a: geography by gender

Geography	year	male	female	total
Thembisile	2001	119 928	138 944	258 872
	2011	147 659	162 775	310 434
Nkangala	2001	491225	529363	1020588
	2011	656247	651882	1308129
Mpumalanga	2001	1497325	1625661	3122986
	2011	1974055	2065883	4039938

Source: statistic South Africa, 2011.

Table 3.2.2.1b: geography by gender (percentages)

Geography	year	male	female	total
Thembisile	2001	46.3%	53.7%	100.0%
	2011	47.6%	52.4%	100.0%
Nkangala	2001	48.1%	51.9%	100.0%
	2011	50.2%	49.8%	100.0%
Mpumalanga	2001	47.9%	52.1%	100.0%
	2011	48.9%	51.1%	100.0%

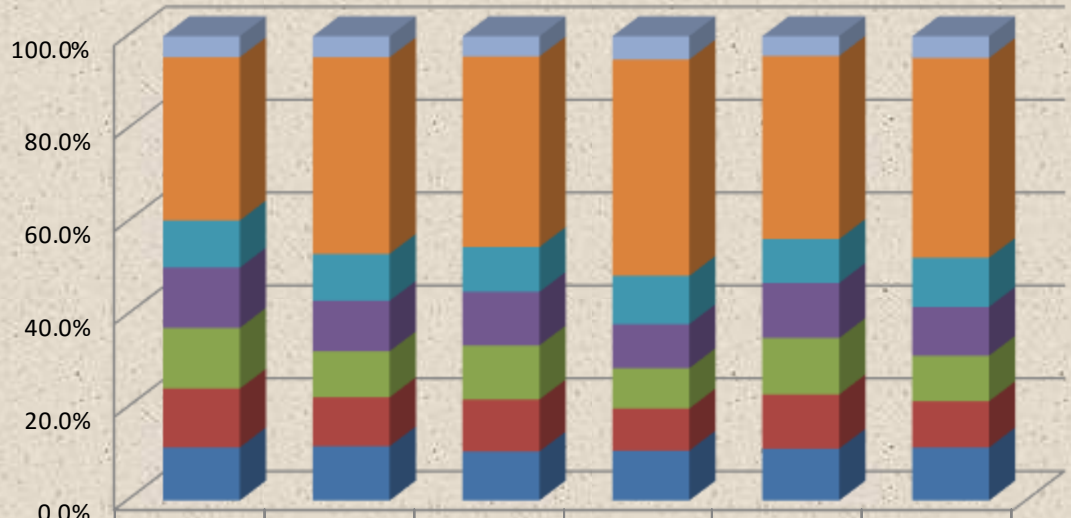
Source: statistic South Africa, 2011.

The age structure

The age structure of the municipality shows a youthful population distribution. In 2001, there was strong evidence of declining fertility, which is indicated by a steady decline in the population groups 10-14, 5-9 and 0-4, this is also evident in 2011. It is also evident that the population of the municipality is concentrated in the younger age groups, with the population group between 10 and 19 being the largest. The distribution is similar for both males and females, except for the notable larger female population at all age groups. It is further evident from the graph that there is a noticeable decline in both men and women in the age category 15 – 20 years. The economically active population is standing at 62, 9%, and these are people between the ages of 15 and 64. The municipality also has a dependency ratio of 58, 9% because the rest of the population is either too young or too old to generate income. (See figure 3.2.2c below)

Table 3.2.2.2: age structure

geography	year	00 - 04	05 - 09	10 - 14	15 - 19	20 - 24	25-64	65+	total
Thembisile	2001	29 611	32 806	33 817	33 671	26 242	90 929	11 775	258 851
	2011	36 232	32 859	30 643	33 778	31 337	131 333	14 124	310 306
Nkangala	2001	108 079	114 044	118 592	118 038	98 433	418 671	44 597	1 020 454
	2011	140 505	119 150	113 132	124 098	136 115	609 710	65 419	1 308 129
Mpumalanga	2001	348 681	364 704	379 895	370 283	295 409	1 231 135	132 662	3 122 769
	2011	461 559	402 772	396 348	424 278	427 541	1 737 728	189 714	4 039 940



	Thembisile		Nkangala		Mpumalanga	
	2001	2011	2001	2011	2001	2011
65+	4.5%	4.6%	4.4%	5.0%	4.2%	4.7%
25-64	35.1%	42.3%	41.0%	46.6%	39.4%	43.0%
20 - 24	10.1%	10.1%	9.6%	10.4%	9.5%	10.6%
15 - 19	13.0%	10.9%	11.6%	9.5%	11.9%	10.5%
10 - 14	13.1%	9.9%	11.6%	8.6%	12.2%	9.8%
05 - 09	12.7%	10.6%	11.2%	9.1%	11.7%	10.0%
00 - 04	11.4%	11.7%	10.6%	10.7%	11.2%	11.4%

Socio-economic development

Employment and unemployment indicators

About 97 744 people are economically active (employed or unemployed but looking for work), and of these, 37% are unemployed. of the 48 741 economically active youth (15 – 34 years) in the area, almost half (49, 4%) are unemployed. the unemployment rate in the municipality is currently standing at 37% with the female population accounting for most of the unemployment status. the loss of jobs and the decline in new job opportunities in neighboring urban areas such as Witbank, Middelburg and Pretoria exacerbate the unemployment rate. the sero further indicates the following about the municipality:

- Unemployment rate of 37.0% (strict definition) in 2011 amounted 36 139 unemployed as a percentage of the ear of 97 744 - decreasing trend (estimated 2013 unemployment figure by IHS global insight 36.4%).
- Unemployment rate for females 39.9% and males 34.1% - youth unemployment rate of 49.4% in 2011.
- Highest unemployment in ward 30 (50.1%) & lowest unemployment in ward 1 (29.0%).
- Employment number 17.3% of nkangala's employed.
- Employment increased by 27 468 between 2001 & 2011 according to the census – almost 3 000 new jobs per annum – 4% of provincial job creation target.
- Formal employment 54.3% & informal employment 22.5%.

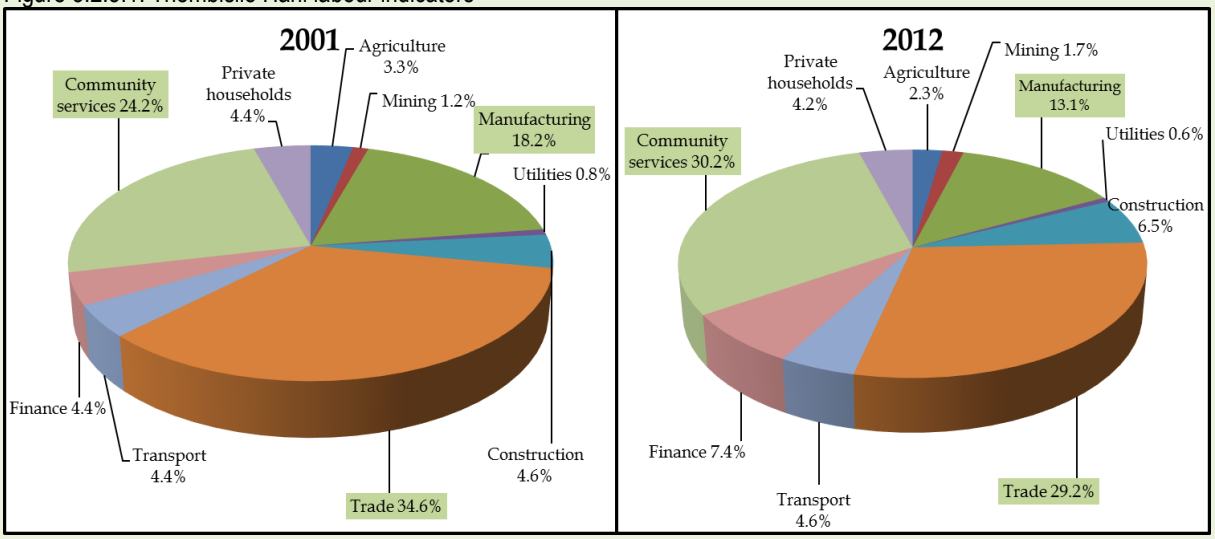
Table 3.2.3.1: Thembisile Hani labor indicators

Labour Indicators	Census	Census	Share Of Nkangala's Figure	Ranking: Best (1) – Worst (18)
	2001	2011	2011	
Working Age Population	151 714	195 457		
Economically Active Population (Eap)/Labour Force	69 910	97 744		
Number Of Employed	34 137	61 605	17.3%	
Number Of Unemployed	35 773	36 139	23.7%	
Unemployment Rate (%)	51.2%	37.0%		15

Source: socio-economic report and outlook for Mpumalanga, 2014

The Socio-economic report and outlook (sero) report further illustrated that the leading employment industries within the municipality are community services at 30.2% and trade at 29.2%. Prevailing trends have also shown a decreasing role/share of manufacturing and trade and increasing role/share of community services & finance as the main employers.

Figure 3.2.3.1: Thembisile Hani labour indicators



Source: socio-economic report and outlook for Mpumalanga, 2014

Poverty rate

Thembisile's poverty rate is estimated at around 40% or 128 890 poor people and this makes the municipality the poorest in the district and forth poorest in the entire province, this is however a declining trend. The bottom 40% of households shared 12.2% of the total income in 2013. Statssa's multidimensional poverty index (sampi) in thembisile Hani has improved from 0.07 in 2001 to 0.02 in 2011.

Table 3.2.3a poverty and inequality

indicators	trend			latest figure	better (+) or worse (-) than Nkangala	better (+) or worse (-) than province	ranking: best (1) – worst (18)
	2001	2004	2009	2012			
poverty rate	53.3%	52.8%	47.7%	40.8%	(-) (30.6%)	(-) (36.9%)	15
number of people in poverty	145 068	145 708	142 877	128 890			15
poverty gap (r million)	r176	r240	r339	r346			14

Source: Mpumalanga socio-economic outlook report, Mpumalanga department of finance, 2014

Individual income

Table 3.2.3b: geography by individual income (R)

		no income	1-400	401 - 800	801 - 1 600	1 601 - 3 200	3 201 - 6 400	6 401 - 12 800	12 801 - 25 600	25 601 - 51 200	51 201 +	total	average
Thembisile	2001	880	4 498	9 169	1 1259	5 132	2 254	747	210	0	0	34 149	1 589
	2011	131 799	85 110	8 946	39 693	19 563	8 613	4 344	2 025	429	225	300 747	907
Nkangala	2001	4 137	22 046	40 579	49 193	41 283	24 612	12 732	5 272	0	0	199 854	2 644
	2011	401 493	44 643	29 014	96 955	80 664	62 900	48 168	33 747	12 323	4 826	814 733	3 182
Mpumalanga	2001	12 619	134 766	139 875	131 103	100 495	64 222	32 064	14 831			629 975	2 239
	2011	1 243 674	159 802	103 097	310 187	211 586	150 589	122 607	84 152	30 239	12 436	2 428 369	2 720

Source: statistic South Africa, 2011.

Education indicators

In the Municipality citizens that are 20 years of age and older with no schooling account for 18.0% (31 711) total population of the municipality (34.4% of nkangala's district), and this is one of the highest in the province. The total population that are 20 years of age and older with matric & higher qualification account for the 31.6% of the total population and this has shown an improvement but is still however lower than both district and provincial averages (third lowest in the province). The functional literacy rate (15+ with grade 7+) is also improving but is still lower than the district and provincial averages. The matric pass rate was sitting at 73.0 % in 2013 and the university/degree admission rate was only 18.0% in 2013. Thembisile Hani municipal area has 72 government funded ecd (early childhood development) centers in 2014/15 financial year.

Table 3.2.3.4: education indicators

education indicators	trend	latest figure	better (+) or worse (-) than Nkangala	better (+) or worse (-) than province	ranking: best (1) – worst (18)
	2001	2011			
number of people 20+ with no schooling	43 736	31 711			15
Population 20+ with no schooling (%)	33.9%	18.0%	(-) (11.5%)	(-) (14.0%)	13
Population 20+ with matric & higher (%)	19.6%	31.6%	(-) (40.2%)	(-) (38.8%)	16
Functional literacy rate (%)	57.5%	71.8%	(-) (79.0%)	(-) (76.9%)	14

Source: socio-economic report and outlook for Mpumalanga, 2014

Population groups

Thembisile Hani Local Municipality has a total population of 310 458 people, of whom 99, 2% are black African, and 0, 3% are Indian/Asian. The other population groups make up the remaining 0, 5%. Based on the aforementioned, it is evident that the municipal population is predominantly composed of black Africans.

Percentage distribution of Thembisile Hani Local Municipality

group	percentage
black african	99,2%
coloured	0,2%
indian/asian	0,3%
white	0,1%
other	0,2%

Household trends

The number of households in Thembisile Hani Local Municipality have increased by about 13.5%, from 65 394 in 2007 to 75 634 in 2011. The average household size is 4, 1 persons per household and 46, 1% of households are headed by females. only 16,3% of households have access to piped water inside the dwelling, 72,1% of households have access to piped water inside the yard and 4,6% have no access to piped water. Table 2.2.2 below shows the current household trends in the municipality.

Household trends (source s statistics South Africa, 2011)

Enumeration type	figures and percentages
Number of households	75,634
Average household size	4,1
Female headed households	46,1%
Formal dwellings	85,6%
Housing owned/paying off	76,1%
Flush toilet connected to sewerage	6,8%
Weekly refuse removal	4,6%
Piped water inside dwelling	16,3%
Electricity for lighting	92,3%

Population languages: source: stats SA

Language	percentage
Afrikaans	0,4%
English	1,2%
Isindebele	58,4%
Isixhosa	1%
Isizulu	12,5%
Sepedi	12,6%
Sesotho	4,8%
Setswana	1,9%
Sign language	0,3%
Siswati	2,9%
Tshivenda	0,4%
Xitsonga	2,6%
Other	0.9%
Not applicable	0,1%

Education profile

The attainment of education is a key indicator of a developing society. The level of education of a society influences its welfare through its indirect influence on health, fertility and life expectancy. in Thembisile, of those aged 20 years and older, 18,3% have completed some primary school, 32,4% have some secondary education, 26,2% have completed matric, and 5,2% have some form of higher education, while 18% have no form of schooling. considering that the labor absorbing market requires at least some level of skilled labour for decent work, the municipality's population is largely unskilled with only 5,2% of the population having some form of higher education and training. This therefore, further exacerbates unemployment rates.

Highest educational levels

group	percentage
no schooling	2,6%
some primary	44,8%
completed primary	6,5%
some secondary	33%
completed secondary	11,7%
higher education	1,3%
not applicable	0,1

Employment profile

About 97 744 people are economically active (employed or unemployed but looking for work), and of these, 37% are unemployed. of the 48 741 economically active youth (15 – 34 years) in the area, almost half (49, 4%) are unemployed. the unemployment rate in the municipality is currently standing at 37% with the female population accounting for most of the unemployment status. the loss of jobs and the decline in new job opportunities in neighbouring urban areas such as Witbank, Middelburg and Pretoria exacerbate the unemployment rate.

employment status	number
employed	61 605
unemployed	36 139
discouraged work seeker	13 477
not economically active	84 188

Source: Statistics South Africa, 2011

Income categories

The main labour absorbing markets in the municipality are social services, business services, retail, trade and agriculture. These markets provide the basis for employment and income within the municipality and suggest that the municipality must concentrate on labour intensive programmes and skills development when rendering services. Approximately 13, 8 % of the households within the municipality have no income and more than 50% of the households earn less than r 50 000 per annum.

Household income

income	percentage
none income	13,8%
r1 - r4,800	5,6%
r4,801 - r9,600	9,7%
r9,601 - r19,600	20,3%
r19,601 - r38,200	23,6%
r38,201 - r76,4000	15,2%
r76,401 - r153,800	7,4%
r153,801 - r307,600	2,9%
r307,601 - r614,400	1%
r614,001 - r1,228,800	0,2%
r1,228,801 - r2,457,600	0,1%
r2,457,601+	0,1%

Economic analysis

The City of Tshwane and areas such as Bronkhorstspruit and Witbank provide a regional function to areas in Thembisile (e.g. trade services, banking, manufacturing, storage, transport, etc.), because of its size and level of sophistication. The economy is unable to generate a significant number of direct employment opportunities for the local communities. The economies of surrounding townships and rural areas comprise mostly of informal activities and largely serve the immediate consumption needs of local people.

The Municipality is further characterised by limited job opportunities and high levels of unemployment and illiteracy. As a result, there are very limited industrial activities and high levels of dependency and poverty. The dependency on neighboring towns and cities to provide job opportunities has necessitated a culture were a significant amount of the population commutes on a daily or regular basis to areas such as Tshwane, Ekurhuleni, Johannesburg and emalahleni.

Economic activities within the municipality are dominated by public services and informal trade particularly those found at main intersections in Moloto, Kwamhlanga, Tweefontein, Verena and Kwaggafontein. The municipality also has potential for mining, agriculture and eco-tourism. The municipal area is largely suitable to agriculture, both for ploughing and stock farming. The indigenous knowledge of communities within the municipality should also be sustained. These include knowledge and skills in bead work, traditional painting, weaving, and grass work.

The small industrial parks that were developed by the kwandebele government are now in disuse. There is a need for the municipality to resuscitate these small industrial parks in order to contribute to sustainable employment within the municipal area.

Employment status comparison with district and province

area	employed	unemployed	discouraged work seekers
Thembisile	61 611	36 141	13 476
Nkangala	355 478	152 250	42 554
Mpumalanga	969 771	448 126	150 844

Economic sectors and activities

Agriculture

Apart from the urban settlements highlighted above, the rural parts of the Thembisile Hani Local Municipality are predominantly utilized for agricultural purposes. The agricultural land towards the east of Verena is predominantly utilized by large scale farmers while the agricultural land to the west of Verena in the Thembisile Hani area is utilized by local and emerging farmers. Extensive agriculture, particularly cattle and game farming is the predominant form of farming.

Mining

There are currently limited mining activities occurring in the southern portions of the municipality along the r568 road. A number of external stakeholders have shown interest in developing mining opportunities within the municipality.

Tourism

The tourism attraction sites in the municipality include the Zithabiseni holiday resort in the Mabusa nature reserve (to be restored to its former glory) and the main tourism node: the Kgodwana village and Loopspruit winery at Schoongezicht, just east of the R568 between Kwamhlanga and Ekangala in the south.

Trade and local business

The economic activity around the intersection of routes R568 and R573 in the vicinity of Kwamhlanga represents the highest order activity node in the municipality this is probably the most strategic intersection in the entire municipal area, and it is surrounded by a fairly large number of households (formal and informal). The result is a fairly high concentration of economic activity with a variety of shopping facilities (formal and informal), a taxi rank, and community facilities which include, amongst others, the Solomon Mahlangu stadium and the former Kwandebele government offices.

The second most significant activity node in the Thembisile Hani area is found in Kwaggafontein b at the intersection between route R573 and the link road between Kwaggafontein and Verena where a large shopping Centre (kwagga plaza) exists. The Thembisile Hani Local Municipality offices are also located in this precinct.

There are about five other emerging/secondary activity nodes that can be distinguished in the Thembisile Hani area: the first is in the vicinity of Moloto, the second at Enkeldoornoog b, the third one at Vlaklaagte 2, the fourth at mathys zyn loop to the North, and the fifth at Verena around the intersection between routes R25 and R544 in the southern parts of the Thembisile Hani Local Municipality. These are all smaller nodes (second order) that are still in the process of development, and comprise a mixture of formal and informal retail, commercial and service industry activities.

Job creation initiatives

The Municipality must focus on maximizing its contribution to job creation, by ensuring that service delivery and capital projects implementation use labor intensive methods wherever appropriate. The Municipality furthermore supports job creation initiatives through the community works programme and the pew programmes.

Social analysis

Integrated and sustainable human settlements and housing

The lack of housing has been highlighted as one of the key challenges facing communities during many community outreach meetings. A housing survey conducted in 2009 indicated a huge backlog in housing delivery. Many people within the municipality live in informal houses (mud houses and shacks) which are either too old to be inhabited or a structurally weak and are thus vulnerable to being destroyed by bad weather (storm/rain during the summer). The housing survey revealed that there was a housing backlog of about 9764 units, and there are currently no recent statics to gauge whether or not this backlog has increased or subsided.

The unavailability of an integrated human settlements plan and the retention of land for integrated human settlements have over time resulted in the eruption of informal settlements in almost all the municipal areas. This is exacerbated by the allocation of land by some traditional authorities without having considered the necessary impact.

The Municipality has also participated in housing delivery programmes with national and provincial departments of human settlements over the years. The programs that were used to fund some of the housing development projects in the municipality include:

Projects link programme (Greenfields programme)
Peoples housing process
Community based rural subsidy programme
Disaster/emergency programme
Community based individual subsidy

Health

Thembisile is served with health care facilities such as clinics and visiting points. The following health facilities are provided within the municipality:

facility name	location	number
Kwamhlanga hospital	Kwamhlanga	1
Community health center (24 hour service)	Buhlebesizwe / Vlaklaagte 2, Kwaggafontein, Moloto, Verena, Kwamhlanga and Thembalethu	6
Clinics (8 hour service)	Empilweni, Gemsbokspruit / Mzimuhle, Goederede, Vlaklaagte 1, Kameelpoortnek, Tweefontein C, Tweefontein D, Tweefontein A, Tweefontein M, Vriesgewacht,, Tweefontein H, Boekenhouthoek/ Zithabiseni and Kwagga A, Tweefontein G clinic	15
Mobile clinics	Verena chc mobile, Thembalethu chc mobile, Kwaggafontein chc mobile and Moloto chc mobile table: 37 time table for mobile clinics	4

Both primary and secondary health care facilities are problematic in certain areas due to limited resources, which make it difficult to ensure that all the communities are provided with the minimum acceptable levels of health services. Most of the clinics do not provide a 24-hour service due to lack of staff and resources, but the municipality is fairly well served with health facilities.

Sports, art and culture

Thembisile Hani Local Municipality has two stadiums namely, Solomon Mahlangu stadium and the Kwaggafontein stadium, located in Kwamhlanga and Kwaggafontein respectively. The Solomon Mahlangu stadium has an array of facilities to support different sporting codes including netball, tennis, basketball and boxing. In order to fortify the potential of the sporting hub all sporting facilities in the vicinity of the stadium should be upgraded, maintained and integrated to the existing hub. the regional sport and recreation master plan conducted for the Nkangala district in 2003 provides an assessment of the type of facilities currently in the municipal area (e.g. soccer, netball, athletics etc.), together with their location and condition. (See municipal sdf for further detail). The two libraries in the municipality need to be maintained and furnished with books in order to encourage the community to read and write. The mobile libraries in Verena and Boekenhouthoek are also not function because of the lack of personnel to administer their functioning.

Some of the challenges relating to sport, arts and culture include:

- lack of a funding model for the naming, renaming and signage of geographical features, streets, heritage sites and settlements;
- heritage sites and tourist attraction sites in the municipality are not formalised and promoted;
- lack of access to sporting facilities by the local community;
- sport committees at ward level exist but are dysfunctional;
- there is a need for community gymnasium to encourage the wellness of community;

Telecommunication and postal services

There are four post offices within the municipality. These are located at Kwaggafontein, Verena, Kwamhlanga and Somarobogo. There were 24 lobby post boxes serving the community, two were removed from Verena and one from Somarobogo by the South African post office. These where removed because of the ineffectiveness of the service and were consequently replaced by street delivery service. The street delivery system might be effective but might be hindered by the lack of street names and proper house numbering. The Municipality and the post office must develop the mechanism of ensuring that farm communities have access to this service. On average the municipality is well serviced with telecommunication services including cellphone networks. Approximately 68, 2% of the households reported that they had access to telephone facilities at home or nearby, while 27, 8% had access to a cell phone only. Only 1, 4% of the population had no access to any form of telecommunication.

The following problems have been raised by the community:

The delivery of letters is delayed due to contradicting stand numbers.

Public transport

Most of the residence of the municipality work in Gauteng and commute to Tshwane and the surrounding areas on a daily basis. Buses and taxis are used as a staple mode of transport to work. This makes the R573 (Moloto road) very busy during peak hours and poses a higher risk of motor car accidents. Transport infrastructure in the form of bus/taxi terminals are also not adequately provided to cater for the business. Existing infrastructure is dilapidated and needs to be restored or upgraded. The public transport traffic volumes put considerable strain on the road infrastructure.

Moloto rail corridor development initiative

The Moloto rail corridor development initiative was launched at national and provincial government level and enjoys the full support of the Nkangala District Municipality and local municipalities in the district. The main focus of the initiative is to replace the bus commuter system along the Moloto road with a rail commuter system. The objective is to provide safer, faster and more efficient rail transport, while buses and taxis will be used as part of a feeder system to the railway stations along the Moloto rail corridor.

The railway line and stations will form the basis for the nodal system, which will be used as a tool to promote the development of retail and community facilities at stations. Stations will be developed in accordance with the concept of transit orientated development, which promotes high density, mixed land use within walking distance from stations. These toads will create the critical mass required to stimulate viable economic activity. Through careful planning, a range of community services can be provided along the railway line, ensuring that the community has access to a full range of community services through use of the railway system.

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The Municipality provided communities with portable water and sanitation. The portable water is purchased from three external water source because the municipality does not have its own source. The water systems are operated and maintained according to the blue water requirements. Blue drop rating which Thembisile Hani Local Municipality received equals to an average score of 79.44%. The municipality is committed to achieve green drop status in future.

The Municipality provides waste management services that include waste collection, street cleaning, clearing of illegal dumping, health care risk waste management. Regular solid waste collection service is provided to business, institutions and households within the jurisdiction of the municipality. Waste collection from residential premises is carried out on fortnight basis. The growing municipal population is exacerbating the demand on resources and services, and increasing the generation of waste to meet many of these demands.

The Municipality has recorded the below amount of services and the receipt of the water quality

- provided 88 451 households with access to basic water
- provided 32 675 households with access to basic refuse removal
- provided 79 122 households with access to basic electricity
- provided 28 189 households with access to basic sanitation (water borne system)
- provided 56 991 households with access to free basic water (6 kl)
- received a 79.44% blue drop for drinking water quality
- received an 25.68% green drop status for effluent water quality

CHALLENGES

- The provision of free basic electricity in Thembisile Hani Local Municipality where Eskom is the supplier.
- No proper indigent register
- Community of Thembisile Hani Local Municipality requires water borne sanitation system and not the VIP toilets anymore
- Inadequate and inconsistent water supply
- Shortfall of 31.1 mega litres per day in water supply water supply
- Lack of own water source
- Inadequate water storage in Moloto
- Huge backlog on gravel roads

1.4. FINANCIAL HEALTH OVERVIEW

Financial Overview - 2017/2018

Financial Overview - 2017/2018			
R			R
Details	Original budget"000	Adjustment Budget	Actual
Income			
Property Rates	47 663 342	42 253 000	42 764 437
Grants	519 299 000	524 299 000	524 299 000
Levies	5 002 388	4 970 00	4 098 003
Public Contribution & Donation	0	0	48 364 095
Fines, Penalties & Forfeits	2 102 600	2 121 000	4 956 377
Other Transfer Revenue	3 194 385	5 443 000	1 614 814
Sub Total	759 985 039	762 656 008	814 816 878
Less Expenditure	807 700 028	849 179 779	593 922 951
Net Total*	(47 714 989)	(86 523 771)	220 893 927
* Note: surplus/(- deficit)	Note: operational and capital included on the expenditure		T1.4.2

2017/2018 Operating Ratios (adjusted budget)0	
Detail	%
Employee Cost	15.05%
Councillors Cost	2.86%
Repairs & Maintenance	2.69%
Finance Charges & Depreciation	20.64%
	T1.4.3

LIQUIDITY RATIO

Liquidity ratio for 2016/2017 was 2.6 and for 2017/2018 is 2.6

COMMENT ON OPERATING RATIOS

Employee costs is within the acceptable norm of approximately 15.99% plus 3.22% for councillors costs which is equals to 19.21% to total operating cost. Repairs and maintenance constitute 2.69%. Although the percentage is below the norm, there are no major repair and maintenance backlogs. Finance charges and depreciation is 11.77% to total operating cost. This medium percentage informs that the municipality is in a position to take up additional external funding.

Total Capital Expenditure			
	R		
Detail	**2015/2016**	**2016/2017**	**2017/2018**
Original Budget	119 139 000	117 504 000	153 363 889
Adjustment Budget	125 072 054	117 504 000	156 325 325
Actual Expenditure	125 072 054	117 503 000	152 125 325
%	100	100	97.31

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

Thembisile Hani Local Municipality has an organizational structure which is aligned to the IDP and is reviewed annually to ensure operational effectiveness.

The organogram has the following departments:

- Department: Municipal Manager's Office
- Department: Corporative Services
- Department: Budget and Treasury Office
- Department: Technical Services
- Department: Social Development Services

The Municipal Manager and all managers have signed employment contracts and annual performance agreements

The percentage of vacant posts on the municipality's organogram is at 4 % by the end of the financial year.

The major priority for the municipality in terms of organisational development relates to organisational reengineering wherein the municipality has contracted a service provider on a multiyear agreement to undertake this process. The service provider is expected to assist the municipality in developing relevant job descriptions for each employee, assisting the municipality in conducting the job evaluation for the purpose of the proper grading of the municipality and embedding and cascading performance management system to all levels. The second priority in the continuous capacity building of municipal employees in terms of the municipal finance under the mfip programme as well as other capacity building initiatives for other employees. . The Municipality's record management unit plays an important role in the affairs of the municipality in line with the archives act of South Africa act no. 43 of 1996. Another development for the municipality was the use and adoption of grap standards by the finance department to guide on the accounting standards and the adoption of mscoa that the municipality is expected to implement with effect from 01 July 2017.

1.6. 2016/2017 AUDITOR GENERAL REPORT

As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), the responsibility of the Auditor General is to express an opinion on the municipality's financial statements based on conducting an audit in accordance with International Standards on Auditing.

For the financial year (2016/2017) Thembisile Hani Local Municipality received unqualified opinion.

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration Of Next Financial Year's Budget And IDP Process Plan. Except For The Legislative Content, The Process Plan Should Confirm In-Year Reporting Formats To Ensure That Reporting And Monitoring Feeds Seamlessly Into The Annual Report Process At The End Of The Budget / IDP Implementation Period July	July
2	Implementation And Monitoring Of Approved Budget And IDP Commences (In Year Financial Reporting).	
3	Finalise The 4th Quarter Performance Report For Previous Financial Year	
4	Submits Draft Annual Report Including Annual Financial Statements And Performance Report To Auditor General	August
5	Annual Performance Report As Submitted To Auditor General To Be Provided As Input To The IDP Analysis Phase	
6	Auditor General Audits Annual Report Including Annual Financial Statements And Performance Data	September - October
7	Municipalities Receive And Start To Address The Auditor General's Findings	
8	Commencement Of Draft Budget/ IDP Finalisation For Next Financial Year. Annual Report And Oversight Reports To Be Used As Input	
9	Receive Management Letter And Provide Final Comments On Findings	November
10	Auditor-General Submit Audit Opinion	
11	Executive Mayor Tables Annual Report And Audited Financial Statements To Council Complete With The Auditor- General's Report	January
12	Audited Annual Report Is Made Public And Representation Is Invited	February
13	Oversight Committee Assesses Annual Report	
14	Council Adopts Oversight Report	March
15	Council Table Next Financial Year Budget / IDP And Invite Public Representation	
16	Oversight Report Is Made Public	April
17	Oversight Report Is Submitted To Relevant National & Provincial Stakeholders And Legislature	
18	Council Approve Next Financial Year Budget / IDP	May
19	Make Public Approved Budget And IDP	June
20	Finalize SDBIP And Performance Agreements For Next Financial Year	
21	Make Public SDBIP And Performance Agreements	July

COMMENT ON THE ANNUAL REPORT PROCESS

It is necessary that the municipality derives maximum benefit from its efforts in submitting reports. Such benefits are typically obtained in the form of being able to compare and benchmark against other municipalities and to learn from the feedback mechanisms.

The Annual Report process flow provides a framework for the municipality to follow in completing various reports within each financial year cycle. It is recommended that municipal manager study this process flow and ensure that reports are submitted timeously. If the process flow is followed, the municipality should be able to provide an unaudited annual report in august of each year, which is consistent with the MFMA.

One of the advantages of compiling an Unaudited Annual Report in august is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the budgetary requirements related to each vote.

An Audited Annual Report submitted in august will further provide the municipality with an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget to other priority areas needing attention.

The Annual Report of a municipality must be tabled in the municipal council on or before 31 January each year (MFMA section 127). In order to enhance oversight functions of the council, this must be interpreted as an outer deadline; hence the municipality must submit the annual report as soon as possible after year end, namely, august. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later, as is currently the case. It is expected that effective management of performance will also result from this change.

The Annual Report must be aligned with the planning documents and municipal budget for the year reported on.
This means that the IDP, budget, SDBIP, in-year reports, Annual Performance Report and Annual Report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

The above can only occur if the municipality set appropriate key performance indicators and performance targets with regards to the development of priorities and objectives in its IDP and outcomes (MSA s41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (MFMA, s24).

The Annual Report content will assist municipal councillors, residents, oversight institutions and other users of Annual Reports with information and progress made on service delivery. It must align with the Integrated Development Plan (IDP), budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. the contents will also assist with the annual audit other key aspect of the reform in combining the relevant information into the new annual report format will assist the municipality to streamline operations and processes through combined committees, reduce costs, time and effort. There will be a limited need for the municipality to have different committees to deal with financial and non-financial related matters.

Chapter 2

CHAPTER 2 – GOVERNANCE

To govern is to exercise political, economic and administrative authority to manage the nation's affairs. Governance is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences.

The political and administrative components of council maintain a sound working relationship by ensuring respect of procedures and protocols. Communities as an interest group in municipal affairs participates through public participation mechanisms and processes in the decision making systems of council.

This includes interaction with the stakeholders in shaping the performance of the municipality in order to enhance a healthy relationship and minimizing conflict.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political governance ensures regular communication with the community at large by means of municipal outreach's, IDP and budget consultations. This ensures that the community participates in identifying needs and make inputs on the performance of the municipality. This process ensures healthy relations with the community and minimizes conflict. Administrative governance ensures transparent administration, regular feedback to the community, compliance to the required rules, processes and laws by which council is operated, regulated and controlled.

The political structure of Thembisile Hani Local Municipality comprises of the Executive Mayoral System that consists of:

Executive mayor
Hon. Speaker
Chief whip
Mayoral committee
Councillors

The Municipal Manager is the administrative head and acts as a link between the politicians and the administration. The municipal manager is supported by the following section 56 managers appointed in terms of the municipal systems act:

Manager Corporate Services (MCS)
Manager Technical Services (MTS)
Manager Social Development Services (MSDS)
Chief Financial Officer (CFO)

Chapter 2

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

MFMA section 52 (a): the mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

The Executive Mayor is the political head of the municipality. The position of speaker is a full-time post, and takes responsibility for the running of council meetings. The speaker is the chairperson of the council. The office of the chief-whip is established to create synergy and to maintain discipline among councillors from various political parties. The role of the chief-whip of the council covers both the political and administrative domains of council with emphasis on the political aspect. The chief whip deals with the well-being and attendance of all councillors.

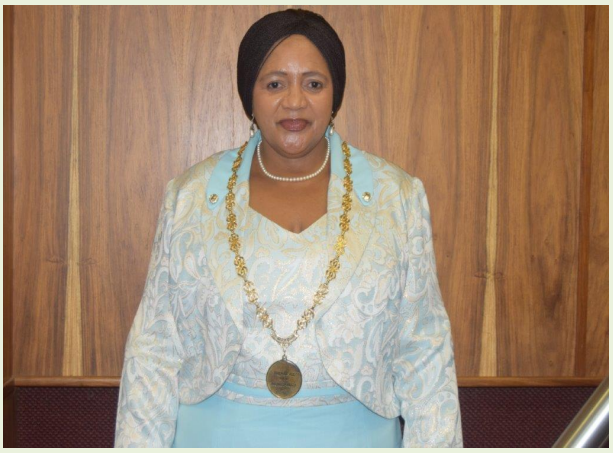
The Municipal council consists of 32 ward councillors and 32 PR councillors. The council meetings are governed according to the approved rules of order. Council has established the mayoral committee system with section 79 and 80 committees who makes recommendations to council.

Section 79 committees of the council report directly to council, in accordance with the terms of reference of such committees approved by council. This committee provide general oversight and monitor the activities in the municipality over both the administrative and executive arms of the municipality. This section 79 committees are chaired by independent councillors other than members of the mayoral committee.

Section 80 committees assist and report to the executive mayor. The Executive Mayor has appointed the mayoral committee members as chairpersons for each of the committees.

The Municipality has its own Audit Committee. The Audit Committee meets a minimum of four times per year and is an independent advisory body that advises council, political office-bearers, the accounting officer and the management of the municipality on matters related to internal control, internal audits, risk management, accounting policies and adequacy reliability and accuracy of financial reporting and information, performance management, effective governance compliance with the MFMA, the division of revenue act and provide comments to Municipal Public Account Committe (MPAC) and council on the Annual Report.

MPAC is an oversight committee which comprised of non-executive councillors, with the specific purpose of providing oversight over the executive functionaries of council to ensure good governance in the municipality. MPAC also make comments and recommendations on the annual report separately to council.

	**EXECUTIVE MAYOR** **Cllr. N.S. Mtsweni (**Political Head) The Executive Mayor identifies the needs of the municipality, review and evaluate those needs, in order of priority, recommend to the municipal council strategies, programme and services to address priority needs through the Integrated Development Plan, and estimates the value of revenue and expenditure, taking into account any applicable national and provincial development plans, recommends and determine the best way to deliver strategies, programmes and services to the maximum benefit of the community. The executive mayor also performs a ceremonial role.
	SPEAKER **Cllr.N.E. Hlophe (**Chair Person Of Council) Presides at meetings of the council. Maintain order during meetings and ensure that meetings are conducted in accordance with the rules of order of the council.

Chief Whip

Cllr. J.J. Tau

Manage councillors and maintain discipline in council

The chief whip ensures that councillors are accountable to the communities, that code of conduct is respected and adhered to by all councillors. The chief whip ensures discipline during council and committee meetings. he facilitates political debates, workshop for all councillors

MEMBERS OF MAYORAL EXECUTIVE COMMITTEE:	
	CLLR.T.J. MAKHWITING **MMC TECHNICAL SERVICES** Provisioning of infrastructure development, maintenance and service delivery to ensure sustainable services to all communities.
	CLLR. L.M.TSHABANGU **MMC FINANCE SERVICES** Provide and manage financial services to ensure financial viability, compliance and reporting.

	CLLR.T.L. MABENA **MMC LOCAL ECONOMIC DEVELOPMENT** Ensures that the led unit`s mandate of coordinating led related activities is realized and the push towards the eradication of poverty and job creation fulfilled
	CLLR. M.P. MSIZA **MMC SOCIAL DEVELOPMENT SERVICES** Render integrated community services to all its communities

Chapter 2

CLLR.N.E. PHAKATHI

MMC CORPORATE SERVICES

Provides corporate services to ensure efficient support of organisational processes

Councillors

Councillors provide a vital link between communities they serve and the municipality. They are responsible for representing the needs and interests of the people they represent, regardless of whether they voted for them. Although councillors are not usually full time professionals, they are bound by a code of conduct. The councillors serve for five years.

Thembisile Hani Local Municipality comprises 32 ward councillors and 32 pr councillors. See **Appendix A** where a full list of councillors can be found (including committee allocations).

Award councillor has to balance the expectations of his/her ward and that of their political party. the ward councillor is the chairperson of the ward committee, responsible for convening the constituency meeting to elect ward committee members, calling ward committee meetings, ensuring that a schedule of meetings is prepared, handling queries and complaints in the ward, resolving disputes and making referrals of unresolved disputes to the municipality, ensuring that the ward committee does what the municipality expects about reporting procedures.

See **Appendix B** which sets out committees and committee purposes.

The ward councillors should be fully involved in all community activities that the ward committee is engaged with and communicate the activities and meetings schedules to the pr councillors. PR means proportional representation, where voters vote for a political party not an individual candidate within a party. The ballot paper just shows the political parties. The party gets the same share of the number of councillors as the share of total PR votes it got. The party decides which members fill those councillor places. A PR councillor is allocated to a ward and provides support to the ward councillor in things that relate to the ward or the ward committee.

A PR councillor handles queries and complaints in consultation with the ward councillor, assist with resolving of disputes and making referrals, help with implementation of projects, support the ward councillor without replacing the ward councillor, attend ward committee meetings, constituency meetings and special meetings

Political decision-making

The legal framework empowers the executive mayor to provide political leadership for policy and outcomes, and holds the municipal manager and other senior managers responsible for implementation and outputs.

The executive mayor presides at meetings of the mayoral committee and performs the duties, including any ceremonial functions, and exercises the powers delegated by the municipal council except those powers that are reserved by the constitution of the republic of South Africa and other applicable regulations.

The executive mayor appoints members of the mayor committee to assist with carrying duties in terms of section 80 of the municipal system act. The executive mayor reports to council on the execution of his delegated powers.

Council is chaired by the speaker and the executive mayor chairs the mayoral committee meetings and executive duties through council resolutions, delegations and committees.

Council has also formed section 79 committees which meet monthly except the Audit Committee and MPAC, which normally meet quarterly. This section 79 committees are chaired by an independent councillors other than members of the mayoral committee. Their main function is to monitor the activities of the members of the mayoral committee.

The administration is charged with the responsibility to implement council resolutions and to submit monthly progress reports to the relevant MMC'S who in turn report to the section 79 council committees. All council resolutions are monitored and implemented.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

MFMA section 60 (b): the municipal manager of a municipality is the accounting officer of the municipality for the purposes of this act and must provide guidance on compliance with this act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

The administration is led by the municipal manager (mm), who is appointed in terms of section 54a of the municipal systems act. The municipal manager is employed on a contract basis, which includes a contract of employment, an annual performance agreement with performance objectives and targets and procedures for evaluating performance. The municipal manager is the accounting officer of the municipality.

Together with other managers the mm leads the administration by amongst others implementing council resolutions, advising council and its committees, lead the IDP and budget planning and implementation processes. There are functions that are delegated by council to the municipal manager, who in turn sub-delegates certain functions to the CFO and other managers. Under their leadership, municipal officials attend community consultative meetings, report in management meetings on plans and progress in addressing community issues.

TOP MANAGEMENT

ADMINISTRATIVE STRUCTURE	FUNCTIONS
 Municipal Manager **Mr O.N. Nkosi**	As head of administration and accounting officer of the municipality the municipal manager is subject to the policy directions of the municipal council, responsible and Accountable for duties and responsibilities outlined under section 55 of the municipal systems act and any other relevant duties as may be delegated from time to time to the municipal manager by the executive mayor and council. The municipal manager is also responsible for duties outlined under sections 60 to 75 of the municipal finance management act. Implementing a monitoring and evaluation methodology in line with legislative requirements. provide leadership and directive in operating of the performance management system and monitoring and evaluation, development of the SDBIP, quarterly performance reports and annual report units: IDP, performance management system, youth development, local economic development, public participation, risk management, internal audit and communication
 Manager Corporate Services **Ms.L. Nxumalo**	Establishing and maintaining structures that will, within the parameters of legality and good governance provide the administration that will be appropriately relevant, timeous and effective execution of tasks and be transparent as well as provide conducive environment to stimulate public participation within the co-operative governance Units: human resources management and development , , ict and administrative services, , legal and council secretarial services and fleet management

 Acting Chief Financial Officer **Mr. O.D. Ledwaba**	Ensure effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, supply chain management, credit control management, investments and banking, treasury management.
 Manager Technical **Ms Rf Morudu**	Providing water, roads, storm-water and sanitation through a well-established and maintained infrastructure that will stimulate growth resulting in a broader income base and will encourage taxpayers to sustain payments through a well-established and maintained infrastructure.

 Acting Manager Social Development Services **Ms A.M. APHANE**	Developing and maintenance of recreational facilities by establishing a friendly, green, clean, neat and beautiful city, developing and maintaining the cultural heritage of and to render a sustainable cleansing service to all residence of the Thembisile Hani Local Municipality. establishing a safe and crime free environment where all people can develop to their full potential by promoting safer communities through prevention, preparedness, response, recovery, education and enforcement
All the above mentioned positions are section 56 positions.	

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Thembisile Hani Local Municipality, relates to the other spheres of government and organised local government bodies through the intergovernmental policy framework, communities as an interest group in municipal affairs, participates through public participation mechanisms and processes in the decision making system of council.

2.3 INTERGOVERNMENTAL RELATIONS

The constitution (1996) states that '*government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated*' (section 40(1)). The '*distinctive*' element refers to the autonomy enjoyed by the spheres; that is, the degree to which each sphere is the final decision-maker on a particular matter that falls within its area of competence.

the creation by the constitution of this decentralised governance system, which comprised the three distinct but inter-related spheres of government, also gave rise to the need for a systematic system of igr to give effect to the principles of cooperative government.

To realise these principles, the igrf act was promulgated on 15 august 2005. The act provides for an institutional framework for the three spheres of government to facilitate coherent government, effective provision of service, monitoring implementation of policy and legislation, and realization of developmental goals of government as a whole.
In spelling out the principles of cooperative government and igr, the constitution binds all spheres of government and organs of state in each sphere of government to three basic principles:

(i) **A common loyalty to the republic as a whole.** This means that all spheres are committed to secure the well-being of the people of the republic and, to that end, must provide effective, transparent, accountable and coherent government for the republic as a whole. This is the object of cooperative government.

(ii) **The distinctiveness of the spheres should be respected.** A sphere must remain within its constitutional mandate, and when exercising those powers, must not do so in a manner that encroaches on the geographical, functional or institutional integrity of another sphere, except where specifically directed otherwise.

(iii) **The spheres of government must take concrete steps to realize cooperative government** by –

a) fostering friendly relations;
b) assisting and supporting one another;
c) informing one another of, and consulting one another on, matters of common interest;
d) coordinating their actions and legislation with one another;
e) Adhering to agreed procedures; and avoiding legal proceedings against one another.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The executive mayor and the municipal manager represent and participate in the premiers coordinating committee, where issues affecting the province and the municipalities are discussed. The speaker and officials in the office of the speaker attends and participate in the provincial speaker's forum, provincial ward committee forum and the provincial anti-corruption forum.

There are expanded public works programme projects in progress for cleaning the environment that will be registered as projects at the department of public works. Furthermore the department of environmental affair appointed 270 pews and department of corporative governance and traditional affairs appointed 60 epwps for clearing illegal dumping sites.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Elected councillors and officials represent the Thembisile Hani Local Municipality in neighbouring municipalities such as nkangala district municipality, where issues of mutual interest such as the IDP and budget are discussed and implemented.

Nkangala district municipality provide support to Thembisile Hani Local Municipality Internal Audit in implementing internal audit annual plan, the following two (2) audits were assisted by Nkangala district:

- ICT audit
- Supply Chain Management audit

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

the introduction of public participation office has become a catalyst in ensuring that izimbizo and outreach meetings are meaningful to communities. this office has been strategically introduced to ensure that izimbizo's and outreaches constitute a communication approach that will underpin participatory democracy. The office is also central to governance as it brings government closer to the people. It is ffurther to ensure that izimbizo's and outreaches remain a unique platform for communities to raise issues, share views and build strategic partnerships between the municipality and its constituencies.

Thembisile Hani Local Municipality has established ward committees as a mechanism for public accountability and public participation. The ward committees assist ward councillors in the execution of their duties, which includes the handling of complaints and feedback to communities. Provincial government has also provided community development workers to the municipality, to assist with the dissemination of information and the mobilisation of communities in government programmes.

Ward Councillors convene community meetings on a monthly basis to discuss matters affecting the community and give feedback on matters reported on a monthly basis. The executive mayor undertakes a mayoral outreach programme which provides a platform for further interaction and engagement with the communities on regular intervals.

2.4 PUBLIC MEETINGS

The Executive Mayor led consultative meetings in all wards during the months of October to December 2016 as part of the strategy for ensuring adequate public participation in the preparation for the compilation of the IDP and budget review for the 2017/2018 financial year. The community consultative meetings were followed by the IDP/budget indaba during May 2017. The meeting was attended by all councillors, ward committee members, community development workers, political organisations, tribal authorities, sector departments and other interested community representatives.

The Municipal systems act provides for municipalities to establish structured mechanisms for public participation in order to ensure community participation in all the affairs of the municipality. The act stipulates that the municipality must develop and adopt a community communication strategy/plan. The strategy should serve as the guiding tool on how the community is engaged to give their inputs and suggestions on services, projects and programmes offered by the municipality. In order to comply with the municipal systems act, Thembisile Hani Local Municipality will have to develop a revised public participation policy/strategy in the coming financial year.

The Municipality like any local government has a three legged structure, which is integrated and interdependent. The legs of the municipality are the council, administration and the community. The cohesion of these parts underpins a successful developmental local government.

The Municipality needs a formal consultation, participation and communication policy/strategy, special attention with regard to the development of the policy/strategy are the following:

- Continuation the mayoral outreach programme, which affords local leaders the opportunity to interact with communities on issues of service delivery.
- Continued engagement of sector departments and utilities in the various processes and forums for Integrated Development Planning (IDP).
- utilisation of the various mechanisms to communicate, such as local newspapers, local radio stations, flyers, ward councillors, community development workers, ward committees, account statements and loud hailing.
- Ongoing negotiations with provincial departments that no project will be implemented in the municipal area of jurisdiction prior to consultation with the council.
- Ongoing bi or multi-lateral processes around a number of developmental challenges and initiatives such as the youth agriculture and the Moloto rail corridor.

The local government municipal systems states that "a municipality through appropriate mechanisms, processes and procedures established in terms of chapter 4, must involve the local community in the development, implementation and review of the municipality's performance management system, and, in particular, allow the community to participate in the setting of appropriate key performance indicator and performance targets for the municipality". thus the municipality has held its IDP Indaba in May 2017 to ensure that communities are afforded the opportunity to set the performance target for the municipality. in attendance among others were:-

- Councillors
- Community Development Workers
- Ward Committees
- Traditional Leadership
- Traditional Health Practitioners (THP)
- Interfaith Organisation
- Business Forums
- Religion Formations
- Progressive Youth Structures
- Community Based Care Structures
- Government Departments

ASSESSMENT OF COMMUNITY NEEDS

The Municipality has collected the following community needs during the 2016/2017 financial year to inform the 2017/2018: IDP

Ward	Issues
Traditional leaders	Enquiring and complaining about new areas that are recently being developed and having project starting in new other areas Complaining about land invasion and requesting the municipality to interfere Requesting water and electricity at Vezubuhle (the whole of Vezubuhle) Complaining about ward 7 cemeteries not being fenced Requesting a satellite office for service fee payment at Luthuli Requesting a storm water control Complaining about water meters. Some residence don't have them at Tweefontein K Requesting and complaining about road to cemeteries to be re-gravelled. Complaining about road re-gravelling Requesting re-gravelling of roads at Luthuli Requesting recreational facilities at Luthuli Requesting a community hall for pensioners Requesting a researcher to research in the community and report back to the traditional leaders

	Requesting high mast lights at the cemeteries Complaining and requesting road gravelling at mountain view
Ward 1	• *Requesting a satellite office at ward 1* • *Requesting a high mast light at main road block 7 centre babazon* • *Requesting water supply and street lights at babazon* • *Complaining and requesting water and a community hall* • Complaining about high mast lights being few at Moloto North • Requesting tap water in the ward • Complaining about not having water at block d • Complaining about the waste collecting truck not collecting along every street • Requesting a satellite office where the community will go and pay their services • Requesting a school at Moloto North • Complaining about incomplete projects around Moloto North • Requesting electricity, the whole block of section d.d • Requesting bus roads at block d.d • Complaining about their rdp houses not being issued in a formal manner
Ward 2	• *Requesting electricity supply at Moloto North* • Requesting a tap water • Complaining about not having water at block d • Complaining about septic tanks , some of them being broken, some leaking • Complaining about the waste collecting truck not collecting every street • Requesting a satellite office where the community will go and pay their services • Complaining about incomplete projects around Moloto North • Requesting electricity, the whole block of section d.d • Complaining about road bus. They are incomplete • Requesting bus roads at block d.d • Complaining about their rdp houses not being issued to them in a formal way. • Requesting a school
Ward 3	• *Requesting water , high mast lights inside where he is residing* • *Requesting roads to be re-gravelled* • *Requesting a satellite office* • *Requesting tarring of internal roads at block 5* • *Complaining and requesting re-gravelling of internal roads at block 5 Moloto* • Complaining about payment of flat rate. • Requesting water meters and roads at Moloto • Requesting a rdp houses • Requesting street lights at block 5 ward 3 • Requesting water (the whole of block 5 near the garage at ward 3 Moloto south) • Requesting a community hall and a library • Requesting yellow bins • Requesting a rdp house • Requesting a tar road at Moloto block 5 • Complaining about water tank not delivering to every house • Requesting roads and a primary school at Moloto south • Requesting that all the valves be monitored and maintained • Requesting high mast lights at block 5 • Requesting a community hall at Moloto • Requesting a road to cemeteries of Moloto
Ward 4	• *Requesting water supply at Leratong* • *Complaining about un-improvement at Leratong*

	• *Requesting a bridge between Luthuli and ward 4* • Requesting a rdp house • Requesting bus routes at Zakheni • Requesting a bridge at Zakheni • Requesting a primary school at Zakheni ext • Complaining about holding a meeting during a week • Requesting the main road of Zakheni to be completed • Requesting that projects done around Zakheni be monitored. • Requesting a rdp house • Complaining about a hole that was left after a bridge was built at Zakheni • Requesting water • Complaining about Zakheni residence misusing water
Ward 5	• *Requesting houses at Thembalethu* • *Requesting a storm water control* • Complaining about the positioning of high mast lights • Complaining about un-energised high mast light • Requesting three high mast lights at Thembalethu outline • Requesting the flat rate(water) to be decreased to r40-50 • Requesting a community hall at Thembalethu • Requesting a post office and a community hall for next year • Requesting water • Requesting a high mast light at Thembalethu outline • Lack of service delivery at Thembalethu • Roads not being properly gravelled • Complaining about unemployment • Extension of the tar road (clinic) • Extension of high mast lights • Requesting storm water drainage to control water that is damaging tar road • Complaining about roads that need to be constructed
Ward 6	• *Complaining about a stream of water that requires a bridge to be build.* • *Requesting fixing of road via Phola Park community hall* • *Complaining about a bridge that over flows when it's raining at jordan* • *Complaining and requesting electricity* • *Requesting a high mast light at the main road of Phola Park* • Complaining about a dam, and requesting a storm water • Requesting a high mast light next to sizamile primary school • Requesting recreational facilities (sports ground) at Phola Park ext. • Requesting a bridge. Next to/close to ziphakamiseni • Requesting electricity at new stands and a rdp house • Requesting a clinic at Phola Park
Ward 7	• *Requesting a tarred road at Mathysensloop* • *Requesting re-gravelling at Mathysensloop stadium* • *Requesting a tarred road ward 7 mabhala street* • *Requesting a borehole at madala stand* • *Requesting water reticulation the whole of madala portion* • *Requesting recreational facilities* • *Requesting a borehole at Mathysensloop* • *Requesting a borehole* • *Requesting fixing of road via Phola Park community hall* • *Complaining about a bridge that over flows when it's raining at jordan* • *Complaining and requesting electricity* • Requesting a high mast light at the main road of Phola Park • Complaining about the cemetery issue(entrance fee) • Requesting the municipality to work hand in hand with the traditional leaders • Requesting a storm water control at Boekenhouthoek • Complaining about not having water at mhlamunyene, the whole section.

	• Complaining about receiving un-hygienic water from the water • Requesting a high mast light at boekenhouthoek, close to ruben • Requesting a special school (hearing and low iq) for disabled candidates • Requesting the municipality to assist the local candidates with a Saturday school (extra classes) • Requesting a storm water control/ storm water drainage • Requesting a high mast light at ruben boekenhouthoek • Requesting high mast lights to be maintained and energised • Complaining about incomplete projects (roads at chilli entrance boekenhouthoek
Ward 8	• *Requesting electricity ,water and tarred road at ward 08* • *Requesting a clinic / mobile clinic at Langkloof* • *Requesting street lights at Langkloof* • *Requesting water at Langkloof* • *Requesting pot holes to be covered at Langkloof* • *Requesting a solar system at ward 08* • *Requesting meter readers and requesting each and every house hold to have a tank* • *Requesting electricity at ward 8* • *Requesting network at ward 8* • *Requesting recreational facilities* • Requesting water at doorfontein • Requesting re-gravelling of roads at farm water • Requesting electricity at farm water • Requesting roads/re-gravelling of roads at thabakhubedu • Requesting a pumping machine to operate kwa-jiyane • Requesting a solar power/boreholes • Requesting rdp houses • Request the tar road in internal roads • Request the bridge in a bus road • Request the dust bin for waste collection • Request the apollo • Request water reticulation • Request skill centre • Request extension of tar road • Request the satellite office for payment of services • Request the grave yard to be fenced • Request primary & secondary school • Request job opportunities • Request chairs for community hall • Request sports field to be graded
Ward 9	• *Requesting a tap inside where she is residing* • *Requesting a rdp house* • *Requesting a community clinic at Tweefontein J* • *Complaining about Thembisile Hani Local Municipality not assisting in arts and culture* • *Requesting tarred and Tweefontein J* • *Complaining about Tweefontein J not being included in the coming budget for financial year of 2014/2015* • *Requesting water reticulation at Sheldon, the whole of Sheldon* • *Requesting water supply on all important areas like clinics and police stations.* • *Complaining about leakages and not being attended when they are being reported* • Requesting a community hall for senior citizen • Requesting all high mast lights to be energised at buhlebuzile • Requesting a multi- purpose centre for the residence • Roads to einel 2 experience some water leakage. • Community member is concerned about water leakages • Requesting a multi-purpose centre • Requesting toilets • In need of a municipal satellite office so that they can pay their services easily • Road maintenance

	• Requesting php houses • Requesting a primary school at zenzele • Complaining about crime • Complaining about unemployment and their advising the municipality to employ local people in local projects.
Ward 10	• *Complaining about projects not being allocated to ward 15* • *Requesting a sports ground at skhahla ward 10* • *Requesting a public transport for primary school students* • *Requesting a storm water control at ward 10* • *Complaining and requesting a bridge* • *Enquiring about the solar system request-when are they getting* • *Requesting toilets at ward 10* • Complaining about the waste tank not collecting/ entering each and every street • Complaining about rural residents not getting water • Complaining about the water tank not servicing all the residents • Complaining about not being told the correct service fee rate • Complaining about taps that are leaking • Complaining about other residents receiving free services • Requesting a rdp houses • Requesting a storm water control at Mzimuhle • Requesting that all high mast lights be energies • Requesting more high mast lights at Mzimuhle • Requesting a storm water control at Mzimuhle • Requesting a VIP toilets • Requesting a notice board (where all public notices will be pasted) • Requesting a free public transport for kids to be transported to school • Complaining about the municipality not intervening in sports and arts affairs. • Requesting a waste truck to collect all the waste being dumped by surrounding residents of Mzimuhle • Requesting a giant yellow waste bin at Mzimuhle • Complaining about a storm water that is being blocked by sand at Mzimuhle • Complaining about a disaster house. A complain was laid but up until now, it wasn't attended
Ward 11	• *Complaining about high mass lights that were supposed to be 24 but they are 10 and they are un-energised* • *Complaining about a bore hole that was build inside someone's house hold* • *Requesting a community hall at ward 11* • *Requesting a storm water at Verena c* • *Sports facilities are being requested at ward 11* • *Requesting regravelling at '' new stands "* • *Requesting storm water control* • *Requesting a satellite office at Verena.* • *Requesting indigent forms to be* • *Requesting jojo tanks, filled with water each and every resident of Verena* • *Requesting bore holes at Verena d* • *Enquiring about electricity on when is it going to be installed at Verena c* • *Requesting bore holes at block d and block c.* • *Requesting flashing toilets at Verena d and c* • *Requesting a primary and high school (institution)* • *Complaining about pot holes at Verena d main tarred road* • *Requesting speed humps at Verena four way (main road)* • Request water tap • Request electricity • Support the payment of services • Complain about the pampers that are all over the village • Request the meter box of electricity • Cost for services • Request centre of hiv& aids • Request the support from the municipality regarding hiv/aids activities

	• Request access to public transport via Mpumalanga road which is known as Witbank road. • Request the road regravelling • Request the mayor to look after indigent families • Request food parcel • Request job opportunity • Request road regravelling • Request rdp houses • Request job opportunities • Request sewerage toilet • Request the extension of high mast light • Request to be in a list of indigent • Request water reticulation
Ward 12	• *Complaining and requesting tarred road at ''dk'' Tweefontein cCand water network* • Community complaining about youth unemployment • Crime • Water leakage and wasting water • No taps in his stand and his paying municipal service • Lake of service delivery (municipality) • Unemployment (no contract but permanent jobs by the residents) • Nepotism • Requesting spots facilities • High rate of crime • Unemployment • Requesting for industrial area for job creation • Shortage of water • Unemployment • Complaining about water leakages. • No electricity
Ward 13	• *Requesting the municipality to install proper water pipes* • *Requesting high mast lights at B2 to be energised all of them* • *Requesting a storm water control and tarred* • *Requesting a community hall at B2 and Tweefontein K* • *Requesting a clinic at ward 13* • *Complaining about not having a title deed* • *Requesting the cemeteries at ward 13 to be fenced* • Complaining about a meter that is not operating in a proper manner • Complaining about the waste truck not keeping/sticking to the time slot • Complaining about not having a title deed • Complaining about a high mast light that causes distraction • Complaining about not having water • Requesting sewerage toilet • Requesting storm water • Request the high mast light to maintained • Request rdp house • Request the community hall for pensioners • Request storm water in a bus road • Development of the community park • Request the office of led to support cooperatives • Request the collection of waste • Request job opportunity • Request php houses • Request community hall • Requesting electricity • Requesting road regravelling • Requesting the plastic & dustbin

	• Request clinic • Request outline road to be maintained • Requesting clinic at outline of B2 • Requesting water pipe to be maintained • Requesting two pedestrian bridge next to sofuyile Tweefontein B1& B2
Ward 14	• *Requesting a school (primary school)* • *Requesting a tarred road at simunye street* • *Requesting water at ward 14* • Requesting re-gravelling • Requesting a grader to dig at the cemeteries (free of charge) • Requesting a mini-reservoir for next year • Requesting a public-park at mountain view • Requesting a community hall at mountain view • Requesting a mobile clinic at mountain view • Requesting a satellite office at mountain view • Requesting electricity at mountain view zone 6 • Complaining about a stream (river) across zone1 and zone 2 and requesting it to be fixed • Requesting toilets (flashing ones) at mountain view • Requesting water at mountain view zone 6
Ward 15	• *Requesting a tarred road at ward 15 (inside houses)* • *Requesting the road at masese to be fixed. It has a lot of pot holes* • *Complaining and requesting water reticulation at ward 15* • *Requesting a high mast lights at ward 15 (outline)* • *Complaining about projects not being allocated to ward 15* • Complaining about cemetery fee. • Requesting a community hall for the pensioners • Requesting monitoring when it comes to local projects. • Requesting a satellite office for service (fleet rate) fee payment • Requesting flashing toilet • Requesting rdp house • Complaining about pot holes that where left after construction work • Requesting a rdp house • Complaining about high mast lights that are not energised around Tweefontein • Requesting a storm water control at Tweefontein e • Requesting roads at Tweefontein e • Requesting a clinic at Tweefontein e • Requesting a satellite office at Tweefontein e • Requesting street names at Tweefontein e • Requesting a rdp house.
Ward 16	• *Requesting a satellite office at Buhlebesizwe no:2* • *Requesting re-gravelling of roads at ward 16* • *Complaining and requesting jobs and job creation* • *Complaining about projects not being allocated to section aa* • *Requesting flushing toilets at section aa* • Requesting a storm water control at Buhlebesizwe no:2 Sun Citylocation • Requesting vip toilets at Buhlebesizwe no: 2 • Requesting a honey sucker for the VIP toilets at Buhlebesizwe no: 2 • Complaining about the waste truck not collecting each and every street • Complaining about the municipality not interfering in public transport issues • Requesting recreational facilities/sports ground at Buhlebesizwe no:2 • Requesting a community hall • Requesting an office/centre to work at/ do her projects • Complaining about title deeds. They must be fixed first before residents pay their services

	• Requesting regravelling of extra sand that was left after construction work at rdp open space Buhlebesizwe no:2 • Requesting electricity around rdp ext new stand • Complaining about being side lined in terms of corporative projects • Complaining about rdp houses that are not well build at rdp Buhlebesizwe • Complaining about storm water control that are not well build at Buhlebesizwe no:2 rdp • Requesting electricity and water at Buhlebesizwe no:2
Ward 17	• *Requesting electricity network at ward 17, extension.* • *Requesting a high school and a primary at ward 17* • *Requesting a storm water control at Milliva rdp* • Complaining about not getting water. • Complaining about water meters that are leaking inside • Complaining about a bridge (to be extended)this issue was reported last year but it was un-attended • Requesting a storm water control • Requesting a geyser and a stove. • Requesting an apollo's Tweefontein n • Complaining about incomplete road • Requesting roads at Tweefontein n • Requesting a sports facilities • Requesting a tertiary (high institution) • Requesting a satellite office at Tweefontein f • Requesting Nkangala district to assist in job creation • Requesting electricity at Tweefontein f • Requesting a satellite office at Tweefontein f for fleet rate payment and other service payment • Complaining about un-energised apollo's • Requesting taps at Tweefontein f • Requesting a satellite office at Tweefontein f • Requesting recreational facilities (sports ground) • Requesting ground to be re-gravelled • Complaining about the road at 1st stop Tweefontein f all the apollos there, they are not energised • Complaining about un-energised lights at Tweefontein f • Requesting a community hall for pensioners or a tent for min-while • Requesting a bridge at Tweefontein f • Complaining about not having a post box/ not receiving his mail • Requesting a shopping complex at Tweefontein f • Requesting street humps at Tweefontein f
Ward 18	• *Requesting a storm water control that will lead water to gandi* • *Requesting re-gravelling at ward 18. The whole of it* • *Requesting water reticulation at Thokoza/requesting Thokoza to be included in the next financial year projects concerning water* • *Complaining /requesting about electricity at Thokoza* • Requesting a storm water control at simunye street • Complaining about not having water at Thokoza • Requesting a community hall at Thokoza • Requesting road signs that indicate the location (Thokoza) • Requesting re-graveling of roads at Thokoza • Requesting high mast lights to be energised • Requesting roads at ghanda street , Thokoza • Requesting water at Thokoza ext. • Requesting storm water control at Thokoza ext. • Requesting a tap where he is residing at the given address • Requesting a rdp house • Requesting water at Thokoza where his old age centre is residing (he owns an old age centre) • Requesting re-gravelling of street at new stands, Thokoza • Requesting a youth centre • Requesting a storm water control

	• Requesting maintenance at Thokoza, all roads • Requesting sports grounds to be re-gravelled at Thokoza • Requesting job opportunities
Ward 19	• *Requesting a storm water control at Sun City C* • *Requesting a school at ward 19 and water* • *Requesting water at Sun Citya and a tarred road to the clinic and a storm water* • *Requesting tarring of internal roads* • *Complaining about a bridge that needs to be fixed. Reason being it over-flows and residents can't walk* • *Requesting boreholes at Sun City D* • Requesting high mast lights at Sun City AA • Requesting roads at a.a • Requesting water • Requesting water the whole of Sun City AA • Requesting water and a community hall • Requesting a satellite office for service payment around Sun City AA • Requesting an internship programme from agriculture to accommodate all the un-employed youth. • Requesting a jojo tank • Requesting street names at Sun City AA • Requesting a community hall • Requesting a clinic • Requesting recreational facilities • Requesting a satellite office at Sun City AA • Requesting street lights to be monitored and maintained at Sun City AA • Requesting water at Sun City AA • Requesting pedestrian tar roads and pedestrian bridge • Requesting speed humps at Moloto road near Sun City AA • Requesting re-gravelling of roads at Sun City A, B, C and AA • Requesting a community hall at Sun City • Requesting recreational facilities
Ward 20	• *Requesting a pavement, community hall and toilets at ward 22* • *Requesting dongs to be closed after any construction has been done.* • *Complaining and requesting electricity at Sun City AA and Vezubuhle* • *Requesting a high school at sun- city AA* • *Requesting internal streets to be named* • Requesting that cemeteries be re-gravelled at Sun City AA next to an open space • Requesting a satellite office to pay services fleet rate • Requesting roads at Sun City AA • Requesting roads at Sun City AA and may they be made solid • Requesting/complaining about not having water. The whole of nyabela street
Ward 21	• *Enquiring about Vlaklaagte number 1 on why it's not included on 2014 projects?* • *Requesting an rdp house.* • *Requesting a community hall and requesting it at ward 21* • *Requesting high mast lights to be energised at ward 21* • Requesting a clinic • Requesting a hall • Requesting electricity • Enquiring about the rdp houses
Ward 22	• *Requesting tarred to be fixed including pot holes* • *Requesting inspectors to come from human settlement and inspect those rdp houses* • *Requesting a community hall* • *At maboko, they are requesting a bus for primary and secondary students. They are also requesting water.* • *Complaining about un-energised high mast lights at ward 21* • *Requesting more rdp houses at ward 21* • *Requesting tarring of internal roads at Msholozi* • *Requesting high mast lights at Msholozi*

	• Requesting roads at cemeteries • Requesting a public parking at the cemeteries • Requesting a no parking sign at the cemeteries • Requesting more street lights at Mandela • Complaining about water (not getting water , the whole of section 10 at Mandela) • Complaining about livestock that is loitering around • Requesting a primary school at Luthuli • Requesting a community hall at Mahlabathini • Requesting a rdp house • Requesting a taps • Requesting a clinic that will accommodate mahlathini, Luthuliand Msholozi • Complaining about Luthuli being side lined when it comes to other project like storm water control and roads • Requesting re-gravelling of roads at Luthuli • Requesting roads and bus routes at Luthuli • Requesting street signs • Complaining about electricity at Luthuli • Requesting re-gravelling at Luthuli • Requesting storm water control at Luthuli
Ward 23	• *Requesting a rdp house* • *Complaining about not receiving service delivery from the local municipality* • *Requesting sports/playground at Phumula A1, A2, B1 and C1* • *Requesting the municipality to set an appointment with Eskom for the community (something like imbizo)* • *Requesting toilets at a1 Phumula* • *Requesting high mast lights at A1 Phumula* • *Requesting tarred at section A1* • *Requesting a storm water control at Phumula.* • *Requesting high mast lights to be energised at Phumula* • *Requesting a community hall at Phumula* • Requesting a community hall at Phumula • Requesting a platform for the community of Phumula where they are going to state their issues • Requesting a shopping centre for the Phumula community • Requesting fencing at the cemeteries of Phumula • Requesting an office where he can do his hiv/aids programme for the community • Requesting a community clinic (not a mobile one) for the community of Phumula • Requesting toilets at Phumula • Requesting electricity
Ward 24	• *Requesting water and bore holes at Machipe* • *Requesting speed humps at main street of Machipe* • *Requesting water supply at Machipe* • *Requesting a storm water control at Machipe* • Requesting high mast lights to be energised at Machipe • Requesting the municipality to assist with corporative • Requesting a storm water control • Requesting that after construction , the holes that are left be closed • Requesting a community clinic at Bundu • Requesting a storm water control at Boekenhouthoek kwa- jane • Requesting a high mast light at Boekenhouthoek, close to Ruben • Requesting that the municipality must not issue previous statements from previous years • Requesting a special school (hearing and low iq) for disabled candidates • Requesting the municipality to assist the local candidates with a Saturday school (extra classes) • Requesting a storm water control/ storm water drainage • Requesting a high mast light at Ruben Boekenhouthoek • Requesting a high mast lights at Boekenhouthoek. The whole of boekenothoek • Requesting high mast lights to be maintained and energised
Ward 25	• *Requesting a storm water control at wad 25* • Enquiring about the pavement (the street is incomplete, the street to masombuka emaqwetheni)

	• Requesting that the grader be used on weekends to fladder the spots grounds. • Enquiring about the feedback report how its being draft
Ward 26	• *Complaining about a stream river and requesting a bridge or storm water control* • *Requesting a sports ground* • *Complaining about people who haven't received their rdp houses even though they were on the list* • *Complaining about incomplete bus routes at thembalethu that are not complete* • *Requesting high mast light (6) at Mzimuhle (four way stop at the main entrance)* • *Requesting a pavement in ward 9* • Requesting a satellite office for service fee payment at Luthuli • Amakhosi are complaining about not being invited in some of the meetings • Requesting a storm water control for next year • Requesting a researcher to research in the community and report back to the traditional leaders • Requesting high mast lights at the cemeteries • Requesting toilets (flashing ones) at kwagga c • Requesting a high mast light at kwagga c next to mphephulo • Complaining about the shortage of water around kwagga c • Requesting flashing toilets at kwagga c • Requesting the municipality to assist in job creation • Complaining about unemployment rate around thembisile. (its high) • Requesting a rdp house • Requesting flashing toilets • Complaining about electricity and requesting it at kwaggafointein c •
Ward 27	• Request water , high mass lights and roads maintenance • Request tar roads • Do not want the vip toilets but flushing toilets • Skills development centre • Roads maintenance • Street lights/high mast light • Disaster management to assist families that need houses • Request for electricity • Palesa mine uses thlm water but not charged • Request community hall • Asbestos pipe changed to pvc plastic pipes • Completion of water reticulation • Regravelling of internal roads
Ward 28	• *Complaining about not being notified as a ward committee member* • *Requesting an appointed contractor to be punctual and work on a time frame* • Requesting the municipality to communicate with the community • Requesting storm water control • Requesting a jojo tank • Requesting water meter all the residence of bhundu • Requesting roads • Requesting a high mast light next to spar kwagga a • Requesting a community park • Requesting assistance from the municipality to assist him with his corporative • Requesting a storm water control at ward 28 • Requesting a special school for low iq/disabled candidates around kwagga a • Requesting an rdp house • Requesting a community hall/temporally tent • Complaining about potholes at the cemeteries of kwagga a • Requesting re-gravelling/ maintenance of the roads outlined roads at kwagga a • Requesting speed humps from sifikile to R573
Ward 29	• Php houses completion in ward 29

	• Mobile clinic introduction and the schedule of dates be given by the department of health • Installation of street lights or high mast light in crime spot areas • Request community hall • Sports grounds development in ward 29 • Request businesses sites to be released when they apply • Meter box for electricity installation • Completion of the vip toilets in ward 29 • Job opportunities for the youth • Park or recreational facilities in the form of multipurpose functions • Darla to clarified the land issue especially farm in ward 29 • By-law on land requisition in ward 29 • Asbestos pipe changed to pvc plastic pipes • Regravelling of internal roads
Ward 30	• *Enquiring about water, when would this problem be solved and requesting a satellite office* • *Complaining about incomplete tarred/roads at Tweefontein j closed to the high school* • *Requesting a toilet* • *Requesting a storm water control* • Municipality to do feasibility study before building rdp houses to avoid the issue of wetland • In need of vip toilet • In need of storm water drainage to control water that damage houses • They complaining about water from dam stream that are destroying the tire road and cemetery • Highmast light are not operating • In need of apollo's • Proper inspection was not done well when rdp houses were built • In need of community hall • Request extension of highmast light and repair those that are there
Ward 31	• *Complaining about un-energised high mast lights* • *Requesting storm water control at ward 31* • *Requesting water supply at section d (entabeni)* • *Requesting our road to be tarred at Kwaggafontein d* • Requesting the municipality to assist with home based care (khomani home base care) • Requesting storm water control and roads at kwagga d • Complaining about un-energised high mast lights around kwagga d • Requesting road and electricity • Requesting a rdp house • Requesting a high mast light at kwagga d • Requesting speed humps at d-line • Requesting recreational facilities at kwagga d • Requesting a community hall at kwagga d • Requesting that the agenda/report be written in isindebele • Requesting re-gravelling • Requesting re-gravelling of roads next to the dum/farm • Requesting temporally tents mine while her rdp house is still being build • Requesting a jojo tank where he is located. He owns a little farm • Requesting assistant from the municipality to assist her with a disability school and senior citizen school • Requesting a tlb (re-gravelling)
Ward 32	• *Requesting that, all the requested needs be implemented* • *Requesting a bus-waiting room* • *Complaining about the shopping centre at kwa-mhlanga cross roads. Requesting it to be extended.* • Complaining about not getting food parcels • Complaining about poor service delivery • Complaining about a meter that was inserted and it was leaking • Complaining about a proof of residents that are being issued at the municipality. They are not permitted at other banks • Complaining about being side-lined by the municipality in teams of food parcels • Complaining about kwamhlanga not being clean

	• Requesting maintenance in every infrastructure • Requesting maintenance at thembisile show ground • Complaining about pot holes at section c kwa-mhlanga

WARD COMMITTEES

In terms of the municipal structures act, (Act 117 of 1998) municipalities are required to establish ward committees to enhance community participation in municipal development processes. In compliance with this legislative requirement the municipality has established 32 ward committees which are functional. The ward committees have since their establishment added much value to municipal processes by providing inputs from a community perspective. They play a major role in the IDP process, both in terms of highlighting community priorities but also in maintaining constant communication between the council and the communities. A number of training opportunities were made available for ward committee members to augment their capacity. Proportional representative councillors are deployed in wards to strengthen participation and communication.

MAYORAL OUTREACH MEETINGS

The following mayoral outreach meetings were held during the 2017/2018 financial year.

Date	Time	Cluster	Wards/Structures	Venue
28 September 2017	09H00-12H00	All	Ward Councillors/Ward Committee Secretaries/ CDW's	Municipal Council Chamber
29 September 2017	09H00-12H00	All	Traditional Leaders	Municipal Council Chamber
29 September 2017	14H00-16H00	All	Traditional Healers	Municipal Council Chamber
03 October 2017	09H00-12H00	All	Religious Organisations	Municipal Council Chamber
03 October 2017	15H00-17H00	All	Businesses	Municipal Council Chamber
04 October 2017	09H00-12H00	Cluster 01	07 & 24	Endlini ya bo Gogo (Boekenhouthoek)
04 October 2017	14H00-16H00	Cluster 02	25, 26, 27, 28, 29 & 31	Kwaggafontein Community Hall
05 October 2017	09H00-12H00	Cluster 03	01,02 & 03	Manala Tribal Office/Moloto RDP
05 October 2017	14H00-16H00	Cluster 04	04,06,14,19,20,22 & 32	Vezubuhle Community Hall
06 October 2017	09H00-12H00	Cluster 05	05,09,15,17,18,20 & 30	Kwa-Fene Tribal Office Open Space
06 October 2017	14H00-	Cluster 06	12,13,16,17,21 & 23	Miliva Taxi Rank

	16H00			
10 October 2017	09H00-12H00	Cluster 07	8 (Farms)	Bly 'n Bietjie School Ground
10 October 2017	14H00-16H00	Cluster 08	08,10 & 11	Verena Community Hall
11 October 2017	09H00-12H00	Cluster 09	32 (Farms)	Hokai Open Space

Chapter 2

IDP PROCESS PLAN

IDP PHASES	ACTIVITIES	DATES
Pre-Planning Phase	Before starting the planning process, an IDP process plan must be drawn up. This plan is meant to ensure the proper management of the Integrated Development Planning process. The plan must be set out in writing, in terms of the legislation and must comply with the provisions of the district framework plan in terms of the binding national and provincial planning frameworks, mechanisms and processes stipulated in the framework plan of the district.	all municipalities must adopt their IDP process plans by august 2015 subsequent to the adoption of the district framework plan by the 30 August 2018
Analysis Phase	During this phase information is collected on the existing conditions within the municipality. When assessing the existing level of development in the municipality, the level of access to basic services and those communities that do not have access to these services must be identified. Focus must be on the types of problems faced by community in the area and the causes of these problems. The identified problems are assessed and prioritized in terms of what is urgent and what needs to be done first. Information on availability of resources is also collected during this phase. Priority issues highlighted during the 2015/16 IDP processes will also be revised and confirmed during this phase. Com-munity meetings, stakeholder meetings, surveys, opinion polls and researched information should form the basis of this phase.	this phase should be completed by 31 October 2018
Strategies Phase	Municipalities must begin to contemplate on the best possible strategies to tackle the identified challenges. critical in this process in order to ensure a focused analysis, the municipal vision must be confirmed and development objectives containing clear statements of what the municipality would like to achieve in the medium term to deal with the problems outlined in the first phase be confirmed. Internal transformation needs, council's development priori-ties must be taken into account when formulating council objectives. This process should involve strategic workshops, targeted stakeholder engagements, public hearings, sector provincial and national department's engagements, social partners, interest-based groups and organized civil society. once the municipality has worked out where it wants to go	this phase should be completed by 31 January 2019
Projects Phase	During this phase the municipality works on the designs and content/specifications of projects identified during the prior phases. Clear details for each project have to be worked out. Clear targets must be set and indicators worked out to measure performance as well as the impact of individual programmers and projects. The identified projects must have a direct link to the priority issues and objectives identified in the previous phase. Municipalities must ensure engagement of internal technical committees, possibly with selected key stakeholders. The needs and views of the affected communities must be taken as a priority. The project technical committees and their subcommittees must be able to distinguish between the strategic municipal wide development programmes and the localized community-level projects.	this phase should be completed by 31 January 2019

Integration Phase	Thembisile Hani Local Municipality embarked on mayoral outreach programmer from September to November 2015 in all 32 wards. Once all projects have been identified, the municipality must confirm that the identified projects will achieve the desired impact in terms of addressing the identified challenges and are aligned with the objectives and strategies and comply with legislation. the identified programmes/projects will set the pace and direct the trajectory emanating from the overall picture of the development plans of all the stakeholders, including sector departments and social partners	By 28 February 2019
IDP Indaba	amendment of IDP according to comments	By 29 March 2019
Approval Phase	submission of draft IDP to council road show on public participation and publication submissions of IDP to council for approval and adoption	By 30 May 2019

Schedule of key dates

IDP Phase	Activity	IDP Steering committee	Mayoral IDP/Budget Steering Committee	Strategic Planning Workshop	IDP/Budget Indaba	Mayoral Comm. Sitting	Council Sitting	Community Meetings	Public Notice Date	Due date for Completion of Process
Preparation 01 July-30 August	Preparation and Adoption of IDP Process Plan	07 August 2018	N/A	N/A	N/A	14 August 2018	30 August 2018	N/A	By 08 September 2017	30 August 2018
Analysis 01 August-30 October	Community Meetings Preparation of IDP Analysis Report	23 October 2018	N/A	N/A	N/A	N/A	N/A	September-October 2018	N/A	31 October 2018
Strategies	Refinement of Objective	11 November	N/A	15/16 January 2019	N/A	N/A	N/A	N/A	N/A	30 January 2019

01-30 November	s and Strategies	2018								
Projects 01December- 30 January	Project confirmation Budget/IDP steering committee meeting	29 January 2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30 January 2019
Integration 01-28 February	Consultation with Sector Departments, Confirmation of budgets, Integration with Sector plans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	28 February 2019
Approval 01-February to 30 April	Preparation of IDP/Budget for Council Approval Community Engagements Publication of Notices	26 February 2018	N/A	N/A	N/A	20 March 2018	27 March 2018	10-20 April 2018	By 14 April 2018	29 March l 2019
Adoption	Publicati	23 April	25 April	N/A	10 May	22	30	N/A	By 15	30 June

of amendments to the IDP and Budget	on of Notices Final Approval of IDP and Budget	2019	2019		2019	May 2019	May 2019		June 2019	2019

Summary

For the purpose of reviewing the IDP, the municipality conducted a series of public participation/ mayoral izimbizo meetings during the months of September, October and November, January, February and March to get inputs from communities regarding current service delivery issues and needs. according to the municipal systems act (32 of 2000) the *"municipality must within 14 days of the adoption of the IDP give notice to the public of the adoption of the plan and that copies of the extracts from the plan are available for public inspection at specified places"*. As such a notice was issued inviting communities to give inputs within a period of 21 days after publishing the notice. The municipality further dedicated the month of April 2018 for holding community consultation meetings in order to provide an opportunity for further inputs from community members, stakeholders and representatives.

Comment on the effectiveness of the public meetings held

Council benefits positively as a result of the above systems, in that consultation is done with the broader community of Thembisile Hani on matters of service delivery.

2.5 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, KPI's, and 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 KPI's in the strategic plan?	Yes
Do the IDP KPI's align to the section 57 managers	Yes
Do the IDP KPI's lead to functional area KPI's as per the SDBIP?	Yes
Do the IDP KPI's align with the provincial KPI's 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
* section 26 municipal systems act 2000	

COMPONENT D: CORPORATE GOVERNANCE

The scope of corporate governance includes the political, administrative, intergovernmental governance and public accountability and participation to ensure that the municipality is managed to the required desires of the community within the rules, processes and laws by which the municipality is operated, regulated and controlled.

The national and provincial outcomes for local government can be seen in **appendix n**

2.6 RISK MANAGEMENT, ANTI-CORRUPTION AND FRAUD

The municipality has established a functional risk management unit which is headed by Chief Risk Officer and it strives to maintain an effective, efficient and transparent system of risk management. This unit use the national treasury risk management framework as a guideline to discharge its day to day responsibilities and operations.
The following risk management related policies has been developed and approved by Council in order to intensify the effectiveness, efficiency and transparency systems of risk management within the municipality:

Risk management policy
Risk management strategy
Risk management methodology
Risk management charter
Whistle blowing policy
Gift policy
Risk appetite and tolerance framework

The Municipality is under shared Risk Management Committee (RMC) services with NDM which meets on quarterly basis and is chaired by an independent external person. The committee oversee the risk management related matters and ensures

that risk assessments are conducted on annual basis, monitoring reports submitted on quarterly basis and risk management related policies are reviewed and approved by the appropriate structures. The RMC Chairperson further liaise with the Accounting Officer and submit the RMC report to Audit Committee on quarterly basis.

The Top 5 risks of the Municipality are:

1. Inadequate revenue collection.
2. Inadequate fleet management.
3. Land invasion and encroachment.
4. Unwillingness to pay services by stakeholders.
5. Inadequate physical security management.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipality strongly discourage the activities of theft, fraud and corruption internally and externally. The matters relating to corruption and fraud are advocated under risk management unit and Audit Committee by risk management committee and Chief Risk Officer.
Chief Risk Officer by-annually conducts anti- fraud and corruption awareness campaigns to educate both municipal staff members and honourable councillors about the risks relating to fraud and corruption.
During awareness campaigns stakeholders are encouraged to report any fraud and corrupt related matters and the whistle blowers may remain anonymous and will be protected.

The Anti-Fraud and Corruption Strategy, Fraud Prevention Plan, the Whistle Blowing Policy and Gift Policy has been developed and approved by council and these documents are aligned to the Prevention of Corrupt Activities Act (POCA) and Prevention and Combatting of Crime Activities Act (PRECCAA) the whistle blowing policy was developed in line with the protected disclosure act.

Risk Management unit, Internal Audit unit and Legal unit has a vital role to play in ensuring that the municipality become free from fraudulent and corrupt activities, by conducting preliminary investigations and special internal audit assignment on any fraud and corruption reported matters.

Part of the annual risk assessment report which developed was the fraud risk register. The register indicates all the possible risks which relates to fraud and corruption. The register is monitored on quarterly basis together with the operational and strategic risks and the report is escalated to council through Audit Committee.
Anyone found to have contravened any act or policy, by being involved in the activities of theft, fraud and corruption is subjected to the disciplinary committee.

CONCLUSION

For its success, the risk management framework describes its reliant upon gaining commitment from senior management and council, establishing the business processes, including assigning responsibilities for change, resourcing, communication, training and reinforcing a risk culture throughout the municipality.

The implementation of a risk management framework will enable the municipality to improve its management of risks, and drive performance, i.e. improvement of stakeholder value.

An effective risk management framework will enable senior management to understand the potential upside and downside of actions, and to understand the management of risk in order to raise the likelihood of issues while reducing the likelihood of failure and decrease the uncertainty of overall financial performance.

The risk management framework will assist the municipality to better allocate risk management resources, provide better performance indicators and monitoring opportunities and improve risk reporting throughout the municipality.

In addition, the framework will assist the municipality with identification of unidentified risks, and highlight control gaps and unnecessary and excessive controls, elimination of which will produce cost saving. Such a framework will necessarily present risk awareness throughout the municipality.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The scm policy of Thembisile Hani Local Municipality was adopted by council and is reviewed every year together with the budget related policies. It is efficiently, effectively and transparently implemented and there are not visible failures on its implementation. There were also no material findings from the office of the Ag regarding the implementation of the policy and the scm processes. The emergency situation caused the user department to deviate on normal scm processes. To avoid recurrence of anomalies is to ensure service providers are appointed for as and when required basis on all service or good that were procurement through deviation. Furthermore procurement plans will be development on operational and capital projects.

Challenges	Impact	Measures To Improve Performance
deviations by user department	irregular expenditure	proper planning to avoid deviation

2.9 BY-LAWS

COMMENT ON BY-LAWS PERFORMANCE OVERALL

No by-laws were gazetted during 2017/2018 financial year

2.10 WEBSITES

Municipal Website: Content And Currency Of Material			
Documents Published On The Municipality's Website	**Yes /No**	**2016/2017**	**2017/2018**
current annual and adjustments budgets and all budget-related documents	Yes	Apr-17	Mar-18

all current budget-related policies	Yes	Jun-17	Jun-18
the previous annual report (2015/16)	Yes	Sep-16	Sep-17
the annual report 2015/16 published	Yes	Sep-16	Sep-17
all current performance agreements required in terms of section 57(1)(b) of the municipal systems act (2000) and resulting scorecards	Yes	Jun-17	Jun-18
all service delivery agreements	No	None	None
all long-term borrowing contracts	No	None	None
contract register	yes	Jun-17	Jun-18
an information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2016/17	Yes	None	None
public-private partnership agreements referred to in section 120 made in 2016/17	yes	None	None
all quarterly reports tabled in the council in terms of section 52 (d) during 2016/17	Yes	Jun-17	Jun-18

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality has not conducted any public satisfaction survey. However the municipality has conducted public participation meetings as part of the mayoral outreach. These participation meetings to some extent were a mirror with which to gauge public satisfaction on the service provided by the municipality. These meetings serve to address some of the constraints and challenges the municipal council and communities face. About 29 mayoral outreach meetings were held during 2017/2018 financial year.

Chapter 3

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

INTRODUCTION

Service delivery is in terms of the constitution of the republic of South Africa, schedule 4, part b determines the functions of the municipality and therefore its responsibility towards the community. In terms of the IDP and the departmental objectives of the Thembisile Hani Local Municipality, certain issues are set out to be achieved during the financial year.

The following have been achieved during 2017/2018 as per community survey:

- Provided 88 451 households with access to basic water
- Provided 32 675 households with access to basic refuse removal
- Provided 79 122 households with access to basic electricity
- Provided 28 189 households with access to basic sanitation (water borne system)
- Provided 56 991 households with access to free basic water(6 kl)
- Received a 79.44% blue drop for drinking water quality
- Received an 25.68% green drop status for effluent water quality

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

BASIC SERVICE PROVISION	CHALLENGES
Water	• lack of water storage in Kwamhlanga,Bundu,Vriesgewagte,Tweefontein and Moloto, • lack of own water source/need for purification plant • water losses • incosistence bulk water supply from City of Tshwane and Dr.Js Moroka • ageing infrastructure (asbestos pipes) • Theft of solar panel on boreholes
Refuse removal	• shortage of staff • inadequate waste collection waste trucks • limited funding
Sanitation	• huge sanitation backlog • limited funding for operation and maintenance • community of Thembisile Hani Local Municipality requires water borne sanitation system and not the VIP toilets anymore • lack of maintenance on VIP toilets • high risk rating on green drop
Electricity for energising high mast light and maintenance	• lengthy Eskom process • limited funding and resources for own maintenance team
Roads and storm-water drainage	• flooded gravel roads • limited funding for maintenance and construction of new roads • Limited resurces for internal maintenance for gravel roads • Storm water challenges through all wards • huge backlog on gravel (unpaved)roads

	• Limited budget to reseal roads

DEFINITION OF A HOUSEHOLD / HOUSING UNIT

Household: a *household* consists of a person, or a group of persons, who occupy a common dwelling (or part of it) for at least four days a week and who provide themselves jointly with food and other essentials for living. In other words, they live together as a unit. People who occupy the same dwelling, but who do not share food or other essentials, were enumerated as separate households. For example, people who shared a dwelling, but who bought food and ate separately, were counted as separate households. Visitors, both foreign and south African, as well as boarders who stayed with a household on *census night*, were counted as part of that household. People who were absent on census night, but were not counted elsewhere (either because they were working, travelling, at a church vigil, at an entertainment centre, and so on), and returned to the household on Tuesday, 10 October, were counted as part of the household. Live-in domestic workers and live-in employees were regarded as separate households. (Statistics: south Africa, census 2011)
Housing unit: it is a unit of accommodation for a household, which may consist of one structure, more than one structure, or part of a structure. Examples of each are a house, a group of rondavels, and a flat. In informal areas and overcrowded conditions a housing unit may hold more than one household.

DEFINITION OF AN INFORMAL SETTLEMENT

Informal settlements are groups of people living on land they have no legal claim to. It is also known as an unplanned settlement on land which has not been surveyed or proclaimed as residential, consisting mainly of informal dwellings. Informal settlements are also referred to as a squatter settlement, slum or a shanty town. (Statistics: South Africa, Census 2011).

3.1 WATER PROVISION

As Thembisile Hani Municipality, we do not have our own source of water; we depend on other water service authorities for bulk water supply. Currently the supply of water to thlm from the two sources is very poor and inconsistence that:

Rand Water is contracted to supply 30 Ml per day, and rand water is currently supplying 30 – 35 Ml per day.

Dr Js Moroka is contracted to supply 5 Ml per day, and there has been minimal supply since November 2017.

City of Tshwane is contracted to supply 16.6 Kls per day it currently when it does supply it is 8 Ml per day, however there is no consistence supply due to alleged frequent breakdown of their water treatment plant in Bronkhorstspruit. There are frequent long periods of breakages in their water treatment plant resulting in no supply sometime.

Based on the 2011 statistics report, THLM had a total number of 75 634 households. Based on the general households survey conducted in 2014 by THLM, there has been an additional 33 648 households, of which the total households are then 109 282, which is a total population of 448 056.

With the above-mentioned, the actual demand on the basis of a population of 448 056 is 74.1 Ml per day. Currently THLM is getting a supply of 43 Ml per day from its water suppliers, which amounts to a shortfall of 31.1 Ml per day.

Remedial measures implemented by THLM to address/ alleviate the water shortage challenges are as follows:

Water Conservation and Demand Management Projects, and the War on Leaks programme through the Water Services Infrastructure Grant to reduce the water losses by and estimated 18 Ml per day.

Borehole projects implemented in the 2015/ 16 FY to supplmenet the existing/ current shortfall by 4 Ml per day. These Boreholes were left vandalised and certain solar panels stolen, hence the municipality is electrifying them.

The Upgrading of Existing Infrastructure from Agricultural Project to Augment Borehole Water Supply in Bundu (Moses River) Multi-Year Project, which will supplement the current shortfall by 5 Ml per day, and the first 2.5 Ml per day of the project will be completed in December 2018, and the remainder in June 2019.

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

DWS to fast track abstraction of 20 Ml per day from Loskop Dam as directed by the President in June 2016.

Feasibility study for the Rust de Winter Dam Water Scheme which is implemented by Rand Water for Western Highveld, of which the scheme will increase bulk water supply for THLM by 10 Ml per day.

The baseline information below was sourced from 2011 statistics

water service delivery levels households		
Description	**20116/2017**	**2017/2018**
	actual	**actual**
	no.	**no.**
water: **(above min level)**		
piped water inside dwelling	12 300	12 300
piped water inside yard (but not in dwelling)	73 754	76 902
using public tap (stand pipes)	0	0
other water supply (within 200m)	2 281	2 281
minimum service level and above sub-total	88 335	**91 483**
minimum service level and above percentage	96%	95.4%
water: **(below min level)**		
using public tap (more than 200m from dwelling)	1 051	1 051
other water supply (more than 200m from dwelling	469	2 281
no water supply	1 160	3 459

below minimum service level sub-total	2 680	6 791
below minimum service level percentage	231%	4.6%
total number of households*	**75 600**	109 282

*** - to include informal settlements**

The wording "*within/more 200m from dwellings*" be replaced with "*stand pipes*" as it challenging to measure.

households - water service delivery levels below the minimum households		
Description	**2016/2017**	**2017/2018**
	actual no.	**actual no.**
formal settlements		
total households	72 920	75635
households below minimum service level	2 680	3 459
proportion of households below minimum service level	4%	4.6%
informal settlements		
total households	2 680	3456
households ts below minimum service level	1 160	3456
proportion of households ts below minimum service level	43%	4.6%

The information below is as per the community survey.

water service delivery levels	households	
Description	**2016/2017**	**2017/2018**
	actual	**actual**
	no.	**no.**
***water:* (above min level)**		
piped water inside dwelling	12 300	12 300
piped water inside yard (but not in dwelling)	73 754	76 902
using public tap (stand pipes)	0	0
other water supply (within 200m)	2 281	2 281
minimum service level and above sub-total	88 335	**91 483**
minimum service level and above percentage	93%	81%
***water:* (below min level)**		
using public tap (more than 200m from dwelling)	1 051	1 051
other water supply (more than 200m from dwelling	466	33 469
no water supply	3 441	1 160
below minimum service level sub-total	**4 958**	**35 680**
below minimum service level percentage	144%	32.6%
total number of households*	**75 600**	**109 282**
*** - to include informal settlements**		

The wording "*within/more 200m from dwellings*" be replaced with "*stand pipes*" as it challenging to measure.

Households - Water Service Delivery Levels Below The Minimum Households		
Description	**2016/2017**	**2017/2018**
	Actual No.	**Actual No.**
Formal Settlements		
Total Households	70 542	88 335
Households Below Minimum Service Level	5 058	35 680
Proportion Of Households Below Minimum Service Level	7%	32.6%

Informal Settlements		
Total Households	5 058	35 680
Households Ts Below Minimum Service Level	3 441	990
Proportion Of Households Ts Below Minimum Service Level	68%	2.7%

EMPLOYMENT INFORMATION

Employees: Water Services					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 To 6	0	0	0	0	0%
7 To 9	12	17	11	6	35.3%
10 To11	15	15	13	2	13.3%
13 To 15	38	38	38	0	0%
Total	66	71	63	8	11.3%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2016/2017 AND 2017/2018 TECHNICAL SERVICES

VOTE	DETAILS	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
105	SALARIES	0	0	1 399 550	1 391 999.92
105	BONUS	0	0	161 569	116 229.16
105	SALGBC	0	0	693	693.00
105	Acting Allowances	0	0	15 000	8 069.12
105	PENSION CONTRIBUTIONS	0	0	277 700	277 699.68
105	MEDICAL AID CONTRIBUTION	0	0	111 393	113 010.40
105	HOUSING SUBSIDIES	0	0	0	0
105	UIF CONTRIBUTION	0	0	11 711	11 599.90
105	STANDBY ALLOWANCE	0	0	0	0
105	Travel Allowances	0	0	0	0
105	CELLPHONE ALLOWANCE	0	0	0	0
105	SKILLS DEVELOPMENT LEVY	0	0	11 772	15 384.48
105	TOLL GATE FEES	0	0	1 500	0
105	ACCOMODATION	0	0	50 004	36 337.70

105	FOOD AND BEVARAGES	0	0	5 004	4 907.17
105	TRAVEL AND SUBSTANCE	0	0	13 851	6 925.59
105	UNIFORM	0	0	788 140	394 070.00
105	MULTIPURPOSE CENTRE IN PHUMULA	0	0	5 904 000	

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2016/2017 AND 2017/2018 PMU

VOTE	DETAILS	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
500	SALARIES	0	0	2 779 812	2 444 249.89
500	BONUS	0	0	189 065	190 991.65
500	SALGBC	0	0	792	775.50
500	Acting Allowances				10 653.57
500	PENSION CONTRIBUTIONS	0	0	398 188	418 689.83
500	MEDICAL AID CONTRIBUTION	0	0	113 220	132 637.80
500	UIF CONTRIBUTION	0	0	15 336	13 780.96
500	STANDBY ALLOWANCE	0	0	0	0
500	Travel Allowances	0	0	504 000	490 500.00

500	CELLPHONE ALLOWANCE	0	0	40 272	39 400.00
500	SKILLS DEVELOPMENT LEVY	0	0	49 392	30 679.70
500	COMPUTER EQUIPMENT	0	0	120 000	29 970.24
500	PROFFESIONAL CONSULTANT FEES	0	0	492 315	355 016.18
500	RENTAL OF OFFICE EQUIPMENT	0	0	59 772	
500	ADVERTISEMENT TENDERS	0	0	100 391	68 210.16
500	ENTARTAINMENT	0	0	134 616	134 466.30
500	PRINTING STATIONERY	0	0	68 078	75 599.38
500	TRAINING	0	0	410 154	203 473.68
500	ACCOMODATION	0	0	171 000	126 366.40
500	FOOD AND BEVERAGES	0	0	1 536	26 182.74
500	ENTERTAINMENT	0	0	26 430	13 780.96
500	AIR TRANSPORT	0	0	15 000	0
500	CAR RENTAL	0	0	5 000	0
500	TRAVEL SUBSISTENCE	0	0	96 724	43 706.38

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2016/2017 AND 2017/2018 WATER SERVICES

VOTE	DETAILS	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
540	SALARIES	11 579 349	9 992 619	10 446 553	9 992 619.42
540	CLUSTER 3 B/HOLES L/KLOOF	0	0	279 427	0.00
540	CLUSTER 3 B/HOLES VERENA D	0	0	573	0.00
540	WARD 1 BOREHOLES	0	0	118 104	0.00
540	WARD 25 B/HOLE KWAGGA CDE	0	0	118 105	122 171.54
540	BOREHOLE KWAGGA A	0	0	369 968	0.00
540	BOREHOLE VERENA D	0	0	224 363	338 787
540	CAPITAL WORK IN PROGRESS WARD	0	0	379 863	399 848.00
540	BOREHOLE & BOOSTER Pump MOLOTO	0	0	60 000	0.00
540	ELECTRIFICATION OF BOREHOLE LUTHULI	0	0	30 000	84 139
540	BOREHOLE & INSTAL BOOSTER Pump Moloto	0	0	100 000	0.00
540	Borehole Kwagga C	0	0	100 000	0.00
540	Borehole Bundu Ward 24	0	0	1 040 000	0.00
540	BOREHOLE ENGWENYAMENI WARD 19	0	0	90 000	0.00
540	BOREHOLE KWAGGA B WARD 25	0	0	100 000	0.00
540	BOREHOLE LUTHULI WARD 22	0	0	90 000	0.00
540	BOREHOLE MACHIPE WARD 24	0	0	120 000	0.00
540	BOREHOLE SUN CITY WARD 19	0	0	90 000	0.00

540	BOREHOLES T/FONTEIN C	0	0	40 000	0.00
540	BOREHOLES T/FONTEIN D	0	0	90 000	0.00
540	BOREHOLES WOLVENKOP WARD 11	0	0	60 000	0.00
540	CAPITAL WORK IN PROGRESS MATHYSENSLOOP	0	0	120 000	0.00
540	WATER PIPELINE BUNDU WARD	0	0	10 568 448	10 577 627.75
540	PIPILINES CIVIL ENGINEER WARD 5	0	0	2 141 906	1 910 480.52
540	WATER CIVIL ENGINEER VLAKLAAGTE/KWAGGA	0	0	4 300 399	4 237 804.20
540	AGRIC PROJECTS IN BUNDU WARD 24 CIVIL ENGINEER	0	0	29 433 650	29 157 000.80
540	PUMP STATION CIVIL ENGINEERS ENKELDOORNOOG B WARD 5	0	0	2 868 789	2 026 209.70
540	WATER INFRA CIVIL ENGINEER MATHYSENSLOOP	0	0	3 767 444	3 382 868.12
540	RESERVOIR CIVIL ENGINEER T/FONTEIN A WARD 23	0	0	4 505 151	4 262 726.48
540	WORK IN PROGREES BOREHOLES WARD 31	0	0	90	0.00
540	PIPELINE FROM KWAMHLANGA TO PHOLA WARD 6 & WARD 14	0	0	8 246 491	6 257 740.78
540	INDIGET RELIEF FREE BASIC WATER	0	0	38 203 560	42 672 042

540	WATER PURCHASE	0	0	124 403 148	148 084 470
540	REPLACEMENT OF LOCKABLE MANHOLE COVERS	0	0	3 627 717	3 624 763.59
540	MAINTENANCE TO PRESSURE RELEASE VALVE	0	0	1 965 145	1 968 060.20
540	REPAIRS TO ISOLATION VALVES	0	0	1 082 481	1 071 973.32
540	REPAIRS TO MANHOLE CHAMBERS	0	0	1 065 125	1 083 516.40
540	EMERGENCY REPAIRS TO PIPEWORK	0	0	4 527 380	4 596 592.22
540	CIVIL DEVEL OF WCD MP RAND WATER EVERRCHAGE	0	0	2 961 518	
540	WATER SERVICE DEVEL PLAN	0	0	550 000	467 041
540	MAINTENANCE OF PUMP STATIONS MECH ISSUES	0	0	2 145 000	2 014 243.71
540	MAINTENANCE OF BOREHOLE MECH ISSUES	0	0	881 460	894 110.66
540	SAMPLE TESTING WATER SAMPLES	0	0	1 000 000	1 700 475.81
540	CORRECTIVE EMERGENCY REPORTS TO SAMPLING HOUSE	0	0	50 000	0.00
540	MAINTENACE OF BOREHOLES ELECTRICAL ISSUES	0	0	324 740	332 370.12
540	MAINTENANCE OF PUMP STATION	0	0	4 380 364	4 407 127.79
540	DELIVERY OF WATER	0	0	13 601 840	13,472,779.39

540	CELLPHONE ALLOWANCES	0	0	77 000	65 400.00
540	HOUSING SUBSIDIES	0	0	9 708	0
540	SHIFT ALLOWANCE	0	0	31 854	64,715.03
540	STANDBY ALLOWANCES	0	0	695 731	681 145.61
540	TRAVEL ALLOWANCE	0	0	60 000	60 000.00
540	BONUS	0	0	938 100	849 491.65
540	SALGBC	0	0	8 311	6 509.25
540	MEDICAL AID CONTRIBUTION	0	0	867 890	752 619.96
540	PENSION FUND	0	0	2 381 138	2 012 366.83
540	UIF CONTRIBUTION	0	0	126 382	107 326.40
540	MATERIAL SUPPLIES	0	0	1 600 000	1 601 891.05
540	RADIO & TV TRANSMISSIONS	0	0	30 000	0
540	PRITING PUBLICATIONS AND BOOKS FLYYERS & POSTERS	0	0	20 000	0
540	SKILLS DEVEL LEVY	0	0	129 612	118 701.27
540	TOLL GATE FEES	0	0	2 500	
540	ACCOMODATION	0	0	46 236	25 858.00
540	FOOD AND BEVERAGES	0	0	5 004	4 790.26
540	TRAVEL AND SUBSISTENCE	0	0	32 643	13 941.98
540	UPGRADE RESERVOIR BUNDU WARD 24	0	0	18 048 034	0.00
540	UPGRADE RESERVOIR V/GEWAAGD WARD 30	0	0	3 980 453	3 986 224.21

540	NEW RES KWAMHLANGA & PHOLA PARK WARD 16 & 14	0	0	13 578 954	12 958 359.84
540	MAINTENANCE OF RESERVOIRS	0	0	150 000	0

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Majority of communities within the Municipality use pit toilets, 25% of the communities have vip (ventilated improved pit) toilets, 4% have septic tanks and only 4% have water borne system. since 2011/12 the communities have rejected the vip toilets and prefer the water borne system, and the current backlog still remains at 75%. areas making 4% are: kwamhlanga serviced by 3 x 0.5 ml/day oxidation ponds and Tweefontein K by 0.75 ml/day waste water treatment works.

During the 2016/17 Tweefontein K waste water treatment works was upgraded with 0.75 ml/d which then make it to a total capacity of 1.5 ml/day. preliminary designs for luthile waste treatment works for 13ml/d for various villages within thembisile to eradicate the backlog which is huge on sanitation was conducted during the 2015/16/17 financial year. this a 20 year plan.

MEASURES TAKEN TO IMPROVE PERFORMANCE

Through IDP processes all communities are involved in voicing their needs to the municipal officials and councillors. The sections providing service is aimed at ensuring proper rendering of sanitation services while preventing environmental pollution caused by poor sanitation services

sanitation service delivery levels		
household		
description	**2016/2017**	**2017/2018**
	outcome	**outcome**
	no.	**no.**
sanitation/sewerage: **(above minimum level)**		
flush toilet (connected to sewerage)	3 024	3 024
flush toilet (with septic tank)	3 686	3940
chemical toilet	880	880
pit toilet (ventilated)	15 942	15 942
other toilet provisions (above min.service level)	0	0
minimum service level and above sub-total	23 532	23 532
minimum service level and above percentage	31.1%	31.1%
sanitation/sewerage: **(below minimum level)**		

bucket toilet	0	0
other toilet provisions (below min.service level)	50 109	50 109
no toilet provisions	1 959	1 959
below minimum service level sub-total	52 068	52 068
below minimum service level percentage	68.9%	68.9%
total households	**75 600**	**75 600**
***total number of households including informal settlements**		

households - sanitation service delivery levels below the minimum		
households		
2016/2017	**2016/2017**	**2017/2018**
	actual	**actual**
	no.	
formal settlements		
total households	23 532	23 532
households below minimum service level	50 109	50 109
proportion of households below minimum service level	213%	213%
informal settlements		
total households	1 959	1 959
households ts below minimum service level	1 959	1 959
proportion of households ts below minimum service level	100%	100%

The information below is as per the community survey.

sanitation service delivery levels		
household		
description	**2016/2017**	**2017/2018**
	outcome	**outcome**
	no.	**no.**
sanitation/sewerage: **(above minimum level)**		
flush toilet (connected to sewerage)	4 371	4 371
flush toilet (with septic tank)	4 371	4 371
chemical toilet	880	880
pit toilet (ventilated)	27 321	27 321
other toilet provisions (above min.service level)	0	0
minimum service level and above sub-total	**36 943**	**36 943**

minimum service level and above percentage	33.8%	33.8%
sanitation/sewerage: **(below minimum level)**		
bucket toilet	0	0
other toilet provisions (below min.service level)	72 339	72 339
no toilet provisions	1 959	1 959
below minimum service level sub-total	**74 298**	**74 298**
below minimum service level percentage	67.9%	67.9%
total number of households	**109 282**	**109 282**

households - sanitation service delivery levels below the minimum households		
2016/17	**2016/2017** actual no.	**2017/2018** actual
formal settlements		
total households	23 532	36 943
households below minimum service level	50 109	74 298
proportion of households below minimum service level	213%	49.7%
informal settlements		
total households	1 959	1 959
households ts below minimum service level	1 959	1 959
proportion of households ts below minimum service level	100%	100%

EMPLOYMENT INFORMATION

Employees: Sanitation Services					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	2	2	2	0	0%
10 - 12	7	7	7	0	0%
13 - 15	12	12	11	1	8.3%

Total	23	23	22	1	4.3%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2016/2017 AND 2017/2018 SANITATION SERVICES

NOTE: water and sanitation using vote number 560

VOTE	DETAILS	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
560	BULK SEWER PIPELINE LUTHULI	0	0	0	0.00
560	WASTE WATER TREATMENT WORK PUMP STATION LITHULI	0	0	500 000	433 888.29
560	DESIGN APPROVAL CIVIL ENGINEER T/FONTEIN K	0	0	1 000 000	402 722.31
560	OPERATION OF SANITATION WORKS	0	0	960 000	877 499.85
560	MAINTENANCE OF ELCTRICAL PANEL AT WWT PLANT	0	0	110 000	0
560	MAINTENANCE OF MECHENICAL ISSUES ON PUMPS AT NWWT			110 000	0
560	ROUTINE MAINTENANCE OF SANITATION PUMPS	0	0	110 000	0
560	ROUTINE MAINTENANCE OF SANITATION PUMPS ELECTRICAL PSNELS	0	0	110 000	0
560	CELLPHONE ALLOWANCES	0	0	4 800	4 800.00
560	ACTING ALLOWANCES	0	0	39 348	26 699.93

560	STANDBY ALLOWANCES	0	0	95 654	95 654.40
560	SALARIES	0	0	4 329 552	3 777 718.00
560	BONUS	0	0	360 792	292 508.14
560	SALGBC	0	0	3 072	2 582.25
560	PENSION CONTRIBUTIONS	0	0	823 392	762 751.78
560	MEDICAL AID CONTRIBUTION	0	0	305 556	214 529.40
560	HOUSING SUBSIDIES	0	0	0	0
560	UIF CONTRIBUTION	0	0	45 636	41 964.65
560	SKILLS DEVELOPMENT LEVY	0	0	47 172	41 573.32

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICTY

Thembisile Hani Local Municipality has no license for electricity on household connection and eskom provides electricity at household level.The municipality have reduced backlog on Electricity To 7.7% (STATS SA) and Eskom will electrify 2359 ouseholds by end of 2016/17 financial year. The municipality is installing and maintaining high mast lights and street lights. the challenges faced in 2016/2017 were due to limited funding to install high mast lights, street lights and energising of lights . the municipality have a total number of 290 high mast lights and 432 street lights.

The Municipality used the IDP processes to identify communities living in poverty and sourced funding from government through established programmes to respond to the need for basic services by the communities that are living in poverty.

EMPLOYMENT INFORMATION

Employees: Engineering Services					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	0%
13 - 15	1	5	0	5	100%
Total	3	7	2	5	71.4%

Totals Should Equate To Those Included In The Chapter 4 Total Employee Schedule. Employees And Posts Numbers Are As At 30 June. *Posts Must Be Established And Funded In The Approved Budget Or Adjustments Budget. Full-Time Equivalents Are Calculated By Taking The Total Number Of Working Days Lost (Excluding Weekends And Public Holidays) While A Post Remains Vacant And Adding Together All Such Days Lost By All Posts Within The Same Set (E.G. 'Senior Management') Then Dividing That Total By 250 To Give The Number Of Posts Equivalent To The Accumulated Days.

FINANCIAL PERFORMANCE EXPENDITURE FOR 2016/2017 AND 2017/2018 FINANCIAL YEAR: ELECTRICITY SERVICE

VOTE	DETAILS	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
530	SALARIES	471 002	353 272	697 069	386 622.00

530	BONUS	39 250	24 013	42 156	32 218.50
530	SALGBC	306	369	456	198.00
530	PENSION CONTRIBUTIONS	84 780	67 607	117 822	69 592.08
530	MEDICAL AID CONTRIBUTION	10 767	2 528	65 170	23 518.80
530	UIF CONTRIBUTION	6 363	6 317	9 328	3 569.28
530	OVERTIME	0	0	0	0
530	CELLPHONE ALLOWANCE	9 600	0	3 200	3 200.00
530	FREE BASIC ELECTRICITY	3 319 381	2 720 961	3 178 639	1 443 261.31 825 671.74
530	SKILLS DEVELOPMENT LEVY	4 710	4 051	6 440	4 478.79
530	MATERIALS AND SUPPLIES	800 000	797 490	1 336 540	207,708.23
530	TRAVEL ALL	15 016	22 093	0	0
530	Electricity and Water	0	0	7 800 000	7 742 864.02
530	Meals and Beveranges	0	0	2 004	0
530	Accomodation	0	0	9 966	0
530	Toll Gate Fees	0	0	1 500	0
530	HIGHMAST LIGHT VERENA D	0	0	13 000	0
530	HIGHMAST LIGHT BUHLEBESIZWE	0	0	141 500	122 251.67
530	HIGHMAST LIGHT CHRIS HANI	0	0	91 500	0
530	HIGHMAST LIGHT MILIVA RDP	0	0	131 500	122 251.67
530	HIGHMAST LIGHT SUN CITY AA	0	0	131 500	122.251.67
530	HIGHMAST LIGHT THEMBALETHU	0	0	91 500	48 041.67
530	HIGHMAST LIGHT THOKOZA	0	0	131 500	122 251.67
530	HIGHMAST LIGHT T/FONTEIN H	0	0	527 983	455 186.26
530	HIGHMAST LIGHT T/FONTEIN J	0	0	529 796	526 036.11
530	HIGHMAST LIGHT SHELDON	0	0	920 796	914 281.23
530	HIGHMAST LIGHT K/HLANGA B WARD 32	0	0	1 044 897	951 436.44
530	HIGHMAST LIGHT	0	0	595 592	559 378.45

	MAHLABATHINI				
530	HIGHMAST LIGHT SUN CITY D	0	0	550 330	547 100.03
530	HIGHMAST LIGHT WOLVENKOP	0	0	27 983	0
530	HIGHMAST LIGHT MUZIMUHLE	0	0	147 815	31 618.60
530	HIGHMAST LIGHT T/FONTEIN B2	0	0	64 022	50 605.00
530	HIGHMAST LIGHT KWAMHLANGA	0	0	391 261	0.00
530	HIGHMAST LIGHT T/FONTEIN F	0	0	521 595	518 577.30
530	HIGHMAST LIGHT T/FONTEIN G	0	0	502 072	938 252.80
530	HIGHMAST LIGHT T/FONTEIN	0	0	463 403	0

COMMENTS ON THE PERFORMANCE OF ELECTRICAL AND MECHANICAL ENGINEERING OVERALL

The electricity unit consist of only two artisan which makes it difficult for turnaround time on maintenance. There are 7 trainee student and two assistance of general workers to assist the unit temporarily, while we are looking at options on the organogram to adopt the well-established maintenance team for electrical unit during the coming financial years depending on the financial status of the municipality.

3.4 WASTE MANAGEMENT (THIS SECTION INCLUDES REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND CEMENTORIES)

INTRODUCTION TO WASTE MANAGEMENT

The waste management section's function is to provide an acceptable, affordable and sustainable waste collection to all the residents of Thembisile Hani Local Municipality.
Description of the activity:-

- refuse removal
- street cleansing
- clearing of illegal dumping sites
- cemeteries

Solid Waste Service Delivery Levels					
	Households				
Description	**2013/2014**	**2014/2015**	**2015/2016**	**2016/2017**	**2017/2018**
	Actual	Actual	Actual	Actual	Actual
	No.	No.	No.	No.	No.
Solid Waste Removal: **(Minimum Level)**					
Removed at Least Forthnight	73 387	66 495	111 595	109 282	234 484
Total Number Of Households	73 387	66 495	111 595	109 282	109 282

Municipal Integrated Waste Management Plan

The primary objective of compiling an IWMP is to integrate and optimise waste management so that the efficiency of the waste management system is maximised, and the impacts and financial costs associated with waste management are minimised, thereby improving the quality of life of all South Africans.

The objective of the status quo, or gap analysis, as the first phase in the development of an IWMP for THLM, is to qualify and quantify all aspects related to current waste management services and practices carried out by the municipality, with a view to using this information as a basis for future waste management planning. The report therefore includes a situational analysis of the various themes of solid waste management relevant to THLM e.g. the areas serviced, the waste management services rendered, their efficiency, cost effectiveness, social and environmental acceptability, etc. Specific objectives of the gap analysis phase, as outlined in the terms of reference for the project.

REFUSE REMOVAL

STREET CLEANING

CLEARING OF ILLEGAL DUMPING SITES

EMPLOYEE INFORMATION

1					
0 0 18	2016/2017	2017/2018			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime Equivalents) No.	Vacancies (As A % Of Total Posts) %
3	1	1	1	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	17	19	17	2	10.5%
13 - 15	3	03	02	1	33.3%
Total	21	23	20	3	13%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR 2016/17 AND 2017/18 FINANCIAL YEAR: WASTE MANAGEMENT

VOTE	DETAILS	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
520	SALARIES	3 664 840	3 459 973	6 295 085	6 164 302.46
520	BONUS	305 403	288 412	328 008	325 121.51
520	SALGBC	2 142	1 843	23 070	2 037.75
520	Acting Allowances	0	0	27 708	13 854.05
520	PENSION CONTRIBUTIONS	722 699	651 340	800 174	757 684.86
520	MEDICAL AID CONTRIBUTION	284 850	256 849	327 917	293 947.6
520	HOUSING SUBSIDIES	0	0	0	
520	UIF CONTRIBUTION	34 636	34 614	38 990	35 774.91
520	OVERTIME	0	0	0	
520	Travel Allowances	60 000	60 000	64 440	60 000
520	CELLPHONE ALLOWANCE	23 400	23 400	23 400	90 000
520	SKILLS DEVELOPMENT LEVY	39 706	38 941	46 617	43 362.64
520	PROVISION FOR LAND FILLSITE	500 000	1 021 542	1 500 000	2 693 309.21
520	EPWP	2 244 000	2 244 000	2 560 000	2,147,315.00
520	Transport Without Operator	0	0	24 996	18 877.29
520	Accomodation	0	0	5 004	14 759.8
520	Toll Gate Fees	0	0	2 500	0.00
520	Car Hire	0	0	8 500	0.00
520	Flight Booking	0	0	11 500	0.00
520	UPGADE KWAGGA LAND FILL CIVIL ENGINEER	0	0	18 324 634	16 709 433.83

520	Phumula Multipurpose Center		0.00	5 882 154.05	5 140 012.85

COMMENTS ON THE PERFORMANCE OF WASTE MANAGEMENT OVERALL

There are Expanded Public Works Programme projects in progress for cleaning the environment that will be registered as projects at the Department of Public Works. 100 workers were appointed under this programme in 2017/18 financial year.

3.5 HOUSING

INTRODUCTION TO HUMAN SETTLEMENTS

To accelerate housing delivery through efficient and effective management and quality service delivery as well as through integrated and collective sustainable housing programmes. Our priority is to eradicate informal settlements and give our communities a dignity they deserve as contained in the constitution of the Republic of South Africa.

Percentage Of Households With Access To Basic Housing					
Year End	Total Households (Including In Formal And Informal Settlements)	Households In Formal Settlements	Percentage Of Hhs In Formal Settlements	Households In Informal Settlements	Percentage Of Hhs In Informal Settlements
2015/16	109 600	75 345	90%	34 255	60%
2016/17	109 600	75 345	90%	34 255	60%
2017/18	109 600	75 345	90%	34 255	60%

EMPLOYEE INFORMATION

Employees: Human settlement Services (excluding town planning)					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	1	0	1	100%
13 - 15	0	0	0	0	0%
Total	2	3	2	1	33.3%

COMMENTS ON THE PERFORMANCE OF HUMAN SETTLEMENTS OVERALL

The Thembisile Hani Local Municipality had no 150 rural subsidy housing projects allocated on the IDP in 2016/2017 financial year. The housing project was implemented by the Provincial Department of Human Settlements. The Municipality perform the function to register housing needs register, identify and allocate beneficiaries for housing subsidies. 2017/2018 the municipality received 600 allocation for two financial years.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

- The Council accepts that they are responsible for the rendering of services in terms of schedules 4 and 5 of the constitution as well as other services which may be delegated by national and provincial government.
- Main sources of income consist of transfers from other spheres of government of which intergovernmental transfers are the most important. a portion of this income (equitable share) is earmarked for indigent relief which will be used to alleviate and address poverty
- The Municipality gives 6kl in respect of water to all our residential clients and we do not have an approved indigent register wherein we can make projections with regard to spending, billing etc.
- There is a portion of money paid over to Eskom on behalf of our clients for the 50kw of electricity provided to each household

CHALLENGES:

- no indigent register in place

COMPONENT B: ROAD TRANSPORT

3.7 ROADS AND STORM WATER

The Municipal road network which serves as feeder roads to national road known as Moloto road R573, forms the backbone of our transportation system, making it possible to access both personal and economic needs within its jurisdiction and to meet the mobility and socio-economic needs of the communities. As the responsible roads authority for the construction and operations maintenance of the municipal road network, Thembisile Hani Local Municipality has ensured that its strategic planning processes are in line with the Municipal acts e.g. Dora, which provide guidance to the allocated funds within the municipalities. Therefore the Municipality achieved its road planning strategy by entirely depending on the allocated municipal infrastructure grants (mug) and its operational and maintenance funds. Major success in some villages of thlm, has been noticed through the work done by the municipal maintenance teams and by the District Municipality. The challenges faced by the Municipality during 2017/18 FY, was again insufficient budget on both construction and maintenance due to the reprioritization of budget to cater water projects, insufficient resources and collection of revenue. In order to improve performance, the Municipality drafted a programme of action, and made sure that resources are utilized efficiently and effectively so. During this period, assistance was also received from Nkangala District Municipality. Based on the information compiled by tirisano consulting engineering for rural roads assert management system (rrams) thlm comprises of 1893.7km unpaved, 249.2km paved and 15.4km interlocking block paved roads.

Gravel Road Infrastructure				
	Total Gravel Roads	**New Gravel Roads constructed**	**Gravel Roads Upgraded To Tar/block paving**	**Gravel Roads Graded Or Maintained**
2015/2016	967.37	88km	0km	2.2km
2016/2017	1 893.7	43.1km	Okm	27.52km
2017/2018	1 893.7	0km	0.8km	79,2km

Asphalted Road Infrastructure Kilometres					
	Total Asphalted Roads	New Asphalt Roads(Km)	Existing Asphalt Roads Re-Asphalted (Km)	Existing Asphalt Roads Re-Sheeted(Km)	Asphalt Roads Maintained (No.)
2015/2016	95.48km	0km	0km	0km	12 Roads Maintained
2016/2017	249.2km	0km	0km	Okm	11roads Maintained
2017/2018	249.2km	0km	0km	0km	10 roads Maintained

Paved roads done by Thembisile Hani Local Municipality

(a) Mabhoko paving 0.8 km

EMPLOYEE INFORMATION

Employees: Roads And Storm Water					
Job Level	2016/2017	2017/2018			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime Equivalents) No.	Vacancies (As A % Of Total Posts) %
3	1	1	1	0	0%
4 - 6	1	1	0	1	100%
7 - 9	0	0	0	0	0%
10 - 12	28	33	28	5	15.1%
13 - 15	16	16	15	1	6.2%
Total	46	51	44	7	14%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 20162017 AND 20172018: ROAD AND STORM WATER

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	20172018 ACTUAL
550	SALARIES	7 438 464	6 675 009	8 360 668	7 118 479.59
550	BONUS	619 872	576 137	665 748	571 652.21
550	Bargaining Council	4 794	3 963	5 354	4 199.25
550	ACTING ALLOWANCE	8 776	4 654	44 937	29 860.65
550	STANDBY ALLOWANCE	0	0	26 766	26 766.24
550	PENSION CONTRIBUTIONS	1 516 245	1 383 366	1 695 363	1 418 962.38
550	MEDICAL AID CONTRIBUTION	453 259	428 017	534 054	469 017.00
550	HOUSING SUBSIDIES	0	0	0	
550	IF CONTRIBUTION	72 283	71 133	81 850	71 896.99
550	CELLPHONE ALLOWANCES	30 600	30 200	30 600	28 400.00
550	TRAVEL ALLOWANCES	0	0	60 000	30 000.00
550	ROUTINE MAIN – ROADS & STORM	599 600	317 470	1 000 000	
550	SKILLS DEVELOPMENT LEVY	75 674	74 728	81 276	79 724.94
550	MATERIALS AND SUPPLIES	1 040 000	976 334	1 800 000	151 053.77
550	SUBSISTANCE ALL	0	15 335	6 500	926.72
550	ACCOMODATION	0	0	15 000	0
550	Food and Beverages	0	0	5 000	0
550	SUBSITANCE ALLOWANCE	0	0	6 500	0

550	HOUSING ALLOWANCES	0	0	19 118	9 559.44
550	TOLL GATE FEE	0	0	1 500	
550	CONSTRUCTION ROAD TO MABHOKO CEMETARY	0	0	3 500 000	3 214 301
550	REGRAVELLING OF INTERNAL ROADS	0	0	3 000 000	2 167 816
550	REGRAVELLING OF INTERNAL ROADS	0	0	3 000 000	2 768 501
550	CONSTRACTION OF STORM WATER WARD 6	0	0	180 000	178,180.20
550	CONSTRACTION OF STORM WATER WARD 12	0	0	180 000	160,261.20
550	CONSTRACTION OF STORM WATER WARD 13	0	0	160 000	140,250.00
550	CONSTRACTION OF STORM WATER WARD 17	0	0	160 000	159,999.50
550	CONSTRACTION OF STORM WATER WARD 31	0	0	150 000	142,700.00
550	CONSTRACTION OF STORM WATER WARD 5	0	0	170 000	162,636.60

3.8 BUSINESS LICENCING AND ADMINISTRATION

INTRODUCTION TO LICENCING

The Municipality administers and manages business operations within its jurisdiction – specifically in the following categories; sale or supply of meals or perishable foodstuffs, provision of certain types of health facilities or entertainment, and hawking in meals or perishable foodstuffs in terms of Mpumalanga Business Act, no 2 of 1996.

Working Relationships

The environmental health practitioners under the Department of Health, acting on behalf of the District Municipality, together with municipal staff perform environmental health inspections prior to issuing of licenses for purpose of compliance with standards for business buildings.

The Municipality inspects applications for liquor licenses to comment on compliance issues related to land-use management and operating times.

COMMENT ON BUSINESS LICENCING AND ADMINISTRATION PERFORMANCE OVERALL

The Municipality has approved street trading by-law during 2012/2013 financial year. 281 business trading licences were processed during the year under review.

EMPLOYEE INFORMATION

Employees: Business licesing and administration					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	2	2	2	0	0%

3.9 SAFETY AND SECURITY (TRAFFIC LAW ENFORCEMENT AND LICENCING)

INTRODUCTION

According to schedule 4 part b and schedule 5 part b of the constitution municipal public transport and traffic policing is the competency of the municipality.

A brief background of the municipal traffic

The Traffic department operates with 20 Traffic Officers – namely; 2 senior superintendents, 2 assistant superintendents, 2 superintendents, 14 traffic officers.

AARTO implementation

The roll out of the administrative adjudication of the road traffic offences act has been approved by the council under item number: the/ndc 37/08/2011.

Comment on safety and security performance overall

i) monthly joint security cluster plenary meetings:

The Traffic department attends Technical committee munimec, safety forum, Mpumalanga LETCOM.

ii) cash flow meetings :

The traffic department attends monthly meeting to ensure smooth running of cases at courts.

iii) joint police and traffic operations:

The traffic department does ongoing operations with other law enforcement agencies in the municipality.

Chapter 3

EMPLOYEE INFORMATION

Employees: Safety and security					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	8	8	7	1	12.5%
7 - 9	2	2	2	0	0%
10 - 12	22	22	22	0	0%
13 - 15	6	6	5	1	17%
Total	38	38	36	2	5.3%

FINANCIAL PERFORMANCE EXPENDITURE 2016/2017 AND 2017/2018 FINANCIAL YEAR: TRAFFIC SERVICES

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
108	SALARIES	8 746 808	8 463 130	9 394 068	8 567 243.80
108	BONUS	728 901	720 784	782 844	716 260.38
108	SALGBC	4 692	4 140	5 039	4 174.50
108	ACTING ALLOWANCE	0	3 751	1 177	145 562.32
108	OVERTIME	0	182 864	197 352	209 358.21
108	PENSION CONTRIBUTIONS	1 846 722	1 718 928	1 983 384	1 731 756.71
108	MEDICAL AID CONTRIBUTIONS	1 058 359	1 021 618	1 136 678	1 054 506.60

108	HOUSING SUBSIDIES	30 808	28 760	33 084	28 678.32
108	STANDBY ALLOWANCE	0	0	153 446	0
108	U I F CONTRIBUTIONS	86 794	78 701	106 068	74 225.51
108	CELLPHONE ALLOWANCES	28 800	21 600	8 000	20 200
108	SKILLS DEVELOPMENT LEVY	100 386	99 757	108 396	102 124.82
108	SUBSISTANCE AND TRAVELLING	33 800	16 200	25 000	898.00
108	REPAIRS & MAINTENANCE	50 000	14 962	53 196	3,438.74
108	Accomodation	0	0	39 996	5 536.00
108	Food and Beverange	0	0	9 996	1 978.30
108	FIRE ARMS FOR TRAFFIC OFFICE Uniform	0	0	200 000	0
108	Provision Bad Debts Traffic Fines	0	0	1 929 414	4 211 744.62
108	Toll Gate Fees	0	0	24 996	259
108	Shift Allowance	0	0	153 446	0
108	SECURITY	12 551 744	12 403 370	17 596 684	16 690 660.08
108	TRAFFIC UNIFORMS	0	0	450 000	0

FINANCIAL PERFORMANCE EXPENDITURE 2016/2017 AND 2017/2018 FINANCIAL YEAR: TRAFFIC SERVICES

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
160	SALARIES	0	0	168 526	16 8526
160	BONUS	0	0	55 000	1 4043.83
160	SALGBC	0	0	99	99
160	ACTING ALLOWANCE	0	0	0	0
160	PENSION CONTRIBUTIONS	0	0	37 076	37 075.68
160	MEDICAL AID CONTRIBUTIONS	0	0	15 170	1 5552
160	U I F CONTRIBUTIONS	0	0	1 785	1 784.64
160	SKILLS DEVELOPMENT LEVY	0	0	1 711	1 854.82

Chapter 3

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING INCLUDING TOWN-PLANNING

INTRODUCTION TO PLANNING

Physical Planning	
Opportunities	**Challenges**
High proportion of land use management application	• Delays in turnaround time in terms of finalising applications.
Availability of developable land within thlm	• Most of the land is vested to national and provincial governments. • Land invasion is perpetuated allegedly by tribal formations.

SERVICE STATISTICS FOR PLANNING

Development planning and building control

EMPLOYEE INFORMATION

Employees: Town Planning Services					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	5	5	5	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
Total	7	7	7	0	0%

COMMENT ON TOWN PLANNING PERFORMANCE OVERALL

Nkangala District Municipality has appointed Sisonke development planners to facilitate a process of state land release on portion 1, 4 and 5 Vlaklaagte 221jr; other town planning activities are conducted in Mahlabathini, vlaklaagteview, Gemsbokspruit ext.1, Gemsbokfontein 199jr, Tweefontein 'F' township, Kwaggafontein 'B' and Tweefontein 'A'.

Department of rural development and land reform is currently assisting the Municipality to develop land use by-law.

Chapter 3

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The performance by the LED Unit is 83% for the 2017/2018 financial year. Almost the same performance for the 2016/2017 financial year. The Unit also managed to re-establish Local Economic Development (LED) forum with different stakeholders. These stakeholders range from government departments, SMME`s, NGO`s and Associations.

LED STRATEGY

The Local Economic Development (LED) strategy has been redeveloped with the Nkangala District Municipality (NDM) assisting the unit with the development of the strategy. The draft strategy was presented to the LED forum for the members to understand it and make inputs in case they had. It is expected that the strategy will be a working document and will be improved from time to time as and when members feel so.

COOPERATIVE AND SMMES DEVELOPMENT

The LED Unit arranged a number of trainings for the cooperatives and SMME`S. the unit invited and collaborated with a number of sector departments (DEDET, Department of Rural Development and Land Reform, Nkangala District Municipality and the South African National Roads Agency Limited (SANRAL) to train SMME`s and cooperatives . The SMME`s and Cooperatives were mainly trained in:

- Financial Management
- Business Management,
- Corporate Management &
- Business Start Up
- Entrepreneurial skills
- Managing Teams
- Pricing Construction Contracts and
- Documentation
- There was a huge improvement in this regard (training) so much that Thembisile Hani Local Municipality was the only LM in the province to be awarded a certificate at the provincial graduation of the participants (trainees) in this calendar year (2017).

OUTREACH MEETINGS

The Unit hosted 2 outreach meetings for the outgone year (2017/2018). These are meetings held with communities using stakeholders with a variety of skills and expertise aimed at enlightening members of the community on a particular subject:

- Kwaggafontein Community Hall
- Vezubuhle Community Hall (Ithemba Lomphakathi)

Chapter 3

CREATION OF JOB OPPORTUNITIES THROUGH THE CAP

The led unit coordinated the creation of 1 574 up from 1 450 job opportunities through Community Works Programme (CWP) EPWP and inclusive of MRTT trainings.

JOBS CREATED

Description	Number Of Jobs Created	
	2016/2017	2017/18
Community Work Program	1 251	1 287
Epwp (Environmental Sector)	108	100
EPWP (Social Sector)	-	96
Mrtt	91	90
Total	1 450	1 573

EMPLOYMENT INFORMATION

Employees: Local Economic Development Services					
Job Level	2016/2017	2017/2018			
	Employees No.	Posts No.	Employees No.	Vacancies (Fulltime Equivalents) No.	Vacancies (As A % Of Total Posts) %
3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	3	3	3	0	0%

FINANCIAL PERFORMANCE EXPENDITURE 2016/2017 AND 2017/2018: LED AND IDP

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2016/2017 BUDGET	2016/2017 ACTUAL
103	SALARIES	3 035 468	2 791 004	3 260 088	2 382 860.46
103	BONUS	252 956	232 678	382 361	223 912.71
103	SALGBC	1 020	829	1 092	734.25
103	ACTING ALLOWANCE	0	4 894	0	0
103	PENSION CONTRIBUTIONS	546 505	478 327	586 944	421 772.88
103	MEDICAL AID CONTRIBUTION	219 706	206 600	235 968	179 438.40
103	UIF CONTRIBUTION	17 850	16 062	19 476	13 384.80
103	CELLPHONE ALLOWANCES	22 800	18 000	22 800	12 000.00
103	TRAVEL ALLOWANCE	120 000	120 000	120 000	90 000.00
103	SUBSISTANCE ALLOWANCE	55 562	61 676	58 956	62 944.50
103	ACCOMODATION	0	0	39 996	26 940.00
103	FOOD & BEVERANGE	0	0	6 243	4 362.98
103	TOWN PLANNING	250 000	21 910	47 880	0
103	LED PLAN	50 000	0	47 880	0
103	TOLL GATE FEES	0	0	1 500	0
103	CAR HIRE	0	0	10 500	0
103	FLIGHT BOOKING	0	0	1 500	0
103	IDP PROCESS	300 000	63 497	305 200	87 688.95
103	CATERING SERVICES	0	0	189 200	53 500.00
103	PRING UBLICATION & BOOKS	0	0	100 000	11 450.00
103	SKILLS LEVY	32 674	31 42	35 088	28 256.35

Chapter 3

3.12 STRATEGIC PLANNING AND REGULATORY (INCLUDING PMS, IDP, AND OFFICE OF THE MUNICIPAL MANAGER)

In today's organisational environment, budget oriented planning or forecast methods are insufficient for the organisation to prosper. There is a need to engage in strategic planning that clearly defines objectives and assesses both the internal and external situation to formulate strategy, evaluate progress and make judgments as necessary to stay on track.

Strategic plans therefore identify strategically important outcomes orientated goals and objectives against which the municipality's medium-term results can be measured and evaluated by various identified stakeholders. Annual performance plans identify the performance indicators and targets that the institution will seek to achieve in the upcoming budget year. This performance information is important for effective management, including planning, budgeting, implementation, reporting monitoring and evaluation.

As a component of its strategic plan, annual performance plan or IDP the municipality must adopt, monitor and evaluate strategies that describe the approach the institution is to follow to create and operate monitoring and evaluation systems which will produce credible, accurate information on an on-going basis that gets used to improve service delivery and governance.

INTRODUCTION TO STRATEGIC PLANNING AND REGULATORY

Currently the department comprises the following units:

IDP UNIT

Integrated Development Planning is a **process** through which municipalities prepare a strategic development plan which extends over a five-year period. The Integrated Development Plan (IDP) is a **product** of the IDP process. The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in a municipality.

in terms of the municipal systems act, 2000, (systems act) the chairperson of the executive committee or executive mayor or the chairperson of the committee of appointed councilors has the responsibility to manage the drafting of the IDP or to assign this responsibility to the municipal manager. The municipal manager is responsible for the implementation and monitoring of the IDP process.

Thembisile Hani Local Municipality has an IDP unit, under the office of the municipal manager on its organizational structure. The key functions of the unit are as follows:

- providing inputs with regard to the development of the municipal vision and strategy
- Ensures implementation and the productive execution of the municipal vision.
- Compiling reports on divisional activities and progress in terms of action plans for consideration by municipal manager and council.
- Representing the municipality in multi-sectorial functions such as spatial planning, local economic development, infrastructure planning and development forums and functions.

- Participate and represent the municipality in the districts IDP technical committee.
- Representing the municipality in local, district and provincial public meetings and committees by making presentations, providing strategic inputs, communicating information in order to ensure participation.
- Manage administrative and organizational support for the coordination of IDP related activities.
- Preparing and communicating the process plan to ensure the understanding of the roles and responsibilities of all stakeholders.
- Manage development and review of the IDP and ensure the integration of the IDP/pms/budget in terms of statutes.

Office structure

The IDP office is located within the office of the municipal manager. The following is a representation of positions in the IDP office as indicated on the 2017/18organisational structure.

Level	Position	Status 2017/2018
3	Assistant Manager IDP	The position was abolished on the structure to create a Manager: Development and Town Planning Services to also perform IDP functions.
4	IDP Coordinator	Filled

COMMENT ON IDP PERFORMANCE OVERALL

OVERALL COMMENT

The IDP unit is understaffed and requires at least two coordinators to support the assistant manager. This further makes it difficult to adhere to set timeframes and complete the required phases on time. The municipality also has financial problems and cannot adequately provide for a budget aimed at the facilitation of stakeholder engagement meetings and workshops. There are also inadequate sector planning to support the various chapters of the IDP, this further frustrates priority setting and informed planning.

PERFORMANCE MANAGEMENT UNIT

The objective of performance management is to improve the performance of the municipality as guided by the local government: municipal systems act, 2000 (act 32 of 2000) (MSA), local government: municipal planning and performance management regulations, 2001 and local government: municipal finance management act, 2003 (act 56 of 2003) (MFMA). Performance management is the central management tool which assist the council to improve service delivery by channelling the efforts of its departments and employees to meet performance targets and in so doing ensure that the municipality achieves its strategic objectives.

It is a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact. The pms will therefore ensure that all leaders, managers and individuals in the municipality is held accountable for their actions, which should bring about improved service delivery and value for money.

Chapter 3

COMMENT ON PMS PERFORMANCE OVERALL

The Performance Management System unit (PMS) consists of assistant manager reporting to the Municipal Manager and PMS clerk which is transferred from DLTC.Assistance from HR unit with training for PMS clerk is needed for easily adapting of the new placed. The unit is fully functional, all the 2017/2018 quarterly performance reports are in place and also audited by our Internal Audit unit. The 2017/2018 PMS policy framework was adopted by council.

Internal Audit Unit

Internal Audit is an independent function established within the Municipality to examine and evaluate the Municipality's activities. The purpose of internal auditing is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations.

The objective of internal audit is to assist the accounting officer and the Audit Committee in the effective discharge of their responsibilities; internal audit will provide them with independent analysis, appraisals, recommendations, counsel and information concerning the activities reviewed, with a view of improving accountability and performance.

Internal Audit responsibilities

THLM Internal Audit unit draws its mandate from the MFMA section 165, standards for the professional practice of internal auditing and the internal audit charter approved by the Audit Committee. We further make reference to king report on corporate governance (king iii) customized into local government environment.

MFMA section 165(2) states that the internal audit unit of a municipality must:

- prepare a risk-based audit plan and an internal audit program for each financial year;
- advise the accounting officer and report to the Audit Committee on the implementation of the internal audit plan and matters relating to-
    - internal audit;
    - internal controls;
    - accounting procedures and practices;
    - risk and risk management;
    - performance management;
    - loss control; and
    - compliance with this act, the annual division of revenue act and any other applicable legislation; and
- Perform such other duties as may be assigned to it by the accounting officer.

When executing its responsibilities, thlm internal audit unit follows the standards for the professional practice of internal auditing.

According to the institute of internal auditors ("iia") internal auditing is defined as *"an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."*

Chapter 3

EMPLOYEE INFORMATION

COUNCIL-APPROVED INTERNAL AUDIT UNIT STRUCTURE

Level	Post	2017/18
3	Chief Internal Auditor	Filled
4	Internal Auditor	Filled
4	Internal Auditor	Filled

COMMENT ON INTERNAL AUDIT PERFORMANCE OVERALL

THLM Internal Audit unit performed its 2017/2018 operations as per the risk-based internal audit plan approved by the Audit Committee for the financial year. According to the plan, the unit had twenty two (22) planned audits and with the support from Nkangala District Municipality, all the audits were executed.

As required by the MFMA, both the accounting officer and the Audit Committee were kept abreast of identified significant findings pertaining to internal controls; accounting procedures and practices; risk and risk management; performance management; loss control; and compliance with acts relevant to the municipality through submission of audit reports. Progress reports on implementation of the internal audit plan were also submitted.

COMMUNICATION

OBJECTIVE

The main objective of this unit is to ensure effective communication internally and externally. In order for the municipality to be able to realise our vision "to better the lives of our people through equitable and sustainable service delivery" we need to work together. It is the constitutional right of each and every member of the community to know what is happening in their municipality, this unit is there to close the gap between the municipality and its stakeholders by communicating municipal service delivery issues to the municipal stakeholders

EMPLOYMENT INFORMATION

Level	Post	2017/18
3	Assistant Manager: Communication	Filled

COMMENT ON COMMUNICATION PERFORMANCE OVERALL

In our quest to ensure effective communication we have been frequently using radio slots at ikwekwezi FM to communicate service delivery issues, mainly water issues which have been a major challenge during this financial year. The municipality was reporting on progress through the Executive Mayor, Municipal Manager and the head of communication (HoC). In the media slots the listeners who are residents of Thembisile Hani Local Municipality (THLM) were given an opportunity to ask questions to the municipal representatives with regards to service delivery issues in THLM. We also had constant interviews

with Moutse Community radio station (MCRS), Kangala Community Radio Station (KCRS), Ikutani FM, Inakekelo FM and eyethu FM through the HoC updating the public about programmes of the municipality. The unit has been part of the planning teams for events organised by the municipality and those organized by other departments (provincial and national). The unit is responsible for media mobilisation, drafting of communication strategy and plan, branding and any other logistics that require municipal interventions in the case of external events. The unit issue out public notices for the community on ikwekwezi FM, MCRS, KCRS, Eyethu FM, Ikutani FM and Inakekelo FM. Public notices are aslo placed on the municipal notice boards that are mounted in our municipal buildings. We issue out media statements when there are issues that need to be communicated or clarified by the municipality. We also get coverage from Daily Sun, The new age, Mpumalanga press and Thembisile news. We have also embarked on social media as it is currently growing as technology in advancing. Our Facebook page is active and it is updated as frequently as possible. We are currently also using a messaging portal to communicate with our stakeholders internally and externally, a tool which is proving to be very effective. The plan is to expand this messaging portal to a mini call Centre where we manage queries.

Below are some of the photos taken by the communication unit during event or activities that are held at the Municipality?

FINANCIAL PERFORMANCE EXPENDITURE FOR 2016/2017 AND 2017/2018: MUNICIPAL MANAGER'S, TOWN SECRETARY AND CHIEF EXECUTIVE

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
102	SALARIES	0	0	3 049 187	1 619 204
102	DEVELOPMENT & PLANNING MANAGER: ACTING ALLOWANCES	0	0	75 600	0
102	DEVELOPMENT& PLANNING MANAGER: MEDICAL AID	0	0	227 910	0
102	DEVELOPMENT& PLANNING MANAGER: PENSION	0	0	24 990	0
102	DEVELOPMENT& PLANNING MANAGER: UIF	0	0	447	0
102		0	0		
102	BONUS	0	0	12 195	0
102	SALGBC	0	0	21 609	321.75
102	ACTING ALLOWANCE	0	0	120 000	8 321
102	PENSION CONTRIBUTIONS	0	0	658 686	94 350
102	MEDICAL AID CONTRIBUTIONS	0	0	412 425	40 564.58
102	U I F CONTRIBUTIONS	0	0	447	0
102	DESIGNATION (DEVELOPMENT & PLANNING MANAGER) TRAVELLING MOTOR VEHICLE	0	0	27 708	0
	DESIGNATION (DEVELOPMENT & PLANNING MANAGER) CELLPHONE ALLOWANCE	0	0	6 750	.0
102	TRAVEL ALLOWANCES	0	0	1 272 630	396 000
102	CELLPHONE ALLOWANCES	0	0	87 000	60 750
102	MEMBERSHIP FEES	0	0		
102	SKILLS DEVELOPMENT LEVY	0	0	64 950	32 616.84
102	TRAVELLING AND SUBSISTANCE	0	0	200 000	169 918.83
102	ACCOMODATION AND MEALS	0	0	125 008	6 632
102	FOOD AND BEVERAGES	0	0	24 992	18 225
102	EXTERNAL AUDIT	0	0	5 500 000	4 690 728
102	PROVISION FOR LEAVE	3 748 599	117 664	0	0
102	MEDICAL ECTUARIES	3 000 000	0	0	0
102	PROVISION FOR BONUS	6 058 120	-1 517 157	0	0
102	TOLL GATE FEES	0	0	15 000	712
102	CAR HIRE	0	0	20 000	0
102	FLIGHT BOOKING	0	0	45 000	0

FINANCIAL PERFORMANCE EXPENDITURE FOR 2016/2017 AND 2017/2018: GOVERNANCE: INTERNAL AUDIT

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
102	SALARIES	0	0	1 173 535	1 170 245

102	BONUS	0	0	231 828	97 0445
102	SALGBC	0	0	1 080	297
102	SEMINAR, CONFERENCE WORKSHOPAND EVENTS	0	0	20 000	14 997
102	ACTING ALLOWANCE	0	0	20 004	0
102	PENSION CONTRIBUTIONS	0	0	159 312	156 219
102	MEDICAL AID CONTRIBUTIONS	0	0	76 380	73 580
102	U I F CONTRIBUTIONS	0	0	5 436	5 354
102	OVERTIME	0	0	0	0
102	TRAVEL ALLOWANCES	0	0	108 488	97 874
102	CELLPHONE ALLOWANCES	0	0	9 000	9 000
102	MEMBERSHIP FEES	0	0	11 628	5 814
102	SKILLS DEVELOPMENT LEVY	0	0	14 786	13 651
102	TRAVELLING AND SUBSISTANCE	0	0	30 000	28 738
102	ACCOMODATION AND MEALS	0	0	60 000	51 278
102	FOOD AND BEVERAGES	0	0	20 000	7 540
102	TOLL GATE FEES	0	0	5 500	0
102	AUDIT COMMITTEE	0	0	51 004	45 836
102	CAR HIRE	0	0	20 000	0
102	FLIGHT BOOKING	0	0	35 000	0

FINANCIAL PERFORMANCE EXPENDITURE FOR 2016/2017 AND 2017/2018: COMMUNICATION, PMS, YOUTH DEVELOPMENT AND OTHER UNITS)

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
102	SALARIES	0	0	6 278 426	5 123 066.47
102	BONUS	0	0	659 880	418 332.07
102	SALGBC	0	0	1 254	1 427.25
102	ACTING ALLOWANCE	0	0	35 143	54 956.32
102	PENSION CONTRIBUTIONS	0	0	952 928	666 328.34
102	MEDICAL AID CONTRIBUTIONS	0	0	426 458	370 742.00
102	U I F CONTRIBUTIONS	0	0	47 438	27 058.35
102	TRAVEL ALLOWANCES	0	0	488 400	341 403.60
102	CELLPHONE ALLOWANCES	0	0	93 156	75 050.00
102	MEMBERSHIP FEES	0	0	0	0
102	SKILLS DEVELOPMENT LEVY	0	0	83 886	78 724.88
102	TRAVELLING AND SUBSISTANCE	0	0	312 348	220 671.41
102	ACCOMODATION	0	0	90 000	13 540.00
102	Domestic:Food and Beverage (Served)				3 496.63
102	Overtime Structured				161 981.52
102	TOLL GATE FEES	0	0	5 500	278.00

102	CAR HIRE	0	0	20 000	0
102	FLIGHT BOOKINGS	0	0	35 000	0

FINANCIAL PERFORMANCE EXPENDITURE FOR 2016/2017 AND 2017/2018: GOVERNANCE: RISK

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
102	SALARIES	0	0	527 310	1 163 494.80
102	BONUS	0	0	42 924	97 044.60
102	SALGBC	0	0	360	297.00
102	ACTING ALLOWANCE	0	0	35 143	0
102	PENSION CONTRIBUTIONS	0	0	36 816	156 218.88
102	MEDICAL AID CONTRIBUTIONS	0	0	39 492	73 580.40
102	U I F CONTRIBUTIONS	0	0	1 812	5 353.92
102	TRAVEL ALLOWANCES	0	0	78 000	84 000.00
102	CELLPHONE ALLOWANCES	0	0	9 000	9 000.00
102	MEMBERSHIP FEES	0	0	20 004	5 814.00
102	SKILLS DEVELOPMENT LEVY	0	0	2 000	13 650.99
102	TRAVELLING AND SUBSISTANCE	0	0	44 286	33 429.27
102	ACCOMODATION	0	0	30 000	51 278.00
102	FOOD AND BEVERANGES	0	0	15 000	7 540.03
102	TOLL GATE FEES	0	0	750	0
102	CAR HIRE	0	0	7 500	0
102	FLIGHT BOOKINGS	0	0	850	0
102	GIFT AND PROMOTIONS	0	0	25 000	0
102	SIGNS	0	0	25 000	9 450.00

COMMENT ON STRATEGIC PLANNING PERFORMANCE OVERALL

The department of Municipal Manager does not dispose over any capital projects and functions mainly focus on compliance with various acts and regulations.

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This Component Includes: Libraries; Sports, Art & Culture, Community Halls; A Child Care; Aged Care; Social Programmes, Gender.

3.13 LIBRARIES, EDUCATION, COMMUNITY FACILITIES AND SPORTS,CEMETORIES AND CREMATORIUMS

INTRODUCTION TO LIBRARIES AND OTHERS

LIBRARIES

The Municipal library services play a very important role in the work, education, and culture. The services that the libraries provide help people to carry out their work, studies and leisure time activities. Librarians assist anyone who needs assistance in finding information from books, encyclopedias, Encarta, pamphlets, periodicals and internet to meet their needs.

Community members take part in special programs and events in the library section, e.g., school projects, storytelling, reading clubs, etc.

Service Objectives	Service Targets	2015/16	2016/17	2017/2018
-Library Campaigns		-Literacy Campaign conducted (Lopspruit Library) -Library Week Campaign. conducted	-Library Marketing event at Phumula library -Library Week Campaign at Thembisile Library. -Youth Month Celebration at Boukenhouthoek Library.	-Library Marketing event at Phumula library

Employees: Libraries, Archives;Community Facilities;Other					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	1	2	1	1	50%
7 - 9	1	1	1	0	0%
10 - 12	8	7	6	1	14.3%
13 - 15	41	41	40	1	2.4%
Total	52	52	49	3	5.8%

COMMENT ON LIBRARY SERVICES PERFORMANCE OVERALL

- Library marketing event was conducted at Phumula Library 2018

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR SOCIAL DEVELOPMENT SERVICES 2016/17 AND 2017/2018

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
107	SALARIES	3 334 708	3 550 141	2 988 160	3 187 805.25
107	BONUS	325 221	206 152	388 629	264 459.02
107	SALGBC	1 122	1 252	1 370	1 410.75
107	ACTING ALLOWANCE	90 000	59 073	35 004	15 103.80
107	PENSION CONTRIBUTIONS	562 912	578 396	559 620	578 744.55
107	MEDICAL AID CONTRIBUTIONS	226 288	211 039	199 826	145 270.40
107	UIF CONTRIBUTIONS	21 470	22 782	23 048	23 675.44
107	TRAVEL ALLOWANCES	264 000	252 000	120 000	80 000.00
107	CELLPHONE ALLOWANCES	43 200	36 200	31 400	28 850.00
107	SKILLS DEVELOPMENT	39 990	40 738	33 276	35 332.88

	LEVY				
107	TRAVELLING AND SUBSISTANCE	100 000	64 778	15 000	29 004.66
107	ACCOMODATION	0	0	40 049	36 188.50
107	FOOD AND BEVERAGE	0	0	9 941	9 728.09
107	HVI/AIDS	0	0	100 000	86,105.23
107	TOLL GATE FEE	0	0	1 500	666.00
107	CAR HIRE	0	0	3 500	0
107	FLIGHT BOOKING	0	0	6 500	0
107	REPAIRS AND MAINTENANCE OF CEMERTY	200 000	94 500	200 000	140 800
107	MAINTENANCE OF MICHINERY AND EQUIPMENT	0	0	430 000	
107	PAUPERS BURIAL	50 000	40 700	60 000	38 200

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR SPORTS GROUD AND STADIUMS FOR 2016/17 AND 2017/2018

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
300	SALARIES	0	0	733 718	397 234.4
300	SALGBC			99	74.25
300	PENSION CONTRIBUTIONS			77 240	318 33
300	MEDICAL AID CONTRIBUTIONS			52 130	26 458.2
300	U I F CONTRIBUTIONS			2 994	1 338.48
300	TRAVEL ALLOWANCES			90 000	45 000
300	CELLPHONE ALLOWANCES			16 700	6 750
300	SKILLS DEVELOPMENT LEVY			6 042	4 531.79
300	TOLL GATE FEES			3 000	0
300	CAR HIRE			5 000	0
300	FLIGHT BOOKING			9 000	0

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR COMMUNITY HALLS AND FACILITIES FOR 2016/17 AND 2017/2018

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
107	SALARIES	0	0	5 603 092	4 989 287
107	SALGBC	0	0	3 836	3 877.65
300	PENSION CONTRIBUTIONS	0	0	1 044 188	1 052 553
300	MEDICAL AID CONTRIBUTIONS	0	0	497 785	516 919.8
300	U I F CONTRIBUTIONS	0	0	60 788	60 441.01
300	SKILLS DEVELOPMENT LEVY	0	0	57 286	55 850.02
300	TOLL GATE FEES	0	0	15 000	0
300	DRAWING OF A BUILDING PLANS	0	0	29 000	29 100.00
300	FLIGHT BOOKING	0	0	9 000	0
300	MATERIAL AND SUPPLIES	0	0	564 996	449 477.42
300	CONTRACTORS: BUILDING	0	0	800 000	692 446.04
300	CONSUMABLE : STANDARD RATED	0	0	100 000	59 333.86

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR LIBRARY AND ARCHIVES FOR 2016/17 AND 2017/2018

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
300	SALARIES	0	0	857 503	85 7503
300	SALGBC	0	0	396	396
300	PENSION CONTRIBUTIONS	0	0	167 833	16 7832.6
300	MEDICAL AID CONTRIBUTIONS	0	0	95 911	100 533.6
300	U I F CONTRIBUTIONS	0	0	7 138	7 138.56
300	SKILLS DEVELOPMENT LEVY	0	0	10 046	9 752.85
300	TOLL GATE FEES	0	0	15 000	0

Chapter 3

COMMENTS ON THE PERFORMANCE OF LIBRARIES, SPORTS AND OTHERS OVERALL

The Municipality graded thirty two (32) sports field during 2017/2018 financial year. Bookings of facilities are on record for the hiring of these facilities

Several successful events were held:-

- library week

INTRODUCTION TO CEMETERIES & CREMATORIUMS

Currently the Municipality has forty cemeteries are maintained around the jurisdiction.
The community in the rest of the incorporated areas in the Thembisile Hani Local Municipality area utilise the cemeteries in the nearest vicinity. The service delivery priorities are to provide and maintain cemeteries, to continuously update and keeping record of cemetery registers now captured on electronic database, to plan and development of future cemeteries to ensure that sufficient space is available and to maintain and upgrading the existing equipment, system and procedures to ensure a quality service to the community. Epwp projects was introduced to number clean cemeteries and through that, local people were employed.

CREMATORIUMS

Crematoriums not applicable to Thembisile Hani Local Municipality.

There are no municipal entities rendering pollution control and bio diversity.

Chapter 3

3.14 HEALTH AND WELFARE

There is only one community hospital in the sub-region, Kwamhlanga hospital. There are six community health centres (chc) namely

- Kwaggafontein chc
- Buhlebesizwe chc
- Verena chc
- Moloto chc
- Thembalethu chc
- Kwamhlanga chc

There are fifteen clinics: namely

- Zithabiseni clinic
- Goederede clinic
- Mzimuhle clinic
- Mathyzensloop clinic
- Kwaggafontein “a” clinic
- Tweefontein “a” clinic
- Tweefontein ‘c’ clinic
- Tweefontein ‘d’ clinic
- Tweefontein ‘h’ clinic
- veterinary clinic kwafene
- Tweefontein ‘m’ clinic
- Empilweni clinic
- Kameelpoortnek clinic
- Kwamhlanga clinic
- Vriesgewacht clinic
- Vlaklaagte no.1 clinic

The Municipality needs to strengthen the hiv/aids awareness campaign in its area of jurisdiction to minimise the infection rate. The high unemployment rate and the lack of skills creates poverty and increases the demand for social grants provision by government.

COMMENT ON HEALTH SERVICES PERFORMANCE OVERALL

The health Service Unit consist of one person who is the coordinator, reporting direct to the manager of Social Development Service. The unit is fully functional. The municipality conducted dialogues and HIV testing services (HTS). To reduce the impact of HIV/AIDS on family community, individuals and society by expanding access to treatment, adherence, care and support in accordance with the Provincial Implementation Plan (PIP) for HIV,STIs and TB for 2017-2022 which is in line with National Strategic Plan (NSP). The municipality conducted 7 related campaigns for 2017/2018 financial year.

Cooperatives Support Progress

- the unit engages on assisting women and persons with disability to register cooperatives

National Women's Day Celebration

The national women's day celebration was held on 17 September 2014 at the council chamber.

Disability Day Celebration

The municipality conducted awareness on mainstreaming disability issues on the 24 October 2014 at Kwaggafontein hall

FINANCIAL PERFORMANCE 2015/16 AND 2016/17: CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The child care, aged care and social programme are using the same vote with libraries under vote 107: social development services.

Chapter 3

COMPONENT E: HEALTH AND ENVIROMENTAL PROTECTION

3.15 HEALTH INSPECTION OF PREMISE AND BUSINESS FOR LICENCING

Environmental health services continued to be provided without funding from national treasury. with a limited budget and diminishing resources the nine functional areas relating to environmental health services as defined in the national health act, no. 61 of 2003 were carried out but not fully to ensure effective and efficient service delivery within the areas of thembisile.

The service delivery priorities focused on water quality monitoring, food quality and safety, health surveillance of premises and vector control. However the departmental of technical services was used for the monitoring of water quality.

COMMENT ON HEALTH INSPECTION AND ENVIROMENTAL HEALTH PERFORMANCE OVERALL

The Municipal conducted (85) business inspections in (35) villages. Routine business inspections were conducted by the environmental health practitioner.

Employees: Health Inspection (Environmental Health)					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	1	1	1	0	0%

POLLUTION CONTROL AND BIO DIVERSITY; LANDSCAPE

Pollution control, bio diversity and landscape are not applicable to Thembisile Hani Local Municipality

Chapter 3

3.16 DISASTER MANAGEMENT

INTRODUCTION

The Municipality has a disaster management plan and plays a role in mobilizing a multi sectorial presentation respond to fire and other disaster are in the municipality.

Strategies

- To ensure effective policing and access to emergency services.
- To promote inter-governmental relations.
- To develop disaster management plan.
- Development of risk management plan.

COMMENT ON DISASTER MANAGEMENT PERFORMANCE OVERALL

The Municipality has two official dealing with disaster management, one seconded from public safety.

EMPLOYEE INFORMATION

Employees: disaster management					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
Total	2	2	2	0	0%

TRANSVERSAL

INTRODUCTION

The special programmes unit in the office of the manager sds, (which comprises four sub-programmes: issues on the status of women, issues on the status of persons with disability issues on the rights of a child and issues on elderly) is amongst others mandated to monitor and evaluate mainstreaming of gender equality and women empowerment, rights of persons with disability, elderly and rights of children into programmes of the municipality. The core functions of special programmes unit are: advocacy, capacity building, policy analysis, research, monitoring and evaluation.

Strategies

- Guide the Municipality in developing appropriate programmes.
- Provide strategic interventions to facilitate gender policy implementation in the municipality.
- promote the integration of gender equity and equality, and women, persons with disability, elderly and children empowerment in the municipality development programmes and service delivery
- Raise awareness on the constitutional and development roles and responsibilities of municipal department stake holders as development agents.
- Alert stakeholders of the municipality about the gender implications of their work.
- contribute to the development of the performance systems by introducing gender-sensitive indicators

COMMENT ON TRANSVERSAL PERFORMANCE OVERALL

The Municipality has two junior official dealing with special programmes.

EMPLOYEE INFORMATION

Employees: Transversal					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
Total	2	2	2	0	0%

Employees: Disaster Management			
Outlive Service	**Expenditure**	**2016-2017**	**2017-2018**
38 dignitary packs distributed to albinism people and self-esteem was build amongst them	-	albinism awareness campaign march 2017	albinism awareness campaign September 2017
children rights and responsibility were clearly explained to the kids	-	distribution of school uniform for 150 learners 31 may 2017	Awareness on child protection from violence exploitation and Abuse 27 June 2018
Building of Selfinsteem amongst children with disability Parents were encouraged to take children with disability to the centres and their wellness	-	-	Disability month awareness 23 November 2017

FINANCIAL PERFORMANCE 2016/17 AND 2017/18: CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The child care, aged care and social programme are using the same vote with Libraries under Vote 107: social development services.

The department must develop budget related policies and by-laws to govern consistently charging of moneys for services rendered to the communities. There will be internal and external audits in order to ensure management of risk and curbing corruption while encouraging the implementation of policies.

COMPONENT F: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ict services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES

Chapter 7 of the constitution of the republic of South Africa states that the municipality comprise of councillors, officials and the community. In order for the municipality to govern its affairs correctly it must consult with the community to ensure that needs are correctly determined, explained and included in the IDP for service delivery purposes. Policies must be put in place which will address the needs of the community in terms of how service delivery matters will be addressed.

In order for the municipality to be able to address the service delivery matters the municipality must approve a budget that will be commensurate with the needs/projects identified for the particular year. This budget must also address matters of staff and this can only be achieved through the costed organogram that must be cost effective but also provide sufficient managerial and other positions in order to be able to render effective and satisfactory delivery of services.

Management must ensure that tools of trade are made available to the staff. This will include ict services and networks including the necessary licenses. In order for the municipality to finance the service delivery issues it must ensure that the budgetary expenditure will be redeemed through cash collection that will be generated by payment for services. the payment for services will be covered by the payments for rates and taxes and will include proper and sufficient municipal service delivery networks like water pipes and reservoirs as well as sewer and electrical (street lights and high mast lights) networks and plant and equipment.

3.17 EXECUTIVE AND COUNCIL

This component includes: executive office (executive mayor; councilors; and public participation).

INTRODUCTION TO EXECUTIVE AND COUNCIL

In terms of chapter 7 section 151 (2) of the constitution of the Republic of South Africa, 1996, the executive and legislative authority of a municipality is vested in its municipal council.

The Municipal council of the Thembisile Hani Local Municipality is established as a municipality with a mayoral committee system which is combined with a ward participatory system in terms of chapter 12 of the municipal structures act, 117 of 1998. Section 152 of the constitution spells out categorically clear, the objectives of local government and the powers and functions of municipalities are determined in Section 156 of the Constitution.

The executive authority of the council is vested with the executive mayor who must however report to council and is assisted by the members of the mayoral committee established by the executive mayor and can take decision. However there are certain matters on which the executive mayor as the head of the municipality cannot take decisions i.e. the approval of the budget, IDP and by-laws, as these matters cannot be delegated and must be approved by council.

Chapter 3

In terms of delegation of powers certain matters may be delegated to the executive mayor by council who will in turn also sub-delegate to the municipal manager. The municipal manager may also sub-delegate to managers who may in turn further sub-delegate to other officials.
Section 152 of the constitution sets among others the following objectives for local government:

(a) To provide democratic and accountable government for local communities
(b) To ensure the provision of services to communities in a sustainable manner
(c) To promote social and economic development

In order to ensure sustainable service delivery to the community's council sets the top three service delivery priorities as follows in order to achieve good governance levels.

- Risk management: council has developed risk management strategy or policy that enables council to conduct risk assessment which has already been done. This exercise also enabled the council to develop a plan on internal controls to mitigate and control.
- Internal audit: council managed to establish the Audit Committee and it sits regularly assisting on assessing the reporting on management of risk and other matters relating to good governance.
- Accounting and auditing: council has established the Audit Committee which assists in reviewing the annual financial statements and also to monitor the effectiveness of the internal controls and risk management.

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

Detail	2016/2017		2017/2018	
	Ordinary Meetings	Special Meetings	Special Meetings	Ordinary Meetings
Mayoral Committee	10	03	02	11
Technical Service Committee	08	0	00	05
Sds Committee	06	01	00	05
Audit Committee	04	01	02	04
Admin & Governance	09	01	02	12
Led Committee	09	0	02	07
Finance Committee	06	0	00	07
Council Meeting	08	06	06	06
Corporate Services Committee	10	1	0	9
MPAC	03	02	04	08

EMPLOYEE INFORMATION

Employees: The Executive And Council					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)

	No.	No.	No.	No.	%
0 - 3	6	9	9	0	0%
4 - 6	22	55	55	0	0%
7 - 9	0	0	0	0	0
10 - 12	36	0	0	0	0%
13 - 15	0	0	0	0	0
Total	64	64	64	0	0%

EXPENDITURE ON COUNCIL FOR 2016/2017 AND 2017/2018 FINANCIAL YEAR:

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
100	SALARIES	3 531 652	2 566 025	2 641 788	1 489 975
100	MOBILE DATA BUNDLES	234 194	231 411	212 400	214 800
100	PENSION CONTRIBUTIONS	2 193 633	2 152 584	2 301 168	1 730 010
100	MEDICAL AID CONTRIBUTIONS	382 340	321 409	337 820	259 916
100	TRAVEL ALLOWANCES	4 877 412	4 857 964	4 548672	3 979 346
100	CELLPHONE ALLOWANCES	1 375 552	1 436 127	1 386 000	1 779 950
100	CLR ALLOWANCES	8 786 141	9 274 787	9 348 456	10 257 294
100	BUSINESS AND FINANCIAL MANAGEMENT	0	0	80 000	131579
100	RADIO AND TV TRANSMISSION	0	0	100 000	0
100	PLANTS FLOWERS AND DECORACTION (SOMA)	0	0	78 000	78000
100	CATERING SERVICES	0	0	787 208	723 319.00

100	INFRASTRUCTURE DEPRECIATION	112 201 723	62 685 157	0	0
100	I DEPRECIATION COMMUNITY ASSETS	16 757 520	8 738 529	0	0
100	DEPRECIATION COMPUTER EQUIPMENT	1 675 752	849 170	0	0
100	DEPRECIATION FURNITURE & FIITINGS	1 117 168	403 438	0	0
100	INFRASTRUCTURE FURNITURE & FIITINGS	1 117 168	430 438	0	0
100	DEPRECIATION MOTOR VEHICLE	2 7920	6 893 540	0	0
100	DEPRECIATION BUILDING	4 021 805	1 961 473	0	0
100	I DEPRECIATION PLANT & EQUIPMENT	22 343 360	784 766	0	0
100	MEMBERSHIP FEES	1 441 500	1 330 634	1 533 756	1 485 023.25
100	SKILLS DEVELOPMENT LEVY	194 989	112 892	207 468	133 011.58
100	PROFIT/LOSS ON DISP OF ASSETS	0	912 722	0	0
100	PUBLIC PARTICIPATION	758 500	659 354	885 362.00	278 728.46
100	AUDIT COMMITTEES	143 219	139 373	0	0
100	ELECTRICITY AND WATER / MUNICIPAL SERVICE	7 698 584	6 766 698	0	0
100	PUBLIC & PHOTOGRAPH	307 967	307 119	450 000	70 000
100	TRAVELLING AND SUBSISTANCE	63 960	92 579	117 864	99 230.55
100	ACCOMODATION AND MEALS	466 734	457 317	70 000	230 599.6

100	TELECOMMUNICATIONS	1 606 642	1 224 432	0	0
100	INSURANCE	2 079 074	1 042 138	0	0
100	WARD COMMITTEES EXPENDITURE	3 190 000	2 533 000	3 890 000	3 725 650.00
100	AUDIT FEES	5 000 000	3 672 810	0	0
10	PROV FOR BAD DEBTS	158 677	183 855 325	0	0
100	VEHICLES	800 000	0	0	0
100	CORPORATE AND MUNICIPAL ACTIVITIES	0	0	290 000	203 644.2
100	FOOD AND BEVERAGES	0	0	485 196	369 379.6
100	ENTERTAINMENT MAYOR	0	0	80 000	47 434.71
100	OTHER TRANSPORT PROVIDER	0	0	650 000	230 572
100	TOLL GATE FEES	0	0	30 000	0
100	CAR HIRE	0	0	60 000	0
100	FLIGHT BOOKING	0	0	55 000	9 717.50
100	CONTRIBUTION TO TRADITIONAL AUTHORITIES	0	0	1 000 000	281 874
100	PROVISION BAD DEBTS TRAFFIC FINES	2 637 871	1 124 029	0	0

EXPENDITURE ON EXECUTIVE FOR 2016/2017 AND 2017/2018 FINANCIAL YEAR: EXECUTIVE COMMITTEE

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
100	SALARIES	0	0	1 933 008	1 489 975
100	CELL PHONE ALLOWANCES	0	0	114 000	159 600
100	IN – KIND BENEFITS	0	0	18 000	3 600
100	MOTOR VEHICLE ALLOWANCE	0	0	785 100	1 186 248
100	MEDICAL AID BENEFITS	0	0	69 988	177 121
100	PENSION CONTRIBUTIONS	0	0	353 292	586 639

3.18 BUDGET AND TREASURY OFFICE

INTRODUCTION TO BUDGET AND TREASURY OFFICE

The department deals with the administration of finances of the municipality i.e. own budget as well as the money received from government fiscal i.e. allocation by government to the municipality to enhance service delivery as in mig and equitable shares. In order for the municipality to have effective service delivery, budget and IDP processes is being followed in order to ensure public participation to cover all community proposals in terms of projects.

The department must develop budget related policies and by-laws to govern consistently charging of moneys for services rendered to the communities. There will be internal and external audits in order to ensure management of risk and curbing corruption while encouraging the implementation of policies.

Debt Recovery

R

Details Of The Types Of Account Raised And Recovered	2016/2017		2017/2018		
	Actual For Accounts Billed In Year	Proportion Of Accounts Value Billed That Were Collected In The Year %	Billed In Year	Actual For Accounts Billed In Year	Proportion Of Accounts Value Billed That Were Collected %

Property Rates	40 725 577	97.92		2 238 742	56%
Water	122 261 320	100	117 966 521	988 585	56%
Sanitation	2 293 008	100	32 560 666	156 120	56%
Refuse	30 417 021	100	2 194 994	613 601	56%
Total	***195 969 926***	***99.68***	***152 722 181***	***3 997 040***	

The following problems were identified with regards to the below average collection rate and we have identified initiatives that will make a difference in the collection rate. One of the main is to make sure and educate community to pay municipal services.

Different strategies have to be put in place for regular defaulters as opposed to consumers defaulting occasionally:-

- Through awareness campaigns, consumers need to be made aware of the services provided by the council.
- we need to explain to the consumers why they have to pay for services
- political support
- issuing monthly statements to the consumer on regularly for payment of services
- the deposits of regular defaulters should be increased according to their liability profile
- implementation of credit control policy

EMPLOYEE INFORMATION

Employees: Financial Services					
Job Level	2016/17	2017/2018			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	5	5	5	0	0%
4 - 6	10	13	12	1	8%
7 - 9	1	5	5	0	0%
10 - 12	20	20	19	1	5%
13 - 15	3	3	2	1	33.3%
Total	39	46	43	3	6.5%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2016/2017 AND 20172018: BUDGET AND TREASURY

VOTE	DETAIL	2016/2017 BUDGET	20162017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL

104	SALARIES	9 245 039	8 632 067	8 156 799	7 015 029.91
104	SALARIES INTERNS	0	0	683 064	569 236
104	BONUS INTERNS	0	0	56 920	33 694
104	BONUS	600 000	586 800	692 746	560 592.72
104	SALGBC	859 562	1 048 224	7 146	3 036.00
104	ACTING ALLOWANCE	3 570	3 640	75 000	51 138.69
104	PENSION CONTRIBUTIONS	170 000	43 944	1 297 949	1 129 332.36
104	MEDICAL AID CONTRIBUTIONS	1 403 917	1 403 513	612 301	560 159.20
104	HOUSING SUBSIDIES	640 230	640 579	17 526	13 542.54
104	U I F CONTRIBUTIONS	18 077	17 808	57 809	54 308.97
104	OVERTIME	58 883	67 567	0	0
104	TRAVEL ALLOWANCES	3 114	3 114	280 000	200 000.00
104	CELLPHONE ALLOWANCES	510 000	498 000	27 000	30 000.00
104	VALUATION ROLL	60 000	60 000	5 545 921	5 545 920.07
104	PROFIT /LOSS: INVENTORY STANDS	100 000	0	0	
104	PROVISION FOR BAD DEBTS	0	0	168 832 392	87 140 096.19

104	SEARCH FEE	0	0	50 000	756.00
104	BANK CHARGES	349 100	375 390	399 996	295 427.27
104	INTEREST CHARGES	0	3 611	0	215.82
104	SKILLS DEVELOPMENT LEVY	111 056	108 325	92 669	80 157.81
104	ACCOMODATION	0	0	195 935	116 761.98
104	FOOD AND BEVERAGES	0	0	27 556	26 148.76
104	FMG EXPENDITURE	1 025 000	1 038 200	0	0
104	BUDGET REFORM GRANT (FMG) mSCOA	0	0	822 016	983 584.03
104	TRAINING FOR INTERNS	0	0	138 000	118 800.00
104	mSCOA	0	0	119 984	335 926 25
104	TRAVELLING AND SUBSISTANCE	153 788	142 640	307 580	44 584.60
104	MSIG	0	0	0	0
104	FINANCIAL STATEMENT	1 000 000	3 901 843	5 402 394	2 664 317.33
104	VAT RECOVERY	6 219 862	6 514 808	6 989 852	6 585 047.59
104	DEBT COLLECTION	0	1 668 396	2 520 000	1 180 542.74
104	SECURITY SERVICES (FEDILITY)	0	0	90 000	72 668.81
104	TOLL GATE FEES	0	0	25 000	0

104	CAR HIRE	0	0	35 000	0
104	FLIGHT BOOKING	0	0	45 000	0
104	YEAR-END ACCRUALS	24 005 936	21 819 277		0

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2016/2017 AND 20172018: SUPPLY CHAIN

VOTE	DETAIL	2016/2017 BUDGET	20162017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
104	SALARIES	0	0	1 427 700	1 430 615.40
104	Bonuses	0	0	118 900	118 947.35
104	BARGAINING COUNCIL	0	0	1 800	495.00
104	ACTING AND POST RELATED ALLOWANCES	0	0	15 000	5 427.88
104	SOCIAL CONTRIBUTION PENSION	0	0	246 780	233 097.84
104	SOCIAL CONTRIBUTION MEDICAL	0	0	71 400	68 778.00
104	HOUSING BENEFITS	0	0	8 904	1593.24
104	UNEPLOYMENT INSURANCE	0	0	9 072	6 692.40
104	TRAVEL OR MOTOR VEHICLE	0	0	60 000	60 000.00
104	CELL PHONE ALLOWANCES	0	0	9 000	9 000.00
104	SIKLLS DEVELOPMENT LEVY	0	0	13 752	16 238.26

104	ACCOMODATION	0	0	31 837	24 348.30
104	FOOD AND BEVERAGES	0	0	5 224	4 953.33
104	TRANSPORT WITHOUT OPERATOR	0	0	45 000	0
104	CAR HIRE	0	0	1 500	0
104	FLIGHT BOOKING	0	0	3 500	0

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2016/2017 AND 20172018: ASSET MANAGEMENT

VOTE	DETAIL	2016/2017 BUDGET	20162017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
104	SALARIES	0	0	1 337 388	889 135.10
104	Bonuses	0	0	111 444	73 387.95
104	BARGAINING COUNCIL	0	0	1 800	297.00
104	ACTING AND POST RELATED ALLOWANCES	0	0	15 000	5 034.60
104	SOCIAL CONTRIBUTION PENSION	0	0	227 483	123 349.56
104	SOCIAL CONTRIBUTION MEDICAL	0	0	105 061	61 160.40
104	HOUSING BENEFITS	0	0	0	0
104	UNEPLOYMENT INSURANCE	0	0	9 072	5 353.92
104	TRAVEL OR MOTOR VEHICLE	0	0	120 000	120 000.00
104	CELL PHONE ALLOWANCES	0	0	9 000	9 000.00

104	SIKLLS DEVELOPMENT LEVY	0	0	13 632	10 868.24
104	ACCOMODATION	0	0	70 378	57 668.8
104	FOOD AND BEVERAGES	0	0	18 337	17 612.72
104	TRANSPORT WITHOUT OPERATOR	0	0	54 996	43 130.30
104	EXCESS PAYMENTS	0	0	205 896	0
104	INSURANCE UNDERWRITING	0	0	2 000 004	1 553 850.56
104	GRAP IMPLEMENTATION	0	0	1 750 000	1 665 059.91
104	DEPRECIATION INFRASTRUCUTRE	0	0	119 382 633	70 981 966
104	DEPRECIATION COMMUNITY ASSETS	0	0	17 830 001	10 457 592.14
104	DEPRECIATION FURNITURE AND FITTINGS	0	0	1 188 667	553 475.41
104	DEPRECIATION OFFICE EQUIPMENT	0	0	59 433	45 876
104	DEPRECIATION MOTOR VEHICLES	0	0	2 971 667	2 831 968.17
104	DEPRECIATION BUILDING	0	0	4 279 201	4 106 592
104	DEPRECIATION PLANT AND EQUIPMENT	0	0	23 773 335	21 213 658
104	TOLL GATE FEES	0	0	1 500	147.00
104	CAR HIRE	0	0	3 500	0
104	FLIGHT BOOKING	0	0	5 500	4 312.00

3.19 HUMAN RESOURCE(CORPORATE) SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Municipality has submitted to the department of labour the employment equity report and return of earnings in terms of the employment equity act and the compensation for occupational injuries and disease act. Respectively the work skills plan is submitted to the local government seta and was also approved by the council.

The reprioritised critical posts to the 2017/2018 financial year were filled based on the organisational structure. All the HR policies were reviewed and adopted by council. The municipality is has undertaken the organisational reengineering to ensure that the organisation is in alignment with the IDP and budget as well as to ensure that the employees job descriptions are aligned with these strategic documents

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Total personnel expenditure trends in the last two years

The following table reflects the total personnel expenditure trends from 2016/2017 to 2017/2018

Financial Year	(R)
2016/2017	111 186 174
2017/2018	117 024 560

Pension Fund

The composition of membership for pension and provident funds was as follows

Pension Fund	Number Of Members	
	2016/2017	2017/2018
Municipal Gratuity Fund	9	17
National Fund For Municipal Workers	1	5
Joint Municipal Pension Fund	0	0
Sala Pension Fund 96 92	0	0
Municipal Councillors Pension Fund	63	64
Municipal Employees Pension Fund	389	359
Meshawu Pension Fund	0	0
Samwu Pension Fund	0	0
Gepf	6	2

Medical Aid Funds

The medical aid funds are accredited by the south African local government bargaining council (slack).the council 's actual expenditure for the 2016/2017 financial year towards the employer's contribution to total medical aid funds is **R 6 575 265**

Medical Aid Fund	2016/2017 Number Of Members	2017/2018 Number Of Members	2016/2017 Employer's Contribution (R)	2017/2018 Employer's Contribution (R)

Key Health	6	6	163 427	706 367
Hosmed	38	32	1 359 936	1 290 150
Bonitas	36	39	969 191	1 170 174
Munimed	22	25	586 664	141 532
Samwu Med	160	165	2 691 489	3 267 042
Total	**262**	**267**	**5 770 707**	**6 575 265**

Outstanding Monies

Mfma circular 11 requires that municipalities disclose arrears (outstanding monies) by councillors and section 56 managers:-

accounts in arrear as at present	**arrears: jun-2017 (r)**	**arrears: jun-2018 (r)**
councillors	327 980	383 872

Note: the full report is on annual financial statement

Disclosure concerning executive councillors and section 56 managers
The following table reflects the remuneration for executive councillors and **section 56 managers**:-

Designation	**Remunerable(Package) (R)**	
	2016/2017	**2017/2018**
Executive Council	5 188 590	5 668 633
Section 56 Managers	5 203 567	3 301 854
Part Time/ Section 79	16 430 059	17 7774 67

Designation	**Remuneration (Package) (R)**	
	2016/2017	**2017/2018**
Executive Mayor	824 554	877 708.55
Speaker	670 401	714 875.77
Chief Whip	640 774	679 341.47
MMC'S	3 203 870	3 396 707.35
Municipal Manager	1 365 113	1 245 933.19
Manager Corporate Service	823 543	940 948.68
Manager Sds	1 126 003	28957.85 (Acting allowance)
Manager Technical Services	949 747	1 019 774.12

CFO	926 367	232 107 38459.67 (Acting Allowance)

EMPLOYEE INFORMATION

Employees: Human Resource Services					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	6	7	6	1	14%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	7	9	8	1	11.1%

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2016/2017 AND 2017/2018: CORPORATE SERVICES (HR)

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
106	SALARIES	10 530 597	9 720 106	5 482 064	3 409 275.44
106	BONUS	922 689	778 049	561 245	276 044.54
106	SALGBC	4 284	3 778	4 284	1 221
106	ACTING ALLOWANCE	99 806	95 700	75 000	50 054.50
106	PENSION CONTRIBUTIONS	1 896 583	1 788 137	1 092 573	657 210.57
106	MEDICAL AID CONTRIBUTIONS	794 235	696 902	418 372	327 001.40
106	HOUSING SUBSIDIES	36 154	35 616	29 925	28 678.32
106	U I F CONTRIBUTIONS	72 300	71 769	43 923	23 943.92
106	W C C CONTRIBUTIONS	1 080 000	2 085 443	928 261	927 897.21
106	OVERTIME	668 544	535 891	0	0
106	TRAVEL ALLOWANCES	451 488	210 000	271 488	45 000.00

106	CELLPHONE ALLOWANCES	69 600	59 700	27 600	8 350.00
106	HARDWARE REPAIRS & MAINTENANCE	426 400	322 276	0	0
106	VEHICLES	8 519 964	10 471 803	0	0
106	SKILLS DEVELOPMENT LEVY	115 932	111 821	137 936	39 262.95
106	ADVERTISMENT	386 143	342 152	283 176	214 931.93
106	FUEL	5 066 334	6 101 244	0	0
106	PRINTING AND STATINERY	1 385 800	1 098 176	2 648 287	963 645.50
106	LICENCES	822 736	530 155	0	0
106	RENTAL OF OFFICE EQUIP	795 751	1 088 374	846 679	
106	MATERIAL OF SUPPLIES	0	27 720	0	0
106	STRATEGIC PLANNING	170 000	0	196 880	181 859.91
106	ENTERTAINMENT	0	0	0	0
106	TRAINING	662 280	297 859	1 539 000	527008.26
106	LEGAL COSTS	2 588 808	717 893	0	0
106	SOFTWARE LICENCE	1 161 940	728 038	0	0
106	TRAVELLING AND SUBSISTANCE	234 520	79 014	150 000	13 001.05
106	ACCOMODATION AND MEALS	814 672	789 621	250 000	262 177.52
106	POSTAGE	34 533	8 061	0	0
105	HIRE CHARGES	0	0	78 000	44 160
106	COMPETENCY ASSESSMENT	100 000	65 281	100 000	56 072.48
106	OHS PROGAMMES	625 000	311 667	510 000	66 050
106	MACHINERY & EQUIPMENT	250 000	207 230	0	0
106	COMPUTER EQUIPMENT	400 000	11 835	0	0
106	FURNITURE	200 000	0	0	0
106	LEAVE DAYS	668 544	535 881	720 000	323 555.16
106	PROVISION FOR BONUS	0	0	6 445 840	259 510.44
106	PROVISION FOR LEAVE	0	0	3 988 509	776.79
106	PROVISION FOR ACTUARIES	0	0	3 192 000	657 000
106	TOLL GATE FEES	0	0	4 500	1 553.00

106	CAR HIRE	0	0	6 500	0
106	FLIGHT BOOKINGS	0	0	5 500	0
106	LONG TERM SERVICE	1 308 619	1 152 166	1 405 457	729 106.77

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2016/2017 AND 2017/2018: FLEET MANAGEMENT

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
106	SALARIES	0	0	2 662 109	2 587 113.73
106	BONUS	0	0	250 274	221 378.70
106	SALGBC	0	0	1 800	1 221.00
106	ACTING ALLOWANCE	0	0	16 333	20 587.98
106	PENSION CONTRIBUTIONS	0	0	472 766	466 074.72
106	MEDICAL AID CONTRIBUTIONS	0	0	50 148	112 705.80
106	HOUSING SUBSIDIES	0	0	0	0
106	U I F CONTRIBUTIONS	0	0	21 698	21 100.35
106	TRAVEL ALLOWANCES	0	0	60 000	60 000.00
106	CELLPHONE ALLOWANCES	0	0	15 400	34 600.00
106	VEHICLES	0	0	7 963 736	0
106	Contractors:Maintenance of Unspecified Assets				2 293 199.55
106	SKILLS DEVELOPMENT LEVY			28 998	29 177.01
106	FUEL	0	0	5 700 000	6 423 207.25
106	LICENCES	822 736	530 155	864 950	744 868.30
106	LEASE OF VEHICLE	0	0	3 600 000	326 806.10
106	TRANSPORT WITHOUT OPERATOR	0	0	9 996	4 136.26
106	ACCOMODATION	0	0	9 996	2 460.00
106	FOOD AND BEVERAGES	0	0	5 004	848.84
106	0 VEHICLE TRACKING	0	0	867 000	531 650.00

106	TOLL GATE FEES	0	0	1 500	588.00
106	CAR HIRE	0	0	4 500	0
106	FLIGHT BOOKING	0	0	5 000	0
106					
106	MATERIAL OF SUPPLIES	0	27 720	200 000	198 033.36

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2016/2017 AND 2017/2018: ICT

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2016/2017 BUDGET	2017/2018 ACTUAL
106	SALARIES	0	0	3 020 436	2 999 220.56
106	BONUS	0	0	251 700	249 775.38
106	SALGBC	0	0	4 320	1 188.00
106	ACTING ALLOWANCE	0	0	20 004	4 646.92
106	PENSION CONTRIBUTIONS	0	0	556 188	552 158.16
106	MEDICAL AID CONTRIBUTIONS	0	0	264 528	251 452.20
106	HOUSING SUBSIDIES	0	0	8 904	9 559.44
106	U I F CONTRIBUTIONS	0	0	21 600	21 347.63
106	POSTAGE/FRANKLING MACHINE	0	0	37 092	1 884.81
106	TELECOMMUNICATION	0	0	1 704 648	1 616 551.77
106	TRAVEL ALLOWANCES	0	0	80 000	82 000.00
106	CELLPHONE ALLOWANCES	0	0	9 000	9 000.00
106	HARDWARE REPAIRS & MAINTENANCE	0	0	422 404	272 619.03
106	CONUMABLE: STANDARD RATED	0	0	45 000	29 700
106	SKILLS DEVELOPMENT LEVY	0	0	34 328	34 085.19
106	MAIONTENANCE OF EQUIPMENT	0	0	53 688	8 850.00
106	MAINTENANCE OF UNSPECIFIED ASSETS	0	0	140 004	43732.50
	ACCOMODATION	0	0	30 000	11 191.75

106					
106	FOOD AND BEVERAGES	0	0	5 004	3 456.14
106	TRAVELLING AND SUBSITENCE	0	0	33 733	31 199.17
106	MATERIAL OF SUPPLIES	0	0	265 000	0
106	PROFESSUIONAL BODIES MEMBERS	0	0	24 000	13 200
106	GPS LICENCE FEES	0	0	60 000	0
106	SOFTWARE LICENCE	0	0	4 472 109	2 807 670.00
106	SPECIALISED COMPUTER SERVICES	0	0	712 600	0
106	TOLL GATE FEES	0	0	1 500	176.00
106	CAR HIRE	0	0	4 500	0
106	FLIGHT BOOKING	0	0	6 000	0

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2016/2017 AND 2017/2018: LEGAL,

VOTE	DETAIL	2016/2017 BUDGET	2016/2017 ACTUAL	2017/2018 BUDGET	2017/2018 ACTUAL
106	SALARIES	0	0	855 348	855 026.04
106	BONUS	0	0	71 280	71 252.17
106	SALGBC	0	0	720	941.60
106	ACTING ALLOWANCE	0	0	9 996	29 573.95
106	PENSION CONTRIBUTIONS	0	0	176 568	176 507.16
106	MEDICAL AID CONTRIBUTIONS	0	0	71 580	70 323.20
106	HOUSING SUBSIDIES	0	0	0	
106	U I F CONTRIBUTIONS	0	0	3 624	2 825.68
106	W C C CONTRIBUTIONS	0	0	0	0
106	OVERTIME	0	0	0	0
106	TRAVEL ALLOWANCES	0	0	0	0
106	CELLPHONE ALLOWANCES	0	0	10 600	9 752.50
106	HARDWARE REPAIRS & MAINTENANCE	0	0	0	0
106	VEHICLES	0	0	0	0
106	SKILLS DEVELOPMENT	0	0	8 136	9 752.50

	LEVY				
106	TRAVELLING AND SUBSISTENCE	0	0	24 996	15 055.80
106	ACCOMODATION	0	0	30 000	0
106	FOOD AND BEVERAGES	0	0	5 004	0
106	LEGAL COSTS	0	0	2 754 492	2 023 667.86
106	TOLL GATE FEES	0	0	2 500	0
106	STANDBY ALLOWANCE	0	0	13 248	0

3.20 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

The ICT services are broadly defined as follows:-

1. Information management services
2. Information technology services
3. Information system services
4. Network management services

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT unit is responsible for the delivery of ict services across the municipality. The unit is responsible for devising change programmes across the departments in order to deliver a modern ICT service function. The unit led the management and development of information and network systems which devise an effective ict management.

Brief Introductory Comments

Information, Communication & Technology services in the Thembisile Hani Local Municipality is regarded as a strategic resource. A strategic resource, which it is, viewed as both a critical and catalyst function for enabling service delivery at the customer face.
Key to the strategic nature of ICT in the Municipality is the enabling of the municipal key objectives of the Municipality in order to meet its constitutional obligations. ICT enables the achievement of these obligations by deploying relevant information technology solutions.

The following policies have been developed and the related it service provided daily to
Departments:-
Corporate services department
Finance department
Social services department
Technical services department
Municipal manager's office
Political office bearers

2016/2017 Adopted Policies	2017/18 Adopted Policies

Patch Management Policy	Patch Management Policy
Information Security Policy	Information Security Policy
Reviewed Ict Governance Framework	Reviewed Ict Governance Framework
Back-Up Policy	Back-Up Policy
ICT Change Management Policy	ICT Change Management Policy
Internet Usage Policy	Internet Usage Policy
Email Policy	Email Policy
Password Policy	Password Policy
Telephone Usage Policy	Telephone Usage Policy
Thlm Corporate Gavernance Of ICT Charter	Thlm Corporate Gavernance Of ICT Charter

EMPLOYEE INFORMATION

Employees: Information Technology					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
Total	6	6	6	0	0%

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The Thembisile Hani Local Municipality has priority in its capital project running. This are:
Maintain and ensure the smoth running of municipality

- ICT hardware/software maintenance
- Renewal of 2013 Microsoft office, Anti-virus, financial system licences (Munsoft and VIP).
- Upgrade VIP Payrall to SAGE 300 People
- Updated municipal website
- Emplemented Mscoa Compliant on financial system (Munsoft)
- Procurement of 14 laptops, financial server and 21 Desktop Phones
- Maintained 06 (Mathynsloop, Workshop, Tweefontein K, Traffic Centre, Kwamhlanga and Mandela satellite offices) satellite offices using wireless technology

Appointments made during financial year 2017/2018

- Appointment of Service Provider for the supply and 3rd Level Support in all ICT material.
- Appointment for service provider for the supply of Biometric and security equipment through Sec 32 of MFMA regulations.

3.21 LEGAL AND ADMINISTRATION SERVICES

INTRODUCTION TO LEGAL AND ADMINISTRATION SERVICES

The aim of legal services is to ensure a proper legal service to council and the municipal manager, as well as the executive mayor and his members of mayoral committee and other structures in council. Prepare and ensure approval of legal documents relating to council.

Employees: Legal & Secretariat Services					
Job Level	2016/2017	2017/2018			
	Employees	Posts	Employees	Vacancies (Fulltime Equivalents)	Vacancies (As A % Of Total Posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	6	2	2	0	0%
7 - 9	1	0	0	0	0%
10 - 12	0	5	5	0	0%
13 - 15	0	0	0	0	0%
Total	8	8	8	1	12.5%

Note: All the legal expenditures are included in the corporate service (vote 106)

3.22 FLEET MANAGEMENT

INTRODUCTION

The section provides fleet services for the municipality and in doing so it is guided by the fleet management policy.

STATUS OF COUNCIL FLEET AS OF JULY 2017 TO JUNE 2018

Thembisile Hani Local Municipality has a fleet management component responsible for the management and administration of hundred and thirty (130) fleet assets as per the revised fleet register for 2017/2018 financial year below. These fleet composition consist of vehicles, plant and equipment.

THEMBISILE HANI LOCAL MUNICIPALITY				
FLEET UNIT				
FLEET REGISTER 2017/2018				
WATER CARTS				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. DVC 918 MP	NISSAN	WATER TANK	2007	DIESEL
2. FDV 718 MP	NISSAN	WATER TANK	2007	DIESEL
3.DXS 688 MP	FAW	WATER TANK	2007	DIESEL
4. DXS 693 MP	FAW	WATER TANK	2007	DIESEL
5. DXS 697 MP	FAW	WATER TANK	2007	DIESEL
6. FLZ 921 MP	ISUZU	WATER TANK	2010	DIESEL
7. FLZ 923 MP	ISUZU	WATER TANK	2010	DIESEL
8. FMF 292 MP	ISUZU	WATER TANK	2010	DIESEL
9. DSH 922 MP	ISUZU	WATER TANK	2008	DIESEL
10. DSH 909 MP	ISUZU	WATER TANK	2008	DIESEL
11. HDP 501 MP	NISSAN	WATER TANKER	2013	DIESEL
12. DHY 232 MP	NISSAN	WATER TANKER	2013	DIESEL
13. HCY 384 MP	NISSAN	WATER TANKER	2013	DIESEL
14. HCY 384 MP	NISSAN	WATER TANKER	2013	DIESEL
HONEY SUCKERS				
1.DSH 919 MP	ISUZU	HONEY SUCKERS	2008	DIESEL
2.DSH 914 MP	ISUZU	HONEY SUCKER	2008	DIESEL
3. FZB 485 MP	NISSAN	HONEY SUCKER	2013	DIESEL
4.FZB 487 MP	NISSAN	HONEY SUCKERS	2013	DIESEL
TIPPER TRUCKS				
1.DXT 171 MP	NISSAN	TIPPER	2009	DIESEL

2.DXT 176 MP	NISSAN	TIPPER	2009	DIESEL
3. DRH 754 MP	ISUZU	TIPPER	2009	DIESEL
4. DRH 748 MP	ISUZU	TIPPER	2009	DIESEL
5. DVC 913 MP	NISSAN	TIPPER	2009	DIESEL
6. HDP 489 MP	NISSAN	TIPPER	2013	DIESEL
7. HDP 484 MP	NISSAN	TIPPER	2013	DIESEL
8. HDP 389 MP	NISSAN	TIPPER	2013	DIESEL
9. HDP 505 MP	NISSAN	TIPPER	2013	DIESEL
10. HDP 489 MP	NISSAN	TIPPER	2013	DIESEL
11. HFD 909 MP	NISSAN	TIPPER	2013	DIESEL
VARIETY				
1.DVC 923 MP	NISSAN	CASTAR	2009	DIESEL
2.HCD 563 MP	NISSAN	UD LOWBED	2013	DIESEL
3.HBP 383 MP	NISSAN	PICKER	2013	DIESEL
4.DRS 963 MP	FAW	PICKER	2013	DIESEL
5. HCD 587 MP	Payloader	Lowbed Trailer	2013	N/A
COMPACTORS				
1.DJN 789 MP	NISSAN	COMPACTOR	2009	DIESEL
2.FSP 929 MP	NISSAN	COMPACTOR	2009	DIESEL
3.FVP 717 MP	NISSAN	COMPACTOR	2009	DIESEL
4.HBY802 MP	NISSAN	COMPACTOR	2013	DIESEL
5.HGW 505 MP	NISSAN	COMPACTOR	2013	DIESEL
6.HGW 609 MP	NISSAN	COMPACTOR	2013	DIESEL
GRADERS				
REGISTRATION NO.	**MADE**	**TYPE**	**YEAR MODEL**	**FUEL**
1. DPX 610 MP	BELL	BELL	2007	DIESEL
2. DPX 617 MP	KOMATSU	KOMATSU	2007	DIESEL
3. FDV 722 MP	CAT	CAT	2008	DIESEL
4. FZL 582 MP	BELL	BELL	2013	DIESEL
5. FWX 044 MP	SHANTUI	SHANTUI	2012	DIESEL
6. CWY 815 MP	BELL	BELL	2002	DIESEL
7. HCY 357 MP	BELL	BELL	2013	DIESEL

TLBS				
REGISTRATION NO.	**MADE**	**TYPE**	**YEAR MODEL**	**FUEL**
1. CZN 065 MP	CAT	CAT	2000	DIESEL
2. FDV 720 MP	BELL	BELL	2012	DIESEL
3. FVX 817 MP	BELL	BELL	2012	DIESEL
4. FVX 819 MP	BELL	BELL	2012	DIESEL
5. FVX 821 MP	BELL	BELL	2012	DIESEL
6. FYD 917 MP	BELL	BELL	2013	DIESEL
7. FYD 922 MP	BELL	BELL	2013	DIESEL
8. FYD 924 MP	BELL	BELL	2013	DIESEL
EXCAVATORS				
REGISTRATION NO.	**MADE**	**TYPE**	**YEAR MODEL**	**FUEL**
1. JCB	JCB	JCB	2011	DIESEL
2. BELL	BELL	BELL	2013	DIESEL
BOMAG				
REGISTRATION NO.	**MADE**	**TYPE**	**YEAR MODEL**	**FUEL**
1. FDR 834 MP	BELL	BELL	2012	DIESEL
2. BELL	BELL	BELL	2013	DIESEL
DOZER				
REGISTRATION NO.	**MADE**	**TYPE**	**YEAR MODEL**	**FUEL**
1. BELL	BELL	BELL	2012	DIESEL
FRONT LOADER				
REGISTRATION NO. MADE		**TYPE**	**YEAR MODEL**	**FUEL**
1. FRONT END LOADER	LOADER	LOADER	2000	DIESEL
KOMBIS				
REGISTRATION NO.	**MADE**	**TYPE**	**YEAR MODEL**	**FUEL**
1. DGG 503 MP	TOYOTA	QUANTUM	2004	DIESEL
TRACTORS				
REGISTRATION NO.	**MADE**	**TYPE**	**YEAR MODEL**	**FUEL**
1. DDS 201 MP	MASSEY	MASSEY	2000	DIESEL
2.DDS 214 MP	MASSEY	MASSEY	2002	DIESEL

3. FPJ 632 MP	MASSEY	MASSEY	2012	DIESEL
4. FPJ 638 MP	MASSEY	MASSEY	2012	DIESEL
5. FPJ 642 MP	MASSEY	MASSEY	2012	DIESEL
6. HFY 726 MP	LANDINI	SOLIS	2013	DIESEL
7.HFY 731 MP	LANDINI	SOLIS	2013	DIESEL
8. HFY 733 MP	LANDINI	SOLIS	2013	DIESEL
9. DXD 889 MP	MASSEY	MASSEY 400	2012	DIESEL
BAKKIES				
REGISTRATION NO.	**MADE**	**TYPE**	**YEAR MODEL**	**FUEL**
1. DWW 136 MP	NISSAN	BAKKIE	2007	DIESEL
2. DWW 137 MP	NISSAN	BAKKIE	2007	DIESEL
3. DWW 134 MP	NISSAN	BAKKIE	2007	DIESEL
4. DWW 141 MP	NISSAN	BAKKIE	2007	DIESEL
5. DWW 142 MP	NISSAN	BAKKIE	2007	DIESEL
6. DPY 734 MP	NISSAN	BAKKIE	2006	DIESEL
7. DPY 715 MP	NISSAN	BAKKIE	2006	DIESEL
8. DPY 707 MP	NISSAN	BAKKIE	2006	DIESEL
9. DPY 780 MP	NISSAN	BAKKIE	2006	DIESEL
10. DPY 701 MP	NISSAN	BAKKIE	2006	DIESEL
12. DPY 802 MP	NISSAN	BAKKIE	2006	DIESEL
13. DPY 808 MP	NISSAN	BAKKIE	2006	DIESEL
14. DPY 747 MP	NISSAN	BAKKIE	2006	DIESEL
15. DPY 772 MP	NISSAN	BAKKIE	2006	DIESEL
16. DPY 725 MP	NISSAN	BAKKIE	2006	DIESEL
17. DFS 353 MP	FORD	BAKKIE	2012	PETROL
18. FSB 801 MP	NISSAN	BAKKIE	2012	DIESEL
19. FSB 882 MP	NISSAN	BAKKIE	2012	DIESEL
20. FSB 887 MP	NISSAN	BAKKIE	2012	DIESEL
21. FSB 890 MP	NISSAN	BAKKIE	2012	DIESEL
23. DFY 131 MP	NISSAN	BAKKIE	2004	PETROL
24. FYZ 065 MP	NISSAN	BAKKIE	2013	DIESEL
25. FYZ 066 MP	NISSAN	BAKKIE	2013	DIESEL
26. FYZ 067 MP	NISSAN	BAKKIE	2013	DIESEL
27. FYZ 069 MP	NISSAN	BAKKIE	2013	DIESEL
28. DRD 053 MP	ISUZU	BAKKIE	2007	PETROL
29. HFN 945 MP	NISSAN	BAKKIE	2013	PETROL

30. HFN 956 MP	NISSAN	BAKKIE BULK	2013	DIESEL
31. HFN 966 MP	NISSAN	BAKKIE SANITA	2013	DIESEL
32. HFN 972 MP	NISSAN	BAKKIE ROADS	2013	DIESEL
33. HFJ 699 MP	TOYOTA HILUX	BAKKIE DISASTER	2013	DIESEL

PRIVATE/SEDANS				
REGISTRATION NO.	**MADE**	**TYPE**	**YEAR MODEL**	**FUEL**
1. CXP 399 MP	ALMERA	SEDAN	2004	PETROL
2. DFS 347 MP	ALMERA	SEDAN	2004	PETROL
3. FSB 896 MP	TIIDA	SEDAN	2013	PETROL
4. FSB 895 MP	TIIDA	SEDAN	2012	PETROL
5. FSB 897 MP	TIIDA	SEDAN	2012	PETROL
6. FYZ 862 MP	TIIDA	SEDAN	2013	PETROL
7. FYZ 864 MP	TIIDA	SEDAN	2013	PETROL
8. FYZ 878 MP	TIIDA	SEDAN	2013	PETROL
9 DFR 930 MP	TIIDA	SEDAN	2013	PETROL
10. FYZ 874 MP	TIIDA	SEDAN	2013	PETROL
11. DFT 019 MP	MAZDA	SEDAN	2002	PETROL
12. FYZ 872 MP	TIIDA	SEDAN	2013	PETROL
13.HVV 923 MP	MERC BENZ	SEDAN	2016	PETROL
DRAWN VEHICLES				
1.DCJ 096 MP	FID	TRAILER	N/A	DRAWN
2.DCJ 124 MP	FID	TRAILER	N/A	DRAWN
3.DDR 434 MP	TELCOM	TRAILER	N/A	DRAWN
4.DDR 438 MP	TELCOM	TRAILER	N/A	DRAWN
5.DDR 442 MP	TELCOM	TRAILER	N/A	DRAWN
6.DDR 447 MP	TELCOM	TRAILER	N/A	DRAWN
7.HCD 587 MP	KEARNEY'S TRA.	TRAILER	2013	DRAWN
8.HCJ 901 MP	H/CAN	TRAILER	2013	DRAWN
9.HJR 737 MP	H/CAN	TRAILER	2013	DRAWN
10.HJR 738 MP	H/CAN	TRAILER	2013	DRAWN
11.HJR 747 MP	H/CAN	TRAILER	2013	DRAWN
12.HJR 749 MP	H /CAN	TRAILER	N/A	DRAWN
13 HJR 752 MP	H/CAN	TRAILER	N/A	DRAWN

REPAIRS AND MAINTENANCE

Small council vehicles are repaired and maintained in house, plant and equipment are repaired and maintained through the service provider since 2017 /2018 financial year to date, we repair and maintain our municipal fleet in order to render a cost effective fleet operations to meet day to day target in delivering services to our communities.

COMPONENT G: MISCELLANEOUS

3.23 ANNUAL PERFORMANCE REPORT

THIS COMPONENT INCLUDES: ANNUAL PERFORMANCE SCORECARD REPORT FOR THE CURRENT YEAR.

The Municipal Planning and Performance Management Regulations (2001) stipulates that a "municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players" (chapter 3, section 7, municipal planning and performance management regulations, 2001).

The 2017/2018 performance management framework and policy was adopted by council

The Annual Performance Report must be presented to the auditor general for auditing together with the Annual Financial Statements on 31 august 2018.

COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD

INTRODUCTION AND BACKGROUND

This report is compiled in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2). It covers the performance information of the Municipality from 1 July 2017 to 30 June 2018 and focuses on the implementation of the 2017/2018 Revised Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the municipality's Integrated Development Plan (IDP). In addition, the report provides an overview of improvements made to the performance management system and an overview of financial performance.

In the year under review (2017/2018), Thembisile Hani Local Municipality had five departments, namely; technical services, social development services, corporate services, finance service, as well as the municipal manager's office.

PURPOSE

The purpose of this report is to provide the records of the activities for the financial year 2017/2018 to Cooperative Governance and Traditional Affairs, Provincial and National Treasury, and Auditor-General and to the citizens of Thembisile Hani Local Municipality on progress being made by municipality towards achieving the overall goals. Furthermore, the report is a key performance report to the communities and other stakeholders in keeping with the principles of transparency and accountability of government to the citizens.

METHODOLOGY FOLLOWED IN COMPILING THE REPORT

In terms of Section 46 of the Municipal Systems Act 32 of 2000,
(1) A municipality must prepare for each financial year a performance report reflecting-
(a) The performance of the municipality and of each external service provider during that financial year;
(b) A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year and

(c) Measures taken to improve performance.
(2) An Annual Performance Report must form part of the municipality's Annual Report in terms of chapter 12 of the municipal finance management act.

In terms of Chapter 6 of the Municipal System Act, No. 32 of 2000 municipalities must monitor and measure the progress of their performance by preparing quarterly, mid-year and annual performance reports.

INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

In the 2017/2018 financial year, every attempt was made to ensure that the municipality complies with the legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP. Thembisile Hani Local Municipality has continued to maintain an effective operation of the following mechanisms:

- The 2017/2018 IDP included strategic objectives, strategies and key performance indicators (KPI's) as required by the municipal systems act, 32 of 2000;
- The budget for implementation of the IDP was approved within the prescribed timelines prescribed in the municipal finance management act, 56 of 2003;
- After approval of the budget, the SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies;
- Performance agreements which incorporates performance plans were developed and signed as required by the municipal performance regulations, 2006;
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the municipal manager (mm);
- Quarterly performance reports were objectively and independently audited by the internal audit unit verifying the accuracy and credibility of the reported performance information; and
- The Performance Audit Committee (PAC) functioned optimally in the year; in line with the committee's approved terms of reference

DEVELOPMENT OBJECTIVES

The following are the strategic objectives that the municipality has set:

- To improve the organisational development capacity of the municipality in order to render effective service delivery
- To enhance revenue and to ensure financial viability and sustainability.
- To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.
- To improve the quality of life of the community by providing them, with water supply, sanitation, roads as well as amenities such community halls and basic recreational facilities.
- To improve the quality of life of the community through providing them with community facilities and containing the hiv/aids epidemic in the area.
- To ensure that residents live within a safe environment by illuminating strategic nodal point.
- To utilize the municipal area's agricultural potential to the maximum

- To promote local economic development and growth through the identification and facilitation of economic opportunities, tourism and mining.

- To deepen democracy and strengthen democratic institutions through active public participation

MUNICIPAL PRIORITIES

The Annual Performance Report is structured to show how projects were implemented within the financial year to address the IDP priorities.

- issue 1: institutional development
- issue 2: financial viability
- issue 3: public participation and good governance
- issue 4: water
- issue 5: sanitation
- issue 6: electricity (communal and street light)
- issue 7: road and storm water
- issue 8: public transport
- issue 9: cemeteries
- issue 10: waste and environmental management
- issue 11: municipal facilities, sport, recreation, art & culture
- issue 12: public safety, security and emergency services
- issue 13: spatial planning and land use management
- issue 14: local economic development
- issue 15: youth development
- issue16: transversal issue

Chapter 3

OVERALL CONCLUSION

During the 2017/2018 financial year the overall performance of Thembisile Hani Local Municipality is **65%** success rate achievement. As compared to **69%** success rate achieved during the 2016/2017 financial year.

KEY PERFORMANCE AREA	TOTAL NO. OF TARGET		TOTAL ACHIEVED		NOT ACHIEVED	
	No	%	No	%	No	%
1. Basic Service Delivery						
1.1. Technical Services	75	100%	38	51%	37	49%
1.2. Social Development Services	12	100%	08	67%	04	33%
2. Municipal Transformation and Institutional Development	29	100%	25	86%	04	14%
3. Municipal Financial Viability and Management	19	100%	13	68%	06	32%
4. Good Governance And Public Participation	44	100%	31	70%	13	30%
5. Local Economic Development	12	100%	10	83%	02	17%
TOTAL	**191**	100%	**125**	**65%**	**66**	**35%**

O.N. Nkosi

Municipal Manager

Date: 30/11/2018

KPA: BASIC SERVICE DELIVERY AND INFRASTRACTURE DEVELOPMENT

TECHNICAL SERVICE

The department of Technical Services overall performance for 2017/2018 financial year is 51% achievement. The department managed to achieve 38 targets out of the 75 planned targets, as compared to 53% achieved in 2016/2017 financial year out of 32 planned targets 17 targets was achieved

KPA	BASIC SERVICE DELIVERY											
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WATER												
DTS001	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Construction of New Reservoir and at KwaMhlanga for Phola Park and Mountain View Communities - Phase 2	Number of reservoirs constructed	1 New dedicated 5.4km pipeline from new reservoir to existing pipeline which split to two areas Phola Park , & Thembalethu and Mountain View and Sheldon Extension	1 of 10Ml reservoir constructed by 30 June 2018	R 13 578 954	Pre-cast concrete walls installation ongoing	R 12 943 543.42	No	Fabrication and transportation of the precast concrete walls took longer than anticipated.	Construction works to be accelerated by adding more resources (Increasing work force and transportation of the precast concrete) in order to catch up to the programme	Appointment letter, Quarterly progress reports.' Completion certificates.

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DTS002	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Construction of New Pipeline at KwaMhlanga for Phola Park and Mountain View Communities - Phase 2	Number of kilometre of pipeline constructed	1 New dedicated 5.4km pipeline from new reservoir to existing pipeline which split to two areas Phola Park , & Thembalethu and Mountain View and Sheldon Extension	2.5km pipeline constructed by 30 June 2018	R 8 246 491	2.3km pipeline constructed	R 6 257 740.78	No	Hard and rocky area to complete the 0.2km portion of pipeline	Chemical blasting opted instead of conventional blasting method, because of the conventional method being rejected by the community in the affected areas.	Appointment letter, Quarterly progress reports.' Completion certificates.
DTS003	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible	Construction of Bulk pipeline Kwaggafontein (Water Scheme - Phase 2)	Number of kilometre of pipeline constructed	1 Bulk water scheme upgraded	6 km pipeline constructed by 30th June 2018	R0	6 km pipeline constructed	R0	Yes	None	None	Appointment letter, Quarterly progress reports.' Completion certificates.

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	road											
DTS004	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Construction of pipeline Bundu	Number of kilometre of pipeline constructed	1 Bulk water scheme upgraded	1 km pipeline constructed by 30th June 2018	R10 568 448	1.6km pipeline of 315mm has been completed.	R 9 591 751.04	Yes	None	None	Appointment letter, Quarterly progress reports.' Completion certificates.
DTS005	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Construction of Water treatment works Bundu	Number of plant modules constructed	No water Treatment works	1 of 2.5ML per day plant module Constructed by 30th June 2018	R 29 433 650	Setting out complete Bulk earthworks complete Clear water Storage and Pump station- 55% Sand filters Construction bases - 25%	R 27 881 634.40	No	Local business forum challenges in light of work opportunities that are being demanded, hereby resulting in disturbance of the work on site	Engagement meeting between the Local business forum, Political Head of the Technical Department and the Accounting Officer has	Appointment letter, Quarterly progress reports.' Completion certificates.

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											been planned to resolve the challenges.	
DTS006	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Construction Reservoir Bundu	Number of reservoirs constructed	Existing reservoir	1 of 10Ml reservoir constructed by 30th June 2018	R 18 548 034	Setting out of reservoir complete. Construction of foundation layer complete.	R 15 526 163	No	Local business forum challenges in light of work opportunities that are being demanded, hereby resulting in disturbance of the work on site Unavailability of suitable construction material (gravel) in THLM to complete the reservoir platform.	The project is a multi- year project to be completed in the second quarter of 2018/2019 financial year Importing of material from neighbouring cities i.e Pretoria	Appointment letter, Quarterly progress reports.' Completion certificates.
DTS007	To provide households with basic services including water, adequate sanitation, adequate public lighting	Provision of households with water	Number of households provided with water	Household provided with water	82 653 households provided with water by 30th June 2018	R126 803 148	56459 households provided with water	R 126 803 148	No	The variance of 26194 is supplied through water carts however we were not capturing the POE in households but in number of loads which was unacceptable in relation to the set target.	We will correct this by developing a template that will take the details of the beneficiaries including the number of	Water billing reports and Invoices

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	and accessible road										households benefiting from it (trucks) so that we can be able to explain the difference.	
DTS008	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Construction of Water Reticulation in Kwaggafontein A, Ward 29	Number of households connected to yard taps	No Reticulation	250 households connected to yard taps by 30th June 2018	R 10 446 553.00	506 households connected to yard taps	R 9 218 702.71	Yes	None	None	Appointment letter, Quarterly progress reports.' Completion certificates.

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DTS015	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Construction of Pipeline Enkeldoornoog B	Number of kilometer of pipeline constructed	1 Interconnection of 1000 to 500mm bulk line at Enkeldoornoog B	1 km pipeline constructed by 30th June 2018	R 2 141 906	1 km pipeline constructed	R 1 905 460.91	Yes	None	None	Appointment letter, Quarterly report and Completion certificate,
DTS016	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Construction of pump station Enkeldoornoog B	Number of pump station constructed	No pump station	1 pump station constructed 30th June 2018	R 2 868 789	1 pump station has been refurbished	R 2 026 2009.70	Yes	None	None	Appointment letter, Quarterly report and Completion certificate,
DTS021	To provide household	Upgrading of Vlaklaagte	Number of pump	No pump	1 pump station	R 4 300 399	Casting of concrete	R 4 237 025.91	No	During budget adjustment the pump	The project to	Appointme

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	s with basic services including water, adequate sanitation, adequate public lighting and accessible road	and Kwaggafontein Water Infrastructure	stations constructed	station	constructed by 30th June 2018		foundation and concrete ring beam completed The first lift of the concrete walls completed			station was put on hold by Management and to be continued in the 2018/2019 financial year.	be completed in the 2018/2019 financial year.	nt letter, Quarterly progress reports.' Completion certificates.
DTS022	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Upgrading of Vrischgewaagd Reservoir Storage	Number of reservoirs constructed	Existing small reservoir	1 of 1 Ml reservoir constructed at Vrischgewaagd by 30th June 2018	R 3 980 463.00	1 of 1Ml reservoir constructed	R 3 986 224.21	Yes	None	None	Appointment letter, Quarterly progress reports.' Completion certificates.
DTS023	To provide households with basic	Upgrading of Tweefontein A Reservoir Storage	Number of reservoirs constructed	Existing small resrvoir	1 of 1 Ml reservoir constructed at	R 4 505 151.00	1 of 1Ml reservoir constructed	R 4 262 726.48	Yes	None	None	Appointment letter, Quarterly

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	services including water, adequate sanitation, adequate public lighting and accessible road				Tweefontein A. by 30th June 2018							progress reports.' Completion certificates.
DTS024	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Upgrading of Mathysensloop Water Infrastructure	Number of reservoirs constructed	1 Bulk water scheme upgraded	1 of 0.8 Ml reservoir constructed by 30th June 2018	R 3 767 444	Reservoir foundation casted Steel fixing for the reservoir walls	R 3 382 868.12	No	Delays in procurement of the contractors as the first appointment of the contractor was rejected by the first contractor.	Contractor advised to expedite the works as they were appointed late. Project is a Multi-year project and to be completed with the first quarter of the 2018/2019 FY	Appointment letter, Quarterly progress reports.' Completion certificates
BOREHOLES AND WATER SERVICES PLANS												
DTS026	To provide household	Augmentatio	Number of wind Mill	Drilled	2 wind Mill constructed	R 379 863	2 wind Mill	R 399 848	Yes	None	None	Appointme

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	s with basic services including water, adequate sanitation, adequate public lighting and accessible road	n Bulk Water Borehole Verena D	constructed	borehole	by 30th June 2018		constructed					nt letter, Quarterly progress reports.' Completion certificates.
DTS027	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Augumentation Bulk Water Borehole Kwaggafontein	Number of wind Mill constructed	Driiled borehole	2 wind Mill constructed by 30th June 2018	R 369 968	2 wind Mill constructed	R 338 787.00	Yes	Connection of the windmill to the steel tank and reticulation thereof.	Connection to be completed in the 2018/2019 FY	Appointment letter, Quarterly progress reports.' Completion certificates.
DTS028	To provide households with basic	Augumentation Bulk Water	Number of wind Mill constructed	Driiled borehole	2 wind Mill constructed by 30th June 2018	R 369 968	2 wind Mill constructed	R 358 525.00	Yes	Connection of the windmill to the steel tank and reticulation	Connection to be completed in the	Appointment letter, Quarterly

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	services including water, adequate sanitation, adequate public lighting and accessible road	Borehole Kwaggafontein C,D,E								thereof.	2018/2019 FY	progress reports.' Completion certificates.
DTS029	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Augumentation Bulk Water Borehole Moloto	Number of wind Mill constructed	Driiled borehole	1 wind Mill constructed by 30th June 2018	R 118 105	1 wind mills Constructed	R 124 529.66	Yes	Wind mill not performing as anticipated	Booster pumps to be installed to give the yield pressure, so that water can reach the steel tank.	Appointment letter, Quarterly progress reports.' Completion certificates.
DTS 030	To provide households with basic services including	Augumentation Bulk Water Borehole Moloto ward	Number of wind Mill constructed	Driiled borehole	1 wind Mill constructed by 30th June 2018	R 118 105	1 wind mills Constructed	R 122 171.54	Yes	Wind mill not performing as anticipated	Booster pumps to be installed to give the yield pressure, so	Appointment letter, Quarterly progress reports.'

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	water, adequate sanitation, adequate public lighting and accessible road	3									that water can reach the steel tank.	Completion certificate
DTS057	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Augmentation of Bulk Water Supply Cluster 1 (Boreholes) Moloto- Installation of Booster Pumps	Number of booster pumps installed	1 Windmill Installed	2 Booster pumps installed by 30 June 2018	R60 000	Assessment completed of 2x boreholes	R0.00	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough], hence the project is not completed. Due to time frames, appointment through	All Projects to be implemented during the financial year must be incorporated during the beginning of the Financial year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables	Appointment letter, Eskom Application Quarterly progress reports.' Completion certificate

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										section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.	and timeframes.	
DTS058	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Augmentation of Bulk Water Supply Cluster 2 (Boreholes) Luthuli-Electrification of Boreholes	Number of boreholes electrified	4 Boreholes drilled and equipped with pump and solar panels	4 Boreholes electrified by 30 June 2018	R360 000	Assessment completed of 4x boreholes	R 84 139	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of	The Service Provider has been appointed and all Projects to be implemented during the financial year must be incorporated during the beginning of the Financial	Appointment letter, Eskom Application, Progress reports.' Completion certificate

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										planning,[procurement and implementation time was not enough,]hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.	year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables and timeframes.	
DTS059	To provide households with basic services including	Augmentation of Bulk Water Supply Cluster 3 (Boreholes)	Number of boreholes electrified	6 Boreholes drilled and equipped with pump and solar panels	6 Boreholes electrified by 30 June 2018	R950 000	Assessment completed of 6x boreholes	R0.00	No	The challenge for the Augmentation of Boreholes projects were only incorporated during	The Service Provider has been appointed and all	Appointment letter, Eskom Application, Progress

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	water, adequate sanitation, adequate public lighting and accessible road	Langkloof- Electrification, Installation of Electric Submersible Pump and Reticulation								Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough], hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental	Projects to be implemented during the financial year must be incorporated during the beginning of the Financial year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables and timeframes.	reports.' Completion certificate

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										performance.		
DTS060	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Augmentation of Bulk Water Supply Cluster 3 (Boreholes) Verena D-Reticulation of Borehole	Number of boreholes electrified	2 Boreholes drilled and installed with solar panels	2 Boreholes electrified by 30 June 2018	R100 000	Assessment completed of 2x boreholes	R0.00	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning,[procurement and implementation time was not enough,]hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but	The Service Provider has been appointed and all Projects to be implemented during the financial year must be incorporated during the beginning of the Financial year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear	Appointment letter, Eskom Application, Progress reports.' Completion certificate

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										still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.	deliverables and timeframes.	
DTS061	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Augmentation Bulk Water Borehole Engwenyameni	Number of boreholes electrified	2 Boreholes drilled and installed with solar panels	2 Boreholes electrified by 30 June 2018	R180 000	Assessment done of 2x boreholes	R 78 241	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough] ,	The Service Provider has been appointed and all Projects to be implemented during the financial year must be incorporated during the beginning of the Financial year to allow proper	Appointment letter, Eskom Application , Progress reports.' Completion certificate

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										hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.	planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables and timeframes.	
DTS062	To provide households with basic services including water, adequate sanitation, adequate public	Augmentation Bulk Water Borehole Sun City	Number of boreholes electrified	2 Boreholes drilled and installed with solar panels	2 Boreholes electrified by 30 June 2018	R180 000	Assessment completed of 2x borehole	R 76 679	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of	The Service Provider has been appointed and all Projects to be incorporated during the beginning of the Financial	Appointment letter, Eskom Application, Progress reports.' Completion certificate

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	lighting and accessible road									financial year. This was not realistic as already limitation in terms of planning,[procurement and implementation time was not enough,]hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.	year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables and timeframes.	
DTS063	To provide household	Augmentatio	Number of boreholes	1 Boreholes	1 Borehole electrified by	R90 000	Assessment	R 0.00	No	The challenge for the	The Service	Appointme

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	s with basic services including water, adequate sanitation, adequate public lighting and accessible road	n Bulk Water Borehole Luthuli	electrified	drilled and installed with solar panels	30 June 2018		completed of 1x borehole			Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough], hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a	Provider has been appointed and all Projects to be incorporated during the beginning of the Financial year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables and timeframes.	nt letter, Eskom Application , Progress reports.' Completion certificate

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										quarter of KPIs within Technical and impacted on the Departmental performance.		
DTS064	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Augmentation Bulk Water Borehole Bundu	Number of boreholes electrified	1 Boreholes drilled and installed with solar panels	1 Borehole electrified by 30 June 2018	R90 000	Assessment completed of 1x borehole	R 0.00	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough], hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats	The Service Provider has been appointed and all Projects to be incorporated during the beginning of the Financial year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables and	Appointment letter, Eskom Application, Progress reports.' Completion certificate

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										track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.	timeframes.	
DTS065	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Augmentation Bulk Water Borehole Machipe	Number of boreholes electrified	3 Boreholes drilled and installed with solar panels	1 Borehole electrified by 30 June 2018	R270 000	Assessment completed of 1x borehole	R 0.00	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time	The Service Provider has been appointed and all Projects to be incorporated during the beginning of the Financial year to allow proper planning and implementation. KPIs with	Appointment letter, Quarterly progress reports.' Completion certificate

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										was not enough], hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.	projects filtered during mid-year must have clear deliverables and timeframes.	
DTS066	To provide households with basic services including water, adequate sanitation, adequate	Augmentation Bulk Water Borehole Mathysensloop	Number of boreholes electrified	3 Boreholes drilled and installed with solar panels	1 Borehole electrified by 30 June 2018	R270 000	Assessment completed of 1x borehole	R 0.00	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be	The Service Provider has been appointed and all Projects to be incorporated during the beginning of	Appointment letter, Eskom Application, Progress reports.' Completion certificate

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	public lighting and accessible road									completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough], hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.	the Financial year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables and timeframes.	
DTS067	To provide households with	Augmentation Bulk Water Boreholes	Number of boreholes electrified	1 Boreholes	1 Borehole electrified by 30 June	R90 000	Assessment completed of	R 84 423	No	The challenge for the Augmentation of	The Service Provider has	Appointment letter,

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	basic services including water, adequate sanitation, adequate public lighting and accessible road	Tweefontein C		drilled and installed with solar panels	2018		1x borehole			Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough], hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs	been appointed and all Projects to be incorporated during the beginning of the Financial year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables and timeframes.	Eskom Application, Progress reports.' Completion certificate

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										within Technical and impacted on the Departmental performance.		
DTS068	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Augmentation Bulk Water Boreholes Tweefontein D	Number of boreholes electrified	1 Boreholes drilled and installed with solar panels	1 Borehole electrified by 30 June 2018	R190 000	Assessment completed of 1x borehole	R 76 679	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough], hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but	The Service Provider has been appointed and all Projects to be incorporated during the beginning of the Financial year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables and	Appointment letter, Eskom Application, Progress reports.' Completion certificate

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										still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.	timeframes.	
DTS069	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Augmentation Bulk Water Boreholes Volvenkop	Number of boreholes electrified	1 Boreholes drilled and installed with solar panels	1 Borehole electrified by 30 June 2018	R120 000	Assessment completed of 1x borehole	R 0.00	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough],	The Service Provider has been appointed and all Projects to be incorporated during the beginning of the Financial year to allow proper planning and implementation. KPIs with projects	Appointment letter, Eskom Application, Progress reports.' Completion certificate

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										hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.	filtered during mid-year must have clear deliverables and timeframes.	
DTS070	To provide households with basic services including water, adequate sanitation, adequate public	Augmentation Bulk Water Boreholes Verena C	Number of boreholes electrified	2 Boreholes drilled and installed with solar panels	2 Boreholes electrified by 30 June 2018	R120 000	Assessment completed of 2x boreholes	R 52 171	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of	The Service Provider has been appointed and all Projects to be incorporated during the beginning of the Financial	Appointment letter, Eskom Application, Progress reports.' Completion certificate

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	lighting and accessible road									financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough], hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.	year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables and timeframes.	
DTS071	To provide households with basic	Augmentation Bulk Water Boreholes Kwaggafonte	Number of boreholes electrified	2 Boreholes drilled and	2 Boreholes electrified by 30 June 2018	R100 000	Assessment completed of 2x boreholes	R 84 490	No	The challenge for the Augmentation of Boreholes projects	The Service Provider has been	Appointment letter, Eskom

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	services including water, adequate sanitation, adequate public lighting and accessible road	in B		installed with solar panels						were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough], hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and	appointed and all Projects to be incorporated during the beginning of the Financial year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables and timeframes.	Application, Progress reports.' Completion certificate

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										impacted on the Departmental performance.		
DTS072	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Augmentation Bulk Water Boreholes Kwaggafontein C	Number of boreholes electrified	1 Boreholes drilled and installed with solar panels	1 Borehole electrified by 30 June 2018	R270 000	Assessment completed of 1x borehole	R 84 423	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough], hence the project is not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited.	The Service Provider has been appointed and all Projects to be incorporated during the beginning of the Financial year to allow proper planning and implementation. KPIs with projects filtered during mid-year must have clear deliverables and timeframes.	Appointment letter, Eskom Application, Progress reports.' Completion certificate

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										Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.		
DTS073	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Augmentation Bulk Water Boreholes Kwaggafontein D	Number of boreholes electrified	1 Boreholes drilled and installed with solar panels	1 Borehole electrified by 30 June 2018	R90 000	Assessment completed of 1x borehole	R 77 712.50	No	The challenge for the Augmentation of Boreholes projects were only incorporated during Mid-year by Council and Council emphasise that the project must be completed by end of financial year. This was not realistic as already limitation in terms of planning, [procurement and implementation time was not enough], hence the project is	The Service Provider has been appointed and all Projects to be incorporated during the beginning of the Financial year to allow proper planning and implementation. KPIs with projects filtered during	Appointment letter, Eskom Application, Progress reports.' Completion certificate

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										not completed. Due to time frames, appointment through section 32 process was opted to fats track the process but still time was limited. Secondly on the other hand this impact on the departmental performance as this projects make a quarter of KPIs within Technical and impacted on the Departmental performance.	mid-year must have clear deliverables and timeframes.	
DTS031	To provide households with basic services including water, adequate sanitation, adequate public lighting	Water Conservation and Demand Management plan	Number of Water Conservation and Demand Management plan developed	No plan on WCD/MP	1 Water Conservation and Demand Management plan developed by 30th June 2018	R 3 540 572	0 Water conservation and Demand management plan developed.	R0.00	No	Service provider appointed but there challenges with the conditions of contract that took more time than was necessary had delayed.	Technical Services in conjunction with the Supply Chain Management has to amend the condition of contract in terms of time line of the	1 Water Conservation Demand management Plan

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	and accessible road										project.	
DTS032	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Water service development plan	Number of Water service development plan developed	1 Water Service Development Plan developed	1 Water Service Development Plan develop 30th June 2018	R 300 000	1 Water Service Development Plan Developed	R 300 000	Yes	None	None	1 Water Service Development Plan
DTS033	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible	6Kl Free Basic water	Number .of households provided with Free Basic Water	82 653 HH provided with Free Basic Water	82 653 households provided with Free Basic Water by 30th June 2018	R 38 203 560	56 459 households provided with Free Basic Water	R33 781 181	No	The variance of 26194 is supplied through water carts however we were not capturing the POE in households but in number of loads which was unacceptable in relation to the set target.	We will correct this by developing a template that will take the details of the beneficiaries including the number of households benefiting	Water billing reports

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	road										from it (trucks) so that we can be able to explain the difference.	
DTS 0034	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Water Samples	Number .of water samples tested	Water samples and tests	200 Water Samples tested.by 30th June 2018	R1 000 000	450 Water Samples tested	R2 129 983.54	Yes	None	None	Water quality reports
SANITATION												
DTS038	To provide households with basic services including water, adequate	Uploading of data to the Green Drop System	Rate of updating data on the online green drop system	Updating date online on the Green drop System	Monthly updating data on the online green drop system by 30th June 2018	In house	Monthly updating data on the online green drop system by 30th June 2018	In house	Yes	None	None	12 monthly reports on Green Drop

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	sanitation, adequate public lighting and accessible road											
DTS039	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Application for a Water Use License for Tweefontein K- WWTW	Number of water use licenses applied for and received	No water Use License	1 water use licenses applied for and received by 30th June 2018	In house	Water use License application made and still awaiting Approval from DWS	In house	No	Delays on WULA approval for Tweefontein k	Continuous meeting DWS to fast track approval	EIA Approval and WULA application
DTS040	To provide households with basic services including water, adequate sanitation, adequate	Bulk Sewer pipeline Luthuli	Number of Design report with EIA and Water Use License Application (WULA) completed and	1 waste water treatment plant developed	1 Design report with EIA and Water Use License Application (WULA) completed and approved by	R 500 001	Detailed Design report completed	R 433 888.29	No	Delays on WULA approval for Luthili	Continuous meeting DWS to fast track approval	Appointment letter, quarterly progress reports, design report, proof of EIA and

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	public lighting and accessible road		approved		30th June 2018							WULA application
DTS041	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Detailed Design ,EIA,WULA of Tweefontein K Waste Water Treatment	Number of detailed design report developed, EIA and WULA	1 waste water treatment plant developed	1 detailed design report developed, EIA and WULA by 30th June 2018	R 1 000 000	Preliminary design report completed	R 402 722.31	No	Detailed Design report completed but WULA not approved	Fast track DWS for approval of WULA	Appointment letter, Quarterly progress reports.' Design report.

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DTS 042	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Kwamhanga and Tweeefontein k Waste water Treatment	Number households provided with Basic sanitation	2335 Household provided with Basic sanitation	2335 Households provided with Basic sanitation by 30th June 2018	In house	2280 Households provided with Basic sanitation	In household	No	The department does not have access to Billing reports and we rely on Finance and were not authorized access as Billing reports are our only POEs currently.	To have limited access to billing system.	Sanitation billing report
ELECTRICITY												
DTS049	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Installation of High Mast in Sheldon	Number of high mast light installed	12 High mast Lights and 134 Street Lights Maintained	1 high mast light installed by 30th June 2018	R 920 796	1 high mast light Installed.	R 911 611	Yes	None	None	Appointment letter, Quarterly report and Completion certificate

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DTS050	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Installation of High Mast in Tweefontein B2	Number of high mast light installed	12 High mast Lights and 134 Street Lights Maintained	1 high mast light installed by 30th June 2018	R 463 403	1 high mast light Installed.	R 402 903	Yes	None	None	Appointment letter, Quarterly report and Completion certificate
DTS074	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Installation of High mast light Sheldon	Number of high mast light installed	0	2 high mast light installed by 30th June 2018	R920 796	2 high mast light Installed.	R 911 611	Yes	None	None	Appointment letter, Eskom Application, Progress reports.' Completion certificate
DTS075	To provide household	Installation of High mast	Number of	0	1 high mast light installed	R521 595	1 high mast light Installed.	R 516 982.33	Yes	None	None	Appointme

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	s with basic services including water, adequate sanitation, adequate public lighting and accessible road	light T/Fontein F	high mast light installed		by 30th June 2018							nt letter, Eskom Application, Progress reports.' Completion certificate
DTS076	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Installation of Highmast light T/Fontein G	Number of high mast light installed	0	1 high mast light installed by 30th June 2018	R502 072	1 high mast light Installed.	R 396 029.99	Yes	None	None	Appointment letter, Eskom Application, Progress reports.' Completion certificate
DTS077	To provide households with	Installation of Highmast light	Number of high mast light	0	1 high mast light installed by 30th June	R527 983	1 high mast light Installed.	R 453 591	Yes	None	None	Appointment letter, Eskom

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	basic services including water, adequate sanitation, adequate public lighting and accessible road	T/Fontein H	installed		2018							Application, Progress reports.' Completion certificate
DTS078	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Installation of Highmast light T/Fontein J	Number of high mast light installed	0	1 high mast light installed by 30th June 2018	R529 266	1 high mast light Installed.	R 524 673	Yes	None	None	Appointment letter, Eskom Application, Progress reports.' Completion certificate
DTS079	To provide households with basic services	Installation of Highmast light Kwamhlanga B	Number of high mast light	0	2 high mast light installed by 30th June 2018	R1 044 897	2 high mast light Installed.	R 949 363.39	Yes	None	None	Appointment letter, Eskom Application

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	including water, adequate sanitation, adequate public lighting and accessible road		installed									, Progress reports.' Completion certificate
DTS080	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Installation of Highmast light Sun City D	Number of high mast light installed	0	1 high mast light installed by 30th June 2018	R550 330	1 high mast light Installed.	R 545 737	Yes	None	None	Appointment letter, Eskom Application , Progress reports.' Completion certificate
DTS081	To provide households with basic services including water,	Installation of Highmast light Mahlabathini	Number of high mast light installed	0	1 high mast light installed by 30th June 2018	R595 592	1 high mast light Installed.	R 575 783.48	Yes	None	None	Appointment letter, Eskom Application , Progress reports.'

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	adequate sanitation, adequate public lighting and accessible road											Completion certificate
DTS082	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Installation of Highmast light Wolvenkop	Number of high mast light installed	0	1 high mast light installed by 30th June 2018	R527 983	0	R 0.00	No	Budget Constraints	The project incorporated in the next financial year	Appointment letter, Eskom Application, Progress reports.' Completion certificate
DTS083	To provide households with basic services including water, adequate sanitation,	Installation of Street Lights Mzimuhle	Number of consumer box installed	25 Streetlights installed	1 Consumer box installed by 30 June 2018	R147 815	1 consumer box installed	R 30 055.26	Yes	None	None	Signed quotation from Eskom. Progress reports

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	adequate public lighting and accessible road											
DTS084	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Refurbishment of Street Lights K/mhlanga	Number of street lights refurbished	0	40 Street Lights Refurbished by 30 June 2018	R391 261	50 Street Lights refurbished	R0.00	Yes	None	None	Appointment letter, Quarterly report and Completion certificate
DTS085	To provide households with basic services including water, adequate sanitation, adequate public	Refurbishment of Mid Blocks T/fontein B2	Number of mid-blocks refurbished	0	20 Mid blocks refurbished By 30 June 2018	R64 000.00	0	R 49 042	No	Mid-block lights replaced with highmast light and installed in the current financial	The municipality to replace all mid-block lights with Highmastlight .	Appointment letter, Quarterly report and Completion certificate

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	lighting and accessible road											
DTS086	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Energising of High mast light Buhlebesizwe	Number of high mast light energised	4 light installed and commissioned.	1 high mast light energized by 30 June 2018	R141 500	1 high mast light energized	R 122 251..67	Yes	None	None	Appointment letter, Eskom Application, Progress reports.' Completion certificate
DTS087	To provide households with basic services including water, adequate sanitation, adequate public lighting and	Energising of High mast light Thembalethu	Number of high mast light energised	3 light installed and commissioned.	1 high mast light energized by 30 June 2018	R91 500	1 high mast light energized	R 49 041.67	Yes	None	None	Appointment letter, Eskom Application, Progress reports.' Completion certificate

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PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	accessible road											
DTS088	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Energising of Highmast light Thokoza	Number of high mast light energised	3 high mast light installed and commissioned.	1 high mast light energized by 30 June 2018	R 131 500.00	1 high mast light energized	R 121 251	Yes	None	None	Appointment letter, Eskom Application, Progress reports.' Completion certificate
DTS089	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible	Energising of Highmast light Chris Hani	Number of high mast light energised	2 high mast light installed and commissioned.	1 high mast light energized by 30 June 2018	R91 500	1 high mast light energized	R 0.00	Yes	The project was done in house by our Electrical maintain ace team	None	Appointment letter, Eskom Application, Progress reports.' Completion certificate

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	road											
DTS090	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Energising of High mast light Miliva RDP	Number of high mast light energised	1 highmast light installed and commissioned.	1 high mast light energized by 30 June 2018	R 131 500.00	1 high mast light energized.	R 122 251.67	Yes	The project was done in house by our Electrical maintain ace team	None	Appointment letter, Eskom Application, Progress reports.' Completion certificate
DTS091	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Energising of High mast light Sun City AA	Number of high mast light energised	1 highmast light installed and commissioned.	1 high mast light energized by 30 June 2018	R 131 500.00	1 high mast light energized.	R 122 251.67	Yes	None	None	Appointment letter, Eskom Application, Progress reports.' Completion certificate

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
DTS092	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Energising of Highmast light Verena D	Number of high mast light energised	1 highmast light installed and commissioned.	1 high mast light energized by 30 June 2018	R13 000.00	1X high mast light energised	R 0.00	Yes	The project was done in house by our Electrical maintain ace team	None	Appointment letter, Eskom Application, Progress reports.' Completion certificate
DTS093	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Energising of High mast light Verena A	Number of high mast light energised	1 highmast light installed and commissioned.	1 high mast light energized by 30 June 2018	R91 500	Eskom customer consumer box reinstated by Eskom	R 0.00	No	Cable was stolen from Eskom transformer and to the highmast. Reinstatement of the CSB and the cable took longer that than anticipated due to Eskom internal investigation.	The project to be completed in July 2018 to be done in house utilising our electrical maintenance team	Appointment letter, Eskom Application, Progress reports.' Completion certificate
ROAD AND STORM WATER												

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
DTS051	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Regravelling of internal Roads Kwamhlanga	Number of kilometer of roads regravelled	Existing gravel road	0.8 km of road regravelled by 30th June 2018	R 3 000 000.00	2.2km of road regravelled.	R 2 768 501.64	No	The works on site was done but completion certificate was not issued by Service provider	To liase with Service provider to fast track the completion certificate after completion of projects.	Appointment letter, Quarterly report and Completion certificate,
DTS052	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Regravelling of internal roads in Vlaklaagte 1	Number of kilometer of roads regravelled	Existing gravel road	0.8 km of road regravelled by 30th June 2018	R 3 000 000.00	2.2km of road regravelled.	R 2 888 241.50	No	The works on site was done but completion certificate was not issued by Service provider	To liase with Service provider to fast track the completion certificate after completion of projects.	Appointment letter, Quarterly report and Completion certificate,

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
DTS053	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Construction of road to Mabhoko cemetery	Number of kilometre of road paved	1 Design completed for Mabhoko Cemetery Road	0.8 km road paved By 30th June 2018	R 3 500 000	0.8km of road paved	R 3 214 301.05	Yes	None	None	Appointment letter, Quarterly report and Completion certificate,
DTS054	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Erecting road signs, patching potholes and constructing speed humps	Number of road signs erected, potholes patched and speed humps constructed in all wards	Existing damaged road signs and deteriorated roads	60 Road signs, 125 potholes and 10 speed humps constructed in all wards by 30th June 2018	R 2 000 000	60 Road signs,160 potholes and 10 speed humps constructed	R 1 915 525.62	Yes	None	None	Happy letter from ward council

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
DTS055	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Development Roads Regravelling programme	Number of Roads Regravelling programme Developed	Existing Gravel road	1 Roads Regravelling programme Developed 30th June 2018	In house	1 Roads Regravelling programme Developed	In house	Yes	None	None	1 Roads Regravelling programme Developed
DTS 056	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Construction of storm water channel in Tweefontein N, Thembalethu, Tweefontein K, Phola Park and 100 m subsoil drainage in Tweefontein ward 12	Number of meters of Storm water channel and subsoil drainage constructed	Uncontrolled Storm water channels	115 m storm water channel constructed in each of the following villages: Tweefontein N, Thembalethu, Tweefontein K, Phola Park and 100 m subsoil drainage in	R 1 000 000	673m of storm water and 300 m of subsoil drainage constructed	R 801 327,5	Yes	None	None	Completion certificate

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PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
					Tweefontein (ward 12) by 30th June 2018							
SPORTS AND WASTE REMOVAL												
SDS001	To create a Safe clean and healthy environment conducive for social development and recreation	Upgrading of Kwaggafontein Land fill site	Number .of Landfill site upgraded	Existing on complying landfill	1 Landfill site upgraded by 30th June 2018	R 18 324 634.00	Contractor Site Establishment- 100% Setting out - 70% Site Clearing =70% Excavation of Cells and Leachate ponds- 90%	R 16 709 433.83	No	One service provider appointed past away and that delayed the work on site	The project currently is up and running an d will be completed in the 2018/2019 financial year	Completion certificate
SDS011	To create a Safe clean and healthy environment conducive for social development and recreation	Construction of Multipurpose Centre in Phumula	Number of .Construction of Multipurpose Centre in Phumula	No multipurpose centre	1 Construction of Multipurpose Centre in Phumula by 30th June 2018	R 5 904 000	Clearing and grubbing completed Erection of perimeter fence Mass Earthworks Installation of	R 5 140 012.85	No	Scope was varied when it comes to the soccer pitch that resulted in the project to delay in terms of completion initially scheduled for May	Terms of reference on the scope of works to be clearly defined during the planning stage of the project.	Completion certificate

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							water tank Paving works Construction of Soccer field and Cobi court Construction of ablution blocks.					

Chapter 3

KPA: BASIC SERVICE DELIVERY AND INFRASTRACTURE DEVELOPMENT

SOCIAL DEVELOPMENT SERVICES

The department of Social Development Services overall performance for 2017/2018 financial year is 67% achievement. The department managed to achieve 08 targets out of the 12 planned targets, as compared to 78% achieved in 2016/2017 financial year out of 09 planned targets 07 targets was achieved

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PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
LED001	To create a conducive environment for economic development, investment attraction and job creation.	Expanded Public Works Programme	Number of jobs created through the Extended Public Works Programme	108 Jobs created	100 jobs created through the Extended Public Works Programme by 30th June 2018	R 2 560 000	100 jobs created through the Extended Public Works Programme	R641 630,00	Yes	None	None	Appointment letters
SDS002	To create a safe, clean and healthy environment conducive for social development and	Refuse Removal Kwamhlanga and Tweefontein K	Number. of Households provided with refuse removal weekly	0	5 000 Households provided with refuse removal weekly by 30th June 2018	In house	1 574 Households provided with refuse removal weekly	In house	No	Shortage of compactor trucks as we are currently using only five compactor trucks and is not enough to cover the whole THLM	To requests Nkangala district to purchase compactor trucks	Weekly reports and Trip sheets

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	recreation										for THLM as currently there is no budget	
SDS003	To create a safe, clean and healthy environment conducive for social development and recreation	Refuse Removal Thembisile Areas	Number of Households provided with refuse removal fortnightly	109 282 households provided with refuse **removal** fortnightly	104 282 Households provided with refuse removal fortnightly by 30th June 2018	In house	5 694 Households provided with refuse removal fortnightly	In house	No	Shortage of compactor trucks as we are currently using only five compactor trucks and is not enough to cover the whole THLM	To requests Nkangala district to purchase compactor trucks for THLM as currently there is no budget	Fortnightly reports and Trip sheets
SDS005	To create a safe, clean and healthy environment conducive for social development and recreation	Refurbishment of Community Halls	Number of community halls refurbished by 30 June 2018	0	2 community halls refurbished (Kwamhlanga & Kwaggafontein) by 30th June 2018	R 500 000	2 community halls refurbished (Kwamhlanga & Kwaggafontein	R 543 386,04	Yes	None	None	Appointment letter, Quarterly report and Completion certificate

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
SDS008	To create a safe, clean and healthy environment conducive for social development and recreation	Landscaping and beautification of Municipal facilities	Number of Municipal facilities provided with landscaping	0	1 Municipal facilities provided with landscaping by 30th June 2018	R 100 000	1 Municipal facilities provided with landscaping	R60 000	Yes	None	None	Appointment letter, report and pictures Completion certificate
SDS009	To create a safe, clean and healthy environment conducive for social development and recreation	Grading of Sport Fields	Number of sport fields graded	32 sport fields graded	32 sport fields graded 30th June 2018	In house	27 sport fields graded	In house	No	Break down of the grader	Municipal yellow fleet are undergoing repairs	Monthly reports
SDS010	To create a safe, clean and healthy environment conducive for social development and recreation	Construction of Parking facilities at Municipal head office	Number of parking facilities constructed	0	1 parking facility constructed by 30th June 2018	R 100 000	1 parking facility constructed	R 95 000	Yes	None	None	Appointment letter, report and Completion certificate

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
SDS017	To create a safe, clean and healthy environment conducive for social development and recreation	Municipal Security Services reports	Number of quarterly status reports on Municipal security submitted to the Municipal Manager	0	4 status reports on Municipal security submitted to the Municipal Manager By 30th June 2018	R 14 133 883	4 status reports on Municipal security submitted to the Municipal Manager	R 19 434 064.00	Yes	None	None	Quarterly status reports
SDS018	To create a safe, clean and healthy environment conducive for social development and recreation	Conducting of road blocks	Number of road blocks conducted	24 road blocks conducted	24 road blocks conducted by 30th June 2018	In house	24 road blocks conducted	In house	Yes	none	None	Attendance registers and quarterly reports
SDS019	To create a safe, clean and healthy environment conducive for social development and recreation	Conducting of Literacy campaigns	Number of literacy campaigns conducted	1 literacy campaigns conducted	1 literacy campaigns conducted by 30th June 2018	In house	0	In house	No	Event took place but the attendance was not recorded	To ensure in future that the attendance is recorded	Attendance registers and reports

KPA	BASIC SERVICE DELIVERY											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
SDS020	To create a safe, clean and healthy environment conducive for social development and recreation	Conducting of Library campaign	Number of library campaigns conducted	1 Literacy and 1 library campaign held	1 library campaigns conducted by 30th June 2018	In house	1 library campaign conducted	In house	Yes	None	None	Attendance registers and reports
SDS021	To create a safe, clean and healthy environment conducive for social development and recreation	Conducting of HIV /AIDS campaigns	Number of HIV/Aids campaigns conducted	6 HIV /AIDS campaigns conducted	6 HIV/Aids campaigns conducted by 30th June 2018	In house	9 HIV/Aids campaigns conducted	In house	Yes	None	None	Attendance registers and reports

KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

CORPORATE SERVICES

The department of Corporate Services overall performance for 2017/2018 financial year is 86% achievement. The department managed to achieve 25 targets out of the 29 planned targets, as compared to 87.5% achieved in 2016/2017 financial year out of 24 planned targets 21 targets was achieved

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
DCS003	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Development of Individual performance management Policy	Number of IPMS policies developed and approved	0	1 IPMS policy developed and approved by 30th June 2018	In house	1 IPMS policy developed and approved	In house	Yes	None	None	PMS policy and council resolution
DCS005	To improve organizational efficiency	Filling of vacant positions	Number of vacant positions filled	8 Vacant positions to be filled	1 Municipal Manager 1 SDS Manager	In house	1 Municipal Manager 1 SDS Manager	In house	Yes	None	None	Appointment letters

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	and promote a culture of professional conduct in order to render quality services				1 HRM Manager 1 PMU Technician 1 GIS operator 1 Plant operator wwtw by 30th June 2018		1 HRM Manager 1 PMU Technician 1 GIS operator 1 Plant operator					
DCS006	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Development and approval of Works Skills Plan to LGSETA	Number of work skills plans developed and submitted to LGSETA	1 WSP developed and adopted by 30 April 2017.	1work skills plans developed and submitted to LGSETA by 30 April 2018	In house	1work skills plans developed and submitted to LGSETA by	In house	Yes	None	None	Proof of submission LGSETA
DCS007	To improve organizational efficiency	Training of municipal employees	Number of employees trained as part of the	59 Officials trained	86 employees trained as part of the	R 1 539 000	136 employees trained as part of the work	R 730 982.75	Yes	None	None	Training report and attendance register

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	and promote a culture of professional conduct in order to render quality services		work skills plan		work skills plan by 30th June 2018		skills plan					
DCS008	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Implementation of works skills plan	Percentage of municipal budget actually spent on implementing workplace skills plan	1% Of a municipal budget spent on implementing work place skills plan	1% municipal budget actually spent on implementing workplace skills plan by 30th June 2018	In house	0.8% municipal budget actually spent on implementing workplace skills plan	In house	No	Training costs escalated.	To increase the training budget.	Section 71 report
DCS009	To improve organizational efficiency and	Implementation of the Employment Equity Plan	Percentage of vacancies filled in line with employment	0	100% vacancies filled in line with employment	In house	90% vacancies filled in line with employment	In house	No	Senior management positions taking long to fill.	Regular engagements with relevant stakeholder	Recruitment report

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	promote a culture of professional conduct in order to render quality services		equity targets		equity targets by 30th June 2018		equity targets				s to fast track the process.	
DCS010	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Submission of Employment Equity Reports to Dept. of Labour	Number of EER submitted to Dept. of Labour	1 EER submitted to Labour.	1 EER submitted to Dept. of Labour by 31 January 2018	In house	1 EER submitted to Dept. of Labour	In house	Yes	None	None	Proof of submission
DCS011	To improve organizational efficiency and promote a	Submission of litigation reports to the Municipal Manager	Number of litigation reports submitted to the municipal	4 Litigation reports submitted to Municipal	4 litigation reports submitted to the municipal manager by	R 2 754 492	4 litigation reports submitted to the municipal manager	R 2 023 667.86	Yes	None	None	4 Litigation reports

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	culture of professional conduct in order to render quality services		manager	Manager	30th June 2018							
DCS012	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Approval of Human Resource policies by Council	Number of Human Resource policies approved by Council	6 HR Policies reviewed and adopted by Council.	6 Human Resource policies approved by Council By 30th June 2018	In house	8 Human Resource policies approved by Council	In house	Yes	None	None	Council resolution
DCS013	To improve organizational efficiency and promote a culture of	Issuing of audit reports on OHS inspection	Number audit reports issued on OHS inspection	2 audit reports issued on OHS inspection	2 audit reports issued on OHS inspection by 30th June 2018	In house	2 audit reports issued on OHS inspection	In house	Yes	None	None	Proof of submission

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	professional conduct in order to render quality services											
DCS014	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Conducting Occupational Health and Safety committee meetings	Number of OHS committee meetings conducted	4 OHS meetings held	4 OHS committee meetings conducted by 30th June 2018	In house	4 OHS committee meetings conducted	In house	Yes	None	None	Attendance register ,Minutes
DCS015	To improve organizational efficiency and promote a culture of professiona	Submission Of Occupational Health and Safety return on earnings to the department of Labour	Number of OHS return on earnings submitted to the department of Labour	1 OHS return on earnings submitted to the department of Labour	1 OHS return on earnings submitted to the department of Labour by 30th June	In house	1 OHS return on earnings submitted to the department of Labour	In house	Yes	None	None	Proof of submission

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	l conduct in order to render quality services				2018							
DCS016	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Conducting of inductions for new and old employees	Number of inductions conducted for old and new employees	2 Inductions conducted	2 inductions conducted for old and new employees by 30th June 2018	In house	3 inductions conducted for old and new employees	In house	Yes	None	None	Attendance register, Report
DCS017	To improve organizational efficiency and promote a culture of professional conduct in	Sitting of the Local Labour Forum meetings	Number of LLF meetings conducted	6 LLF meetings held.	6 LLF meetings conducted by 30th June 2018	In house	6 LLF meetings conducted	In house	Yes	None	None	Attendance register

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	order to render quality services											
DCS018	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Rental of Municipal Fleet	Number of municipal fleet rented	0	30 municipal fleet rented by 30 June 2018	R 3 600 000	0	R 155 980.21	No	Tender was advertised thrice with no response from suitable providers.	The municipality will consider soliciting the services of a suitable bidder through section 32 regulations.	Rental agreement
DCS019	To improve organizational efficiency and promote a culture of professional conduct in order to	Development of operational plan for municipal fleet	Number of operational plans developed for municipal fleet	1 Operational plan developed and implemented on a monthly basis	1 operational plans developed for municipal fleet by 30th June 2018	In house	1 operational plans developed for municipal fleet	In house	Yes	None	None	Operational plan

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
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	render quality services											
DCS020	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Repairs and maintenance of municipal fleet	Number of repairs and maintenance reports of municipal fleet produced and submitted to the HOD		12 repairs and maintenance reports of municipal fleet produced and submitted to HOD by 30th June 2018	R 7 963 736	12 repairs and maintenance reports of municipal fleet produced and submitted to HOD	R 8 143 987.06	Yes	None	None	Repairs and maintenance reports
DCS021	To improve organizational efficiency and promote a culture of professional conduct in order to render	Monitoring the usage of fuel	Number of reports produced and submitted to the HOD on the usage of fuel	12 reports produced and submitted to the HOD on the usage of fuel	12 reports produced and submitted to the HOD on the usage of fuel 30th June 2018	R 5 500 000	12 reports produced and submitted to the HOD on the usage of fuel	R 6 423 207.25	Yes	None	None	Fuel reports

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	quality services											
DCS022	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Licensing of Municipal Fleet	Number of vehicle licences renewed	1 Reports produced on licensing of municipal fleet.	114 vehicle licences renewed by 30th June 2018	R 864 950	132 vehicle licences renewed	R 744 868.30	Yes	None	None	Motor vehicle licence certificate
DCS024	To improve organizational efficiency and promote a culture of professional conduct in order to render quality	Submission of Reports on the repairs and maintenance of ICT hardware	Number of reports submitted to the HOD on the repairs and maintenance of ICT hardware	4 reports submitted to the HOD on the repairs and maintenance of ICT hardware	4 reports submitted to the HOD on the repairs and maintenance of ICT hardware by 30th June 2018	R 453 690	4 reports submitted to the HOD on the repairs and maintenance of ICT hardware	R 325 201.53	Yes	None	None	Reports

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
	services											
DCS025	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Renewal of software licences	Number of software licences renewed	210 Renewed ICT licences	265 software licenses renewed by 30th June 2018 (Munsoft, 50 Microsoft volume license, GIS license, VIP, RT System and 210 Anti-virus license, 2 server warranty)	R 4 472 194	265 software licenses renewed by 30th June 2018 (Munsoft, 50 Microsoft volume license, GIS license, VIP, RT System and 210 Anti-virus license, 2 server warranty)	R 2 807 670.00	Yes	None	None	Licence certificate

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
DCS026	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Procurement of computer and equipment	Number of computers and equipment procured	15 laptops and 3 desktops computer equipment procured	20 laptops ,10 desktops, 1 financial server and 5 office phones procured by 30th June 2018	R880 000	20 laptops ,10 desktops, 1 financial server and 5 office phones procured	R 18 530.81	Yes	None	None	Invoices and prove of payments
DCS027	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Approval of ICT policies	Number of ICT policies reviewed	7 ICT policies reviewed and approved by council.	7 ICT policies reviewed by 30th June 2018	In house	7 ICT policies reviewed	In house	Yes	None	None	Council resolution, Policies

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
DCS028	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Conducting of ICT Steering Committee meetings	Number of ICT Steering Committee meetings conducted	4 ICT Steering committee meetings held.	4 Steering Committee meetings conducted by 30th June 2018	In house	4 Steering Committee meetings conducted by 30th June 2018	In house	Yes	None	None	Attendance register, Minutes
DCS029	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Formulation of Policy Development Framework Policy	Number of Policy Development Framework policies formulated and approved by Council	0	1 Policy Development Framework policies formulated and approved by Council 30th June 2018	In house	0	In house	No	The framework not developed as more time was spent on research and analysis of the current situation,linked to organisational strategy.	To have the framework formulated and approved by Council in the first quarter.of 2018/2019	Policy framework and council resolution

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
DCS030	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Development of a standerdised procedure for the processing of internal and external communication	Number of standardized procedure manuals developed for the processing of internal and external communication	0	1 standardized procedure manuals developed for the processing of internal and external communication by 30th June 2018	In house	1 standardized procedure manuals developed for the processing of internal and external communication	In house	Yes	None	None	Procedure manuals
MM009	To deepen democracy and promote active community participation in the affairs of the institution	Updating of municipal Website	Rate of updating municipal website to comply with sec 75 of the MFMA	Updated municipal Website as per 75 of the MFMA	Updating of municipal website quarterly and as and when required to comply with sec 75 of the MFMA 30th June 2018	In house	Updating of municipal website quarterly and as and when required to comply with sec 75 of the MFMA	In house	Yes	None	None	Screen shots

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDANCE
MM013	To deepen democracy and promote active community participation in the affairs of the institution	Sitting of Council meetings	Number of ordinary council meetings conducted	4 ordinary council meetings conducted	4 ordinary council meetings conducted by 30th June 2018	In house	4 ordinary council meetings and 8 special council meeting conducted	In house	Yes	None	None	Attendance register
MM014	To deepen democracy and promote active community participation in the affairs of the institution	Sitting of Mayoral Committee meetings	Number of Mayoral committee meeting conducted	12 Mayoral committee meeting conducted	12 Mayoral committee meeting conducted by 30th June 2018	In house	12 Mayoral committee meeting and 1 special meeting conducted	In house	Yes	None	None	Attendance register

KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

FINANCE SERVICES

The department of Finance Services overall performance for 2017/2018 financial year is 68% achievement. The department managed to achieve 13 targets out of the 19 planned targets, as compared to 80% achieved in 2016/2017 financial year out of 15 planned targets 12 targets was achieved

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
DBT001	To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue	Approve annual budget that are compliant with the MFMA and treasury standards	Number of annual budgets approved in line with MFMA and treasury standards	1 annual budgets approved in line with MFMA and treasury standards	1 annual budgets approved in line with MFMA and treasury standards by 31 May 2018	In house	1 annual budgets approved in line with MFMA and treasury standards	In house	No	Annual Budget was referred back on the 31st of May by Council	The Annual Budget be approved in May as per the target set in the SDBIP	Council resolution and Budget

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	collection											
DBT002	To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue collection	Budget adjustment in line with MFMA and treasury standards	Number of budgets adjusted in line with MFMA and treasury standards	1 budgets adjusted in line with MFMA and treasury standards	1 budgets adjusted in line with MFMA and treasury standards by 28 February 2018	In house	1 budgets adjusted in line with MFMA and treasury standards	In house	Yes	None	None	Council resolution and adjusted budget
DBT003	To improve the financial status of the	Development of Audit Action Plan	Number of audit action plans developed	1 Audit action plan developed and implement	1 audit action plan developed 31 December	In house	1 audit action plan developed	In house	Yes	None	None	Audit action plan

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	municipality through prudent budget planning, stringent financial management and improved revenue collection			ed	2017							
DBT005	To improve the financial status of the municipality through prudent budget planning, stringent financial managem	Revenue collection in line with the budgeted financial performance	Amount of revenue collected excluding grants	Own revenue collected R34 123 888	(R22 365 825) revenue collected excluding grants by 30th June 2018 Broken down as follows:-	In house	R54 987 818	In house	Yes	None	None	71 Monthly reports
				R7 950 596	1.Property Rates (R3 684 318)	In house	R2 238 742	In house	No	Resistance of payment of services from the communities	Implementation of the revised Revenue	71 Monthly reports

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	ent and improved revenue collection										Enhancement Strategy in the 2018/19 financial year.	
				R1 846 811	2.Service charges (R1 597 735)	In house	R1 758 305.	In house	Yes	None	None	71 Monthly reports
				R3 322 649	3.Investment Revenue (R4 224 497)	In house	R2 149 038	In house	No	Minimal amount of amount put for investments	Ensure that all money in reserve for the coming financial year is invested in order to get maximum returns.	71 Monthly reports
				R21 003 832	4.Other own Revenue (R12 859 275)	In house	R48 841 733	In house	Yes	None	None	71 Monthly reports

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
				R463 689 981	Transfers (R519 299 000)	In house	R524 299 000	R524 299 000	Yes	None	None	71 Monthly reports
DBT006	To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue collection	Revenue Enhancement outreach meetings	Number of revenue enhancement outreach meeting conducted	0	12 revenue enhancement outreach meeting conducted by 30th June 2018	In house	15 revenue enhancement outreach meeting conducted	In house	Yes	None	None	Attendance register
DBT007	To improve the financial status of	Development of Data cleansing action plan	Number of data cleansing action plans	Billing data base	1 data cleansing action plans developed by 30th June	In house	0	In house	No	The target was amended to not achieve due to insufficient POE	POE to be submitted in order to support the actual	Data cleansing plan

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	the municipality through prudent budget planning, stringent financial management and improved revenue collection		developed		2018						achieved	
DBT008	To improve the financial status of the municipality through prudent budget planning, stringent financial	Implementation data cleansing process	Number of reports submitted to the municipal manager on data cleansing	100% of the data cleansing process completed	1 quarterly reports submitted to the municipal manager on data cleansing by 30th June 2018	In house	1 quarterly reports submitted to the municipal manager on data cleansing	In house	Yes	None	None	Data cleansing report

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	management and improved revenue collection											
DBT009	To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue collection	Registration of Indigents	Number of indigents registered on the indigent register	5300 indigents registered on the indigent register	6000 indigents registered on the indigent register by 30th June 2018	In house	350 indigents registered on the indigent register	In house	No	Slow registering of indigents	Communicating to the communities about the Indigency registration	Indigent register

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
DBT010	To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue collection	Provision of services to indigent households	Percentage of households earning less than R1100 per month with access to free basic services	100% of households earning less than R1100 per month with access to free basic services	100% households earning less than R1100 per month with access to free basic services by 30th June 2018	In house	100% of households earning less than R1100 per month with access to free basic services	In house	Yes	None	None	Indigent report
DBT011	To improve the financial status of the municipality through	Fixed Asset Register compliance with GRAP	Number of action plans developed in line with FAR compliance with GRAP	0	1 action plans developed in line with FAR compliance with GRAP standards by	In house	1 action plans developed in line with FAR compliance with GRAP standards	In house	Yes	None	None	Action plan in line with FAR

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	prudent budget planning, stringent financial management and improved revenue collection		standards		30th June 2018							
DBT012	To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved	Conduct asset verification	Number of asset verifications conducted	2 Assets verification sessions conducted by 30 June 2017	2 asset verifications conducted by 30th June 2018	In house	2 Assets verification sessions conducted	In house	Yes	None	None	Assets verification reports

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	revenue collection											
DBT013	To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue collection	Updating of the Fixed Asset Register	Rate update of the Fixed Asset Register	Fixed Asset Register	Daily update of the Fixed Asset Register 30th June 2018	In house	Daily update of the Fixed Asset Register	In house	Yes	None	None	Assets register
DBT014	To improve the financial status of	Submission of Section 71 monthly budget statements	Number of section 71 monthly budget statements	12 Section 71 reports submitted by 30 June	1 section 71 monthly budget statements submitted	In house	Section 71 monthly budget statements submitted	In house	No	The system was closed late	The system will be close earlier in future	Proof of submission and 12 reports

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	the municipality through prudent budget planning, stringent financial management and improved revenue collection		submitted within 10 days after the end of each month to the Executive mayor and the provincial treasury	2017	within 10 days after the end of each month to the Executive mayor and the provincial treasury by 30th June 2018		within 10 days after the end of each month to the Executive mayor and the provincial treasury					
DBT015	To improve the financial status of the municipality through prudent budget planning, stringent financial	Submission of Supply Chain Management Reports to Council	Number of Supply Chain Management Reports submitted to Council	4 Supply chain management reports submitted to Council	4 Supply Chain Management Reports submitted to Council by 30th June 2018	In house	4 Supply chain management reports submitted to Council	In house	Yes	None	None	4 Reports and council resolutions

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	management and improved revenue collection											
DBT016	To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue collection	Submission of budget statements to council	Number of budget statements submitted to council	4 Budget statements submitted to council by 30 June 2017	4 budget statements submitted to council by 30th June 2018	In house	3 budget statements submitted to council	In house	No	The system was closed late	The system will be close earlier in future	Council resolution and reports
DBT017	To improve	Submission of bank	Number of bank	12 Bank reconciliati	12 bank reconciliation	In house	7 Bank reconciliation	In house	No	The system was closed	The system will be close	12 Bank reconciliati

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue collection	reconciliations to the Municipal Manager	reconciliations submitted to the Municipal Manager	on submitted to council	s submitted to the Municipal Manager by 30th June 2018		submitted to council			late	earlier in future	on and proof of submission
DBT018	To improve the financial status of the municipality through prudent budget	Compilation and submission of Annual Financial Statements to the Auditor General	Number of Annual Financial Statements compiled and submitted to the Auditor General	1 Annual Financial Statement submitted to the AG	1 Annual Financial Statements compiled and submitted to the Auditor General by 31 August	R 5 402 394	1 Annual Financial Statements compiled and submitted to the Auditor General	R1 100 000	Yes	None	None	Annual Financial Statement

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	planning, stringent financial management and improved revenue collection				2017							
DBT019	To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue	Conduct stock taking	Number of stock taking sessions conducted	2 Stocktaking sessions conducted	2 stock taking sessions conducted by 30th June 2018	In house	2 Stocktaking sessions conducted	In house	Yes	None	None	Report

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	collection											
DBT020	To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue collection	Implementation of valuation roll	Percentage Implementation of valuation roll	100% of the valuation roll implemented on a monthly basis	100% Implementation of valuation roll by 30th June 2018	R6 142 350	100% Implementation of valuation roll	R0.00	Yes	None	None	Valuation roll report

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager's overall performance for 2017/2018 financial year is 70% achievement. The department managed to achieve 31 targets out of the 44 planned targets, as compared to 59% achieved in 2016/2017 financial year out of 32 planned targets 19 targets was achieved

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
OFFICE OF THE SPEAKER												
MM001	To deepen democracy and promote active community participation in the affairs of the institution	Conducting Mayoral Outreach meetings	Number of Mayoral Outreach Meetings conducted	64 Mayoral outreach meetings conducted	24 Mayoral Outreach Meetings conducted by 30 June 2018	In house	29 Mayoral Outreach Meetings conducted	In house	Yes	None	None	Report and attendance registers
MM002	To deepen democracy and promote active	Submission of Mayoral Outreach Report to the Mayor	Number of Mayoral outreach reports submitted to the mayor	0	2 Mayoral outreach reports submitted to the mayor	In house	2 Mayoral outreach reports submitted to the mayor	In house	Yes	None	None	Reports

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	community participation in the affairs of the institution				by 30 June 2018							
MM003	To deepen democracy and promote active community participation in the affairs of the institution	Conducting of Ward Committee meetings	Number of ward committee meetings conducted	384 meetings held	384 ward committee meetings conducted by 30 June 2018	In house	384 ward committee meetings conducted	In house	Yes	None	None	Attendance register
MM004	To deepen democracy and strengthen democratic institutions through active public participatio	Workshops for councilors and ward committee members	Number of workshops conducted for Councillors and Ward Committee members	1 Workshop programme conducted for ward committee members and councillors	1 Workshop programme conducted for ward committee members and councillors by 30 June	In house	1 Workshop programme conducted for ward committee members and councillors	In house	Yes	None	None	Attendance register

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	n				2018							
					COMMUNICATION							
MM005	To deepen democracy and promote active community participation in the affairs of the institution	Development and approval of Communication Strategy	Number of Communication Strategies developed and approved		1 Communication Strategies developed and approved by 30 June 2018	In house	1 Communication Strategy developed and approved	In house	Yes	None	None	Communication strategy and council resolution
MM006	To deepen democracy and promote active community participation in the affairs of the institution	Conducting of media engagement sessions	Number of media engagement sessions conducted		2 media engagement sessions conducted by 30 June 2018	In house	2 media engagement sessions conducted	In house	Yes	None	None	Attendance register and Photos

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
MM007	To deepen democracy and promote active community participation in the affairs of the institution	Issuing of media statements	Number of media statements issued	4	4 media statements issued by 30 June 2018	In house	7 media statements issued	In house	Yes	None	None	Media statements
MM008	To deepen democracy and promote active community participation in the affairs of the institution	Updating of official social media accounts	Rate of update of municipal social media accounts	0	Updating of municipal social media accounts quarterly and as and when required by 30 June 2018	In house	Updating of municipal social media accounts quarterly and as and when required	In house	Yes	None	None	Social media accounts reports
MM010	To deepen democracy and promote active	Submission of Report on the presidential hotline to the municipal manager	Number of reports on the presidential hotline submitted to	1	4 reports on the presidential hotline submitted to	In house	3 reports on the presidential hotline submitted to the municipal	In house	No	Due to insufficient queries reported there was no report issued on the presidential hotline	To draft the report even if there are no queries reported	4 Presidential hotline reports

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	community participation in the affairs of the institution		the municipal manager		the municipal manager by 30 June 2018		manager					
MM11	To deepen democracy and promote active community participation in the affairs of the institution	Issuing of External Newsletter	Rate of issuing of External newsletter issued	0	Quarterly issuing of External Newsletters by 30 June 2018	In house	Quarterly issuing of External Newsletters	In house	No	External newsletter was issued late due to workload in Communication unit	Experiential learner was placed in the unit to assist with the workload	External Newsletters
					IDP							
MM017	To deepen democracy and promote active community participation in the affairs of	Development and approval of IDP Process Plan	Number of IDP process plans developed and approved by Council	0	1 IDP process plan developed and approved by council by 30 June 2018	In house	1 IDP process plan developed and approved	In house	Yes	None	None	IDP Process Plan and council resolution

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	the institution											
MM018	To deepen democracy and promote active community participation in the affairs of the institution	Development and approval of the Integrated Development Plan	Number of IDP's reviewed and approved	1 2017/2022 IDP developed and approved	1 IDP's reviewed and approved by 30 June 2018	R319 200	1 IDP's reviewed and approved	R0	No	The relevant coordinator was not included.	To involve the relevant personnel so that they can report relevantly	Reviewed IDP and council resolution
MM019	To deepen democracy and promote active community participation in the affairs of the institution	Holding of the Annual IDP/Budget Indaba	Number of IDP/Budget Indaba meetings conducted	1 IDP and Budget Indaba held	1 IDP/Budget Indaba meetings conducted by 30 June 2018	In house	0	In house	No	The relevant coordinator was not included.	To involve the relevant personnel so that they can report relevantly	Attendance register
MM020	To deepen democrac	Conducting of the Strategic Planning Workshop	Number of strategic planning	1 strategic planning workshop held	1 strategic planning	R 180 880	0	R0	No	The relevant coordinator was not	To involve the relevant	Attendance register and report

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	y and promote active community participation in the affairs of the institution		workshops conducted		workshops conducted 30 June 2018					included.	personnel so that they can report relevantly	
MM021	To deepen democracy and promote active community participation in the affairs of the institution	Conducting of IDP/Budget steering committee meetings	Number of IDP/Budget steering committee meetings conducted	0	4 IDP/Budget steering committee meetings conducted 30 June 2018	In house	1 IDP/Budget steering committee meetings conducted	In house	No	The relevant coordinator was not included.	To involve the relevant personnel so that they can report relevantly	Attendance register and report
MM022	To deepen democracy and promote active community participation in the	Submission of IDP to the MEC for Local Government	Number of IDP submitted to the MEC for Local Government within 10 days after approval	1 IDP submitted to the MEC for Local Government within 10 days after approval	1 IDP submitted to the MEC for Local Government within 10 days after approval by	In house	1 IDP submitted to the MEC for Local Government within 10 days after approval	In house	Yes	None	None	Submission letter

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	affairs of the institution				30 June 2018							
MM023	To deepen democracy and promote active community participation in the affairs of the institution	Conducting Community Consultative meetings on approved draft IDP/Budget	Number of community consultative meeting conducted on the approved draft IDP/Budget	0	12 zonal meetings community consultative meeting conducted on the approved draft IDP/Budget 30 June 2018	In house	1 zonal meetings community consultative meeting schedule	In house	No	The relevant coordinator was not included.	To involve the relevant personnel so that they can report relevantly	Attendance Register
	PERFORMANCE MANAGEMENT SYSTEM											
MM024	To deepen democracy and promote active community participation in the affairs of the	Compilation and submission of the Annual Report to the office of the Auditor General	Number of Annual Reports compiled and submitted to the office of the AG	1 2015/2016 Annual Report compiled and submitted to the office of the Auditor General	1 Annual Reports compiled and submitted to the office of the AG by 31 August 2017	In house	1 Annual Reports compiled and submitted to the office of the AG	In house	Yes	None	None	Acknowledgement letter

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	institution											
MM025	To deepen democracy and promote active community participation in the affairs of the institution	Tabling of Annual report before Council	Number of Annual reports tabled before Council	1 2015/2016 Annual report tabled before council	1 Annual reports tabled before Council by 31 January 2018	In house	1 Annual reports tabled before Council	In house	Yes	None	None	Council resolution
MM026	To deepen democracy and promote active community participation in the affairs of the institution	Development and submission of Mid-year budget and performance assessment report	Number of Mid-year budget and performance assessments submitted to the Executive Mayor, National Treasury and Provincial Treasury	1 Mid-year budget and performance assessment conducted and submitted to the Executive Mayor, National Treasury and Provincial Treasury	1 Mid-year budget and performance assessments submitted to the Executive Mayor, National Treasury and Provincial Treasury by 25 January 2018	In house	1 Mid-year budget and performance assessments submitted to the Executive Mayor, National Treasury and Provincial Treasury	In house	Yes	None	None	Acknowledgement of receipt

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
MM027	To deepen democracy and promote active community participation in the affairs of the institution	Tabling of Mid-year budget and performance assessment before Council	Number Mid-year budget and performance assessments tabled before Council	1 Mid-year budget and Performance Assessment report tabled before Council	1 Mid-year budget and performance assessments tabled before Council by 31 January 2018	In house	1 Mid-year budget and performance assessments tabled before Council	In house	Yes	None	None	Council resolution
MM028	To deepen democracy and promote active community participation in the affairs of the institution	Review and approval of the PMS Policy Framework	Number of PMS Policy Framework reviewed and approved by Council	1 Reviewed and adopted 2017/2018 PMS Policy Framework and action plan	1 PMS Policy Framework reviewed and approved by Council by 30 June 2018	In house	1 PMS Policy Framework reviewed and approved by Council	In house	Yes	None	None	Council resolution and PMS policy
MM029	To deepen democracy and promote active	Submission of performance report to the Executive Mayor	Number of performance reports submitted to the Executive	4 Performance reports submitted to the Executive Mayor	4 performance reports submitted to PMS	In house	4 performance reports submitted to PMS	In house	Yes	None	None	Acknowledgement of receipt

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	community participation in the affairs of the institution		Mayor									
MM030	To deepen democracy and promote active community participation in the affairs of the institution	Development and submission of the SDBIP to the Executive Mayor	Number of SDBIP's developed and submitted to the Executive Mayor within 14 days after the approval of the budget for consideration	1 2017/2018 SDBIP submitted to the Executive Mayor within 14 days after the approval of the budget for consideration	1 SDBIP's developed and submitted to the Executive Mayor within 14 days after the approval of the budget for consideration by 30 June 2018	In house	1 SDBIP's developed and submitted to the Executive Mayor within 14 days after the approval of the budget for consideration	In house	Yes	None	None	Acknowledgement of receipts
MM031	To deepen democracy and promote active community participatio	Approval of SDBIP by the Executive Mayor	Number of SDBIP's approved by the Executive Mayor within 28 day after the approval	1 2016/2017 SDBIP's approved by the Executive Mayor	1 2018/2019 SDBIP's approved by the Executive Mayor within 28 day after the approval	In house	1 2018/2019SDBIP's approved by the Executive Mayor within 28 day after	In house	Yes	None	None	Approved SDBIP

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	n in the affairs of the institution		of the budget		of the budget by 30 June 2018		the approval of the budget					
MM032	To deepen democracy and promote active community participation in the affairs of the institution	Signing of performance Agreements by Senior Managers	Number of senior managers including municipal manager with signed performance agreements	4 Signed performance agreements for section 56 Managers and 1 Municipal Manager	4 Signed performance agreements for section 56 Managers and 1 Municipal Manager by 30 July 2017	In house	3 Signed performance agreements for section 56 Managers and 1 Municipal Manager	In house	No	Contracts of employment were received late, hence the Acting SDS Manager signed the Performance Agreements on the 1st of August 2017	Employment of contract to be submitted to PMS unit timeously	Signed performance agreements
MM033	To deepen democracy and promote active community participation in the affairs of the institution	Conducting of performance assessments for Senior Managers	Number of performance assessments conducted for senior managers including Municipal Manager	3 performance assessments conducted for senior managers including Municipal Manager	4 performance assessments conducted for senior managers including Municipal Manager by 30 June 2018	In house	4 performance assessments conducted for senior managers including Municipal Manager	In house	Yes	None	None	Performance assessment report

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
				INTERNAL AUDIT								
MM034	To deepen democracy and promote active community participation in the affairs of the institution	Submission of Audit Plan to Audit Committee for approval (3-year rolling and annual operational plan)	Number of Audit Plans submitted to the Audit Committee for approval	1 Audit Plan tabled before the Audit Committee for approval	1 Audit Plans submitted to the Audit Committee for approval by 30 June 2018	In house	The Draft audit plan is in place but awaiting for the approval of ordinary shared AC in July 2018	In-house	No	The Nkangala shared audit committee scheduled the meeting in July 2018	To ensure that the dates of AC meeting for approval of audit plan is within the target date, the audit plan will be approved in July 2018	Approved Audit plan and minutes of the AC meeting
MM035	To deepen democracy and promote active community participation in the	Submission of internal audit reports to the Audit Committee	Number of internal audit reports submitted to the Audit Committee	4 internal audit reports submitted to the Audit Committee	4 internal audit reports submitted to the Audit Committee by 30 June 2018	In house	4 internal audit reports submitted to the Audit Committee	In house	Yes	None	None	Quarterly audit reports presented to the AC and AC minutes

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	affairs of the institution											
MM036	To deepen democracy and promote active community participation in the affairs of the institution	Conducting of Audit charter workshops	Number of Audit charter workshops conducted	2 Audit charter workshops conducted	2 Audit charter workshops conducted by 30 June 2018	In house	2 Audit charter workshops conducted	In house	Yes	None	None	Attendance registers
MM037	To deepen democracy and promote active community participation in the affairs of the institution	Holding of Audit Committee meetings	Number of Audit Committee meetings held	4 Audit Committee meetings held	4 Audit Committee meetings held by 30 June 2018	R 51 004	5 Audit Committee meetings held	Shared audit committee of NDM	Yes	None	None	Attendance registers and minutes
MM038	To deepen democrac	Submission of Audit Committee reports to Council	Number of Audit Committee	4 Audit Committee	4 Audit Committee	In house	3 Audit Committee	In house	No	Special council held in June was only considering the Draft	The report will be tabled to	AC Reports , Council resolution

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	y and promote active community participation in the affairs of the institution		reports submitted to Council	reports submitted to Council	reports submitted to Council by 30 June 2018		reports submitted to Council			Budget for 2018/19.	the next Council in July 2018.	
					RISK MANAGEMENT							
MM039	To deepen democracy and promote active community participation in the affairs of the institution	Submission of quarterly Risk Management reports to RMC and AC	Number of Risk Management reports submitted to RMC and AC	4 Risk Management reports submitted to RMC and AC	4 Risk Management reports submitted to RMC and AC by 30 June 2018	In house	4 Risk Management reports submitted to RMC and AC	In house	Yes	None	None	Quarterly Risk Management Reports and Attendance register
MM040	To deepen democracy and promote active community	Submission of compliance reports to Risk Management Committee	Number of compliance reports submitted to RMC	4 Compliance reports submitted to RMC	4 compliance reports submitted to RMC by 30 June 2018	In house	4 compliance reports submitted to RMC	In house	Yes	None	None	4 Quarterly compliance reports

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	participation in the affairs of the institution											
MM041	To deepen democracy and promote active community participation in the affairs of the institution	Development and approval of risk registers	Number of Risk Registers developed and approved by Council	1 Risk Register developed and adopted by Council	1 Risk Registers developed and approved by Council by 30 June 2018	In house	1 Risk Registers developed and approved by Council	In house	Yes	None	None	Risk register and Council Resolution
MM042	To deepen democracy and promote active community participation in the affairs of the institution	Conducting of Risk Management Committee meetings	Number of Risk Management Committee meetings conducted	4 Risk management committee meetings conducted	4 Risk Management Committee meetings conducted by 30 June 2018	R50 000	4 Risk Management Committee meetings conducted	Shared audit committee of NDM	Yes	None	None	Attendance register, minutes

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
MM043	To deepen democracy and promote active community participation in the affairs of the institution	Anti-fraud and corruption awareness campaign	Number of anti-fraud and corruption awareness campaign conducted	2 Anti-fraud and corruption awareness campaign conducted	2 anti-fraud and corruption awareness campaign conducted by 30 June 2018	In house	2 anti-fraud and corruption awareness campaign conducted	In house	Yes	None	None	Attendance register
					MUNICIPAL PUBLIC ACCOUNT COMMITTEE							
MM044	To deepen democracy and promote active community participation in the affairs of the institution	Sitting of Municipal Public Accounts Committee	Number of MPAC meetings conducted	4 MPAC meetings conducted	4 MPAC meetings conducted 30 June 2018	In house	13 MPAC meetings conducted	In house	Yes	None	None	Attendance register
MM045	To deepen democracy and	Development and approval of the oversight report on the Annual	Number of oversight reports developed	1 oversight reports developed	1 oversight reports developed	In house	1 oversight reports developed and	In house	Yes	None	None	Oversight report and council resolution

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	promote active community participation in the affairs of the institution	report	and approved on the probing of the annual report		and approved on the probing of the annual report by 30 June 2018		approved on the probing of the annual report					
MM046	To deepen democracy and promote active community participation in the affairs of the institution	Development and approval of the MPAC Annual Work Plan	Number of Annual Work Plans developed and approved by Council	1 Annual Work Plans developed	1 Annual Work Plans developed and approved by Council 30 June 2018	In house	0	In house	No	We were awaiting for the council to approve its schedule to inform the MPAC annual work plan in order to avoid inconsistence	The MPAC Annual work plan will be approved in July 2018	Annual work plan and council resolution
					YOUTH							
LED017	To create a conducive environment for economic development,	Development of an Integrated Youth Strategy	Number of integrated youth strategies developed	1 Intergraded youth Development strategy	1 integrated youth strategies developed by 30th June 2018	In house	1 integrated youth strategies developed by 30th June 2018	In house	Yes	None	None	Approved integrated youth Development Strategy and council resolution

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	investment attraction and job creation.											
LED024	To create a conducive environment for economic development, investment attraction and job creation.	Youth participation in training and skills development	Percentage of youth participating in training and skills development programs facilitated by the municipality		40% youth participating in training and skills development programs facilitated by the municipality by 30th June 2018	In house	26% youth participating in training and skills development programs facilitated by the municipality	In house	No	The youth department rely on external stakeholders for the training	Seek more funders for the trainings	Enrolment list
LED025	To create a conducive environment for economic development, investment attraction	Conducting of youth outreach meetings	Number of youth outreach meetings conducted	2 youth outreach meetings/seminars conducted	2 of youth outreach meetings conducted by 30 June 2018	In house	2 of youth outreach meetings conducted	In house	Yes	None	None	Attendance register

	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
PROJECT CODE	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	and job creation.											
LED026	To create a conducive environment for economic development, investment attraction and job creation.	Conducting of career Guidance	Number of Career guidance conducted	0	4 Career guidance conducted by 30th June 2018	In house	1 Career guidance conducted	In house	No	The DoBE didn't gave us access to the learners on the dates scheduled for the career guidance due to their internal schedule educational programs	The career guidance was held jointly on the 23rd May 2018 and at KwaMhlanga Stadium with all the 4 schools that were earmarked for same project.	Attendance register

KPA: LOCAL ECONOMIC DEVELOPMENT

LOCAL ECONOMIC DEVELOPMENT

The department of Local Economic Development overall performance for 2017/2018 financial year is 83% achievement. The department managed to achieve 10 targets out of the 02 planned targets, as compared to 89% achieved in 2016/2017 financial year out of 09 planned targets 08 targets was achieved.

KPA	LOCAL ECONOMIC DEVELOPMENT											
PROJECT NAME	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
LED002	To create a conducive environment for economic development, investment attraction and job creation.	Facilitation of the Community Works Programme	Number of jobs created through the Community Works Programme	0	1200 jobs created through the Community Works Programme by 30th June 2018	In house	1287 jobs created through the Community Works Programme	In house	Yes	None	None	MIS Report
LED003	To create a conducive environment for economic development, investment	Conduct LED Forum Meetings	Number of LED Forum meetings conducted	4 LED forum meetings held	4 LED Forum meetings conducted by 30th June 2018	In house	4 LED Forum meetings conducted	In-house	Yes	None	None	Minutes and attendance register

KPA	LOCAL ECONOMIC DEVELOPMENT											
PROJECT NAME	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	attraction and job creation.											
LED004	To create a conducive environment for economic development, investment attraction and job creation.	Submit LED forum reports to the Executive Mayoral Committee	Number of LED Forum reports submitted to the Mayoral Committee	2 LED Forum reports	2 LED Forum reports submitted to the Mayoral Committee By 30th June 2018	In house	1 LED forum report submitted to Mayoral committee	In-house	No	Late holding of Section 80 Committee meeting	Meetings to be held well in advance of the date of Mayoral Committee meetings	Reports and minutes
LED005	To create a conducive environment for economic development, investment attraction and job creation.	Conduct LED Outreach meetings on Mass Economic Opportunities	Number of LED outreach meetings conducted	2 LED Outreaches conducted.	2 of LED outreach meetings conducted By 30th June 2018	In house	2 LED outreach meetings conducted	In-house	Yes	None	None	Attendance register and reports

KPA	LOCAL ECONOMIC DEVELOPMENT											
PROJECT NAME	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
LED006	To create a conducive environment for economic development, investment attraction and job creation.	Engagement of stakeholders on Moloto road development	Number of stakeholder engagement meetings held Moloto Road Development	2 Stakeholders engagement meetings	2 stakeholder engagement meetings held Moloto Road Development by 30th June 2018	In house	2 stakeholder engagement meetings held with Moloto Road Development	In-house	Yes	None	None	Reports and attendance register
LED007	To create a conducive environment for economic development, investment attraction and job creation.	Conduct Reference Committee meetings for Community Works Programme	Number of Reference Committee meetings for CWP	4 Local Reference Committee meetings	4 Reference Committee meetings held on CWP by 30th June 2018	In house	3 Reference Committee meetings held on CWP	In house	No	Meeting interrupted by Taxi attacks	The next meeting will held in July 2018	Minutes and Attendance register
LED011	To create a conducive environment for economic developme	Consultation and support meetings for Lucrative Investors	Number of meetings held to engage and support	2 Meetings held with investors	2 meetings held to engage and support lucrative	In house	2 Meetings held with investors	In-house	Yes	None	None	Attendance register and reports

KPA	LOCAL ECONOMIC DEVELOPMENT											
PROJECT NAME	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	nt, investment attraction and job creation.		lucrative investors		investors by 30th June 2018							
LED012	To create a conducive environment for economic development, investment attraction and job creation.	Identification of new tourist sites	Number of new tourism sites identified	0	2 new tourism sites identified By 30th June 2018	In house	2 New tourism sites identified	In-house	Yes	None	None	Site visit Report
LED013	To create a conducive environment for economic development, investment attraction and job creation.	Training and Support for SMME's and Cooperatives	Number of SMME's and Cooperatives trained and supported	20 SMMEs trained.	40 SMME's and Cooperatives trained and supported by 30th June 2018	In house	40 SMME`s and cooperatives trained and supported	In-house	Yes	None	None	Attendance registers and reports

KPA	LOCAL ECONOMIC DEVELOPMENT											
PROJECT NAME	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
LED014	To create a conducive environment for economic development, investment attraction and job creation.	Conduct Cooperative Project meetings	Number of Cooperative project meetings conducted	4 Cooperative projects meetings held	4 Cooperative project meetings conducted by 30th June 2018	In house	4 Cooperative project meetings conducted	In-house	Yes	None	None	Minutes and attendance register
LED015	To create a conducive environment for economic development, investment attraction and job creation.	Registration of SMME's and Cooperatives on municipal data base	Number of SMME's and Cooperatives registered on municipal data base	0	20 SMME's and Cooperatives registered on municipal data base 30th June 2018	In house	20 SMME`s and cooperatives registered on Municipal Data base	In-house	Yes	None	None	Data log
LED016	To create a conducive environment for economic developme	Identify and Support Rural Smallholder farmers and community Gardens	Number of rural smallholder farmers and community	0	20 rural smallholder farmers and community gardens	In house	20 Smaller holder farmers and community gardens identified	In-house	Yes	None	None	Site visit reports and attendance register

KPA	LOCAL ECONOMIC DEVELOPMENT											
PROJECT NAME	STRATEGIC OBJECTIVE	PROJECT NAME/DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE 2016/2017	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	CHALLENGES/COMMENT	ACTION PLAN	PORTFOLIO OF EVIDENCE
	nt, investment attraction and job creation.		gardens identified		identified by 30th June 2018							

Chapter 3

3.24 FINANCE

ANNUAL REPORT OF THE AUDIT AND PERFORTMANCE COMMITTEE 2017/18 (REPORT FROM THE ACTING CHAIR OF AUDIT AND PERFORMANCE COMMITTEE)

We are pleased to submit the report of the Audit Committee for the year ended 30 June 2018

1. Background

Nkangala District Municipality and some of its local municipalities namely Steve Tshwete Local Municipality, Emakhazeni Local Municipality, Victor Khanye Local Municipality and Thembisile Hani Local Municipality have opted for the shared Audit and performance Committee Services. The Audit committee was established in terms of section 166 of the Municipal Finance Management Act (MFMA), Act 56 of 2003. The Audit committee has adopted its terms of reference.

Statutory requirements

Section 166 of the MFMA stipulates that each municipality must establish an Audit committee.

The Audit committee is an independent advisory body that advises council, political office bearers, accounting officer, and the staff of the municipality on the following

- Internal financial control and Internal Audit; Risk management;

- Accounting policies
- The adequacy, reliability and accuracy of financial reporting and information;
- Performance management;
- Compliance with the MFMA, the Division of Revenue Act (DORA) and any other applicable legislation;
- Performance evaluation
- Any other issues referred to it by the municipality;
- Review annual financial statements so as to provide authoritative and credible view of the financial position, on overall compliance with MFMA,DORA, ect
- Respond to Council on any matter raised by the Auditor- General (AGSA); and
- Carry out such investigation into financial affairs of the municipality as may be prescribed

2. Attendance of meetings

Name of the member	Ordinary meetings	Performance meetings	Total	Attendance
Mr. SAB Ngobeni (Contract expired on the	4	2	6	2

27 November 2017)				
Mr. BTA Matabane (Contract expired on the 27 November 2017)	4	2	6	2
Mr. Z Ndzimande (Contract expired on the 27 November 2017)	4	2	1	1
Mr. VK Chuene (Acting Chairperson)	4	2	6	4
Mr. L Langalibalele (Member) (Contract expired 28 February 2018) (Appointed 1 March 2018)	4	2	6	3
Advocate L Thubakgale (Member) (Contract expired 28 February 2018)	4	2	6	2
Mr. M Mathabathe (Member)	4	2	6	4
Ms. F Mudau (Member) (Appointed 1 March 2018)	4	2	6	1

The following although not members of the Audit and Performance Committee (APC), have standing invitation to Audit and Performance committee meetings:

- The Accounting Officer;
- The Chief Financial Officer;
- The chairperson of the Risk committee

- The Section 56 Managers/Departmental Heads
- Chief Risk Officer
- The Auditor- General
- The National Treasury
- Mpumalanga Provincial Treasury
- Internal Audit (Secretariat function)

3. Internal Audit

The internal audit of Thembisile Hani Local Municipality is in-house and has discharge its mandate in terms of its charter and managed to execute all projects for 2017/18 financial year. The Audit and Performance Committee (APC) would like to commend the Council and management for the dedication in strengthening the Corporate Governance.

The Audit and Performance Committee (APC) is of the opinion that Internal Audit unit is operating effectively to meet its mandate and has considered the risk pertinent to the municipality in its audit plans. The following documents were approved by the Audit Committee and performance committee and recommended to Council for adoption.

- Internal Audit charter
- Internal Audit methodology
- Three year rolling strategic and Annual Audit Plan
- Combined Assurance framework

The following projects of Thembisile Hani Local Municipality were implemented by Nkangala District Municipality:

- Supply Chain Management Audit (SCM)
- Information, Communication and Technology (ICT)

4. Effectiveness of Internal controls

The system of internal control was not entirely effective during the year under review as compliance with prescribed policies and procedures were lacking in certain instances and this was evident with the investigation of irregular expenditure that was conducted by the Council during the year under review.

The following Internal audit reports are among others that were presented to the Audit Committee

- Audit of quarterly performance information;
- Land and building;
- Water and Sanitation;
- Project Management;
- Governance;
- Fleet Management;
- Local Economic development; and
- Assets Management
- Risk Management

There has been improvement by management in responding to internal audit reports and this can be attributed to measures that have been implemented by the Accounting officer. Audit committee has also urged management to draw up action plan to address issues raised by the Auditor- General in the management letters and audit report and to ensure that all matters have been raised by the Auditor General are resolved by Management.

5. Risk Management

The Municipality has an effective risk unit that consist of two staff members and Risk management, anti-fraud and anti-corruption committee that is chaired by the chairperson of Risk management, anti-fraud and anti-corruption.

Four (4) risk committee meetings were held for the year under review

The following policies were reviewed

- Risk Management strategy
- Risk Management policy
- Whistle blowing policy
- Fraud Prevention Plan and Fraud Prevention policy
- Risk Management Anti-corruption and Anti-fraud risk charters
- Fraud prevention plan and fraud prevention policy
- Risk appetite and Tolerance Frame work
- Gift Policy

6. Performance Management

The Audit Committee has reviewed the Annual Performance Information report in the meeting held on the 29 August 2018 and performance department has shown significant improvement.

7. Year- end reporting

The Audit and Performance Committee (APC) has reviewed the Annual Performance Information report before the report was submitted to the Auditor-General and the quality of the quarterly reports submitted by management during the year were of acceptable standard.

8. Evaluation of annual financial statements

The Audit and Performance Committee (APC), on its meeting held on the 29 August 2018 to discuss the draft annual financial statements and unaudited annual report with the Accounting Officer, before submitting to the Auditor General.

The Audit Committee wishes to indicate that it performed a review on the financial statements focusing among others:

- Significant financial reporting adjustments and estimates contained in the Annual Financial Statements
- Clarity and completeness of disclosures has been set properly
- Quality and acceptability of and any changes in accounting policies and practice.
- Significant adjustments arising from the audit
- Reasons for major year to year fluctuations

The Audit and Performance Committee (APC) has:

- Further reviewed the Audited Financial Statements to be included in the Annual Report with the Accounting Officer.
- Reviewed the Auditor General Management report and management response thereof
- Reviewed the municipality compliance with legal and regulatory provision and;
- Reviewed significant adjustments resulting from the audit.

The Audit and Performance Committee (APC) concurs and accepts the conclusions of the Auditor-

General on the Annual Financial Statements be accepted and read together with the report of the Auditor-General.

9. Conclusion

The Audit and Performance Committee (APC) acknowledges the co-operation and assistance by the Nkangala District Municipality for coordinating the activities of the Committee. We also acknowledge the commitment of the Accounting Officer and management of Nkangala District Municipality in strengthening corporate governance and working in maintaining the clean audit.

The Audit and Performance Committee (APC) further acknowledge the commitment and the foundation on good governance that has been laid by Honorable Executive mayor Councillor N Mtsweni her Council and further express gratitude to the Chief Audit Executive, Mr. A Malope and his staff for the support and commitment to the work of the Audit and Performance Committee.

The Acting Chairperson of the Audit and Performance Committee remain confident that all matters that have been raised by the Internal Audit and Auditor General are receiving due consideration and intervention. We are committed to fully execute our oversight function to strengthening corporate governance.

_____ _____

Mr. F. Modau
Acting Chairperson of Audit committee

Date

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

The Thembisile Hani Local Municipality strives towards the improvement of municipal performance and individual development of municipal employees. Focuses on the methodologies, and achievements, strategic planning, organizational design, leadership development, coaching, diversity, and balance between life and work.
Analysis objectives, structure, policy, human resources and compensation of the municipality.

Thembisile Hani Local Municipality top structure is as attached **(annexure c)**

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Department	2015/2016	2016/2017	2017/2018	2015/2016	2016/2017	2017/2018	2015/2016	2016/2017	2017/2018	2015/2016	2016/2017	2017/2018
	Total No. Of Post Approved	Total No. Of Post Approved	Total No. Of Post Approved	Number Of Filled Post	Number Of Filled Post	Number Of Filled Post	Number Of Vacant Posts	Number Of Vacant Posts	Number Of Vacant Posts	% Of Vacancy	% Of Vacancy	% Of Vacancy
Political Office	14	16	16	14	15	15	0	1	1	0%	6.2%	6.2%
Municipal Manager	19	23	23	16	22	21	1	1	2	10%	4.3%	8%
Corporate Services	42	45	45	41	42	42	1	3	3	2.43%	6.6%	6.6%
Finance	35	37	38	34	37	35	1	0	3	2.8%	0	7%
Sds	129	119	122	160	113	118	6	6	4	4.3%	5.04%	3.2%
Technical	167	163	175	123	158	154	7	5	21	3.8%	3.1%	12%
Total	406	403	419	390	387	385	16	16	34	4%	3.9%	8%

Vacancy Rate 2017/2018			
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	1	0	0%
CFO	1	1	100%
Other S57 Managers (Excluding Finance Posts)	4	3	75%
Other S57 Managers (Finance Posts)	0	0	0%
Municipal Police	0	0	0%
Fire Fighters	0	0	0%
Senior Management: Levels 13-15 (Excluding Finance Posts)	19	0	0%
Senior Management: Levels 13-15 (Finance Posts)	5	0	0%
Highly Skilled Supervision: Levels 9-12 (Excluding Finance Posts)	39	1	2.6%
Highly Skilled Supervision: Levels 9-12 (Finance Posts)	5	5	0%
Total	**79**	**10**	12%
Turn-Over Rate			

Details	Total Appointments As Of Beginning Of Financial Year No.	Terminations During The Financial Year No.	Turn-Over Rate*
2015/2016	18	8	44%
2016/2017	18	9	50%
2017/2018	12	17	141%
* Divide The Number Of Employees Who Have Left The Organisation Within A Year, By Total Number Of Employees Who Occupied Posts At The Beginning Of The Year			T4.1.3

COMMENT ON VACANCIES AND TURNOVER

The total vacancy rate for the financial year under review totalled 34 or 8%. Critical positions such as senior managers posts could not be filled on time as the municipality had a difficulty in attracting suitable candidates

The status of the section 57 managers is as follows:-

Designation	Status
Municipal Manager	Filled
CFO	Vacant
Manager : Technical Services	Filled
Manager :Social Development Services	Vacant
Manager :Corporate	Filled
Manager Development & Town Planning Services	Vacant

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The current workforce is 385 employees. The municipality has approved policies on which employees are inducted.

4.2 POLICIES

Hr Policies And Plans For 2016/2017					Hr Policies And Plans For 2017/2018		
	Name Of Policy	Completed %	Reviewed %	Date Adopted By Council Or Comment On Failure To Adopt	Completed	Reviewed	Date Adopted By Council Or Comment On Failure To Adopt
1	Code Of Conduct For Employees	100%	100%	1-May-2007	100%	100%	16-August-2016
2	Delegations, Authorisation & Responsibility	100%	100%	5-August 2011	100%	100%	16-August-2016
3	Disciplinary Code And Procedures	100%	100%	1-May-07	100%	100%	28-February-18
4	Essential Services	100%	100%	1-May-2007	100%	100%	1-May-2007
5	Employment Equity	100%	100%	1-Jul-2011	100%	100%	25-July-2017
6	Grievance Procedures	100%	100%	1-May-2007	100%	100%	25-July-2017
7	Human Resource And Development	100%	100%	25 July 2017	100%	100%	25-July-2017
8	Occupational Health And Safety	100%	100%	31 May 2013	100%	100%	25-July-2017
9	Official Housing	100%	100%	1-May-2007	100%	100%	25-July-2017
10	Official Journeys	100%	100%	31may2013	100%	100%	31may2017
11	Official Working Hours And Overtime	100%	100%	5-Aug-2011	100%	100%	25-July-2017
12	Organisational Rights	100%	100%	1-May-2007	100%	100%	25-July-2017

13	Performance Management And Development	100%	100%	25 July 2017	100%	100%	25 July 2017
14	Recruitment, Selection And Appointments	100%	100%	25 July 2017	100%	100%	25 July 2017
15	Remuneration Scales And Allowances	100%	100%	2-Nov-2011	100%	100%	2-Nov-2011
16	Sexual Harassment	100%	100%	5-Aug-2011	100%	100%	25 July 2017
17	Skills Development	100%	100%	25 July 2017	100%	100%	25 July 2017
18	Smoking	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
19	Other: Retention Policy	100%	100%	31 May 2013	100%	100%	25 July 2017
20	Employee Assistance Programme Policy	100%		October 2015	100%		October 2015
21	Hiv/Aids Policy	100%		October 2015	100%		October 2015
22	Succession Planning And Career Pathing	100%	100%	25 July 2017	100%	100%	25 July 2017
23	Fleet Management	100%	100%	25 July 2017	100%	100%	25 July 2017
24	Leave Policy And Procedure Manual	100%	100%	25 July 2017	100%	100%	25 July 2017
Use Name Of Local Policies If Different From Above And At Any Other Hr Policies Not Listed.							

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number And Cost Of Injuries On Duty					
Type Of Injury	Injury Leave Taken Days	Employees Using Injury Leave No.	Proportion Employees Using Sick Leave %	Average Injury Leave Per Employee Days	Total Estimated Cont R'000
Required Basic Medical Attention Only	2	0	2	2	0
Temporary Total Disablement	0	0	0	0	0
Permanent Disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	2	0	2	2	0

COMMENT ON INJURY AND SICK LEAVE

The Municipality has experience some injuries which have been dealt with in terms of applicable legislation as well as sick leave.

4.4 PERFORMANCE REWARDS

No performance rewards were issued during the 2017/2018 financial year.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

As the MSA 2000 section 68 prescribes that it is requirement that municipalities need to develop their own human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Currently in compliance to the above statement Thembisile Hani Local Municipality has a work skills plan that is approved to ensure that all employees are capacitated/empowered with the necessary information on training and development, which then provides all incumbents access to relevant prioritized training interventions that are needs driven and are aligned to the business objectives by optimally developing the potential of employees.

4.5 SKILLS DEVELOPMENT AND TRAINING

Progress report about the enforcement of the minimum competency regulations

BACKGROUND

Thembisile Hani Local Municipality made a formal request to not to be considered for a special merit case with regards to the minimum competency standards. The merit was granted to the municipality in November 2012.

PROGRESS

Below, is a list of assistant managers and officials below that level that are attending the municipal finance management programme (MFMP) (NQF level 5) with the University of Pretoria: viz;

1. Ms. B. Mashao
2. Mr A.S. Malope
3. Ms. N. Tshabalala

Other interventions

Training interventions are targeted for implementation in the municipal finance management programme for Municipal officials (for 12 months)

The budget for 2017/18 WSP is R 1 539 000.00 and the expenditure is R 730 982 .75

Comments: discretionary grant: = 0.00

Mandatory grant: = R 151 583.96

Total = R 1 690 583.96

Financial Competency Development: Progress Report*						
Description	A Total No. Of Officials Employed By Municipality (Regulation 14(4) (A) And (C(	B Total No. Of Officials Employed By Municipal Entities (Regulation 14(4) (A) And (C(	Consolidate Total Of A And B	Consolidated Competency Assessments Completed For A And B (Regulation 14 (4)(B) And (D)	Consolidated No. Of Officials Whose Performance Agreements Comply With Regulation 16 (Regulation 14 (4) (F)	Consolidated No. Of Officials That Meets Prescribed Competency Levels (Regulation 14 (4) (E)
Financial Officials						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	0	0	0	0	0	0
Snr. Managers	2	0	2	2	2	2
Any Other Financial Officials	33	0	33	0	0	33
Supply Chain Management Officials	4	0	4	0	0	4
Heads Of Supply Chain In Management Units	1	0	1	0	0	1
Supply Chain Management Senior Managers	0	0	0	0	0	0
Total	41	0	41	3	3	41
* This Is A Statutory Report Under National Treasury: Local Government MFMA Competency Regulations (June 2016)						

Chapter 4

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Workforce expenditure is a major part of the operational expenditure of the Thembisile Hani Local Municipality. as it is mostly a fixed cost, proper planning and assessment of post requirements are necessary to make sure that the best available personnel is employed to meet the mandate of the municipality in service delivery to the community as well as obtaining its objectives.

There is a strong national drive for creating employment and municipalities are one arm of government that normally feels the pressure to create new jobs in its sphere. Although we support the creation of employment and we understand the expectation of the communities in this regard, the financial viability of the Thembisile Hani Local Municipality must be recognized. The creation and filling of posts are budgeted for and measured against the approved budget and operational requirements.

The remuneration part of the employment costs is determined through the bargaining council and therefore out of our hands. Three variables that we have to keep monitoring and control are the vacancy rate, employee performance and overtime paid. We have put a lot of emphases on the monitoring and control of overtime worked as we believe that overtime is only necessary in specific scenarios and can indicate inefficiency or staff shortages (including high absenteeism). Performance management is of utmost importance to increase the efficiency and thus output of the workforce. There is still a way to go in implementing necessary measures and controls with the necessary buy-in of the employees.

4.6 EMPLOYEE EXPENDITURE

COMMENT ON WORKFORCE EXPENDITURE

The expenditure on employment costs at the Thembisile Hani Local Municipality seems to be stable and is in line with other similar municipalities. The financial interests of the executive mayor, councillors and senior management, as required by pm regulations 805 of 2006 are set out in **1.4 under financial health overview**.

- No employee whose salaries were increased due to their position being upgraded.
- no employee whose salary level exceed the grade determined by job evaluation
- No employee not appointed to posts not approved.

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of four components:
Component A: Statement of Financial Performance
Component B: Spending Against Capital Budget
Component C: Cash Flow Management and Investments
Component D: Other Financial Matters

The Municipality on its annual budget catered for any inflationary related surprises, and it also had a plan to negotiate with its creditors. Also the demand management unit within the scm unit was proactive in addressing all this. There is no expensive consultancy arrangement that can be singled out however the municipality was smart in handling them and was satisfied with the amounts paid to them.

CHAPTER 5

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
Description	**2016/2017**	**Current Year 2017/2018**			**2016/2017 Variance To Actual**	
R Thousands	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Actual Outcome**	**Actual Outcome As % Of Final Budget**	**Actual Outcome As % Of Original Budget**
Financial Performance						
Property Rates	40 676 196	47 663 336	42 252 939	42 764 437	91.56	1026.15
Service Charges	154 971 349	146 360 721	146 955 634	174 660 450	100.08	100.49
Investment Revenue	7 360 762	3 395 588	6 228 115	4 713 306	138.81	75.68
Transfers Recognised – Operational	415 889 981	342 737 000	342 737 000	342 737 000	100	100
Other Own Revenue	75 893 754	45 357 762	40 784 605	335 640 347	89.92	100
Total Revenue (Excluding Capital Transfers And Contributions)	**694 841 423**	**585 514 407**	**578 958 293**	**731 067 222**	**98.88**	**100**
Employee Costs	111 186 174	124 541 223	131 248 485	117 024 560	93.96	89.16
Remuneration Of Councillors	21 045 778	24 256 137	24 256 137	23 401 852	96.48	96.48
Depreciation & Asset Impairment	82 640 949	171 267 937	171 267 937	86 116 327	47.73	47.73
Finance Charges	3 611	0	0	0	0	0
Materials And Bulk Purchases	115 443 818	137 469 345	138 951 282	164 569 192	118.44	118.44
Transfers And Grants	108 332 949	45 725 381	41 835 381	46 115 303	100.85	110.23
Other Expenditure	265 322 652	304 443 813	338 347 454	344 880 169	113.28	101.93
Total Expenditure	**(703 887 498)**	**807 703 835**	**845 906 677**	**777 744 829**	**96.29**	**91.94**
Surplus/(Deficit)	**(9 046 075)**	**(222 189 428)**	**(266 948 384)**	**(46 677 607)**	**21.00**	**17.49**
Transfers Recognised – Capital	117 504 000	153 363 890	156 325 325	109 062 801	71.11	69.77
Contributions Recognised – Capital & Contributed Assets	117 504 000	153 N363 890	156 325 325	109 062 801	71.11	69.77
Surplus/(Deficit) After Capital Transfers & Contributions	**108 457 925**	**(68 825 538)**	**(110 623 059)**	**584 917**	**0.84**	**0.53**

Share Of Surplus/ (Deficit) Of Associate	–	-	-	-	-	-
Surplus/(Deficit) For The Year	**108 457 925**	**(68 825 538)**	**(110 623 059)**	**584 917**	**0.84**	**0.53**
Capital Expenditure & Funds Sources						
Capital Expenditure	**117 504 000**	153 363 890	156 325 325	**152 125 325**	**71.11**	**97.31**
Transfers Recognised – Capital	**117 504 000**	153 363 890	156 325 325	**152 125 325**	**71.11**	**97.31**
Public Contributions & Donations	–	-	-	-	-	-
Borrowing	–	-	-	-	-	-
Internally Generated Funds	–	-	-	-	-	-
Total Sources Of Capital Funds	**117 504 000**	153 363 890	156 325 325	**109 062 801**	**71.11**	**69.77**
Financial Position						
Total Current Assets	181 702 770	1 876 737 418	1 876 737 418	173 219 898	**100**	**100**
Total Non Current Assets	1 773 544 444	2 142 494 697	2 142 494 697	1 889 452 445	**100**	**100**
Total Current Liabilities	67 175 621	100 872 774	100 872 774	65 429 162	**100**	**100**
Total Non Current Liabilities	26 344 470	27 376 024	27 376 024	49 958 108	**100**	**100**
Community Wealth/Equity	1 860 478 321	2 014 643	2 014 643	2 014 643	**100**	**100**
Cash Flows						
Net Cash From (Used) Operating	305 473 146	246 582 569	246 582 569	120 663 985	**100**	**100**
Net Cash From (Used) Investing	(307 038 450)	(256 993 887)	(256 993 887)	(163 902 693)	**100**	**100**
Net Cash From (Used) Financing	2 318 755	–	–	20 274 329		
Cash/Cash Equivalents At The Year End	**56 621 997**	**59 175 058**	**59 175 058**	**69 586 376**	**100**	**100**

COMMENT ON OPERATING TRANSFERS AND GRANTS

Operational grants for the financial year under review from national government is on average 100% received, with the equitable share grant spending at 100%.

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5.2 GRANTS

Grant Performance						
R						
Description	2016/2017	201718			2017/2018variance	
	Actual	Budget	Adjustments Budget	Final Adjusted Budget	Original Budget (%)	Adjustments Budget (%)
-						
Operating Transfers And Grants						
National Government:	463 689 981	342 737 000	0	523 737 000	100%	100%
Equitable Share	313 316 981	338 477 000	0	338 477 000	100%	100%
Municipal Systems Improvement	0	0	0	0	0%	0%
Department Of Water Affairs	29 000 000	0	0	45 000 000	0%	0%
Levy Replacement	0	0	0	0	0	0%
Other Transfers/Grants [Insert Description]	121 373 000	4 260 000	0	140 260 000	100%	100%
Provincial Government:	**0**	**0**	**0**		**0%**	**0%**
Health Subsidy	0	0	0	0	0%	0%
Housing	0	0	0	0	0%	0%
Ambulance Subsidy	0	0	0	0	0%	0%
Sports And Recreation	0	0	0	0	0%	0%
Other Transfers/Grants [Insert Description]	0	0	0	0	0%	0%
District Municipality:	**0**	**0**	**0**	**0**	**0%**	**0%**
Nnkangala District Municipaliry	0	0	0	0	0%	0%
	0	0	0	0	0%	0%
Other Grant Providers:	**0**	**0**	**0**	**0**	**0%**	**0%**
[Insert Description]	0	0	0	0	0%	0%
	0	0	0	0	0%	0%
Total Operating Transfers And Grants	**463 689 981**	**342 737 000**	**0**	**523 737 000**	**100%**	**100%**

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The purpose of asset management in Thembisile Hani Local Municipality is to ensure the effective and efficient control, utilization, safeguarding and management of the municipal's property, plant and equipment and to make managers aware of their responsibilities in regard of property, plant and equipment.

COMMENT ON ASSET MANAGEMENT

The above projects were driven by the pmu unit. the grants are received from government to improve infrastructure assets in various areas for better living conditions these assets are grant funded and budget were approved for these capital projects and for audit purposes these assets were signed off with a complete certificate that were obtain from different contractors before these projects could have been signed off for completeness for audit purposes.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Year	Liquidity Ratio
2016/2017	2.6
2017/2018	2.6

COMMENT ON LIQUIDITY RATIO

Year	Outstanding Service Debtor To Revenue
2015/2016	457 days
2016/2017	1 675 days
2017/2018	1 675 days

COMMENT ON OUTSTANDING SERVICE DEBTOR TO REVENUE

Debtors as extension beyond 30 days poses a cash flow risk in the table above the extended payment are beyond acceptability. The debt coverage ratio is not stable during the last two financial periods as the result of non-stable operating income and low collection of own income.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Thembisile Hani Local Municipality's capital budget is mainly funded from the mig and internal funds. The biggest mig funded project was on the Luthuli water reticulation

5.5 CAPITAL EXPENDITURE

20172018	% Of Expenditure Budget	Original Budget	Adjustment Budget	Audited Full Year Total
Capital Expenditure	100%	117 504 000 000	117 504 000	117 504 000
Operating Expenditure	98.22%	609 861 144	703 887 498	703 887 498
Total Expenditure	**99.30%**	**727 365 144**	**821 391 498**	**821 391 498**

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources 2016/-2017 - 2017/2018 R						
Details	2016/2017	2017/2018				
	Audited	Original Budget (Ob)	Adjustment Budget	Actual Expenditure	Adjust-Ment To Ob Variance (%)	Actual To Ob Variance (%)
Source Of Finance						
Public Contributions And Donations	0	0	0	0	0	0
Grants And Subsidies	1117 504 000	117 504 000	1117 504 000	117 504 000	100%	100%
Other	0	0	0	0	0	0
Total	119 000	117 504 000	117 504 000	117 504 000	100%	100%
Percentage Of Finance						
External Loans	0.0%	0.0%	0.0%	0.0%	0	0
Public Contributions And Donations	0.0%	0.0%	0.0%	0.0%	0	0
Grants And Subsidies	100.0%	100.0%	100%	100%	0	0
Other	0	0	0	0	0	0

Capital Expenditure						
Water And Sanitation	109 169 275	109 169 275	100 320 405	64 921 289	65%	59%
Electricity	2 081 228.00	2 081 228.00	6 734 293	6 941 492	103 %	334%
Housing	0	0	0	0	0	0
Roads And Storm Water	0	0	3 902 412	3 149 275	81%	-100%
Other	0	0	776 122	776 122	100%	-100%
Total	**111 250 503**	**111 250 503**	**111 736 232**	**75 788 178**	**68%**	**68%**
Percentage Of Expenditure						
Water And Sanitation	98%	98%	90%	86%	58%	58%
Electricity	2%	2%	6%	9%	6%	6%

Housing	0	0	0	0	0	0
Roads And Storm Water	0	0	3%	4%	3%	3%
Other	0	0	1%	1%	1%	1%

COMMENT ON SOURCES OF FUNDING

Grant funded projects were in line with the MIG implementation plan.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure Of 5 Largest Projects* R			
Name Of Project	Current Year		
	Original Budget	Adjustment Budget	Actual Expenditure
A – Upgrading of Existing Infrastructure from Agricultural Project to Augment Borehole Water Supply in Bundu (Bundu Weir, Multi-Year Project)	R 71 252 465.17	R 62 313 112.37	R 62 313 112.37
B – New Reservoir and Bulk Pipeline at KwaMhlanga for Mountain View and Phola Park Communities, Phase 2 (Multi-Year Project)	R 15 743 000.00	R 21 969 299.60	R 21 969 299.60
C – Upgrading of Vlaklaagte and Kwaggafontein Water Infrastructure (Multi-Year Project)	R 9 293 053.84	R 4 297 452.37	R 4 297 452.37
D – Upgrading of Kwaggafontein Landfill Site (Multi-Year Project)	R 9 218 176.80	R 18 547 041.98	R 18 547 041.98
E – Construction of Reticulation in Kwaggafontein A (Emasimini), Ward 29 (Multi-Year Project)	R 5 000 000.00	R 10 446 553.10	R 10 446 553.10
* Completed Projects With The Highest Capital Expenditure In 2017/ 2018.			

Name Of Project - A	Upgrading of Existing Infrastructure from Agricultural Project to Augment Borehole Water Supply in Bundu (Bundu Weir, Multi-Year Project)
Objective Of Project	To address the shortage of water in the municipality and supplement the current shortfall by adding 5 Ml per day to the network.
Delays	Local business forum challenges in light of work opportunities that are being demanded, hereby resulting in disturbance of the work on site.
Future Challenges	Inadequate bulk water supply for the Municipality in light of the 74.1 Ml per day actual demand on the basis of a population of 448 056, which is growing at an annual growth factor of 1.9%. Currently THLM is getting a supply of 43 Ml per day from its water suppliers, which amounts to a shortfall of 31.1 Ml per day.
Anticipated Citizen Benefits	6 840 Households To Benefit

Name Of Project - B	New Reservoir and Bulk Pipeline at KwaMhlanga for Mountain View and Phola Park Communities, Phase 2 (Multi-Year Project)
Objective Of Project	To improve the equitable distribution and management of the supply in the network, and also assist in reducing water losses.
Delays	Local business forum challenges in light of work opportunities that are being demanded, hereby resulting in disturbance of the work on site. Arson attack on site, which led to all material being damaged.
Future Challenges	Inadequate bulk water supply for the Municipality in light of the 74.1 Ml per day actual demand on the basis of a population of 448 056, which is growing at an annual growth factor of 1.9%. Currently THLM is getting a supply of 43 Ml per day from its water suppliers, which amounts to a

	shortfall of 31.1 Ml per day.
Anticipated Citizen Benefits	19 225 Households To Benefit

Name Of Project - C	Upgrading of Vlaklaagte and Kwaggafontein Water Infrastructure (Multi-Year Project)
Objective Of Project	To improve the equitable distribution and management of the supply in the network, and also assist in reducing water losses.
Delays	Local business forum challenges in light of work opportunities that are being demanded, hereby resulting in disturbance of the work on site.
Future Challenges	Inadequate bulk water supply for the Municipality in light of the 74.1 Ml per day actual demand on the basis of a population of 448 056, which is growing at an annual growth factor of 1.9%. Currently THLM is getting a supply of 43 Ml per day from its water suppliers, which amounts to a shortfall of 31.1 Ml per day.
Anticipated Citizen Benefits	19 690 Households To Benefit.

Name Of Project - D	Upgrading of Kwaggafontein Landfill Site (Multi-Year Project)
Objective Of Project	Adherering to environmental standards and having a legalised landfill site with cells, a lechate pond, storm water control, recycling plant, office building, and roads.
Delays	Local business forum challenges in light of work opportunities that are being demanded, hereby resulting in disturbance of the work on site.
Future Challenges	Fast filling of landfill site should the KwaMhlanga one not be legalised and upgraded in the next 5 – 10 years.
Anticipated Citizen Benefits	57 600 Households To Benefit.

Name Of Project - E	Construction of Reticulation in Kwaggafontein A (Emasimini), Ward 29 (Multi-Year Project)
Objective Of Project	To provide 300 households with access to potable water.
Delays	Local business forum challenges in light of work opportunities that are being demanded, hereby resulting in disturbance of the work on site.
Future Challenges	Inadequate bulk water supply for the Municipality in light of the 74.1 Ml per day actual demand on the basis of a population of 448 056, which is growing at an annual growth factor of 1.9%. Currently THLM is getting a supply of 43 Ml per day from its water suppliers, which amounts to a shortfall of 31.1 Ml per day.
Anticipated Citizen Benefits	300 Households To Benefit.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The Municipal grants expenditure 2017/18 service delivery backlogs are explained more on the chapter 3 under basic service delivery.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Proper cash flow management is a critical element to ensure the municipality meets its obligations. A stable positive cash flow balance relative to the growth of the municipality is a good indication of the municipality financial position and health. Cash flow projections are done on a monthly basis and cash not immediately required are invested for a better return on the short term.

Thembisile Hani Local Municipality's cash flow is daily monitored by the finance management section. There is also monthly reporting to the eecutive mayor in the form of section 71 reports and quarterly reports to council.

5.9 CASH FLOW

Description	2017/18				2017/2018
R Thousand	Original Budget"000	Budget Adjustments (I.T.O. S28)	Final Adjustments Budget	Actual Outcome	Audited Outcome
	1	2	3	4	
Cash Flow From Operating Activities					
Receipts					
Ratepayers And Other	39 741 441	46 129 497	85 870 938	89 938 722	65 687 4983
Government - Operating	367 315 101	0	367 315 101	367 315 101	342 737 000
Government - Capital	151 983 899	0	151 983 899	151 983 899	181 562 000
Interest	7 952 917	3 184 609	11 137 526	9 118 152	8 289 387
Payments					
Suppliers And Employees	(367 586 808)	(49 503 867)	(417 090 675)	(396 808 335)	(477 611 409)
Finance Charges	(3 611)	-	–	-	(486)
Transfers And Grants	(45 725 381)	(3 990 000)	(41 735 381) –	(44 115 303)	–
Net Cash From/(Used) Operating Activities	**153 677 558**	**157 681 408**	**157 481 408**	**307 791 898**	120 663 985
Cash Flows From Investing Activities					
Receipts	–	–	–	–	–
Proceeds On Disposal Of Ppe	–		–	–	–
Decrease (Increase) In Non-Current Debtors	–	–	–	–	–
Decrease (Increase) Other Non-Current Receivables	–	–	–	–	–
Decrease (Increase) In Non-Current Investments	–	–	–	–	–
Payments	–	–	–	–	–
Capital Assets	(153 681 169)	(153 681 169)	(156 325 325)	(152 125 325)	(153 902 693)
Net Cash From/(Used) Investing Activities	**(153 681 169)**	**(153 681 169)**	**(156 325 325)**	**(152 125 325)**	**(153 902 693)**
Cash Flows From Financing Activities	–	–	–	–	–
Receipts	–			–	20 274 329
Short Term Loans	-	-	–	–	–
Payments	–	–	–	–	–
Repayment Of Borrowing	–	–	–	–	–

Net Cash From/(Used) Financing Activities	**–**	**–**	**–**	**–**	20 274 329
					–
Net Increase/ (Decrease) In Cash Held	753 451	-	-	(10 411 318)	**(12 964 379)**
Cash/Cash Equivalents At The Year Begin:	68 832 925	-	-	69 586 376	**(69 586 376**
Cash/Cash Equivalents At The Year End:	68 832 925	-	-	59 175 058	**56 621 997**

5.10 BORROWING

COMMENT ON BORROWING

No new or old loans were taken up in the financial year under review.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 GRAP COMPLIANCE

GRAP COMPLIANCE

The Annual Financial Statements have been prepared and presented in accordance with the standard of grap and the preparing and presentation of the grap compliant afs is improving in each and every year.

5.12 SUPPLY CHAIN MANAGEMENT

The Council has developed its policy in line with the municipal supply chain management regulations and MFMA circulars issued by the National Treasury. The municipality has developed and established the supplier database. The bid committees were established and are fully functional, namely; the bid specification committee, bid evaluation committee; and bid adjudication committee. The committees are appointed in terms of proper delegation and appointed in terms of the legislations. The bid committees are functioning well.

All members of the bid specification, bid evaluation and bid adjudication committees are delegated in writing by the municipal manager to serve on these respective committees. These delegations are accepted in writing and records thereof are available. The following persons served on the following respective committees:

Bid specification committee

1. Mr. William Msiza
2. Mr. Sanele Nkosi
3. Ms. Pinky Sibiya

Bid Evaluation Committee

1. Mr. Dumisani Mahlangu
2. Mr. Katlego Mokwena
3. Ms. Lydia Sehlako
4. Ms. Aminah Aphane
5. Ms. Simphiwe Mashiane

Bid Adjudication

1. Mr. Bongumusa Sithole
2. Mrs. Raisibe Morudu
3. Mr. Sibusiso Masilela
4. Ms. Lerato Nxumalo

The Supply Chain Management unit is a fully fledged unit operating with five (5) officials. Only three (03) officials meet the minimum competency levels as prescribed in the MFMA competency regulation guidelines. There are currently no challenges with the functioning of bid committees. The municipality has developed a Procurement Plan on capital projects for the 2017/2018 financial year, and all procurement requirements are measured against the plan. The National Treasury has issued guidelines for municipal competency levels for heads of Supply Chain Management units. These guidelines have been issued in terms of municipal regulations on minimum competency levels. The assistant manager complies with these minimum competency levels. Currently, one (01) SCM Accountant is registered for the MFMP to meet minimum competency levels of managers. There are no councillors serving as members of any bid committees or who participate in the supply chain management processes at the municipality. The SCM unit has a policy and procedures manual to address the inefficiencies noted within the procurement system and the re-alignment with the legal framework and delegation of systems. Matters of emphasis have been raised by Auditor General on non – compliance with regulations. However, most of audit queries issues raised have been resolved by terminating the contracts with irregularities and normal SCM processes have commenced to appoint service providers through normal SCM processes. Another remedy is to ensure that SCM personnel is embarks on continuous training in order to be in line with new regulations and developments.

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The constitution s188 (1) (b) states that the functions of the auditor-general includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the auditor-general.

COMPONENT A: AUDITOR-GENERAL OPINION 2016/2017

6.1 AUDITOR GENERAL REPORTS 2016/2017

The Municipality received an unqualified audit opinion for the financial year 2016/2017. in terms of section 133 of the MFMA, the municipality must develop an audit action plan to ensure that the objective of a clean audit report is achieved before the government's deadline of 2017 considerable work has been done, and progress made, but the fact that a clean audit is still to be achieved remains a serious objective for the Thembisile Hani Local Municipality

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Thembisile Hani Local Municipality set out on pages … to …, which comprise separate statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Thembisile Hani Local Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics* for *professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 37 and 38 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2017.

Material losses

8. As disclosed in note 5 to the financial statements, material water losses to the amount of R13 534 916 (2015-16: R15 075 116) was incurred which represents 12% (2015-16: 13%) of total water purchased.

Material impairments

9. As disclosed in note 9 to the financial statements, the receivables balance was significantly impaired. The impairment of consumer debtors amounted to R751 424 612 (2015-16: R567 569 288), which represented 94% (2015-16: 95%) of the total consumer debtors. The contribution to the provision for debt impairment was R184 979 929 (2015-16: R168 588 499).

Other matters

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

13. In preparing the financial statements, the accounting is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

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

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

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

Development priority	Pages in the annual performance report
Development priority (KPA 1) - Basic service delivery	x – x

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

20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following development priority:

- Development priority (KPA 1) - Basic service delivery

Other matters

21. I draw attention to the matters below.

    Achievement of planned targets

22. Refer to the annual performance report on page(s) x to x; x to x for information on the achievement of planned targets for the year and explanations provided for the under or overachievement of a significant number of targets.

    Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of development priority (KPA 1) - basic service delivery. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

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

25. The material findings on compliance with specific matters in key legislations are as follows:

    Procurement and contract management

26. Awards were made to providers who were in the service of other state institutions or whose directors or principal shareholders were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

    Financial statements, performance and annual reports

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided.

    Assets management

28. 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.

Expenditure management

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

Other information

30. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the Audit Committee's report. The other information does not include the financial statements, the auditor's report thereon and the selected development priority presented in the annual performance report that has been specifically reported on in the auditor's report.

31. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon

32. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

33. I have read the other information included in the draft annual report and have nothing to report in this regard.

34. I have not received the final annual report containing the other information. When I do receive and read this information, if I conclude that it contains a material misstatement, I am required to communicate the matter to those charged with governance and to request the other information to be corrected. If the other information is not corrected, I may have to re-issue my auditor's report amended as appropriate.

Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Financial and performance management

36. The municipality developed a plan to address internal and external audit findings, but the appropriate level of management did not monitor adherence to the plan in a timely manner.

37. The financial statements and the annual performance report contained numerous misstatements which were subsequently corrected due to lack of proper and timely reviews by management.

38. Monitoring controls were not effective to ensure full compliance with laws and regulations.

Chapter 6

Auditor-General

Mbombela

30 November 2017

AUD TOR-G NERAL
SOUTH AFRICA

Auditing to build public confidence

Chapter 6

COMPONENT B: AUDITOR-GENERAL OPINION 2017/2018

6.2 AUDITOR GENERAL REPORTS 2017/2018

Report of the auditor-general to the Mpumalanga Provincial Legislature and the council on the Thembisile Hani Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Thembisile Hani Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effect of the matter described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Thembisile Hani Local Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (DoRA).

Basis for qualified opinion

Commitments

3. The municipality did not have adequate systems to maintain records for commitments and assets under construction. Completed projects were included in commitments and assets under construction, which resulted in commitments and assets under construction being overstated by R46,5 million and R13,3 million, respectively. In addition, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as assets under construction in note 3, due to a lack of supporting documents to substantiate the amounts disclosed. I could not confirm assets under construction by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to assets under construction stated at R173,3 million in note 3 to the financial statements.

Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

5. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Material impairments

8. As disclosed in note 10 to the financial statements, the consumer debtors balance was significantly impaired. The total impairment of consumer debtors amounted to R839,2 million (2016-17: R747,2 million), which represented 95% (2016-17: 93%) of the total consumer debtors. The contribution to the provision for debt impairment was R92 million (2016-17: R179,6 million).

Restatement of corresponding figures

9. As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2018.

Fruitless and wasteful expenditure

10. As disclosed in note 44 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R9,1 million, due to the overpayment of suppliers and some employees who absconded.

Irregular expenditure

11. As disclosed in note 45 to the financial statements, the municipality incurred irregular expenditure of R34,9 million, as it did not adhere to the Supply Chain Management (SCM) Regulations.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

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

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

20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2018:

Development priority	Pages in the annual performance report
KPA 1 – Basic service delivery and infrastructure development	xx – xx

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

22. I did not raise any material findings on the usefulness and reliability of the reported performance information for this development priority:

- KPA 1 – Basic service delivery and infrastructure development

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

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

Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA1 – basic service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Introduction and scope

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

27. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were subsequently provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

29. The annual financial statements were not submitted to the auditor-general for auditing within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.

Expenditure management

30. Reasonable steps were not taken to prevent irregular expenditure amounting to R34,9 million, as disclosed in note 45 to the financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by a lack of processes and mechanisms to detect and identify non-compliance with SCM Regulations. Irregular expenditure amounting to R19,6 million was incurred on key projects for a new reservoir and pipeline at Kwamhlanga for the Phola Park and Mountain View communities – phase 2 (multi-year project) and for the upgrading of existing infrastructure to augment borehole water supply in Bundu – work package 5 (multi-year project).

Procurement and contract management

31. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c).

32. Some quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.

33. Some invitations for competitive bidding were not advertised for the required minimum period, in contravention of SCM regulation 22(1) and 22(2).

34. Some goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).

35. Contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.

Human resource management

36. Appropriate systems and procedures to monitor, measure and evaluate the performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000).

Consequence management

37. Allegations of financial misconduct laid against officials of the municipality were not investigated by the disciplinary board, relevant treasury or an independent investigator or team of investigators appointed by the council, as required by municipal regulation on financial misconduct procedures and criminal proceedings 5(4).

38. In some instances, I was unable to obtain sufficient appropriate audit evidence that losses resulting from fruitless and wasteful expenditure were recovered from the liable person, as required by section 32(2) of the MFMA. This was due to proper and complete records not being maintained as evidence to support the investigations into fruitless and wasteful expenditure.

Other information

39. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that has been specifically reported in this auditor's report.

40. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

41. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

42. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

43. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

44. The leadership did not adequately monitor financial reporting, reporting on performance information and compliance with laws and regulations, which resulted in material misstatements and non-compliance only being identified during the audit process. In addition, key vacancies were not filled and audit action plans were not adequately monitored to ensure the promotion of a sound control environment that supported clean financial administration and service delivery.

45. Underlying records that support the annual financial statements were not updated regularly to support the decision-making processes of the municipality. Such records include the assets under construction and commitments register, which was only compiled and updated during the audit process.

Auditor-General

Mbombela

30 November 2018

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

   - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
   - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
   - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
   - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

APPENDICES

APPENDIX A (I) – LIST OF WARD COUNCILLORS

Ward	Surname & Names	Contact	Physical Address
1	Cllr Amos Mahlangu	082 963 9449	Stand 1849 Block 15 Moloto South
2	Cllr Dipolelo Sinah Mampuru	079 355 5829	Stand No 10693 Rdp Ext 11. Moloto North
3	Cllr Pheneus Doctor Makatu	082 096 7689	Stand No 2585 Block 6 Moloto South
4	Cllr Mitopi Andries Motena	072 244 2785 074 436 1781	Stand No.521 Zakheni
5	Cllr Sipho Koos Ngoma	076 108 0871	Stand 986 Thembalethu, Next To Siyabonga Tavern
6	Cllr Koos vusi Jiyane	078 255 2077 071 623 5848	718 Phola Park
7	Cllr Moses Michael Mahlangu	072 053 2801	Stand No 372 Mjiranco Street. Boekenhouthoek
8	Cllr Mbebenzi Ben Mabena	079 367 8195	Stand No 1998 Verena D
9	Cllr Joseph Elias Mthimunye	078 535 1287	Stand No 120 Buhlebuzile
10	Cllr Maria Thruddy Nobela	072 593 4635	341 EMzimuhle/Germbokspruit
11	Cllr Sgaule Timothy Mnisi	076 792 1744 071 623 9781	258 Wolvenkop Verena
12	Cllr Sipho Masango	079 114 5193	Stand No 23 Tweefontein C, Next To Vukuzame Secondary School
13	Cllr Christinah Ndlelehle Mahlangu	078 211 3873 076 867 4373	Stand No 1513 Tweefontein B2
14	Cllr James Simausu Msiza	071 402 9708	Stand No 86 Mountainview Zone, Next To Mdawu Store And Apolo
15	Cllr Alexcious Sphiwe Madyungu	072 607 4431	Stand 1236 Tweefontein E,Next To Sinamuva Store
Ward	**Surname & Names**	**Contact**	**Physical Address**
16	Cllr Josephinah Lindiwe Mahlangu	079 583 3956	Stand No 753 Buhlebesizwe, Next To Khulufunde Primary

17	Cllr Samuel Bongani Mogoboya	071 438 5694	Stand No 313 Tweefontein F, Maleleza Street
18	Cllr Maria Qhubeni Mnguni	084 716 2684 074 308 9530	284 Slovo Street Thokoza
19	Cllr Mzwandile Obed Sikosana **(MPAC Chairperson)**	079 031 2227	621 Suncity A
20	Cllr Seisiwe Jack Masango	079 246 4997 076 341 6920	492 Suncity Aa
21	Cllr Norman Ngoma	072 568 1485	Stand No: 795 Vlaklaagte No: 1. Next To Moonlight Store
22	Cllr Nimrod Boitumelo Malefo	079 718 9023 071 623 5882	391 Mandela
23	Cllr Victor Bongani Msibi	083 800 6781 076 696 6431	Stand No 192 Tweefontein A, Next Tribal Office- Kwashabangu
24	Cllr Dumisani Chrescent Fakude	072 030 9641	Stand No 1067 Bundu, Around Second Hamp
25	Cllr Jan Sizwe Mahlangu	072 305 2096	569 Kwaggafontein B
26	Cllr Masotja Petrus Nduli	071 324 6353	Stand No 2195 Kwaggafontein C
27	Cllr Dini Samson Skosana	076 122 5582	Stand No 757 Kwaggafontein A, Section 7
28	Cllr Khulisile April Msiza	072 474 3118 078 200 7430	Stand No 1725 Kwaggafontein A
29	Cllr Patrick Vusi Mahlangu	072 420 8514	Stand1215 Kwaggafontein A
30	Cllr Gideon Mahlangu	073 131 1164 063 784 6518	Stand No 1402 Tweefontein H
31	Cllr Vusimuzi Vincent Skosana	073 272 8457	1292 Kwaggafontein D (Ngendwani)
32	Cllr Oria Mpheto Mabelwane	076 088 2224	Stand No 513 Kwamhlanga B

APPENDIX A (II) – LIST OF PR COUNCILLORS

Names & Surname	Contact	Physical Address
Cllr NoMSA Sanny Mtsweni **(Her Worship Hon. Executive Mayor)**	082 824 9826	Stand 123 Section A, Kwamhlanga
Cllr Nompumelelo Evidence Hlophe **(Hon. Speaker)**	072 734 4722	Stand 10067 Zakheni, Behind Kwa-Willy Panelbeat
Cllr Joyce Johannah Tau **(Hon. Council Whip)**	082 965 4343	2471 Block 06 Moloto
Cllr Lillian Martha Tshabangu **(Hon. MMC Finance)**	082 791 0771 071 623 5917	Stand No 472 Tweefontein F
Cllr Thomas Lebandla Mabena **(Hon. MMC LED)**	060 696 7594	Stand No 447/8 Sun CityAa
Cllr Maria Poppy Msiza **(Hon. MMC SDS)**	073 311 7976 076 676 0319	866 Kwagga D
Cllr Thabisile Elsie Mashinini	072 102 7549	Stand 1459 Mandela
Cllr Emelinah Mavis Mathibela	076 400 1148	Stand No 3 Verena A, Next To Thandi Tuck Shop
Cllr Lindiwe Thembi Skosana	076 709 7595	Stand No 2307 Mountainview, Use The Paving Road
Cllr Thokozile Egnes Motanyane	082 965 2217 084 775 2725	2564 Kwagga C
Cllr Theletji James Makhwiting **(Hon. MMC Technical S.)**	060 672 8757	Stand No B241 Empumelelweni, Sheldon
Cllr Laza Elsie Jiyane	072 407 0423	Stand No 797 Phola Park, Street 35, Behind The Sports Bar

Cllr Marcia Msiza	082 746 9944 084 858 5808	Kwagga A
Cllr Zanele Maseko	083 311 0863	Stand No 77/78 Mathyzensloop
Cllr Nomasonto Emmah Phakathi **(Hon. MMC Corporate)**	076 981 9646	Stand No 1926 Block 11, Moloto South
Cllr Sonto Rose Nhlapho	082 399 8302	Stand 514 Luthuli, Rocky Tavern
Cllr Nomatjeni Nellie Msiza	060 771 4578	Stand 425 Tweefontein , Next To Bout Tavern
Cllr Piet Thapelo Kekana	072 149 5989	2521 Vezubuhle, Next To Vezubuhle Hall
Cllr Remenky Stephinah Molefe	071 121 1731	Stand No 2748 Zenzele,
Cllr Steven Boshego	072 729 1734	Stand 7001 Zakheni, Next To Driving School
Cllr Alicia Lebohang Dhlamini	076 205 6019	Stand No 157 Kwaggafontein C, Next To Velly's Tavern
Cllr Vusi Amos Msibi	082 633 5717	Stand No 672 Tweefontein H, Next To Thumamina Sand
Cllr Ntombi Mitta Motaung	072 290 3386	Stand 1691 Verena C, Next To Somlingo Primary School
Cllr Matalanyane Lucas Mokolo	082 367 6267	Stand No. 2759 Moloto North, Block A, Next To Ekosini Kwa-Skosana
Cllr Nompumelelo Merriam Mahlangu	060 787 8934	Stand No 549 Thembalethu,
Cllr Toenkie Linah Masilela	082 295 0417	80025 Zakheni,
Cllr. Ivy Mando Mahlangu	072 694 1989	419 Buhlebesizwe Rdp
Cllr Maria Adelaide Mokwena	073 105 1959	232 Buhlebesizwe 2 Aa
Cllr Thabo John Tibane	083 530 2950 082 060 3258	Stand No. 90/91 Suncity D

Cllr Jan Masaka Makhubela	071 299 3111	293 Mountainview Zone 3
Cllr Rubber Qaliwe Mtsweni	073 659 5200	586/7 Mountain View
Cllr Salome Athana Magolego	079 103 3553	Phola Park, Street No. 21,Stand No. 451, Ga Skhosana ekhabo Nthabiseng

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (Other Than Mayoral / Executive Committee) And Purposes Of Committees	
Municipal Committees	**Purpose Of Committee**
ICT Committee	Councillors Provide Oversight Role To All Committees
LED Committee	Councillors Provide Oversight Role To All Committees
Social Development Services	Councillors Provide Oversight Role To All Committees
Technical Services Committee	Councillors Provide Oversight Role To All Committees
MPAC	Councillors Provide Oversight Role To All Committees
Corporate Service Committee	Councillors Provide Oversight Role To All Committees
Finance Services Committee	Councillors Provide Oversight Role To All Committees

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State Title And Name)
Assistant Manager IDP	Mr K Mokwena
Assistant Manager: PMS	Ms. K.S Moripe
Assistant Manager: LED	Mr. Ws Msiza
Assistant Manager: Communication	Ms. S Mashiane
Chief Internal Auditor	Mr. A Malope
Chief Risk Officer	Mr. T Baloyi
Assistant Manager: Public Participation	Mr. H Nkosi
Assistant Manager: Youth Development	Mr. T Mahlangu
Assistant Manager: Researcher And Monitoring	Mr Ko Bapela
Assistant Manager: Roads And Storm Water	Mr. V Sibuyi
Assistant Manager: Sanitation And Water	Mr C Mokubedi
Assistant Manager: PMU	Mr D Mahlangu
Assistant Manager: Human Settlement & Town Planning	Mr. S Masilela
Assistant Manager: Waste Management & Environment	Ms. A Aphane
Assistant Manager: HRM	Ms. L Nxumalo
Assistant Manager: Legal Service	Adv. Jp Skosana
Assistant Manager: Fleet Management	Mr. Jj Skosana
Assistant Manager: ICT	Mr.T Ntimane
Assistant Manager: Revenue Management	Mr. O Ledwaba
Assistant Manager: Assets Management	Mr. R Makhubele
Assistant Manager: SCM	Ms. L Sehlako
Assistant Manager: Budget And Reporting	Mr. J. Moyo
Assistant Manager: Expenditure Management	Ms J Mahlangu
Use As A Spill-Over Schedule If Top 3 Tiers Cannot Be Accomodated In Chapter 2	

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal Functions	
Municipal Functions	**Function Applicable To Municipality (Yes / No)***
Constitution Schedule 4, Part B Functions:	
Air Pollution	No
Building Regulations	Yes
Child Care Facilities	No
Electricity And Gas Reticulation	No
Firefighting Services	No
Local Tourism	Yes
Municipal Airports	No
Municipal Planning	Yes
Municipal Health Services	Yes
Municipal Public Transport	No
Municipal Public Works Only In Respect Of The Needs Of Municipalities In The Discharge Of Their Responsibilities To Administer Functions Specifically Assigned To Them Under This Constitution Or Any Other Law	Yes
Pontoons, Ferries, Jetties, Piers And Harbours, Excluding The Regulation Of International And National Shipping And Matters Related Thereto	No
Stormwater Management Systems In Built-Up Areas	Yes
Trading Regulations	Yes
Water And Sanitation Services Limited To Potable Water Supply Systems And Domestic Waste-Water And Sewage Disposal Systems	Yes
Beaches And Amusement Facilities	No
Billboards And The Display Of Advertisements In Public Places	Yes
Cemeteries, Funeral Parlours And Crematoria	Yes
Cleansing	Yes
Control Of Public Nuisances	Yes
Control Of Undertakings That Sell Liquor To The Public	No
Facilities For The Accommodation, Care And Burial Of Animals	No
Fencing And Fences	Yes
Licensing Of Dogs	No
Licensing And Control Of Undertakings That Sell Food To The Public	Yes
Local Amenities	Yes

Municipal Functions	
Municipal Functions	**Function Applicable To Municipality (Yes / No)***
Local Sport Facilities	Yes
Markets	No
Municipal Abattoirs	Yes
Municipal Parks And Recreation	Yes
Municipal Roads	Yes
Noise Pollution	Yes
Pounds	YES
Public Places	Yes
Refuse Removal, Refuse Dumps And Solid Waste Disposal	Yes
Street Trading	Yes
Street Lighting	Yes
Traffic And Parking	Yes

APPENDICES

APPENDIX E – WARD REPORTING

Functionality Of Ward Committees					
Ward Name (Number)	**Name Of Ward Councillor And Elected Ward Committee Members**	**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 Public Ward Meetings Held During Year**
1	**Cllr A. Mahlangu**	**Yes**	**12**	**12**	**3**
	Themane Phakaneng Jim				
	Kheswa Vusimuzi Wellington				
	Bonokwane Seun				
	Maisela Mpelegwa Piet				
	Masogo Kedibone Caroline				
	Nkuna Mhlopheki Charles				
	Mpedi William				
	Mngidi Tryphorsa Julia				
	Sabani Betty Mahlangu				
	Shoba Mkhozile Johannes				
2	**Cllr DS Mampuru**	**Yes**	**12**	**12**	**4**
	Monahane Berand Alfred				
	Motau Tebogo Jetra				
	Mhlanga Nchoke Solomon				
	Wesi Kagisano David				
	Molomo Phashushu Paul				
	Madela Phila Getrute				
	Monakedi August				
	Mokone Freddie				
	Madiseng Lenah Linky				
	Ngwenya Jabu Patrick				
3	**Cllr PD Makatu**	**Yes**	**12**	**12**	**7**
	Molaudzi Thomas Ntebaleng				
	Busisiwe Johannah Nkabinde				
	Makobe Jack Mashilo				

APPENDICES

Functionality Of Ward Committees					
Ward Name (Number)	**Name Of Ward Councillor And Elected Ward Committee Members**	**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 Public Ward Meetings Held During Year**
	Makena Evelina Makonketsa				
	Chabedi Dikeleli Ellen				
	Alege Elsie Motjoka				
	Mahlangu Jennifer Morongwa				
	Mahlangu Mokgaetji				
	Sipho Mahlangu				
	Manyoka Harry Mokafa				
4	**Cllr MA Motena**	**Yes**	**12**	**12**	**3**
	Matsha Mmadiale Winny				
	Gule Poppy Getrude				
	Albert Alfred Sibanyoni				
	Modika Tebogo Johannah				
	Mtsweni Godfrey Mandla				
	Elizabeth Namtungwana Radebe				
	Kabini Thomas Umgoli				
	Maphutse Emily Ntombizodwa				
	Phatlamotlaka Zacharia Johannes				
	Thomas Mathenjwa				
5	**Cllr SK Ngoma**	**Yes**	**12**	**12**	**6**
	Masombuka Miggal Nomthandazo				
	Sibanyoni Nomalanga Elizabeth				
	Mgidi Mzakhe Witbooi				
	Motsweni Albert				
	Mahlangu Jabulile Rejoice				
	Sikhosana Sandile				
	Mdluli Thandi Lizzy				
	Sibanyoni John Xabuzani				
	Makhananisa Vincent Boy				
	Ngoepe Lettie				

APPENDICES

Functionality Of Ward Committees					
Ward Name (Number)	**Name Of Ward Councillor And Elected Ward Committee Members**	**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 Public Ward Meetings Held During Year**
6	**Cllr KV Jiyane**	**Yes**	**12**	**12**	**4**
	Msiza Joseph Joey				
	Mahlangu Letty Beauty				
	Skosana Betty Vamuhle				
	Mahlangu Letty Sarah				
	Masina Nomalanga Emely				
	Mokoena Pretty Molly				
	Skosana Tshidi Mahlogonolo				
	Motau Rose Bahlezi				
	Mahlangu Poprizana Beauty				
	Magakoe Esther Mamohlolo				
7	**Cllr MM Mahlangu**	**Yes**	**12**	**12**	**8**
	Mahlangu Vusi				
	Thubane John Daantjie				
	Thabethe Elizabeth Khabo				
	Mtsweni Sana Swartbooi				
	Skhosana Mike Aaron				
	Ngoma Johannah Thembisile				
	Banda Mpho				
	Makwakwa Nomsa Esther				
	Mathibedi Nomathemba Joyce				
	Manala Mathibela				
8	**Cllr MB Mabena**	**Yes**	**12**	**12**	**6**
	Mahlangu Bongi Engelinah				
	Sibanyoni Maria				
	Makgama Florah Madiele				
	Djiane Rose				
	Mbonani Johana Meme				
	Sibanyoni Mandla Prince				
	Mahlangu Tati Letty				

APPENDICES

Functionality Of Ward Committees					
Ward Name (Number)	**Name Of Ward Councillor And Elected Ward Committee Members**	**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 Public Ward Meetings Held During Year**
	Mahlangu Johannes Thulani				
	Thubane Nurse Sarah				
	Rahlago Malendah Sape				
9	**Cllr JE Mthimunye**	**Yes**	**12**	**12**	**9**
	Skhosana Rati Johannah				
	Mahlangu Grace Nomathemba				
	Ndala Nomusa				
	Lebisi Sophy Nadima				
	Mbonani Musa Christina				
	Motha Thandi Precious				
	Masilela Sdudla Linah				
	Kabini Thuthukile Ntombi				
	Mahlangu Elinah Jane				
	Sikhosana Lungile Annah				
10	**Cllr MT Nobela**	**Yes**	**12**	**12**	**14**
	Mtshweni Jeffrey Godfrey				
	Ragimana Sydwell Lebogang				
	Ntuli Lillian Thokozile				
	Nkambule Nelly Ouma				
	Masango Sarah Sphenge				
	Magagula Nanetjie Busisiwe				
	Nkambule Linah Busi				
	Msiza Phillip Sunnyboy				
	Nhlanhla Bafana Elliot				
	Mathibela Nyamana John				
11	**Cllr ST Mnisi**	**Yes**	**12**	**12**	**7**
	Magadla Thomas Joseph				
	Zikalala Sindisiwe Agnes				
	Mtsweni Jeaneth Johannah				

APPENDICES

Functionality Of Ward Committees					
Ward Name (Number)	**Name Of Ward Councillor And Elected Ward Committee Members**	**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 Public Ward Meetings Held During Year**
	Tshabalala Nombulelo Precious				
	Ntuli Annah Lala				
	Mtimunye Lucky Linda				
	Jiyane Mduduzi Velly				
	Mthimunye Job Rolls				
	Mthombeni Geelbooi Mphatheki				
	Ntuli David Mapocho				
12	**Cllr S Masango**	**Yes**	**12**	**12**	**6**
	Malaza Mantombi Martha				
	Rembeyi Bongiwe Sylvia				
	Nkosi Sesana Joice				
	Mabasa Nurse Prescilla				
	Skhosana Charles Vusi				
	Mkhatshwa Nonhlanhla Nonkululeko				
	Nevonde Elias Oupa				
	Mnisi Solomon Mhlanganiswa				
	Skosana Msongelwa Johannes				
13	**Cllr CN Mahlangu**	**Yes**	**12**	**12**	**7**
	Sibeko Fikile				
	Gule Kellina Pretty				
	Mahlangu Andrew Zabi				
	Skhosana Seun Vusumuzi				
	Ntuli Maria Timjewe				
	Mahlangu Suzan Christinah				
	Thabethe Jane Thandi				
	Mashiya Gildress Zwelibantsi				
	Mahlangu Winnie Sithembiso				
	Mashiane Zandile Margaret				

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Functionality Of Ward Committees					
Ward Name (Number)	**Name Of Ward Councillor And Elected Ward Committee Members**	**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 Public Ward Meetings Held During Year**
14	**Cllr JS Msiza**	**Yes**	**12**	**12**	**11**
	Ntuli Daniel Vukuzenzele				
	Mdluli Ntombi Ignatia				
	Sibiya Comfort Mduduzi				
	Mtshweni Thoko Esther				
	Khoza Anitha Sonto				
	Mabaso Thabsile Christicia				
	Maila Joseph				
	Lekoko Rose Ngwanatshehlo				
	Mabena Moses				
	Mabhena Tembeni Stephinah				
15	**Cllr AS Madyungu**	**Yes**	**12**	**12**	**9**
	Skosana Gwezi Rose				
	Mahlangu Annah Nomgqibelo				
	Diala Joseph Doctor				
	Masimola Maria Swabi				
	Radebe Mompi Patience				
	Makwakwa Nomaswazi Hilda				
	Shabangu Nomhlekhabo Rooi Maria				
	Mahlangu Sabinah Thoko				
	Mnguni Simon Sipho				
	Mahlangu Wendy Lindiwe				
16	**Cllr JL Mahlangu**	**Yes**	**12**	**12**	**2**
	Mozisa Solly Stevens				
	Mtsweni Jan Frances				
	Mahlangu Busisiwe Beatrice				
	Nkwane Freeda Nonkululeko				
	Masango Yvonne Velaphi				
	Mahlangu Simphiwe Margaret				

APPENDICES

Functionality Of Ward Committees					
Ward Name (Number)	**Name Of Ward Councillor And Elected Ward Committee Members**	**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 Public Ward Meetings Held During Year**
	Mtsweni Busisiwe Khulelaphi				
	Mtsweni Sphiwe Martha				
	Zulu Bunwana Zithulele				
	Mphuthi Thabo Peter				
17	**Cllr SB Mogoboya**	**Yes**	**12**	**12**	**13**
	Ndaba Pheli Grace				
	Mthimunye Thulisile Linah				
	Khumalo Patience Nosipho				
	Sibanyoni Busisiwe Theodrin				
	Mkhwanazi Thulani Daniel				
	Masilela David				
	Thokwane Christian Kosi				
	Mahlangu January Matjoni				
	Mahlangu Martha Senzi				
	Skhosana Speelman Makhundula				
18	**Cllr MQ Mnguni**	**Yes**	**12**	**12**	**7**
	Malope Mpati Philly				
	Mthombeni Vusi Abram				
	Zungu Valentia Denny				
	Ntuli Mathoma Boy				
	Mahlangu Mavis Mbitjana				
	Mahlangu Thokozile Ntokozo				
	Mtshweni Zakhona Nhlanhla				
	Mahlangu Martha Sdudla				
	Mahlangu Gatshi Christina				
	Mokoena David Sello				
19	**Cllr MO Sikosana**	**Yes**	**12**	**12**	**4**
	Mokwana Jack Thabang				
	Shiburi Sebetla David				
	Mashiyane Phindaphi Sarah				

APPENDICES

Functionality Of Ward Committees					
Ward Name (Number)	**Name Of Ward Councillor And Elected Ward Committee Members**	**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 Public Ward Meetings Held During Year**
	Makhubela Thomas Nzama				
	Msiza Annarancia Bangiswani				
	Mtsweni Thabisile Emily				
	Semelani Khulu Hendrick				
	Tema Mathews Tebogo				
	Mahlangu Letty Khabonina				
	Mabena Phephelaphi Eva				
20	**Cllr SJ Masango**	**Yes**	**12**	**12**	12
	Sibanyoni Winie Sibongile				
	Sedisho Cedric Ephryme				
	Mntambo Thokozile Constance				
	Mahlangu Magie Ntombi				
	Napyane Gift Popo				
	Kgophane Sanny Busisiwe				
	Mkhuma Pauline Mabelema				
	Masuku Rebeca				
	Mokwena Millicent Evelinah				
	Mtsweni Khuziwe David				
21	**Cllr N Ngoma**	**Yes**	**12**	**12**	**3**
	Mahlangu Samuel Nzani				
	Konza Ephraim Nsikelelo				
	Mngomezulu Joice Bikhaphi				
	Masanabo Johannah Nomsa				
	Mahlangu Virginiah Sbongile				
	Mnguni Johannes Porsch				
	Mahlangu Emmanuel Phillip				
	Chenepe Dimakatso Gladys				
	Sikhosana Onicca Sibongile				
	Skhosana Dimod Simon				
22	**Cllr NB Malefo**	**Yes**	**12**	**12**	**4**

APPENDICES

Functionality Of Ward Committees					
Ward Name (Number)	**Name Of Ward Councillor And Elected Ward Committee Members**	**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 Public Ward Meetings Held During Year**
	Shabalala Zanele Yvonne				
	Komete Maria Nkele				
	Marakalala Challie				
	Aphane Busisiwe Elizabeth				
	Maphotho Sengangayana David				
	Mahlangu Collen Simiso				
	Ngobeni Samuel Shirelela				
	Mabena Johannes Taitors				
	Nkadimeng Joseph				
	Masilela Christinah Sibongile				
23	**Cllr VB Msibi**	**Yes**	**12**	**12**	**7**
	Mahlangu Jabulile Gloria				
	Nkambule Hezekiel				
	Mahlangu Ester Nhlanhla				
	Mahlangu Lindiwe Suzan				
	Kubeka Ettie Samuel				
	Mahlangu Phumzile Jessie				
	Madela Nombuso Winnie				
	Msiza John Mthethwa				
	Tshabalala Simon Mzamani				
	Skhosana Jan				
24	**Cllr DC Fakude**	**Yes**	**12**	**12**	11
	Mathibela Christ Jan Oupa				
	Mazibuko Alfred				
	Ntuli Lucas Bahlezinganye				
	Mthimunye Julia Hilda				
	Mahlangu Geelbooi John				
	Skhosana Mahlathini Jack				
	Sekopa Ramathabathe Norah				
	Mahlangu Lindiwe				

APPENDICES

Functionality Of Ward Committees					
Ward Name (Number)	**Name Of Ward Councillor And Elected Ward Committee Members**	**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 Public Ward Meetings Held During Year**
	Mahlangu Kleinbooi Yazo				
	Moloi Teti Sylvia				
25	**Cllr JS Mahlangu**	**Yes**	**12**	**12**	**12**
	Mahlangu Poppie				
	Mahlangu Paulinah Patricia				
	Sibanyoni Esther				
	Mahlangu Sipho Elias				
	Tshezi Salamina				
	Magubane Thabile Yvonne				
	Mahlangu Mpostili				
	Masanabo Lesiba Johannes Dukes				
	Mahlangu Dumeleni Rose				
	Kabini Lindiwe Sophy				
26	**Cllr MP Nduli**	**Yes**	**12**	**12**	**6**
	Rantseli Senzeni Anna				
	Mabena Nomacala Sophy				
	Skosana Nomangisi Betty				
	Masimula Tryphinah Noxolo				
	Mgidi Sondiwe Moses				
	Mabena Nobakhethwa Maria				
	Masebe Elizabeth				
	Zwane Themba Godfrey				
	Nkosi Sarah Bongi				
	Mahlangu Sylvia Nompumelelo				
27	**Cllr DS Skosana**	**Yes**	**12**	**12**	**5**
	Ntuli Marinkie Kholekile				
	Skhosana Mhlangi Petrus				
	Sithole Mandla				
	Mabena Freddy				

APPENDICES

Functionality Of Ward Committees					
Ward Name (Number)	**Name Of Ward Councillor And Elected Ward Committee Members**	**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 Public Ward Meetings Held During Year**
	Ngoma Emely				
	Jiyane Kenneth				
	Mahlangu Prudence Caleni				
	Mokhoebane Hleziphi Ephenia				
	Mahlangu Johannes Boyana				
	Thembi Jane Mabena				
28	**Cllr Ka Msiza**	**Yes**	**12**	**12**	**4**
	Skhosana Ntombifuthi Emmah				
	Mthimunye Dinah Christinah				
	Hlattywayo Elizaberth Nonhlanhla				
	Ngobesa Vangile Paulinah				
	Mthombeni Zabenzeni Komusasa				
	Sebothoma Gloria Thandeka				
	Mamaila Amos Moloi				
	Mnguni Katriena				
	Kubeka Bubu Jane				
	Mokhethwa Emmanuel Doctor				
29	**Cllr Pv Mahlangu**	**Yes**	**12**	**12**	**16**
	Kgomo Rose Martha				
	Mahlangu Sinah Goodness				
	Sithole Martha Lolo				
	Hlongwane Skhalo				
	Shabangu Reginald Samuel				
	Tshabalala Nozizwe Agnes				
	Mahlangu Phillimon				
	Mabhena Joseph Sipho				
	Dlhamini Makhosazana Agrineth				
	Mtshweni Mfundisi Aaron				
30	**Cllr G Mahlangu**	**Yes**	**12**	**12**	**10**
	Ntuli Richard Makhawane				

APPENDICES

Functionality Of Ward Committees					
Ward Name (Number)	**Name Of Ward Councillor And Elected Ward Committee Members**	**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 Public Ward Meetings Held During Year**
	Mthimunye Bongi Paulinah				
	Kgopane Petros Peter				
	Ntuli Emely Sibongile				
	Mnguni Betty Maria				
	Majola Thamsanqa Fannie				
	Masombuka Sibusiso Gabariel				
	Masombuka Doctor Phillip				
	Mahlangu Elizabeth				
	Mabena Stemer September				
31	**Cllr Vv Skosana**	**Yes**	**12**	**12**	**7**
	Skosana Solomon Fickson				
	Mahlangu Olga				
	Mashilo Phumzile Martha				
	Matshiya Nomsa Kedibone				
	Mahlangu Kedibone Petronella				
	Mahlangu Jabu				
	Mahlangu Khuzani Abel				
	Magane Maria Thembisile				
	Masango Ernest Sipho				
	Mahlangu Cynthia Lindiwe				
32	**Cllr Om Mabelwane**	**Yes**	**12**	**12**	**7**
	Mahlangu Sibongile Martha				
	Dhlamini Harry Tshepo				
	Mazibuko Khuwa Matha				
	Mahlangu Emmah Thembi				
	Mahlangu Ntombi Selinah				
	Sibiya Mokhine Johannes				
	Mkhwanazi Musa Walcott				
	Legodi Kedibone Martha				
	Mabena Johana				

APPENDICES

Functionality Of Ward Committees					
Ward Name (Number)	Name Of Ward Councillor And Elected Ward Committee Members	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 Public Ward Meetings Held During Year
	Maila Makgalaoroa Alfred				

APPENDIX F – WARD INFORMATION

Capital Projects: Seven Largest In 2017/ 18 (Full List At Appendix N)				
No.	**Project Name And Detail**	**Total Project Value (R)**	**Start Date**	**End Date**
1	Upgrading of Existing Infrastructure to Augment Borehole Water Supply in Bundu (Bundu Weir) – Multi-Year Project	R 161 000 000.00	10 August 2016	28 June 2019
2	Upgrading of Tweefontein K Waste Water Treatment Works – Multi-Year Project	R 148 434 994.00	10 August 2017	26 June 2020
3	Upgrading of Kwaggafontein Landfill Site – Multi-Year Project	R 68 339 330.14	22 September 2017	26 June 2020
4	New Reservoir and Pipeline at Kwamhlanga for Phola Park and Mountain View Communities, Phase 2 – Multi-Year Project	R 52 382 454.66	29 September 2016	26 October 2018
5	Construction of Multi-Purpose Centre in Phumula – Multi-Year Project	R 23 721 967.29	03 November 2017	28 September 2018
6	Upgrading of Vlaklaagte and Kwaggafontein Water Infrastructure – Multi-Year Project	R 14 222 907.90	11 December 2017	14 December 2018
7	Upgrading of Enkeldoornoog B Water Infrastructure – Multi-Year Project	R 7 608 912.90	27 February 2017	28 September 2018

Top Four Service Delivery Priorities For Ward (Highest Priority First)		
No.	**Priority Name And Detail**	**Progress During 2017/ 18**
1	Water	88 451 HH with access to Water.
2	Sanitation	28 189 HH with access to Sanitation.
3	Electricity	79 122 HH with access to Electricity.
4	Waste Management	66 495 HH with access to Refuse Removal on a Fortnight Basis.

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2017/18

Audit Committee Recommendations		
Report Name	**Committee recommendations made during 2016/17**	**Recommendations adopted (enter Yes); not adopted (provide explanation)**
Report of the Audit Committee in response to the issues raised by the Auditor General in the Audit Report 2016/17	**Matters of Emphasis** **1.** Preparation of Quarterly GRAP complaint financial Statements with appropriate and sufficient working papers on or before the February 2018, April 2018 and July 2018. The said financial statements to be submitted to Audit Committee and MPAC for interrogation. **2.** Accounting Officer should assess capacity within Finance department and submit such report to Audit Committee on or before the end of February 2018.	**Recommendations are to be tabled in the next council meeting scheduled 31 January 2018.**
	Non Compliance Matters **1.** Development and Implementation of Compliance Management System immediately. The report from such interventions should server before management on a monthly basis, Council and Audit Committee quarterly.	

	Additional recommendations **1.** THAT Accounting Officer should implement Consequence Management and provide a report to Council on or before the end of March 2018 **2.** THAT management develops action plans that will highlight and address the root causes of all the findings contained in Auditor General's management report; **3.** THAT emphasis be made on shortening the turnaround time of addressing the AG findings; **4.** THAT the Municipal Manager ensures the implementation of the agreed action plans and report to the Audit Committee on a monthly basis effective 30 January 2018; **5.** THAT the audit issues and action plan progress report be a standing item in all Management, EXCO and MPAC agendas; **6.** THAT the Mayor be briefed by the Audit Committee Chairperson on progress made in resolving all the AG audit findings contained in the management report and audit report on a monthly basis; **7.** THAT the Mayor be briefed by the Municipal Manager on progress made in resolving all the AG audit findings contained in the management report and audit report on a monthly basis; **8.** THAT the Internal Audit verifies the accuracy of the reported implementation status on the action plans and report to the Audit Committee; **9.** THAT the municipality consider compiling quarterly financial statements for presentation to the Audit Committee as this will increase the municipality's ability to submit credible financial statements to the Auditor General, thus also increasing the chance of the municipality to obtain enhanced audit outcomes; **10.** THAT there be a regular interaction between the Audit Committee, MPAC and Portfolio Committees; and **11.** THAT the Audit Committee resolutions be tracked by the Portfolio Chairpersons and MPAC on a monthly basis **12.** THAT Council should refer the Audit Report for year ended 30 June 2017 with the management prepared action plan to MPAC for interrogation; **13.** THAT the Audit Committee coordinate a Joint Consequence Management session on or before the end of February 2018. The report of the session should serve before Council in March 2018.	

	14. THAT the Internal Audit adjust their Internal Audit Plan with view of effectively responding to issues raised by the AGSA. **15.** THAT the audit outcome should be factored into the current registers, i.e Risk registers should be amended accordingly. **16.** THAT the Management should strengthen Performance Management system and Performance Management unit. **17.** THAT the Management should strengthen the Project Management activities (including amongst other evaluation of external service providers). **18.** THAT Council establish an Operation Clean Audit Committee Chaired by the Executive Mayor(consisting of AC, MMCs, and Accounting Officer) on or before the end of February 2018	
Audit Committee Report for the quarter ended 30 September 2017 (1ST Quarter Report)	**Financial Management** **1.** Management should strengthen control around expenditure, revenue and asset management.	**All recommendations were noted**
	Compliance with MFMA and DORA **1.** Management should fast-track the implementations of all the AGSA AND internal audit findings and recommendations.	
	Corporate services report **1.** AC requested management to submitted a report on R300 million claim against the municipality in the next meeting **2.** Management should conduct an impact assessment of all the training conducted.	
Audit Committee Report for the	**Internal Financial Controls and Internal Audit**	**All recommendations were noted**

quarter ended 31 December 2017 (2ND Quarter Report)	1. Management should draft internal audit action plan that should assist them in implementing and monitoring the implementation of internal audit findings. 2. That management write a report on how instances such as unauthorised transactions will be prevented moving forward so as to prevent a recurrence of the same occurrence 3. Management ensures that the system of financial management and internal control established by the municipality is strengthen and carried out diligently at all times. Internal control weaknesses create an environment conducive to fraud; that is why it is of supreme importance that management ensures that an environment that is conducive to controls is created and maintained.	
	Consequence management 1. Corporate services should assist MM in the implementation of Consequence Management.	
	Mscoa Implementation Report 1. Accounting Officer should brief the Executive Mayor on a monthly basis. 2. MSCOA item remain a standing item in both Council and AC agenda	
	Compliance with MFMA and DoRA 1. The Audit Committee recommends the development and implementation of integrated compliance management system (covering all policies and legislation).	
Audit Committee Report for the quarter ended 31 March 2018 (3RD Quarter Report)	**Internal Audit** 1. Management should put an effort in the implementation of internal audit and AG recommedations in order to avoid repetitive findings and regressing audit opinion. 2. That moving forward, the Accounting Officer ensures that the performance of all senior managers and that of the Accounting Officer is Subjected to Quarterly evaluations in the current year effective October 2015	**All recommendations were noted**

	Accuracy and Reliability of Financial Reporting **1.** BTO must ensure ptoper reporting that is in complaint to section 36 of SCM **2.** Management should processed an amendment to the Annual Financial Statements that are currently being audited by the AGSA.	
	Compliance with the MFMA and DoRA **1.** All Audit Committee recommendations should be implemented by management.	
	Risk Management **1.** Top ten risks should be reported to Council on a quarterly basis. **2.** RMC meeting pack to circulate to AC members before RMC meetings.	
	Performance management **1.** The municipality needs to revisit the KPI's to ensure that they are within the municipality's control **2.** Management must ensure that proper reasons for non-achievement are provided. **3.** Internal audit should indicate that proper assurance has been done on the report.	
Audit Committee Report for the quarter ended 30 June 2018 (4TH Quarter Report)	**Internal Audit** **1.** The annual plan is normally discussed with management before it gets approved **2.** Management should ensure that they are available during the audits. **3.** Management should develop an internal audit action to address the	**All recommendations were noted**

	performance internal audit findings.	
	Finance reports **1.** The irregular expenditure need to be investigated and consequence management be applied **2.** The municipality should prepare the financial statements that are GRAP compliant **3.** Management should do proper cash flow to avoid accounts not be paid on time and apply proper credit control to improve revenue collection **4.** Management must come up with revenue enhancing strategies to improve revenue collections.	
	Corporate services report **1.** The accounting officer need to do cost vs benefit before accounts are handed over.	
	Technical Service **1.** The department should be well represented in order to be able to properly account.	

APPENDIX H - LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

Long Term Contracts					
Name Of Service Provider(Entity Or Municipal Department)	**Description Of Service Provider Rendered By Service Provider**	**Start Date Of Contract**	**Expiry Date Of Contract**	**Project Manager**	**Contract Value**
City Of Tshwane	Bulk Water Supply	2007	Infinite	Technical Manager	Per Supply
Rand Water	Bulk Water Supply /Bulk Water Project	2007	Infinite	Technical Manager	Per Supply
Eskom	Supply Of Electricity	2015	2020	Technical Manager	Per Supply
Telkom	Network Lines	2007	Infinite	Corporate Service Manager	Per Supply

PUBLIC PRIVATE PARTNERSHIP

Not applicable to Thembisile Hani Local Municipality.

APPENDIX I: MUNICIPAL SERVICE PROVIDER PERFORMANCE

PERFORMANCE OF EXTERNAL SERVICE PROVIDERS DURING THE 2017/2018 FINANCIAL YEAR FOR THE PERIOD ENDING 30 JUNE 2018

The performance of external service providers was measured and rated as follows:

Performance Rating	Description
1	Poor Performance (Very Poor)
2	Below Satisfactory (Poor)
3	Satisfactory (Acceptable)
4	Good Performance(Above Expectations)
5	Excellent Performance (Excellent)

TECHNICAL SERVICES

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
WATER														
DTS001	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Monde Consulting Engineers and JV(Turnkey	Construction of New Reservoir and at KwaMhlanga for Phola Park and Mountain View Communities - Phase 2	Number of reservoirs constructed	1 of 10Ml reservoir constructed by 30 June 2018	R 13 578 954	Pre-cast concrete walls installation ongoing	R 12 943 543.42	No	12 months	Not Completed	Change of scope of works from cast in situ concrete to pre-cast concrete structures	3	Satisfactory

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
DTS002	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Monde Consulting Engineers and JV(Turnkey	Construction of New Pipeline at KwaMhlanga for Phola Park and Mountain View Communities - Phase 2	Number of kilometer of pipeline constructed	2.5km pipeline constructed d by 30 June 2018	R 8 246 491	2.3km pipeline constructed d by 30 June 2018	R 6 257 740.78	No	12 months	Not Completed	Change of scope of works from cast in situ concrete to pre-cast concrete structures	3	Satisfactory
DTS003	To provide households with basic services including water, adequate sanitation	Diges Group Inyatsi Vea Roads JV Geomab Lebone JV	Construction of Bulk pipeline Kwaggafontein (Water Scheme - Phase 2)	Number of kilometre of pipeline constructed	6 km pipeline constructed by 30th June 2018	R0	6 km pipeline constructed by 30th June 2018	R0	Yes	8 months	Completed	None	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	, adequate public lighting and accessible road													
DTS004	To provide households with basic services including water, adequate sanitation , adequate public lighting and accessible road	Monde Consulting Engineers Mbhako Projects Matiyane Civils White Leopard Trading	Construction of pipeline Bundu	Number of kilometre of pipeline constructed	1 km pipeline constructed by 30th June 2018	R10 068 448	1.6km pipeline of 315mm has been completed	R 9 591 751.04	Yes	18 months	Not Completed	Local business forum challenges in light of work opportunities that are being demanded , herein resulting in disturbance of the work on site.	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
DTS005	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Monde Consulting Toopvaar/ Namukhelwe JV	Construction of Water treatment works Bundu	Number of plant modules constructed	1 of 2.5ML per day plant module Constructed by 30th June 2018	R 29 433 650	Setting out complete Bulk earthworks complete Clear water Storage and Pump station-55% Sand filters Construction bases - 25%	R 27 881 634.40	No	2 Years	Not Completed	Local business forum challenges in light of work opportunities that are being demanded, herein resulting in disturbance of the work on site.	4	Good
DTS 006	To provide households with basic services including water,	Monde Consulting Mbhako Projects	Construction Reservoir Bundu	Number of reservoirs constructed	1 of 10Ml reservoir constructed by 30th June 2018	R 18 548 034	Setting out of reservoir complete. Construction of foundation layer	15 526 163.28	No	18 months	Not Completed	Local business forum challenges in light of work opportunities that are	3	Satisfactory

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	adequate sanitation, adequate public lighting and accessible road						complete					being demanded, herein resulting in disturbance of the work on site.		
DTS007	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road		Provision of households with water	Number of households provided with water	82 653 households provided with water by 30th June 2018	R126 803 148	56 459 households provided with water by 30th June 2018	R126 803 148	No	Multiyear	On going	On going	3	Satisfactory
DTS008	To	Servinet 123	Constructio	Number	250	R	506	R	Yes	9 months	Complete	Connectio	3	Satisfactory

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	CC Khuhlaza/Mpisana JV Mabanga Trading	n of Water Reticulation in Kwaggafontein A, Ward 29	of households connected to yard taps	households connected to yard taps by 30th June 2018	10 446 553.00	households connected to yard taps	9 218 702.71			d	n of the reticulation to the existing bulk line from Vlaklaagte to the Kwaggafontein reservoirs		
DTS015	To provide households with basic services including water, adequate sanitation,	Ceenex Management Technologies Matswa Trading JV	Construction of Pipeline Enkeldoornoog B	Number of kilometer of pipeline constructed	1 km pipeline constructed by 30th June 2018	R 2 141 906	1 km pipeline constructed	1 905 460.91	Yes	8 months	Completed	None	3	Satisfactory

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	adequate public lighting and accessible road													
DTS016	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Ceenex Management Technologies Matswa Trading JV	Construction of pump station Enkeldoornoog B	Number of pump station constructed	1 pump station constructed 30th June 2018	R 2 868 789	1 pump station has been refurbished	R 2 026 2009.70	Yes	8 months	Completed	None	3	Satisfactory
DTS021	To provide households with	Element Consulting Vukani Site	Upgrading of Vlaklaagte and	Number of pump stations construct	1 pump station constructed by 30th	R 4 300 399	Casting of concrete foundation and concrete	R 4 237 025.91	No	12 months	Not Completed	During budget adjustment the pump	3	Satisfactory

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	basic services including water, adequate sanitation, adequate public lighting and accessible road	Maintenance JV Matlailas Construction	Kwaggafontein Water Infrastructure	ed	June 2018		ring beam completed The first lift of the concrete walls completed					station was put on hold and to be continued in the 2018/2019 financial year.		
DTS022	To provide households with basic services including water, adequate sanitation, adequate public lighting	Hi- End Group Khuluphala Tradings	Upgrading of Vrischgewa agd Reservoir Storage	Number of reservoirs constructed	1 of 1 Ml reservoir constructed at Vrischgewa agd by 30th June 2018	R 3 980 463.00	1 of 1Ml reservoir constructed	R 3 986 224.21	Yes	5 months	Completed	None	5	Excellent

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	and accessible road													
DTS023	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Sadec PC Irhalane Construction	Upgrading of Tweefontein A Reservoir Storage	Number of reservoirs constructed	1 of 1 Ml reservoir constructed at Tweefontein A. by 30th June 2018	R 4 505 151.00	1 of 1Ml reservoir constructed	R 4 262 726.48	Yes	5 months	Completed	None	5	Excellent

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
DTS024	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	ZMC Consulting Fanaye Business Enterprise	Upgrading of Mathysenslоop Water Infrastructure	Number of reservoirs constructed	1 of 0.8 Ml reservoir constructed by 30th June 2018	R 3 767 444	Reservoir foundation casted Steel fixing for the reservoir walls	R 3 382 868.12	No	5 months	Not Completed	Delays in procurement of the contractors as the first appointment of the contractor was rejected by the first contractor.	3	Satisfactory
BOREHOLES AND WATER SERVICES PLANS														
DTS 026	To provide households with basic services including water,	Nondarhana Construction	Augmentation Bulk Water Borehole Verena D	Number of wind Mill constructed	2 wind Mill constructed by 30th June 2018	R 379 863	2 Wind mills installed	R 399 848	Yes	3 months	Completed	None	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	adequate sanitation, adequate public lighting and accessible road													
DTS 027	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Artwell Security and Projects	Augumentation Bulk Water Borehole Kwaggafontein	Number of wind Mill constructed	2 wind Mill constructed by 30th June 2018	R 369 968	2 Wind mills installed	338 787.00	Yes	3 months	Completed	None	4	Good

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DTS 028	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Eyasekhethe Construction	Augumentation Bulk Water Borehole Kwaggafontein C,D,E	Number of wind Mill constructed	2 wind Mill constructed by 30th June 2018	R 369 968	2 wind mills Constructed	R 358 525.00	Yes	3 months	Completed	None	4	Good

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PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
DTS029	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Mpisana JV Thaboaste	Augmentation Bulk Water Borehole Moloto	Number of wind Mill constructed	1 wind Mill constructed by 30th June 2018	R 118 105	1 wind mills Constructed	R 124 529.66	Yes	3 months	Completed	None	4	Good
DTS 030	To provide households with basic services including water, adequate sanitation	Mpisana JV Thaboaste	Augumentation Bulk Water Borehole Moloto ward 3	Number of wind Mill constructed	1 wind Mill constructed by 30th June 2018	R 118 105	1 wind mills Constructed	122 171.54	Yes	3 months	Completed	None	4	Good

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PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	, adequate public lighting and accessible road													
DTS057	To provide households with basic services including water, adequate sanitation , adequate public lighting and accessible road	Diges Group	Augmentation of Bulk Water Supply Cluster 1 (Boreholes) Moloto- Installation of Booster Pumps	Number of booster pumps installed	2 Booster pumps installed by 30 June 2018	R60 000	Assessment completed of 2x boreholes	R 0	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below

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PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
DTS058	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Diges Group	Augmentation of Bulk Water Supply Cluster 2 (Boreholes) Luthuli-Electrification of Boreholes	Number of boreholes electrified	4 Boreholes electrified by 30 June 2018	R360 000	Assessment completed of 4x boreholes	R 84 139.00	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below
DTS059	To provide households with basic services including water, adequate sanitation	Diges Group	Augmentation of Bulk Water Supply Cluster 3 (Boreholes) Langkloof-Electrification, Installation	Number of boreholes electrified	6 Boreholes electrified by 30 June 2018	R950 000	Assessment completed of 6x boreholes	R 0	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below

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PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	, adequate public lighting and accessible road		of Electric Submersible Pump and Reticulation											
DTS060	To provide households with basic services including water, adequate sanitation , adequate public lighting and accessible road	Diges Group	Augmentation of Bulk Water Supply Cluster 3 (Boreholes) Verena D-Reticulation of Borehole	Number of boreholes electrified	2 Boreholes electrified by 30 June 2018	R100 000	Assessment completed of 2x boreholes	R 0	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below
DTS061	To provide househol	Diges Group	Augmentation Bulk Water	Number of boreholes	2 Boreholes electrified	R180 000	Assessment completed of 2x boreholes	R 78 241	No	6 months	Not Complete	Late appointme	2	Below

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PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	ds with basic services including water, adequate sanitation, adequate public lighting and accessible road		Borehole Engwenyameni	electrified	by 30 June 2018						d	nt of the Service Provider through a section 32 process.		
DTS062	To provide households with basic services including water, adequate sanitation, adequate public	Diges Group	Augmentation Bulk Water Borehole Sun City	Number of boreholes electrified	2 Boreholes electrified by 30 June 2018	R180 000	Assessment completed of 2x boreholes	R 76 679	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below

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PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	lighting and accessible road													
DTS063	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Diges Group	Augmentation Bulk Water Borehole Luthuli	Number of boreholes electrified	1 Borehole electrified by 30 June 2018	R90 000	Assessment completed of 1x boreholes	R 0	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below
DTS064	To provide household	Diges Group	Augmentation Bulk Water	Number of boreholes	1 Borehole electrified by 30 June	R90 000	Assessment completed of 1x boreholes	R 0	No	6 months	Not Complete	Late appointme	2	Below

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PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	ds with basic services including water, adequate sanitation, adequate public lighting and accessible road		Borehole Bundu	electrified	2018						d	nt of the Service Provider through a section 32 process.		
DTS065	To provide households with basic services including water, adequate sanitation, adequate public	Diges Group	Augmentation Bulk Water Borehole Machipe	Number of boreholes electrified	1 Borehole electrified by 30 June 2018	R270 000	Assessment completed of 1x boreholes	R 0	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	lighting and accessible road													
DTS066	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Diges Group	Augmentation Bulk Water Borehole Mathysensloop	Number of boreholes electrified	1 Borehole electrified by 30 June 2018	R270 000	Assessment completed of 1x boreholes	R 0	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below
DTS067	To provide households with basic services	Diges Group	Augmentation Bulk Water Boreholes Tweefontein C	Number of boreholes electrified	1 Borehole electrified by 30 June 2018	R90 000	Assessment completed of 1x boreholes	R 84 423	No	6 months	Not Completed	Late appointment of the Service Provider	2	Below

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PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	including water, adequate sanitation, adequate public lighting and accessible road											through a section 32 process.		
DTS068	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessibl	Diges Group	Augmentation Bulk Water Boreholes Tweefontein D	Number of boreholes electrified	1 Borehole electrified by 30 June 2018	R190 000	Assessment completed of 1x boreholes	R 76 679	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below

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	e road													
DTS069	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Diges Group	Augmentation Bulk Water Boreholes Volvenkop	Number of boreholes electrified	1 Borehole electrified by 30 June 2018	R120 000	Assessment completed of 1x boreholes	R 0	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below
DTS070	To provide households with basic services including water, adequate	Diges Group	Augmentation Bulk Water Boreholes Verena C	Number of boreholes electrified	2 Boreholes electrified by 30 June 2018	R120 000	Assessment completed of 2x boreholes	R 52 171	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below

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	sanitation, adequate public lighting and accessible road													
DTS071	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Diges Group	Augmentation Bulk Water Boreholes Kwaggafontein B	Number of boreholes electrified	2 Boreholes electrified by 30 June 2018	R100 000	Assessment completed of 2x boreholes	R 84 490	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below

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PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
DTS072	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Diges Group	Augmentation Bulk Water Boreholes Kwaggafontein C	Number of boreholes electrified	1 Borehole electrified by 30 June 2018	R270 000	Assessment completed of 1x boreholes	R 84 423	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below
DTS073	To provide households with basic services including water, adequate sanitation	Diges Group	Augmentation Bulk Water Boreholes Kwaggafontein D	Number of boreholes electrified	1 Borehole electrified by 30 June 2018	R90 000	Assessment completed of 1x boreholes	R 77 712.50	No	6 months	Not Completed	Late appointment of the Service Provider through a section 32 process.	2	Below

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	, adequate public lighting and accessible road													
DTS031	To provide households with basic services including water, adequate sanitation , adequate public lighting and accessible road	Rand water	Water Conservation and Demand Management plan	Number of Water Conservation and Demand Management plan developed	1 Water Conservation and Demand Management plan developed by 30th June 2018	R 3 540 572	Water Conservation and Demand Management plan not developed	R0.00	No	6 months	Not completed	Service provider appointed but there challenges with the conditions of contract that took more time than was necessary.	1	Poor
DTS032	To provide household	SADEC-PC	Water service developme	Number of Water service	1 Water Service Developme	R 300 000	1 Water Service Development	R300 000.00	Yes	6 months	Completed	None	5	Excellent

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	ds with basic services including water, adequate sanitation, adequate public lighting and accessible road		nt plan	development plan developed	nt Plan develop 30th June 2018		Plan develop 30th June 2018							
DTS 0034	To provide households with basic services including water, adequate sanitation, adequate public	Mpumamanzi	Water Samples	Number .of water samples tested	200 Water Samples tested.by 30th June 2018	R1 000 000	450 Water Samples tested.by 30th June 2018	R 2 129 983.54	Yes	3 years	Multi year	None	5	Excellent

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	lighting and accessible road													
						SANITATION								
DTS040	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Element Consulting	Bulk Sewer pipeline Luthuli	Number of Design report with EIA and Water Use License Application (WULA) completed and approved	1 Design report with EIA and Water Use License Application (WULA) completed and approved by 30th June 2018	R 500 001	Detailed Design report completed	R 433 888.29	No	3 years	Completed	None	3	Satisfactory
DTS041	To provide households with	Munyai Malaka (Pty) LTD	Detailed Design ,EIA,WULA of	Number of detailed design	1 detailed design report developed,	R 1 000 000	Preliminary design report completed	R 402 722.31	No		Completed	None	3	Satisfactory

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	basic services including water, adequate sanitation , adequate public lighting and accessible road		Tweefontein K Waste Water Treatment	report developed, EIA and WULA	EIA and WULA by 30th June 2018									
							ELECTRICITY							
DTS049	To provide households with basic services including water, adequate sanitation , adequate	Wilmert Holdings	Installation of High Mast in Sheldon	Number of high mast light installed	1 high mast light installed by 30th June 2018	R 920 796	2 Highmastligth Installed	R 911 611.48	Yes	4 months	Completed	None	4	Good

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	public lighting and accessible road													
DTS050	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Mega Works Trading	Installation of High Mast in Tweefontein B2	Number of high mast light installed	1 high mast light installed by 30th June 2018	R 463 403	1 Highmastlight Installed	R 402 903	Yes	4 months	Completed	None	4	Good
DTS074	To provide households with basic	Wilmert Holdings	Installation of High mast light Sheldon	Number of high mast light installed	2 high mast light installed by 30th June 2018	R 920 796	2 Highmastlight Installed	R 911 611.48	Yes	4 months	Completed	None	4	Good

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	services including water, adequate sanitation , adequate public lighting and accessible road													
DTS075	To provide households with basic services including water, adequate sanitation , adequate public lighting and	Qedithjirho Primary Cooperative	Installation of High mast light T/Fontein F	Number of high mast light installed	1 high mast light installed by 30th June 2018	R521 595	1 Highmastligth Installed	R 516 982.33	Yes	4 months	Completed	None	4	Good

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	accessible road													
DTS076	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Ezimtoti	Installation of Highmast light T/FonteinG	Number of high mast light installed	1 high mast light installed by 30th June 2018	R502 072	1 Highmast light Installed	R 396 029.99	Yes	4 months	Completed	None	4	Good
DTS077	To provide households with basic services including water,	Ndoko projects	Installation of Highmast light T/FonteinH	Number of high mast light installed	1 high mast light installed by 30th June 2018	R527 983	1 Highmast light Installed	R 453 591.29	Yes	4 months	Completed	None	4	Good

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	adequate sanitation, adequate public lighting and accessible road													
DTS078	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Basiamisi Mining	Installation of Highmast light T/Fontein J	Number of high mast light installed	1 high mast light installed by 30th June 2018	R529 266	1 Highmast light Installed	R 524 673.40	Yes	4 months	Completed	None	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
DTS079	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road		Installation of Highmast light Kwamhlanga B	Number of high mast light installed	2 high mast light installed by 30th June 2018	R1 044 897	2 Highmastligths Installed	R 949 363.39	Yes	4 months	Completed	None	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
DTS080	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Star Jays Construction	Installation of Highmast light Sun CityD	Number of high mast light installed	1 high mast light installed by 30th June 2018	R550 330	1 Highmast light Installed	R 545 737.32	Yes	4 months	Completed	None	4	Good
DTS081	To provide households with basic services including water, adequate sanitation	MTP Refrigiration	Installation of Highmast light Mahlabathini	Number of high mast light installed	1 high mast light installed by 30th June 2018	R595 592	1 Highmaslight Installed	557 783.48	Yes	4 months	Completed	None	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	, adequate public lighting and accessible road													
DTS082	To provide households with basic services including water, adequate sanitation , adequate public lighting and accessible road	None	Installation of Highmast light Wolvenkop	Number of high mast light installed	1 high mast light installed by 30th June 2018	R527 983	0	R0	No	0	Not Completed	Budget Constraints	None	None
DTS083	To provide household	Eskom	Installation of Street Lights	Number of consumer	1 Consumer box	R147 815	1 Costumer consumer box installed.	R 30 055.26	Yes	3 months	Completed	None	None	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	ds with basic services including water, adequate sanitation, adequate public lighting and accessible road		Mzimuhle	box installed	installed by 30 June 2018									
DTS086	To provide households with basic services including water, adequate sanitation, adequate public	Ndoko Projects	Energising of High mast light Buhlebesizwe	Number of high mast light energised	1 high mast light energized by 30 June 2018	R 141 500.00	1 Highmast light energized	R 122 251..67	Yes	1 month	Completed	None	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	lighting and accessible road													
DTS087	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Ezimtoti Trading and Projects	Energising of High mast light Thembalethu	Number of high mast light energised	1 high mast light energized by 30 June 2018	R91 500	1 Highmast light energized	R 49 041.67	Yes	1 month	Completed	None	4	Good
DTS088	To provide households with basic services	Mega Works Trading	Energising of Highmast light Thokoza	Number of high mast light energized	1 high mast light energized by 30 June 2018	R 131 500.00	1 Highmast light energized	R 121 251	Yes	1 month	Completed	None	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	including water, adequate sanitation , adequate public lighting and accessible road													
DTS090	To provide households with basic services including water, adequate sanitation , adequate public lighting and accessibl	Qedithjirho Primary Co-operative	Energising of High mast light Miliva RDP	Number of high mast light energised	1 high mast light energized by 30 June 2018	R 131 500.00	1 Highmast light energized	R 122 251.67	Yes	1 month	Completed	None	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	e road													
DTS091	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	Ezimtoti Trading and Projects	Energising of High mast light Sun CityAA	Number of high mast light energised	1 high mast light energized by 30 June 2018	R 131 500.00	1 Highmast light energized	R 122 251.67	Yes	1 month	Completed	None	4	Good
DTS093	To provide households with basic services including water,	Eskom	Energising of High mast light Verena A	Number of high mast light energized	1 high mast light energized by 30 June 2018	R91 500	Eskom customer consumer box reinstated by Eskom	R0.00	No		Not Completed	Cable was stolen from Eskom transformer and to the highmast. Reinstate	3	Satisfactory

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	adequate sanitation, adequate public lighting and accessible road											ment of the CSB and the cable took longer that than anticipated due to Eskom internal investigation.		
						ROAD AND STORM WATER								
DTS051	To provide households with basic services including water, adequate sanitation, adequate public	ZMC Consulting Papasoul Constructio	Regravelling of internal Roads Kwamhlanga	Number of kilometer of roads regravelled	0.8 km of road regravelled by 30th June 2018	R3000 000	.2km of road regravelled.	R 2 768 501.64	No	6 months	Completed	None	5	Excellent

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	lighting and accessible road													
DTS052	To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road	ZMC Consulting Kuye Trading	Regravelling of internal roads in Vlaklaagte 1	Number of kilometer of roads regravelled	0.8 km of road regravelled by 30th June 2018	R 1 500 000	2km of road regravelled.	R 2 888 241.50	No	6 months	Completed	None	5	Excellent
DTS053	To provide households with basic services	Hi- End Group Qubekela Phambile	Construction of road to Mabhoko cemetery	Number of kilometre of road paved	0.8 km road paved By 30th June 2018	R 3 500 000	0.8km of road paved	R 3 214 301.05	Yes	6 months	Completed	None	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	including water, adequate sanitation, adequate public lighting and accessible road	Construction and Projects												
						SPORTS AND WASTE REMOVAL								
SDS 001	To create a Safe clean and healthy environment conducive for social development and recreation	Tshwawe Infrastructure Technologies Artwell Vea JV Mahlalerwa Construction	Upgrading of Kwaggafontein Land fill site	Number .of Landfill site upgraded	1 Landfill site upgraded by 30th June 2018	R 18 324 634.00	Contractor Site Establishment- 100% Setting out - 70% Site Clearing =70% Excavation of Cells and Leachate	R 16 709 433.83	No	18 months	Not Completed	The project is a multi- year project to be completed in the 2018/2019 financial year	4	Good

KPA	BASIC SERVICE DELIVERY													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTMENT OF SERVICES PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE REPORT	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETED	SCORING(1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3= SATISFACTORY, 4=GOOD, 5=EXCELLENT)
							ponds- 90%							
SDS 011	To create a Safe clean and healthy environment conducive for social development and recreation	Semono Consulting Engineers Shiela and Katlego's Construction and Projects	Construction of Multipurpose Centre in Phumula	Number of .Construction of Multipurpose Centre in Phumula	1 Construction of Multipurpose Centre in Phumula by 30th June 2018	R 5 904 000	Clearing and grubbing completed Erection of perimeter fence Mass Earthworks Installation of water tank Paving works Construction of Soccer field and Cobi court Construction of ablution blocks.	R 5 140 012.85	No	6 months	Not Completed	Additional works allocated to the service provider. Change of scope of works in terms of grassing to artificial grassing.	4	Good

CORPORATE SERVICES

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDER	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NO COMPLETED	REASON FOR NON COMPLETION	SCORING(1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD 5=EXCELLENT
DCS011	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Ndobela Lamola Attorneys LI Phoko Attorneys	Submission of litigation reports to the Municipal Manager	Number of litigation reports submitted to the municipal manager	4 litigation reports submitted to the municipal manager by 30th June 2018	R 2 754 492	4 litigation reports submitted to the municipal manager by 30th June 2018	R 2 023 667.86	Yes	3 years 3 years	Not completed Completed	Case not yet closed Closed file	3 4	Satisfactory Good
DCS020	To improve organizational efficiency and promote a culture of	Messrs Bawithi holding Merssrs Mandlakandala	Repairs and maintenance of municipal fleet	Number of repairs and maintenance reports of municipal fleet produced and	12 repairs and maintenance reports of municipal fleet produced and	R 7 963 736	12 repairs and maintenance reports of municipal fleet produced and	R 8 143 987.06	Yes	12 months. 12 months.	Not completed Not completed	Contract ends by October 2018 Contract ends by November 2018.	3 3	Satisfactory Satisfactory

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDER	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NO COMPLETED	REASON FOR NON COMPLETION	SCORING(1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD 5=EXCELLENT
	professional conduct in order to render quality services	Messrs Batazi and sons Messrs Restassured Messrs Zembeleni transport		submitted to the HOD	submitted to HOD by 30th June 2018		submitted to HOD by 30th June 2018			12 months. 12 months 3 years.	Not completed Not completed Not completed	November 2018. November 2018 2019 February	3 3 4	Satisfactory Satisfactory Good
DCS021	To improve organizational efficiency and promote a culture of professional conduct	Messrs Minozest	Monitoring the usage of fuel	Number of reports produced and submitted to the HOD on the usage of fuel	12 reports produced and submitted to the HOD on the usage of fuel 30th June 2018	R 5 500 000	12 reports produced and submitted to the HOD on the usage of fuel 30th June 2018	R 6 423 207.25	Yes	3 Years.	Completed	None	5	Excellent

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDER	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NO COMPLETED	REASON FOR NON COMPLETION	SCORING(1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD 5=EXCELLENT
	in order to render quality services													
DCS022	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Messrs Eyethu testing station	Licensing of Municipal Fleet	Number of vehicle licences renewed	114 vehicle licences renewed by 30th June 2018	R 864 950	114 vehicle licences renewed by 30th June 2018	R 744 868.30	Yes	12 months	Completed	None	3	Satisfactory
DCS024	To improve organizational efficiency and promote a culture of	Munsoft	Submission of Reports on the repairs and maintenance	Number of reports submitted to the HOD on the repairs and maintenance of ICT hardware	4 reports submitted to the HOD on the repairs and maintenance of ICT hardware by 30th	R 453 690	4 reports submitted to the HOD on the repairs and maintena	R 325 201.53	Yes	3 Years	Completed	None	4	Good

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDER	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NO COMPLETED	REASON FOR NON COMPLETION	SCORING(1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD 5=EXCELLENT
	professional conduct in order to render quality services		of ICT hardware		June 2018		nce of ICT hardware by 30th June 2018							
DCS025	To improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Munsoft	Renewal of software licences	Number of software licences renewed	265 software licenses renewed by 30th June 2018 (Munsoft, 50 Microsoft volume license, GIS license, VIP, RT System and 210 Anti-virus license, 2 server warranty)	R 4 472 194	261 Software licenses renewed by 30th June 2018 (Munsoft, 50 Microsoft volume license, VIP, and 210 Anti-virus license,)	R 2 807 670.00	No	3 Years	Completed	None	4	Good
DCS026	To	Jenny	Procur	Number of	20 laptops	R 880 000	14	R 18	No	3 years	Not	SCM	4	Good

KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDER	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES/NO	TERM OF THE CONTRACT	COMPLETED OR NO COMPLETED	REASON FOR NON COMPLETION	SCORING(1-5 RATING	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD 5=EXCELLENT
	improve organizational efficiency and promote a culture of professional conduct in order to render quality services	Internet	ement of computer and equipment	computers and equipment procured	,10 desktops, 1 financial server and 5 office phones procured by 30th June 2018		Laptops, 1 Financial Server and 21 Office Phones procured by 30th June 1028	530.81			Completed	Processes		

FINANCE SERVICES

KPA	MUNICIPAL FINACIAL VIABILITY AND MANAGEMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
DBT008	To enhance revenue and to ensure financial viability and sustainability.	Munsoft	Annual Financial Statements	Number of Annual Financial Statements compiled and submitted to the Auditor General	1 Annual Financial Statement submitted to the AG by 31 August 2017	In house	1 Annual Financial Statement submitted to the AG by 31 August 2017	In house	Yes	2 Years	Completed	None	4	Good
DBT010	To enhance revenue and to ensure financial viability and sustainability.	i@ Consulting	Asset Verification	Number of Asset verification sessions conducted	2 Assets verification sessions conducted by 30 June 2018	In house	2 Assets verification sessions conducted	In house	Yes	2 Years	Completed	None	4	Good
DBT012	To enhance	I@ Consulti	Asset Register	Number of Asset	1 updated Asset	In house	1 updated Asset	In house	Yes	2 Years	Completed	None	4	Good

KPA	MUNICIPAL FINACIAL VIABILITY AND MANAGEMENT													
PROJECT CODE	STRATEGIC OBJECTIVE	APPOINTED SERVICE PROVIDERS	PROJECT NAME/ DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISEDANNUAL TARGET 2017/2018	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)	ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES\NO	TERM OF THE CONTRACT	COMPLETED OR NOT COMPLETED	REASON FOR NON COMPLETION	SCORING (1-5 RATING)	SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT)
	revenue and to ensure financial viability and sustainability.	ng		Registers updated	Register by 30 June 2018		Register							

MEASURES TAKEN TO IMPROVE PERFORMANCE

ROOT CAUSES FOR THE POOR PERFORMANCE

- Some of the targets were amended to not achieve due to the non-submission of evidence
- No PMS responsibilities assigned to staff lower than assistant managers

CORRECTIVE ACTIONS

- PMS will be embedded in our daily tasks
- PMS will be a standing item on our management committee meetings.
- PMS will be cascaded to the assistant managers.
- Responsibilities will then be assigned to the staff lower than the assistant managers.
- Where possible, it will be cascaded to the level lower than assistant managers.

APPENDIX J – DISCLOSURE OF FINANCIAL INTERESTS

Disclosures Of Financial Interests		
Period 1 July 2017 To 30 June 2018		
Position	**Name**	**Description Of Financial Interests* (Nil / Or Details)**
(Executive) Mayor	Nomsa Sanny Mtsweni	Nil
Speaker	Nompumelelo Evidence Hlope	Nil
Chief Whip	Joyce Johanna Tau	Nil
Member Of Mayco / Exco	Lillian Martha Tshabangu	Nil
	Maria Poppy Msiza	Nil
	Thomas Lebandla Mabena	King Makhosonke Agricultural Primary Co-Operative
		Komjeks
		Matjhuba Primary Co-Operative Limited
	Theletji James Makhwiting	Bashomi Agricultural Primary Co-Operative Limited
		Simesabatha Primary Co-Operative Limited
	Nomasonto Emmah Phakathi	Umkhumbi Ohambayo Mining Primary Co-Operative
		Thembifundo Ikusasa Lakho Services Primary Co-Operative
		Siragela Phambili Services Primary Co-Operative Limited
		Thoma Ganyane Secondary Co-Operative Limited
		Botlhabatsatsi Secondary Co-Operative Limited
Councillors	Thabisile Elsie Mashinini	Nil
	Emelinah Mavis Mathibela	Abakwethu Electrician Primary Co-Operative Limited

Disclosures Of Financial Interests		
Period 1 July 2017 To 30 June 2018		
Position	**Name**	**Description Of Financial Interests* (Nil / Or Details)**
	Lindiwe Thembi Skosana	Si- Busy - Njan Agricultural Primary Co-Operative Limited
	Thokozile Egnes Motanyane	Nil
	Laza Elsie Jiyane	Mjadeko Trading And Projects Co-Operative Limited
	Marcia Msiza	Nil
	Zanele Maseko	Nil
	Sonto Rose Nhlapho	Nil
	Nomatjeni Nellie Msiza	Bonginkosi Construction Co-Operative Limited
	Piet Thapelo Kekana	Nil
	Remenky Stephinah Molefe	Nil
	Steven Boshego	Sebenza-Shuma Constructions And Projects
	Alicia Lebohang Dhlamini	Ilitshe Lembube Trading And Projects
		Lwazi Professional Driving School
	Vusi Amos Msibi	Nil
	Ntombi Mitta Motaung	Nil
Councillors	Matalanyane Lucas Moloko	Nil
	Nompumelelo Merriam Mahlangu	Nil
	Toenkie Linah Masilela	Nil
	Ivy Mando Mahlangu	Nil
	Maria Adelaide Mokwena	Nil
	Thabo John Tibane	Siseganomlambo Projects Primary Co-Operative Limited
	Jan Masaka Makhubela	Ajanda Enterprise
	Rubber Qaliwe Mtsweni	Sizwene Driving Academy Primary Co-Operative Limited
		Dr JS Moroka And Thembisile Huny Driving School And Taxi Association
	Mqosh Paulus Mashaba	Nil
	Amos Mahlangu	Nil
	Dipolelo Sinah Mampuru	Tlala Tsamaya Primary Co-Operative Limited

Disclosures Of Financial Interests		
Period 1 July 2017 To 30 June 2018		
Position	**Name**	**Description Of Financial Interests* (Nil / Or Details)**
	Pheneus Doctor Makatu	Bashomi Agricultural Primary Co-Operative Limited
		Shomalerena Co-Operative Limited
	Mitopi Andries Motena	Iketleng Hospitality And Development
	Sipho Koos Ngoma	Siwuruwuru Trading Enterprise
		Friends Indeed Consortium
	Koos Vusi Jiyane	Nil
	Moses Michael Mahlangu	Nil
	Mbebenzi Ben Mabena	Nil
	Joseph Elias Mthimunye	Nil
	Maria Thruddy Nobela	Nil
	Sgaule Timothy Mnisi	SMB Trading
	Sipho Masango	Nil
	Christinah Ndlelehle Mahlangu	Mammabolo Waste Management And Greening
	James Simausu Msiza	Kagiso Development Co-Operative Limited
		Hlanganani Transport And Cleaning Equipment And Supplies
		Esiqongolweni Agricultural And Projects Primary Co-Operative Limited
		Abanqobi Secondary Co-Operative Limited
	Alexcious Sphiwe Madyungu	Hikhensile Trading Enterprise
	Josephinah Lindiwe Mahlangu	Nil
	Samuel Bongani Mogoboya	Dimoko Distribution Amo Project
	Maria Qhubeni Mnguni	Nil
	Mzwandile Obed Sikosana	Nil
	Seisiwe Jack Masango	Nil
	Norman Ngoma	Mayibuye Agricultural And Poultry
	Nimrod Boitumelo Malefo	BK Arts Projects And Construction

Disclosures Of Financial Interests		
Period 1 July 2017 To 30 June 2018		
Position	**Name**	**Description Of Financial Interests* (Nil / Or Details)**
	Bongani Victor Msibi	Nil
Councillors	Dumisani Chrescent Fakude	Zamambala Paving
	Jan Sizwe Mahlangu	Bavukile Empumalanga Agricultural Co-Operative Limited
		Tshidelani Primary Co-Operative Limited
	Masotja Petrus Nduli	Nil
	Dini Samson Skosana	Sohlala Siphumelela Primary Co-Operative Limited
	Khulisile April Msiza	Karabilwe Transport And Projects
	Patrick Vusi Mahlangu	Mnotho Four Multi-Purpose Co-Operative Limited
		Mnotho For Trading Enterprise
	Gideon Mahlangu	Vezulwazi Building And Projects Co-Operative Limited
	Vusimuzi Vincent Skosana	Nil
	Oria Mpheto Mabelwane	Nil

Municipal Manager	O.N Nkosi	Gbu Holdings 2013/206266/07 Samketsi 2013/074623/07 Uhambo Petroleum 2015/023315/07
Chief Financial Officer	Oupa Ledwaba (Acting)	Nil
Other S57 Officials	Lerato Nxumalo	Incangosi Trading Enterprise
	Raesibe Francina Morudu	Nil
	Sibusisi Masilela (Acting SDS)	SBUQS Cost Projects Engineering
* Financial Interests To Be Disclosed Even If They Incurred For Only Part Of The Year. See Mbrr Sa34a		

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance By Vote					Note:R' 000 On Total Revenue	
	2016/2017	2017/2018			2017/2018	
Vote Description	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 104	364 962	379 948	422 333	405 044	106.61%	95.91%
Vote 105	125 424	117 584	117 915	119 275	101.44%	101.15%
Vote 107	1 521	4 603	4 603	3 432	74.56%	74.56%
Vote 108	7 878	6 702	9 301	9 295	138%	99.94%
Vote 300	164	201	219	304	151.24%	138.81%
Vote 500	0	0	0	0	0	0
Vote 520	26 972	51 743	32 645	32 661	63.12%	100%
Vote 530	38 703	2 000	0	0	0	0
Vote 540	135 059	60 129	124 640	174 607	290.39%	140.09%
Vote 560	1 877	1 224	2 224	2 293	187.34%	103.10%
Total Revenue By Vote	**702 560**	**626 851**	**713 702**	**744 618**	**118.79%**	**104.33%**

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: Excluding Mig R						
Details	Budget	Adjust-Ments Budget	Actual	Variance		Major Conditions Applied By Donor (Continue Below If Necessary)
				Budget	Adjust-Ments Budget	
Neighbourhood Development Partnership Grant	0	0	0			
Fmg	1 625 000	1 625 000	1 625 000	0%	0%	
Msig	0	0	0	0%	0%	
Epwp	2 244 000	2 244 000	2 244 000	0%	0%	
Water Operating Subsidy	19 000 000	19 000 000	29 000 000	0%	0%	
Inep	0	0	0	0%	0%	
Total	22 869 000	22 869 000	32 869 000	0%	0%	

APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme* R '000 Description	2016/2017	2017/2018			Planned Capital Expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	Fy + 1	Fy + 2	Fy + 3
Capital Expenditure By Asset Class							
Infrastructure - Total	–	**135 401**	**114 186**	**112 515**	–	–	–
Infrastructure: Road Transport - Total	–	**0**	**906**	**270**	–	–	–
Roads, Pavements & Bridges		0	500	270	-	-	-
Storm Water							
Infrastructure: Electricity - Total	–	**2 000**	**8 436**	**1689**	**-**	**-**	**-**
Transmission & Reticulation							
Street Lighting		0	8 842	1 689	-	-	-
Infrastructure: Water - Total	–	**131 180**	**97 167**	**103 963**	–	–	–
Dams & Reservoirs		80 847	61 647	67 331	-	-	-
Water Purification		0	0	0	-	-	-
Reticulation		47 333	35 520	36 632	-	-	-
Infrastructure: Sanitation - Total	–	**3 521**	**6 027**	**6 112**		–	–
Reticulation							
Sewerage Purification		3 521	6 027	6 112	-	-	-
Infrastructure: Other - Total	–	**1 700**	**1 650**	**481**	–	–	–
Waste Management	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-

Other		1 700	1 650	481	-	-	-
Community - Total	–	–	–	–	–	–	–

APPENDIX N – CAPITAL PROGRAMME BY PROJECT BY WARD 2017/18

Location	Project Description	Revised Annual Target 2017/ 2018 FY	Adjusted Annual Budget (Input Indicator' 000)	2017/ 2018 Actual Performance	Expenditure To Date
Enkeldoornoog B	Construction of New Reservoir and at KwaMhlanga for Phola Park and Mountain View Communities - Phase 2	1 of 10Ml reservoir constructed by 30 June 2018	R 13 578 954.00	Pre-cast concrete walls installation ongoing	R 12 943 543.42
Enkeldoornoog B	Construction of New Pipeline at KwaMhlanga for Phola Park and Mountain View Communities - Phase 2	2.5km pipeline constructed d by 30 June 2018	R 8 246 491.00	2.3km pipeline constructed d by 30 June 2018	R 6 257 740.78
Boekenhouthoek	Construction of Bulk pipeline Kwaggafontein (Water Scheme - Phase 2)	6 km pipeline constructed by 30th June 2018	R 0.00	6 km pipeline constructed by 30th June 2018	R 0.00
Boekenhouthoek	Upgrading of Existing Infrastructure from Agricultural Project to Augment Borehole Water Supply in Bundu - Construction of a Bulk Pipeline in Bundu	1 km pipeline constructed by 30th June 2018	R10 568 448.00	1.6km pipeline of 315mm has been completed.	R 9 591 751.04
Bundu	Upgrading of Existing Infrastructure from Agricultural Project to Augment Borehole Water Supply in Bundu - Construction of Water treatment Works Bundu	1 of 2.5 Ml per day plant module Constructed by 30th June 2018	R 29 433 650.00	Setting out complete. Bulk earthworks complete. Clear water Storage and Pump station - 55%. Sand filters Construction bases - 25%	R 27 881 634.40

Location	Project Description	Revised Annual Target 2017/ 2018 FY	Adjusted Annual Budget (Input Indicator' 000)	2017/ 2018 Actual Performance	Expenditure To Date
Mathysensloop	Upgrading of Existing Infrastructure from Agricultural Project to Augment Borehole Water Supply in Bundu – Construction of a 10 Ml RC Reservoir	1 of 10 Ml reservoir constructed by 30th June 2018	R 18 048 034.00	Setting out of reservoir complete. Construction of foundation layer complete.	15 526 163.28
Kwaggafontein A	Construction of Water Reticulation in Kwaggafontein A, Ward 29	250 households connected to yard taps by 30th June 2018	R 10 446 553.00	506 households connected to yard taps	R 9 218 702.71
Enkeeldoornoog C	Upgrading of Enkeldoornoog B Water Infrastructure - Construction of Pipeline Enkeldoornoog B	1 km pipeline constructed by 30th June 2018	R 2 141 906.00	1 km pipeline constructed	1 905 460.91
Tweefontein K	Upgrading of Enkeldoornoog B Water Infrastructure - Construction of pump station Enkeldoornoog B	1 pump station constructed 30th June 2018	R 2 868 789.00	1 pump station has been refurbished	R 2 026 2009.70
Tweefontein K	Upgrading of Vlaklaagte and Kwaggafontein Water Infrastructure	1 pump station constructed by 30th June 2018	R 4 300 399.00	Casting of concrete foundation and concrete ring beam completed. The first lift of the concrete walls completed	R 4 237 025.91
Vreischgewaagd	Upgrading of Vrischgewaagd Reservoir Storage	1 of 1 Ml reservoir constructed at Vrischgewaagd by 30th June 2018	R 3 980 463.00	1 of 1Ml reservoir constructed	R 3 986 224.21
Tweefontein A	Upgrading of Tweefontein A Reservoir Storage	1 of 1 Ml reservoir constructed at Tweefontein A. by 30th June 2018	R 4 505 151.00	1 of 1Ml reservoir constructed	R 4 262 726.48

Location	Project Description	Revised Annual Target 2017/ 2018 FY	Adjusted Annual Budget (Input Indicator' 000)	2017/ 2018 Actual Performance	Expenditure To Date
Mathysensloop	Upgrading of Mathysensloop Water Infrastructure	1 of 0.8 Ml reservoir constructed by 30th June 2018	R 3 767 444.00	Reservoir foundation casted. Steel fixing for the reservoir walls.	R 3 382 868.12
Verena D	Augmentation Bulk Water Borehole Verena D	2 wind Mill constructed by 30th June 2018	R 379 863.00	2 wind mills Constructed	R 399 848.00
Kwaggafontein B	Augumentation Bulk Water Borehole Kwaggafontein B	2 wind Mill constructed by 30th June 2018	R 369 968.00	2 wind mills Constructed	R 338 787.00
Kwaggafontein C, D & E	Augumentation Bulk Water Borehole Kwaggafontein C, D & E	2 wind Mill constructed by 30th June 2018	R 369 968.00	2 wind mill Constructed	R 358 525.00
Moloto	Augumentation Bulk Water Borehole Moloto Ward 1	1 wind Mill constructed by 30th June 2018	R 118 105.00	1 wind mill Constructed	R 124 529.66
Moloto	Augumentation Bulk Water Borehole Moloto Ward 3	1 wind Mill constructed by 30th June 2018	R 118 105.00	1 wind mill Constructed	R 122 171.54
Moloto	Augmentation of Bulk Water Supply Cluster 1 (Boreholes) Moloto - Installation of Booster Pumps	2 Booster pumps installed by 30 June 2018	R 60 000.00	Assessment completed of 2 x boreholes	R 0.00
Luthuli	Augmentation of Bulk Water Supply Cluster 2 (Boreholes) Luthuli -	4 Boreholes electrified by 30 June 2018	R 360 000.00	Assessment completed of 4 x boreholes	R 84 139.00

Location	Project Description	Revised Annual Target 2017/ 2018 FY	Adjusted Annual Budget (Input Indicator' 000)	2017/ 2018 Actual Performance	Expenditure To Date
	Electrification of Boreholes				
Langkloof	Augmentation of Bulk Water Supply Cluster 3 (Boreholes) Langkloof - Electrification, Installation of Electric Submersible Pump and Reticulation	6 Boreholes electrified by 30 June 2018	R 950 000.00	Assessment completed of 6 x boreholes	R 0.00
Verena D	Augmentation of Bulk Water Supply Cluster 3 (Boreholes) Verena D - Reticulation of Borehole	2 Boreholes electrified by 30 June 2018	R 100 000.00	Assessment completed of 2 x boreholes	R 0.00
Engwenyameni	Augmentation Bulk Water Borehole Engwenyameni	2 Boreholes electrified by 30 June 2018	R 180 000.00	Assessment done of 2 x boreholes	R 0.00
Sun City	Augmentation Bulk Water Borehole Sun City	2 Boreholes electrified by 30 June 2018	R 180 000.00	Assessment completed of 2 x boreholes	R 0.00
Luthuli	Augmentation Bulk Water Borehole Luthuli	1 Borehole electrified by 30 June 2018	R 90 000.00	Assessment completed of 1 x borehole	R 0.00
Bundu	Augmentation Bulk Water Borehole Bundu	1 Borehole electrified by 30 June 2018	R 90 000.00	Assessment completed of 1 x borehole	R 0.00
Machipe	Augmentation Bulk Water Borehole Machipe	1 Borehole electrified by 30 June 2018	R 270 000.00	Assessment completed of 1 x borehole	R 0.00
Mathysensloop	Augmentation Bulk Water Borehole	1 Borehole electrified by 30	R 270 000.00	Assessment completed	R 0.00

Location	Project Description	Revised Annual Target 2017/ 2018 FY	Adjusted Annual Budget (Input Indicator' 000)	2017/ 2018 Actual Performance	Expenditure To Date
	Mathysensloop	June 2018		of 1 x borehole	
Tweefontein C	Augmentation Bulk Water Boreholes Tweefontein C	1 Borehole electrified by 30 June 2018	R 90 000.00	Assessment completed of 1 x borehole	R 0.00
Tweefontein D	Augmentation Bulk Water Boreholes Tweefontein D	1 Borehole electrified by 30 June 2018	R 190 000.00	Assessment completed of 1 x borehole	R 0.00
Wolvenkop	Augmentation Bulk Water Boreholes Wolvenkop	1 Borehole electrified by 30 June 2018	R 120 000.00	Assessment completed of 1 x borehole	R 0.00
Verena C	Augmentation Bulk Water Boreholes Verena C	2 Boreholes electrified by 30 June 2018	R 120 000.00	Assessment completed of 2 x boreholes	R 0.00
Kwaggafontein B	Augmentation Bulk Water Boreholes Kwaggafontein B	2 Boreholes electrified by 30 June 2018	R 100 000.00	Assessment completed of 2 x boreholes	R 0.00
Kwaggafontein C	Augmentation Bulk Water Boreholes Kwaggafontein C	1 Borehole electrified by 30 June 2018	R 270 000.00	Assessment completed of 1 x borehole	R 0.00
Kwaggafontein D	Augmentation Bulk Water Boreholes Kwaggafontein D	1 Borehole electrified by 30 June 2018	R 90 000.00	Assessment completed of 1 x borehole	R 0.00
Luthuli	Construction of Luthuli Waste Water Treatment Works	1 Design report with EIA and Water Use License Application (WULA) completed and approved by 30th June 2018	R 500 001.00	Detailed design report completed.	R 433 888.29
Tweefontein K	Upgrading of Tweefontein K Waste Water Treatment Works	1 detailed design report developed, EIA and WULA by	R 1 000 000.00	Preliminary design	R 402 722.31

Location	Project Description	Revised Annual Target 2017/ 2018 FY	Adjusted Annual Budget (Input Indicator' 000)	2017/ 2018 Actual Performance	Expenditure To Date
		30th June 2018		report completed.	
Sheldon	Installation of High Mast in Sheldon	1 high mast light installed by 30th June 2018	R 920 796.00	1 high mast light Installed.	R 911 611.48
Tweefontein B2	Installation of High Mast in Tweefontein B2	1 high mast light installed by 30th June 2018	R 463 403.00	1 high mast light Installed.	402 903.10
Sheldon	Installation of High Mast Light in Sheldon	2 high mast light installed by 30th June 2018	R 920 796.00	2 high mast lights Installed.	R 911 611.00
Tweefontein F	Installation of High Mast Light in Tweefontein F	1 high mast light installed by 30th June 2018	R 521 595.00	1 high mast light Installed.	R 516 982.33
Tweefontein G	Installation of High Mast Light in Tweefontein G	1 high mast light installed by 30th June 2018	R 502 072.00	1 high mast light Installed.	R 396 029.99
Tweefontein H	Installation of High Mast Light in Tweefontein H	1 high mast light installed by 30th June 2018	R 527 983.00	1 high mast light Installed.	R 453 591.29
Tweefontein J	Installation of High Mast Light in Tweefontein J	1 high mast light installed by 30th June 2018	R 529 266.00	1 high mast light Installed.	R 524 673.40
KwaMhlanga B	Installation of High Mast Light in KwaMhlanga B	2 high mast light installed by 30th June 2018	R 1 044 897.00	2 high mast lights Installed.	R 949 363.39
Sun CityD	Installation of High Mast Light in Sun CityD	1 high mast light installed by 30th June 2018	R 550 330.00	1 high mast light Installed.	R 545 737.32
Mahlabathini	Installation of High Mast Light in Mahlabathini	1 high mast light installed by 30th June 2018	R 595 592.00	1 high mast light Installed.	R 557 783.48
Wolvenkop	Installation of High Mast Light in Wolvenkop	1 high mast light installed by 30th June 2018	R 527 983.00	The service provider	R 0.00

Location	Project Description	Revised Annual Target 2017/ 2018 FY	Adjusted Annual Budget (Input Indicator' 000)	2017/ 2018 Actual Performance	Expenditure To Date
				was appointed in August 2017, however the project was halted due to budget constraints.	
Mzimuhle	Installation of Street Lights in Mzimuhle	1 Consumer box installed by 30 June 2018	R 147 815.00	1 Costumer consumer box installed.	R 30 055.26
Buhlebesizwe	Energising of High Mast Light in Buhlebesizwe	1 high mast light energized by 30 June 2018	R 141 500.00	1 high mast light energized.	R 122 251.67
Thembalethu	Energising of High Mast Light in Thembalethu	1 high mast light energized by 30 June 2018	R 91 500.00	1 high mast light energized.	R 49 041.67
Thokoza	Energising of High Mast Light in Thokoza	1 high mast light energized by 30 June 2018	R 131 500.00	1 high mast light energized.	R 121 251
Chris Hani	Energising of High Mast Light in Chris Hani	1 high mast light energized by 30 June 2018	R 91 500.00	1 high mast light energised.	R 0.00
Miliva	Energising of High Mast Light in Miliva RDP	1 high mast light energized by 30 June 2018	R 131 500.00	1 high mast light energized.	R 122 251.67
Sun CityAA	Energising of High Mast Light in Sun CityAA	1 high mast light energized by 30 June 2018	R 131 500.00	1 high mast light energized.	R 122 251.67
Verena D	Energising of High Mast Light in Verena D	1 high mast light energized by 30 June 2018	R 13 000.00	1 high mast light energized.	R 0.00
Verena A	Energising of High Mast Light in Verena A	1 high mast light energized by 30 June 2018	R 91 500.00	Eskom customer	R 0.00

Location	Project Description	Revised Annual Target 2017/ 2018 FY	Adjusted Annual Budget (Input Indicator' 000)	2017/ 2018 Actual Performance	Expenditure To Date
				consumer box reinstated by Eskom	
KwaMhlanga	Regravelling of Internal Roads in KwaMhlanga	0.8 km of road regravelled by 30th June 2018	R 3 000 000.00	2.2 km of road regravelled.	R 2 768 501.64
Vlaklaagte No. 1	Regravelling of Internal Roads in Vlaklaagte No. 1	0.8 km of road regravelled by 30th June 2018	R 3 000 000.00	2.2 km of road regravelled.	R 2 888 241.50
Mabhoko	Construction of Road to Mabhoko Cemetery	0.8 km road paved By 30th June 2018	R 3 500 000.00	0.8 km of road paved.	R 3 214 301.05
Kwaggafontein B	Upgrading of Kwaggafontein Landfill Site	1 Landfill Site Upgraded by 30th June 2018	R 18 324 634.00	Contractor Site Establishment - 100%. Setting out - 70%. Site Clearing = 70%. Excavation of Cells and Leachate ponds - 90%.	R 16 709 433.83
Phumula	Construction of Multi-Purpose Centre in Phumula	1 Construction of Multi-Purpose Centre in Phumula by 30th June 2018	R 5 904 000.00	Clearing and grubbing completed. Erection of perimeter fence. Mass Earthworks. Installation of water tank. Paving works. Construction of Soccer Field and Cobi Court. Construction of Ablution Blocks.	R 5 140 012.85

APPENDIX O - SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

For current financial year there is no service backlogs experienced by the community whereby another sphere of government is responsible for service provision.however the municpality has collected priority needs information from the community during public participation meetings.

VOLUME II:AUDITED ANNUAL FINANCIAL STATEMENTS (ANNEXURE A)

THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements
for the year ended 30 June 2018

Audited
By
2018 -11- 30
Auditor General South Africa
Mpumalanga Business Unit

General Information

Mayoral committee	
Executive Mayor	Cllr Mtsweni Nomsa Sanny
Speaker	Cllr Hlope Nompumelelo Evidence
Chief Whip	Cllr Tau Joyce Johanna
Members of Executive Committee	Cllr Tshabangu Lillian Martha
	Cllr Mabena Thomas Lebandla
	Cllr Msiza Maria Poppy
	Cllr Makhwiting Theletji James
	Cllr Phakathi Noma onto Emmah
Councillors	Cllr Mahlangu Amos
	Cllr Mampuru Dipolelo Sinah
	Cllr Makatu Pheneus Doctor
	Cllr Motena Mitie Andries
	Cllr Ngoma Sipho Koos
	Cllr Jiyane Koos Vusi
	Cllr Mahlangu Moses Michael
	Cllr Mabena Mbebenzi Ben
	Cllr Mthimunye Joseph Elias
	Cllr Nobela Maria Thruddy
	Cllr Mnisi Sgaule Timothy
	Cllr Masango Sipho
	Cllr Mahlangu Christinah Ndlelehle
	Cllr Msiza James Simausu
	Cllr Madyungu Alexcious Sphiwe
	Cllr Mahlangu Josephinah Lindiwe
	Cllr Mogoboya Samuel Bongani
	Cllr Sikosana Mzwandile Obed
	Cllr Masango Seisiwe Jack
	Cllr Mnguni Maria Qhubeni
	Cllr Ngoma Norman
	Cllr Malefo Nimrod Boitumelo
	Cllr Msibi Bongani Victor
	Cllr Fakude Dumisani Chrescent
	Cllr Mahlangu Jan Sizwe
	Cllr Nduli Masotja Petrus
	Cllr Skosana Dini Samson
	Cllr Msiza Khulise April
	Cllr Mahlangu Patrick Vusi
	Cllr Gideon Mahlangu
	Cllr Skosana Vusimuzi Vincent
	Cllr Mabelwane Coria Mpheto
	Cllr Mashinini Thabisile Elsie
	Cllr Mathibela Emelinah Mavis
	Cllr Skosana Lindiwe Thembi
	Cllr Motanyane Thokozile Egnes
	Cllr Jiyane Laza Elsie
	Cllr Msiza Marcia
	Cllr Maseko Zanele
	Cllr Nhlapho Sonto Rose
	Cllr Msiza Nomatjeni Nellie

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By
2018 -11- 30
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Mpumalanga Business Unit

General Information

	Cllr Kekana Piet Thapelo Cllr Molefe Remenky Stephinah Cllr Boshego Steven Cllr Dhlamini Alicia Lebohang Cllr Msibi Vusi Amos Cllr Motaung Ntombi Mitta Cllr MokoloMatalanyane Lucas Cllr Mahlangu Nompumelelo Merriam Cllr Masilela Toenkie Linah Cllr Skhosana Erik John Cllr Mokwena Maria Adelaide Cllr Tibane Thabo John Cllr MakhubelaJan Masaka Cllr Mtsweni Rubber Qaliwe Cllr Mashaba Mqosh Paulus
Grading of local authority	Grade 3
Accounting Officer	Mr ON Nkosi
Business address	24 Kwaggafontein C Kwaggafontein 3100
Postal address	Private Bag X4041 Empumalanga 0458
Bankers	Nedbank
Auditors	AGSA - Mpumulanga

Audited
By
2018 -11- 30
Auditor General South Africa
Mpumalanga Business Unit

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

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Audited By
2018 -11- 30
Auditor General South Africa
Mpumalanga Business Unit

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
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 the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring 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.

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2019 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 10.

The annual financial statements set out on pages 10 to 84, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2018 and were signed on its behalf by:

Mr Oscar Nkosi
Accounting Officer

Audited
By
2018 -11- 30
Auditor General South Africa
Mpumalanga Business Unit

Report of the Audit and Performance Committee

ANNUAL REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE (REPORT FROM THE CHAIR OF AUDIT AND PERFORMANCE COMMITTEE)

We are pleased to submit the report of the Audit Committee for the year ended 30 June 2018

1. 1. Background

Nkangala District Municipality and some of its local municipalities namely Steve Tshwete Local Municipality, Emakhazeni Local Municipality, Victor Khanye Local Municipality and Thembisile Hani Local Municipality have opted for the shared Audit and performance Committee Services. The Audit committee was established in terms of section 166 of the Municipal Finance Management Act (MFMA), Act 56 of 2003. The Audit committee has adopted its terms of reference.

Statutory requirements

Section 166 of the MFMA stipulates that each municipality must establish an Audit committee.

The Audit committee is an independent advisory body that advises council, political office bearers, accounting officer, and the staff of the municipality on the following

- Internal financial control and internal audit;
- Risk management;
- Accounting policies
- The adequacy, reliability and accuracy of financial reporting and information;
- Performance management;
- Compliance with the MFMA, the Division of Revenue Act (DORA) and any other applicable legislation;
- Performance evaluation
- Any other issues referred to it by the municipality;
- Review annual financial statements so as to provide authoritative and credible view of the financial position, on overall compliance with MFMA, DORA, etc.
- Respond to Council on any matter raised by the Auditor- General (AGSA); and
- Carry out such investigation into financial affairs of the municipality as may be prescribed

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Mpumalanga Business Unit

2. Attendance of meetings

Name of the member	I			
Mr. SAB Ngobeni (Contract expired on the 27 November 2017)	4	5	6	2
Mr. BTA Matabane (Contract expired on the 27 November 2017)	4	2	6	2
Mr. Z Ndzimande (Contract expired on the 27 November 2017)	4	2	1	1

Report of the Audit and Performance Committee

Mr. VK Chuene (Acting Chairperson)	4	2	6	4
Mr. L Langalibalele (Member) (Contract expired 28 February 2018) (Appointed 1 March 2018)	4	2	6	3
Advocate L Thubakgale (Member) (Contract expired 28 February 2018	4	2	6	2
Mr. M Mathabathe Member	4	2	6	4
Ms. F Mudau (Member) (Appointed 1 March 2018)	4	2	6	1

The following although not members of the Audit and Performance Committee (APC), have standing invitation to Audit and Performance committee meetings:

- The Accounting Officer;
- The Chief Financial Officer;
- The chairperson of the Risk committee
- The Section 56 Managers/Departmental Heads
- Chief Risk Officer
- The Auditor- General
- The National Treasury
- Mpumalanga Provincial Treasury
- Internal Audit (Secretariat function)

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3. Internal Audit

The internal audit of Thembisile Hani Local Municipality is in-house and has discharge its mandate in terms of its charter and managed to execute all projects for 2017/18 financial year. The Audit and Performance Committee (APC) would like to commend the Council and management for the dedication in strengthening the Corporate Governance.

The Audit and Performance Committee (APC) is of the opinion that Internal Audit unit is operating effectively to meet its mandate and has considered the risk pertinent to the municipality in its audit plans. The following documents were approved by the Audit Committee and performance committee and recommended to Council for adoption

- Internal Audit charter
- Internal Audit methodology
- Three year rolling strategic and Annual Audit Plan
- Combined Assurance framework

Report of the Audit and Performance Committee

The following projects of Thembisile Hani Local Municipality were implemented by Nkangala District Municipality:

- Supply Chain Management Audit (SCM)
- Information, Communication and Technology (ICT)

4. Effectiveness of Internal controls

The system of internal control was not entirely effective during the year under review as compliance with prescribed policies and procedures were lacking in certain instances and this was evident with the investigation of irregular expenditure that was conducted by the Council during the year under

review.

The following Internal audit reports are among others that were presented to the Audit Committee

- Audit of quarterly performance information;
- Land and building;
- Water and Sanitation;
- Project Management;
- Governance;
- Fleet Management;
- Local Economic development; and
- Assets Management
- Risk Management

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There has been improvement by management in responding to internal audit reports and this can be attributed to measures that have been implemented by the Accounting officer. Audit committee has also urged management to draw up action plan to address issues raised by the Auditor- General in the management letters and audit report and to ensure that all matters have been raised by the Auditor General are resolved by Management.

5. Risk Management

The municipality has an effective risk unit that consist of two staff members and Risk management, anti-fraud and anti-corruption committee that is chaired by the chairperson of Risk management, anti- fraud and anti-corruption.

Four (4) risk committee meetings were held for the year under review

The following policies were reviewed

- Risk Management strategy
- Risk Management policy
- Whistle blowing policy
- Fraud Prevention Plan and Fraud Prevention policy
- Risk Management Anti-corruption and Anti-fraud risk charters
- Fraud prevention plan and fraud prevention policy
- Risk appetite and Tolerance Frame work

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Report of the Audit and Performance Committee

- Gift Policy

6. Performance Management

The Audit committee has reviewed the Annual Performance Information report in the meeting held on the 31 August 2018 and performance department has shown significant improvement

7. Year- end reporting

The Audit and Performance Committee (APC) has reviewed the Annual Performance Information report before the report was submitted to the Auditor-General and the quality of the quarterly reports submitted by management during the year were of acceptable standard.

8. Evaluation of annual financial statements

The Audit and Performance Committee (APC), on its meeting held on the 31 August 2018 to discuss the draft annual financial statements and unaudited annual report with the Accounting Officer, before submitting to the Auditor General.

The Audit committee wishes to indicate that it performed a review on the financial statements focusing among others:

- Significant financial reporting adjustments and estimates contained in the Annual Financial Statements
- Clarity and completeness of disclosures has been set properly
- Quality and acceptability of and any changes in accounting policies and practice.
- Significant adjustments arising from the audit
- Reasons for major year to year fluctuations The

Audit and Performance Committee (APC) has:

- Further reviewed the audited financial statements to be included in the Annual Report with the Accounting Officer.
- Reviewed the Auditor General Management report and management response thereof
- Reviewed the municipality compliance with legal and regulatory provision and;
- Reviewed significant adjustments resulting from the audit.

The Audit and Performance Committee (APC) concurs and accepts the conclusions of the Auditor- General on the Annual Financial Statements be accepted and read together with the report of the Auditor-General.

9. Conclusion

The Audit and Performance Committee (APC) acknowledges the co-operation and assistance by the Nkangala District Municipality for coordinating the activities of the Committee. We also acknowledge the commitment of the Accounting Officer and management of Nkangala District Municipality in strengthening corporate governance and working in maintaining the clean audit.

The Audit and Performance Committee (APC) further acknowledge the commitment and the foundation on good governance that has been laid by Honorable Executive mayor Councilor N Mtsweni her Council and further express gratitude to the Chief Audit Executive, Mr. A Malope and his staff for the support and commitment to the work of the Audit and Performance Committee.

The Acting Chairperson of the Audit and performance committee remain confident that all matters that have been raised by the Internal Audit and Auditor General are receiving due consideration and intervention. We are committed to fully execute our oversight function to strengthening corporate governance.

Report of the Audit and Performance Committee

2018/08/31

Ms. F Modau

Date

Chairperson of Audit committee

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Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2018.

1. Introduction

The Accounting Officer is required in terms of section 126(1)(a) to prepare annual financial statements of the municipality and, within two months after the end of the financial year to which those financial statements relate, submit the statements to the Auditor General for auditing purposes.

This report seeks to provide a high level overview of the key highlights of issues contained in this set of annual financial statements. It will reflect high level challenges that have had an impact on the preparations of the statements and also provide high level remedial action taken to address those challenges.

2. Review of activities

Main business and operations

The process of preparing for the submission of the AFS that relates to the 2017/18 financial year that ended on the 30th of June 2018, began in earnest immediately after the receipt of the Auditor General's report that relates to the financial year that ended on the 30th of June 2017. The municipality was able to prepare an Audit Action plan that was used to have a plan of action to address issues raised by the AG in the previous audit, such that they don't recur in the following financial year where possible. This Audit action plan was used as a monitoring tool by Management and it was reviewed on a monthly basis.

The municipality was also able to prepare a set of interim financial statements in February 2018. Management also established a committee that dealt with all matters incidental to preparation of a credible set of financial statements and to also deal with preliminary issues that could affect the 30 June 2018 financial statements. This committee had a schedule of meetings that required it to meet twice per month and it was chaired by the MM or the Acting CFO.

The requirements of mSCOA as from July 2017 had a huge impact on the mapping processes of the financial system of the municipality to the extent that year end procedures were impacted upon from a timing point of view and that had a knock on effect on the timeous closure of the financial system at year end. That then resulted in the accounting officer not being able to submit a set of draft financial statements to the Internal Auditor and the Audit Committee by the 20th of August 2018 to allow for sufficient time for review by the Audit Committee and the internal assurance providers. However, the Audit Committee and the CAE were able to review the draft AFS before the final submission to the AG.

The execution of these activities required to be driven by an appointed CFO who should have been advising the Accounting Officer on these and other financially related activities as required by the MFMA. It is common course that the Municipality has operated without a full time CFO since the end of October 2017 following the resignation of the previous CFO who has been with the municipality for a period of less than two years as well. So, the instability in this critical post has made it even more difficult to ensure a smooth process towards the preparation and the submission of AFS.

The Municipality has done fairly what a reasonable institution should have done in promptly filling the vacancy, in that Council took a resolution to appoint a permanent CFO by the 29th of March 2018 after a lengthy selection process was followed. However, the process could not be concluded by Council in that the appointment needed to be concurred to by the Minister of Co-operative Governance and Traditional Affairs. The letter from the Minister was only received by the Municipality on or about the 27th of July 2018. The letter from the Minister did not concur with the appointment that Council had considered and as such the process of recruitment had to be started again..

3. Going concern

We draw attention to the fact that at 30 June 2018, the municipality had an accumulated surplus (deficit) of R 1 739 696 566 and that the municipality's total liabilities exceed its assets by R 1 947 274 073.

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.

4. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

Accounting Officer's Report

5. Accounting policies

The annual financial statements prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP), including any interpretations of such Statements issued by the Accounting Practices Board, and in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

6. Consequence management

The municipality's Municipal Public Accounts Committee was directed by Council to investigate all instances of Unauthorised, Irregular, Fruitless and Wasteful expenditure arising out of the 2017 Audit report and other matters incidental thereto. MPAC conducted a full scope investigation and further submitted their recommendations back to council by the 30th of June 2018. The full report of MPAC is available in this regard .

7. Accounting Officer

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

Name	Nationality
Mr Oscar Nkosi	South Africa

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Statement of Financial Position as at 30 June 2018

Figures in Rand	Note(s)	2018	2017 Restated*
Assets			
Current Assets			
Inventories	6	52 520 417	45 011 717
Receivables from exchange transactions	7&10	35 886 978	41 581 712
Receivables from non-exchange transactions	8&10	13 314 960	14 808 646
VAT receivable	9	14 875 546	10 714 319
Cash and cash equivalents	11	56 621 997	69 586 376
		173 219 898	**181 702 770**
Non-Current Assets			
Property, plant and equipment	3	1 888 374 360	1 772 466 359
Intangible assets	4	1 078 085	1 078 085
		1 889 452 445	**1 773 544 444**
Total Assets		**2 062 672 343**	**1 955 247 214**
Liabilities			
Current Liabilities			
Payables from exchange transactions	14	62 539 702	64 530 871
Provisions: Bonusses	13	2 889 460	2 644 750
		65 429 162	**67 175 621**
Non-Current Liabilities			
Employee benefit obligation	5	8 003 000	7 346 000
Provisions: Landfill site	13	19 373 024	16 679 715
Non-current portion of payables from exchange transactions	14	22 593 084	2 318 755
		49 969 108	**26 344 470**
Total Liabilities		**115 398 270**	**93 520 091**
Net Assets		**1 947 274 073**	**1 861 727 123**
Reserves			
Revaluation reserve	12	207 577 507	207 577 510
Accumulated surplus		1 739 696 566	1 654 149 625
Total Net Assets		**1 947 274 073**	**1 861 727 135**

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* See Note 38

Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	16	131 988 408	119 063 363
Rental of facilities and equipment	17	1 024 062	850 472
Investment revenue	19	55 657 682	48 729 020
Total revenue from exchange transactions		**188 670 152**	**168 642 855**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	20	42 764 437	40 676 196
Transfer revenue			
Government grants and subsidies	21	524 299 000	463 689 981
Licences and permits	22	4 098 003	7 726 179
Public contributions and donations	23	48 414 095	19 058 009
Fines, Penalties and Forfeits	18	4 956 377	1 725 894
Other income		1 614 814	5 164 942
Total revenue from non-exchange transactions		**626 146 726**	**538 041 201**
Total revenue	15	**814 816 878**	**706 684 056**
Expenditure			
Employee related costs	24	(117 038 472)	(111 186 174)
Remuneration of councillors	25	(23 534 142)	(21 045 778)
Depreciation and amortisation	26	(86 116 327)	(82 640 948)
Finance costs	27	(486)	(3 611)
Lease rentals on operating lease		(1 626 964)	(1 088 374)
Debt Impairment	28	(96 110 628)	(181 009 694)
Bulk purchases	31	(143 761 162)	(114 276 854)
Loss on disposal of assets and liabilities		-	(1 122 655)
Prescription - consumers written off	30	(135 439 513)	-
Decrease in leave and bonus provision		-	(153 117)
Loss on non-current assets held for sale or disposal groups		(281 219)	-
Amnesty consumers written off	29	(1 925 673)	(2 216 027)
General Expenses	32	(125 734 770)	(82 925 794)
Total expenditure		**(731 569 356)**	**(597 669 026)**
Surplus for the year		**83 247 522**	**109 015 030**

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* See Note 38

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Balance at 01 July 2016	**207 577 510**	**1 545 134 595**	**1 752 712 105**
Changes in net assets			
Surplus for the year	-	109 015 030	109 015 030
Total changes	-	109 015 030	109 015 030
Restated* Balance at 01 July 2017	**207 577 510**	**1 654 149 627**	**1 861 727 137**
Changes in net assets			
Revenue from exchange transactions: Water (write off of Free basic water)	-	35 907 987	35 907 987
Expenditure: Grants and subsidies paid (Free basic water)	-	(35 907 987)	(35 907 987)
Receivables from non-exchange: Provision bad debt: Fines	-	(260 660)	(260 660)
Receivables: Provision for bad debt: Consumers	-	4 230 320	4 230 320
Receivables - Service charges	-	(49 382)	(49 382)
PPE - Prior years	-	(960 509)	(960 509)
Payables (Software licences)	-	217 054	217 054
PPE: Cost & Accumulated depreciation	-	(877 406)	(877 406)
Net income (losses) recognised directly in net assets	-	2 299 417	2 299 417
Surplus for the year	-	83 247 522	83 247 522
Total recognised income and expenses for the year	-	85 546 939	85 546 939
Total changes	-	85 546 939	85 546 939
Balance at 30 June 2018	**207 577 510**	**1 739 696 566**	**1 947 274 076**
Note(s)	12		

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* See Note 38

Cash Flow Statement

Figures in Rand	Note(s)	2018	2017 Restated*
Cash flows from operating activities			
Receipts			
Taxation		43 122 993	46 029 748
Sale of goods and services		10 871 244	27 645 671
Grants		524 299 000	442 547 000
Interest income		8 289 387	10 426 157
Other receipts		11 693 256	22 598 536
		598 275 880	549 247 112
Payments			
Employee costs		(140 572 615)	(134 666 534)
Suppliers		(337 038 794)	(109 103 821)
Finance costs		(486)	(3 611)
		(477 611 895)	(243 773 966)
Net cash flows from operating activities	33	**120 663 985**	**305 473 146**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(153 902 693)	(306 165 547)
Proceeds from sale of property, plant and equipment	3	-	912 722
Purchase of other intangible assets	4	-	(662 970)
Proceeds from sale of other asset		-	(1 122 655)
Net cash flows from investing activities		**(153 902 693)**	**(307 038 450)**
Cash flows from financing activities			
Movement in non-current portion of payables from exchange transactions		20 274 329	2 318 755
Net increase/(decrease) in cash and cash equivalents		**(12 964 379)**	**753 451**
Cash and cash equivalents at the beginning of the year		69 586 376	68 832 925
Cash and cash equivalents at the end of the year	11	**56 621 997**	**69 586 376**

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	144 863 622	2 529 378	**147 393 000**	131 988 408	**(15 404 592)**	The high difference on the service charges was caused by the increased tarrifs as per CPIX and a few new consumers which were added into the billing databasa
Rental of facilities and equipment	444 710	(32 710)	**412 000**	1 024 062	**612 062**	More revenue was collected than anticipated because more uses rented the facilities
Interest received - investment	37 414 984	3 300 016	**40 715 000**	55 657 682	**14 942 682**	More money was invested with intermediaries than anticipated and also more interest were charged on consumer account because of less payment made on accounts
Total revenue from exchange transactions	**182 723 316**	**5 796 684**	**188 520 000**	**188 670 152**	**150 152**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	47 663 342	(5 410 342)	**42 253 000**	42 764 437	**511 437**	More revenue was collected because of additional consumers added to the data base for billing purposes
Transfer revenue						
Government grants & subsidies	519 299 008	-	**519 299 008**	524 299 000	**4 999 992**	Additional MIG was received from National Treasury
Levies	5 002 388	(32 388)	**4 970 000**	4 098 003	**(871 997)**	Less revenue was anticipated than budgeted because of data cleansing performance.
Public contributions and donations	-	50 000	**50 000**	48 414 095	**48 364 095**	Donations Received fromNkangala District Municipality

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Fines, Penalties and Forfeits	2 102 600	18 400	**2 121 000**	4 956 377	**2 835 377**	More revenue was collted because more tickets were issued by Traffic Officers than anticipated
Other transfer revenue	3 194 385	2 248 615	**5 443 000**	1 614 814	**(3 828 186)**	Less revenue was collected than anticipated because less consumers pay their accounts and also because of the amnesty given to the consumers by municipality.
Total revenue from non-exchange transactions	**577 261 723**	**(3 125 715)**	**574 136 008**	**626 146 726**	**52 010 718**	
Total revenue	**759 985 039**	**2 670 969**	**762 656 008**	**814 816 878**	**52 160 870**	
Expenditure						
Personnel	(127 487 279)	(3 760 721)	**(131 248 000)**	(117 038 472)	**14 209 528**	Less payments on salaries were made because of vacant posts which were not filled and also because of the alignment of Sage VIP and Munsoft System
Remuneration of councillors	(24 256 160)	160	**(24 256 000)**	(23 534 142)	**721 858**	The budgeted amount was more than the actual because the projected increase was more than the recommended increase.
Depreciation and amortisation	(171 267 937)	937	**(171 267 000)**	(86 116 327)	**85 150 673**	Less depreciation was incurred than anticipated because of less prior year error corrections than projected
Finance costs	-	-	-	(486)	**(486)**	
Lease rentals on operating lease	(4 506 456)	5	**(4 506 451)**	(1 626 964)	**2 879 487**	less contracts were entered into and this resulted to less expenditure incurred than anticipated
Debt Impairment	(170 761 812)	(188)	**(170 762 000)**	(96 110 628)	**74 651 372**	There were bad debts written off than anticipated by the municipality.

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Bulk purchases	(171 006 708)	6 000 000	**(165 006 708)**	(143 761 162)	**21 245 546**	more water was supplied by service providers than the budgeted amount which lead to an overspending
General Expenses	(138 413 676)	(43 719 944)	**(182 133 620)**	(125 734 770)	**56 398 850**	Less commitments and payments were made than budgeted
Total expenditure	**(807 700 028)**	**(41 479 751)**	**(849 179 779)**	**(593 922 951)**	**255 256 828**	
Operating surplus	**(47 714 989)**	**(38 808 782)**	**(86 523 771)**	**220 893 927**	**307 417 698**	
Consumer debtors Prescription written off	-	-	-	(135 439 513)	**(135 439 513)**	Prescription written off during the year iro of the last three years
Consumer debtors Amnest written off	-	-	-	(1 925 673)	**(1 925 673)**	Amnesty written off for the period under review 2017-2018
Loss on non-current assets held for sale or disposal groups	-	-	-	(281 219)	**(281 219)**	
	-	-	-	**(137 646 405)**	**(137 646 405)**	
Surplus before taxation	**(47 714 989)**	**(38 808 782)**	**(86 523 771)**	**83 247 522**	**169 771 293**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**(47 714 989)**	**(38 808 782)**	**(86 523 771)**	**83 247 522**	**169 771 293**	

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Accounting Policies

1. Presentation of Annual Financial Statements

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

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

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

Trade receivables / Held to maturity investments and/or loans and receivables

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

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Available-for-sale financial assets

The municipality follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the municipality evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

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1.3 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list municipality specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions.

Contingent Liabilities

Contingencies recognised in the current year required estimates and judgments, refer to note 36 .

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

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

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1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

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

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

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

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

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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1.4 Property, plant and equipment (continued)

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

Item	Depreciation method	Average useful life
Land	Straight line	Indefinite
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	3-5 years
Motor vehicles	Straight line	5-15 years
Office equipment	Straight line	3-5 years
IT equipment	Straight line	3-5 years
• Roads and Stormwater		
• Resevoirs		
• Electrical		
• Recreational Facilities		
• Halls		
• Buildings		
• Property, Plant and Equipment		
• IT Equipment		
• Office Equipment		

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

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

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

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

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1.5 Site restoration and dismantling cost

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'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a 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.

If the related asset is measured using the cost model:

(a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
(b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
(c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.6 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

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

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

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

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

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

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1.6 Intangible assets (continued)

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

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

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 years

Intangible assets are derecognised:

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

1.7 Financial instruments

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

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

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

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

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1.7 Financial instruments (continued)

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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

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

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

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

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

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

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

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

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

- derivatives;
- combined instruments that are designated at fair value;

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1.7 Financial instruments (continued)

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

Classification

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

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

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost

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

Class	Category
Interest	Measured at cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

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1.7 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

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

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

Reclassification

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

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

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

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

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

Gains and losses

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

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

Accounting Policies

1.7 Financial instruments (continued)

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

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1.7 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

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1.7 Financial instruments (continued)

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

Presentation

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

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

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

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

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

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

1.8 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

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

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

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1.8 Statutory receivables (continued)

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

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1.8 Statutory receivables (continued)

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership, refer GRAP 13.

Operating leases - lessee

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

1.10 Inventories

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

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

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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

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

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

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

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

1.11 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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1.11 Impairment of cash-generating assets (continued)

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

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

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

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

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

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

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

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.

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1.11 Impairment of cash-generating assets (continued)

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.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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1.11 Impairment of cash-generating assets (continued)

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

After the recognition of an impairment loss, 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.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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1.11 Impairment of cash-generating assets (continued)

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.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

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

1.12 Impairment of non-cash-generating assets

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

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

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

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

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

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

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

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

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

Useful life is either:

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

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

Designation

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the municipality designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Identification

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

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

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

Value in use

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

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

Depreciated replacement cost approach

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

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Reversal of an impairment loss

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

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

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

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

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

Redesignation

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

1.13 Consequence management

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

1.14 Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or

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1.14 Employee benefits (continued)

- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

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

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 entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

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1.14 Employee benefits (continued)

Termination benefits

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

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

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

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

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

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

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

1.15 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

Provisions are not recognised for future operating surplus (deficit).

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

Accounting Policies

1.15 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 36.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

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Accounting Policies

1.15 Provisions and contingencies (continued)

Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- those outflows of resources that are within the scope of other Standards, and
- fines or other penalties that are imposed for breaches of the legislation.

Government refers to government, government agencies and similar bodies whether local, national or international.

The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The municipality does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the municipality being economically compelled to continue to operate in that future period. The preparation of financial statements under the going concern assumption does not imply that the municipality has a present obligation to pay a levy that will be triggered by operating in a future period.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time (i.e. if the activity that triggers the payment of the levy, as identified by the legislation, occurs over a period of time).

If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability is recognised when that minimum threshold is reached.

The municipality recognises an asset if it has prepaid a levy but does not yet have a present obligation to pay that levy.

1.16 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.17 Revenue from exchange transactions

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

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

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

Measurement

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

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1.17 Revenue from exchange transactions (continued)

Sale of goods

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

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

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

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

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

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

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

Debt written of and provision for debt impairment

The municipality's debt write off procedure include the assessment of all debtors at year end which include amongst other things those who qualify for amnesty in terms of council resolutions and those debts whose debts have prescribed in terms of the Prescription Act. Debts written off are measured at the carrying amount of the debt at year end.

Provision for impairment takes into account the estimates for the recovery of debts at year end and the movement between the provision of last year and the provision for the current year is disclosed in the statement of financial performance as a reliable estimate.

1.18 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

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.

Measurement

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.

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Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Fines

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

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

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

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.

1.19 Investment income

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

1.20 Comparative figures

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

1.21 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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

1.22 Fruitless and wasteful expenditure

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

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

1.23 Irregular expenditure

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

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

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

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

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

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Accounting Policies

1.23 Irregular expenditure (continued)

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

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

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

1.24 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.25 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.26 Budget information

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

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1.26 Budget information (continued)

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

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2017/07/01 to 2018/06/30.

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

1.27 Related parties

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

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.28 Events after reporting date

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

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

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

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

Accounting Policies

1.29 Value Added Tax (VAT)

The municipality is registred with the South Africa Revenue Services (SARS) for VAT on the cash payments basis, in accordance with Section 15 (2) of the VAT Act (Act. No. 89 of 1991).

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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

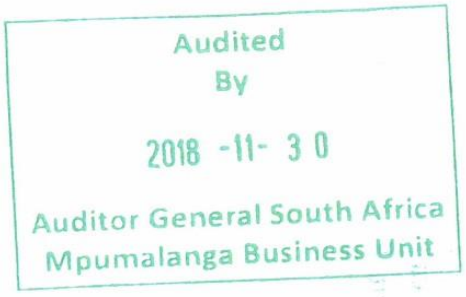
The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2018 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 34: Separate Financial Statements	30 April 2018	Unlikely there will be a material impact
• GRAP 35: Consolidated Financial Statements	30 April 2018	Unlikely there will be a material impact
• GRAP 36: Investments in Associates and Joint Ventures	30 April 2018	Unlikely there will be a material impact
• GRAP 37: Joint Arrangements	30 April 2018	Unlikely there will be a material impact
• GRAP 38: Disclosure of Interests in Other Entities	30 April 2018	Unlikely there will be a material impact
• Guideline: Accounting for Arrangements Undertaken i.t.o the National Housing Programme	30 April 2018	Unlikely there will be a material impact
• GRAP 110: Living and Non-living Resources	30 April 2018	Unlikely there will be a material impact
• GRAP 110 (as amended 2016): Living and Non-living Resources	30 April 2018	Unlikely there will be a material impact
• GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2019	Unlikely there will be a material impact
• GRAP 7 (as revised 2010): Investments in Associates	01 April 2019	Unlikely there will be a material impact
• GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2019	Unlikely there will be a material impact
• GRAP 18 (as amended 2016): Segment Reporting	01 April 2019	Unlikely there will be a material impact
• GRAP 20: Related parties	01 April 2019	Unlikely there will be a material impact
• GRAP 32: Service Concession Arrangements: Grantor	01 April 2019	Unlikely there will be a material impact
• GRAP 105: Transfers of functions between entities under common control	01 April 2019	Unlikely there will be a material impact
• GRAP 106 (as amended 2016): Transfers of functions between entities not under common control	01 April 2019	Unlikely there will be a material impact
• GRAP 107: Mergers	01 April 2019	Unlikely there will be a material impact
• GRAP 108: Statutory Receivables	01 April 2019	Unlikely there will be a material impact
• GRAP 109: Accounting by Principals and Agents	01 April 2019	Unlikely there will be a material impact
• IGRAP 11: Consolidation – Special purpose entities	01 April 2019	Unlikely there will be a material impact
• IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures	01 April 2019	Unlikely there will be a material impact
• IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2019	Unlikely there will be a material impact
• IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land	01 April 2019	Unlikely there will be a material impact
• IGRAP 19: Liabilities to Pay Levies	01 April 2019	Unlikely there will be a material impact

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

• GRAP 12 (as amended 2016): Inventories	01 April 2018	Unlikely there will be a material impact
• GRAP 16 (as amended 2016): Investment Property	01 April 2018	Unlikely there will be a material impact
• GRAP 17 (as amended 2016): Property, Plant and Equipment	01 April 2018	Unlikely there will be a material impact
• GRAP 21 (as amended 2016): Impairment of non-cash-generating assets	01 April 2018	Unlikely there will be a material impact
• GRAP 26 (as amended 2016): Impairment of cash-generating assets	01 April 2018	Unlikely there will be a material impact
• GRAP 27 (as amended 2016): Agriculture	01 April 2018	Unlikely there will be a material impact
• GRAP 31 (as amended 2016): Intangible Assets	01 April 2018	Unlikely there will be a material impact
• GRAP 103 (as amended 2016): Heritage Assets	01 April 2018	Unlikely there will be a material impact
• Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities	01 April 2018	Unlikely there will be a material impact



Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land General Plant	528 888 664	-	528 888 664	528 888 664	-	528 888 664
Machinery and equipment	3 826 232	(2 443 261)	1 382 971	3 545 809	(1 956 657)	1 589 152
Furniture and office equipment	6 182 536	(3 938 521)	2 244 015	6 003 049	(3 436 935)	2 566 114
Motor vehicles	43 162 063	(36 651 048)	6 511 015	43 162 063	(33 819 083)	9 342 980
IT equipment	4 144 634	(2 394 751)	1 749 883	3 967 279	(1 845 078)	2 122 201
Community	422 213 236	(262 553 502)	159 659 734	411 996 566	(242 404 304)	169 592 262
Libraries	10 009 888	(6 471 236)	3 538 652	10 009 888	(6 157 040)	3 852 848
Solid waste	396 035	(346 654)	49 381	396 035	(341 623)	54 412
Storm water	115 188 435	(44 963 415)	70 225 020	101 976 760	(41 164 116)	60 812 644
Water network Boreholes	72 472 715	(15 877 886)	56 594 829	65 789 624	(11 353 032)	54 436 592
Sanitation Infrastructure	64 464 088	(36 227 656)	28 236 432	64 464 088	(33 515 403)	30 948 685
Roads Infrastructure	1 000 417 581	(599 682 841)	400 734 740	968 172 593	(563 071 066)	405 101 527
Water Supply Distribution	545 275 855	(286 178 216)	259 097 639	534 333 908	(275 531 432)	258 802 476
Water Supply Bulk mains	222 301 967	(171 635 305)	50 666 662	215 639 261	(169 182 446)	46 456 815
Pumpstations	14 684 962	(11 941 581)	2 743 381	14 684 962	(11 350 790)	3 334 172
Reservoirs	221 318 106	(78 576 479)	142 741 627	208 608 574	(72 581 620)	136 026 954
Assets under construction	173 309 715	-	173 309 715	58 537 861	-	58 537 861
Total	**3 448 256 712**	**(1 559 882 352)**	**1 888 374 360**	**3 240 176 984**	**(1 467 710 625)**	**1 772 466 359**

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Transfers received	Derecognitions: Cost	Derecognitions: Acc depreciation	Depreciation	Impairment loss	Total
Land: General Plant	528 888 664	-	-	-	-	-	-	528 888 664
Machinery and Equipment	1 589 152	281 720	-	(1 295)	1 271	(487 875)	(2)	1 382 971
Furniture and office equipment	2 566 114	265 066	4 400	(90 095)	51 889	(553 483)	124	2 244 015
Transport Assets	9 342 980	-	-	-	-	(2 831 968)	3	6 511 015
IT equipment	2 122 201	175 001	33 832	(31 360)	30 362	(580 034)	(119)	1 749 883
Community	169 592 262	497 718	-	(1 346 991)	1 311 486	(10 395 578)	837	159 659 734
Libraries	3 852 848	-	-	-	-	(314 196)	-	3 538 652
Solid waste	54 412	-	-	-	-	(5 031)	-	49 381
Storm Water	60 812 644	4 858 591	8 353 085	-	-	(3 799 300)	-	70 225 020
Water networks Boreholes	54 436 592	1 642 383	5 040 708	-	-	(4 524 854)	-	56 594 829
Sanitation Infrastructure	30 948 685	-	-	-	-	(2 712 253)	-	28 236 432
Roads Infrastructure	405 101 527	6 056 158	27 411 222	(1 222 392)	1 161 643	(37 773 418)	-	400 734 740
Water supply Distribution	258 802 476	3 382 867	7 559 079	-	-	(10 646 785)	2	259 097 639
Water supply Bulk mains	46 456 815	9 219 003	-	(2 555 997)	2 411 480	(4 864 639)	-	50 666 662
Pump stations	3 334 172	-	-	-	-	(590 791)	-	2 743 381
Resevoirs	136 026 954	12 752 332	-	(42 799)	41 272	(6 036 132)	-	142 741 627
Assets under construction	58 537 861	114 771 854	-	-	-	-	-	173 309 715
	1 772 466 359	**153 902 693**	**48 402 326**	**(5 290 929)**	**5 009 403**	**(86 116 337)**	**845**	**1 888 374 360**

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Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers received	Transfers out	Depreciation	Impairment loss	Total
Land General Plant	528 777 360	-	-	111 304	-	-	-	528 888 664
Machinery and equipment	2 202 176	178 576	-	-	-	(791 600)	-	1 589 152
Furniture and office equipment	2 910 753	322 631	-	55 785	-	(723 053)	(2)	2 566 114
Motor vehicles	16 236 516	-	-	-	-	(6 893 536)	-	9 342 980
IT equipment	2 131 990	687 012	-	65 742	-	(762 545)	2	2 122 201
Community	179 878 263	103 053	-	-	-	(10 388 217)	(837)	169 592 262
Libraries	4 167 045	-	-	-	-	(314 197)	-	3 852 848
Solid waste	59 443	-	-	-	-	(5 031)	-	54 412
Storm water	62 780 054	-	-	1 725 211	-	(3 692 621)	-	60 812 644
Water network Boreholes	34 150 894	19 990 749	-	3 273 022	-	(2 978 073)	-	54 436 592
Sanitation Ifrastructure	16 689 821	16 034 265	-	-	-	(1 775 401)	-	30 948 685
Roads Infrastructure	415 109 768	12 371 903	(64 227)	13 800 627	-	(36 116 544)	-	405 101 527
Water Supply Distribution	231 270 792	37 680 744	(8 967)	-	-	(10 140 093)	-	258 802 476
Water network Bulk mains	21 272 501	30 648 840	(839 528)	-	-	(4 624 998)	-	46 456 815
Pumpstations	3 495 213	420 406	-	-	-	(581 447)	-	3 334 172
Reservoirs	56 081 377	82 798 930	-	-	-	(2 853 353)	-	136 026 954
Assets under construction	125 920 232	104 928 438	-	-	(172 310 809)	-	-	58 537 861
	1 703 134 198	**306 165 547**	**(912 722)**	**19 031 691**	**(172 310 809)**	**(82 640 709)**	**(837)**	**1 772 466 359**

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3. Property, plant and equipment (continued)

Other information

Property, plant and equipment: Repairs and maintenance		
Sanitation infrastructure	355 016	317 470
Water supply distribution	8 799 500	64 332
Community	967 346	648 789
Stormwater	1 482 076	-
IT Equipment	52 583	203 000
Transport assets	8 079 730	-
Roads infrastructure	3 439	-
Machinery and equipment	-	222 192
	19 739 690	**1 455 783**

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3. Property, plant and equipment (continued)

Property, plant and equipment in the process of being constructed or developed

Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)		
High mast Lights Phola Park Ext 1 Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.	89 867	89 867
High mast Lights Kwaggafontein Stadium Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.	93 505	93 505
Refurbishment of High mast Lights Buhlebuzile Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.	183 792	183 792
Refurbishment of Mid-block Tweefontein J Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation	367 583	367 583
Refurbishment of Mid-block Tweefontein F Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.	286 515	286 515
Refurbishment of Mid-block Tweefontein B2 Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.	286 106	286 106
Highmast Lights and Street Lights Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.	665 874	665 874
Extension of Highmast Lights in Boekenhoek Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.	93 505	93 505
Augmentation of Bulk Water Supply Cluster 7 (Boreholes) - (Ward 12, Tweefontein C, D, and DK) Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.	2 643 359	2 643 359
Augmentation of Bulk Water Supply Cluster 7 (Boreholes) - (Ward 9, Buhlebuzile and Zenzele) Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.	1 726 762	1 726 762
Augmentation of Bulk Water Supply Cluster 7 (Boreholes) - (Ward 9, Tweefontein J) Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.	2 386 849	2 386 849
Incorporate KwaMhlanga Crossroads and part of Zakheni and Phola Park into KwaMhlanga Reservoir Zones - (KwaMhlanga, Zakheni and Phola Park) Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.	10 472 414	10 472 414
Bus Route Phola Park	142 278	142 278

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3. Property, plant and equipment (continued)		
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Bus Route Sun City B	83 236	83 236
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Water Reticulation Mountain Vie	181 363	181 363
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Water Reticulation Mandela/Msholozi	202 538	202 538
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Highmast Lights K/Fontein E	54 666	54 666
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Tweefontein K water Reticulation(Larry Mamabolo)	1 201 088	1 201 088
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Completion of Bus route Sun City B Ward 19	282 807	282 807
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Construction of multipurpose center in Moloto North	347 826	347 826
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Thembalethu Bus Route	282 587	282 587
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Mathyzesloop Bus and Taxi Route	220 235	220 235
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Mandela (Msholozi) Water Reticulation	54 985	54 985
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Highmast Lighting Mzimuhle (Cluster 3B)	242 049	242 049
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Highmast Lighting Thembalethu	1 346 402	1 346 402
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Water Reticulation Machipe	1 213 881	1 213 881
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Vezubuhle Bus Route	902 353	902 353
Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.		
Upgrading of Kwagga Stadium	458 306	485 306

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Figures in Rand	2018	2017

3. Property, plant and equipment (continued)

Delays, it was reprioritised in 2014-2015, when all projects that were implemented were water projects only. The was project was still in the design stage and not implementation.

	26 512 731	**26 539 731**

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4. Intangible assets

	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1 078 085	-	1 078 085	1 078 085	-	1 078 085

Reconciliation of intangible assets - 2018

	Opening balance	Total
Computer software, other	1 078 085	1 078 085

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Total
Computer software, other	415 115	662 970	1 078 085

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5. Employee benefit obligations

Long service bonus awards

The municipaliy's employee benifit obligation consists of an obligation to pay out a bonuus in the year of the employee attaining the required service. The obligation represents a liability to the municipality and the value is represented by the actuarial valuation obtained and is presently being implemented as per the municipality's policy.

The municipality offers bonuses for every 5 years of completed service rom 10 years to 45 years.

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Figures in Rand	2018	2017

5. Employee benefit obligations (continued)

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

Carrying value		
Present value of the defined benefit obligation-partly or wholly funded	(8 003 000)	(7 346 000)

The most recent actuarial valuation of the present value of the long service award bonus were carried out at 30 June 2018

Net expense recognised in the statement of financial performance

Current service cost	864 000	1 120 000
Interest cost	639 000	624 000
Actuarial (gains) losses	(530 000)	(1 098 000)
Settlement	(316 000)	(315 000)
	657 000	**331 000**

Key assumptions used

Assumptions used at the reporting date:

Duration of Liabilities in years	8,72	9,29
Assumed retirement age (years)	63	63
Discount rates used	9,32 %	8,89 %
CPI	5,90 %	5,68 %
Expected increase in salaries	6,90 %	6,68 %

Sensitivity analysis

The valuation basis assumes that the salary inflation rate (which manifests itself as the annual increase in employees' salaries which determines the bonuses payable) will be 1.60% less than the corresponding discount rate, in the long term. The effect of a one percent increase and decrease in the salary inflation rate is as follows:

	One percentage point increase	**One percentage point decrease**
Effect on the aggregate of the service cost and interest cost	1 847 000	1 535 000
Effect on defined benefit obligation	8 724 000	7 365 000

As per the table above, a 1% increase in the salary increase rate results in a 9.01% increase in the accrued liability shilst a 1% decrease in the salary increase rate will result in a 7.97% decrease in the accrued liability.

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6. Inventories

Inventories: Land held for sale	43 516 015	43 516 015
Inventories: Water	5 240 782	432 602
Inventories: Stores and materials	3 763 620	1 063 100
	52 520 417	**45 011 717**

During 2017-2018 financial year the municipality incurred no losses on sale of stands (2016-2017: R209 933).

During 2017-2018 the municipality incurred water distribution losses. Refer table below:

Calculation of water distribution loss

Distribution loss	25 286 188	13 534 916
Number of units	3 031 917	1 715 452
Rates	8.34	7.89

7. Receivables from exchange transactions

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Deposits	83 300	83 300
Trade creditors with debit balances	2 547 245	2 549 889
Debtors shortages	45 021	45 010
Sundry debtors: Rental	388 124	328 887
Other debtors	473 103	473 303
Consumer debtors - Electricity	1 342	-
Consumer debtors - Water	23 044 612	27 662 604
Consumer debtors - Sewerage	434 803	521 937
Consumer debtors - Refuse	8 261 274	9 916 782
Consumer debtors - Other	608 154	-
	35 886 978	**41 581 712**

8. Receivables from non-exchange transactions

Traffic fines	1 575 252	754 438
Consumer debtors - Rates	11 739 708	14 054 208
	13 314 960	**14 808 646**

Traffic fines: Impairment

Traffic fines - Impairment	(17 966 828)	(14 242 090)

9. VAT receivable

VAT Receivable	77 491 228	56 728 868
VAT Payable	(62 615 682)	(46 014 549)
Total VAT Receivable	**14 875 546**	**10 714 319**

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

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Figures in Rand	2018	2017
10. Consumer debtors		
Gross balances		
Consumer debtors - Rates	238 328 918	215 796 667
Consumer debtors - Water	467 830 838	423 675 579
Consumer debtors - Sewerage	8 826 996	7 993 879
Consumer debtors - Refuse	167 712 941	151 883 698
	882 699 693	**799 349 823**
Less: Allowance for impairment		
Consumer debtors - Rates	(226 589 210)	(201 742 459)
Consumer debtors - Water	(444 786 226)	(396 012 975)
Consumer debtors - Sewerage	(8 392 193)	(7 471 942)
Consumer debtors - Refuse	(159 451 667)	(141 966 916)
	(839 219 296)	**(747 194 292)**
Included in above is Receivables from exchange transactions		
Water	23 044 611	27 662 604
Sewerage	434 804	521 936
Refuse	8 261 276	9 916 783
	31 740 691	**38 101 323**
Included in above is Receivables from non-exchange transactions (taxes and transfers)		
Rates	11 739 707	14 054 208
Net balance	**43 480 398**	**52 155 531**
Rates		
Current (0 -30 days)	3 971 543	4 754 539
31 - 60 days	2 129 583	2 549 433
61 - 90 days	247 708	296 544
91 - 120 days	233 620	279 679
121 - 365 days	974 396	1 166 499
> 365 days	4 182 858	5 007 514
	11 739 708	**14 054 208**
Water		
Current (0 -30 days)	7 795 992	9 358 259
31 - 60 days	4 180 292	5 017 996
61 - 90 days	486 241	583 681
91 - 120 days	458 588	550 486
121 - 365 days	1 912 703	2 295 996
> 365 days	8 210 795	9 856 186
	23 044 611	**27 662 604**
Sewerage		
Current (0 -30 days)	147 094	176 571
31 - 60 days	78 873	94 679
61 - 90 days	9 174	11 013
91 - 120 days	8 653	10 386
121 - 365 days	36 088	43 320
> 365 days	154 921	185 966
	434 803	**521 935**

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10. Consumer debtors (continued)

Refuse		
Current (0 -30 days)	2 794 790	3 354 848
31 - 60 days	1 498 595	1 798 904
61 - 90 days	174 313	209 244
91 - 120 days	164 399	197 343
121 - 365 days	685 686	823 093
	2 943 493	3 533 350
	8 261 276	**9 916 782**
Debtors by consumer classification		
Consumers	814 378 737	737 480 147
Industrial/Commercial	36 720 307	33 252 953
National and Provincial Government	31 600 649	28 616 724
	882 699 693	**799 349 824**

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Figures in Rand	2018	2017

10. Consumer debtors (continued)

Summary of debtors by customer classification

Consumers		
Current (0 -30 days)	39 497 369	35 767 787
31 - 60 days	29 806 262	26 991 773
61 - 90 days	14 495 942	13 127 147
91 - 120 days	14 170 190	12 832 155
121 - 365 days	110 755 508	100 297 300
> 365 days	605 653 467	548 463 985
	814 378 738	**737 480 147**
Industrial/ Commercial		
Current (0 -30 days)	150 553	136 337
31 - 60 days	884 959	801 396
61 - 90 days	815 191	738 216
91 - 120 days	807 847	731 565
121 - 365 days	6 282 845	5 689 580
> 365 days	27 778 912	25 155 859
	36 720 307	**33 252 953**
National and provincial government		
Current (0 -30 days)	265 445	240 380
31 - 60 days	16 994 829	15 390 074
61 - 90 days	1 049 142	950 075
91 - 120 days	916 419	829 885
121 - 365 days	7 957 043	7 205 691
> 365 days	4 417 472	4 000 618
	31 600 350	**28 616 723**
Total		
Current (0 -30 days)	39 913 367	36 144 505
31 - 60 days	47 686 050	43 183 244
61 - 90 days	16 360 274	14 815 437
91 - 120 days	15 894 456	14 393 605
121 - 365 days	124 995 396	113 192 571
> 365 days	637 849 852	577 620 463
	882 699 395	799 349 825
Less: Allowance for impairment	(839 219 296)	(747 194 293)
	43 480 099	**52 155 532**

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All debtors passed due has been impaired and provided for - refer note 40.

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	5 000	5 000
Bank balances	56 378 835	44 705 290
Short-term deposits	238 162	24 876 086
	56 621 997	**69 586 376**

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11. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2018	30 June 2017	30 June 2016	30 June 2018	30 June 2017	30 June 2016
First National Bank - Current Account: 620-262-96427	46 581 814	31 566 619	19 855 347	46 585 345	31 571 364	19 855 347
First National Bank - Call Deposit: 625-944-95270	-	11 698 326	10 926 067	-	11 698 326	10 926 067
First National Bank - Call Deposit: 621-470-52427	238 161	224 069	210 262	238 162	224 069	210 562
Nedbank - Current Account: 100-422-2378	9 801 613	23 687 110	16 390 556	9 793 490	13 078 985	16 414 400
Nedbank - Call Deposit: 788-152-7927	-	2 400 667	21 398 437	-	2 400 667	21 398 437
Nedbank 2	-	-	-	-	10 553 023	-
Standard Bank - Money Market Call Account: 338589783-004	-	-	22 165	-	-	22 165
Total	**56 621 588**	**69 576 791**	**68 802 834**	**56 616 997**	**69 526 434**	**68 826 978**

12. Revaluation reserve

Opening balance	207 577 510	207 577 510

13. Provisions: Landfill

Reconciliation of provisions: landfill - 2018

	Opening Balance	Additions	Total
Environmental rehabilitation	16 679 715	2 693 309	19 373 024
Provision for Bonuses	2 644 750	244 710	2 889 460
	19 324 465	**2 938 019**	**22 262 484**

Reconciliation of provisions: landfill - 2017

	Opening Balance	Additions	Total
Environmental rehabilitation	15 658 173	1 021 542	16 679 715
Provision for Bonuses	2 490 253	154 497	2 644 750
	18 148 426	**1 176 039**	**19 324 465**

Non-current liabilities	19 373 024	16 679 715
Current liabilities	2 889 460	2 644 750
	22 262 484	**19 324 465**

The municipality raises a provision for 13th cheque bonuses that staff members receive during their anniversary. The provision is based on the most recent effective salary notches of individual employees.

The municipality has two dumping sites, one in Kwaggafontein which is 3,5 hectares and the other one in KwaMhlanga which is 4,5 hectares. The remaining useful lives of these dumping sites are 5 years and 10 years respectively. Each year, the dumping sites remaining useful lives are assessed and the provision is adjusted accordingly.

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14. Payables from exchange transactions		
Trade creditors	2 335 485	1 283 382
Accrued expenses	25 280 371	28 012 611
Accrued leave pay	8 561 531	8 407 452
Deposits received	242 554	235 697
Retention	10 251 814	15 076 188
Consumer debtors with credit balances	11 056 733	7 406 605
Unallocated deposits	3 095 330	4 108 936
Advance payments	1 715 884	-
	62 539 702	**64 530 871**
Payables from exchange transactions- Non-current liabilities		
Advance payments	1 966 245	1 966 245
Retention	15 391 023	314 836
Unallocated deposits	5 209 996	37 674
Deposits received	25 820	-
	22 593 084	**2 318 755**
Current liabilites	62 539 702	64 530 871
Non-current liabilities	22 593 084	2 318 744
	85 132 786	**66 849 615**
15. Revenue		
Service charges	131 988 408	119 063 363
Rental of facilities and equipment	1 024 062	850 472
Interest received - investment	55 657 682	48 729 020
Property rates	42 764 437	40 676 196
Government grants & subsidies	524 299 000	463 689 981
Licences and permits	4 098 003	7 726 179
Public contributions and donations	48 414 095	19 058 009
Fines, Penalties and Forfeits	4 956 377	1 725 894
Other income	1 614 814	5 164 942
	814 816 878	**706 684 056**
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	131 988 408	119 063 363
Rental of facilities and equipment	1 024 062	850 472
Interest received - investment	55 657 682	48 729 020
	188 670 152	**168 642 855**
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	42 764 437	40 676 196
Transfer revenue		
Government grants & subsidies	524 299 000	463 689 981
Licences and permits	4 098 003	7 726 179
Public contributions and donations	48 414 095	19 058 009
Fines, Penalties and Forfeits	4 956 377	1 725 894
Other income	1 614 814	5 164 942
	626 146 726	**538 041 201**

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Figures in Rand	2018	2017
16. Service charges		
Sale of water	96 796 165	86 353 334
Sewerage and sanitation charges	2 635 321	2 293 008
Refuse removal	32 556 922	30 417 021
	131 988 408	**119 063 363**
17. Rental of facilities and equipment		
Facilities and equipment		
Rental of facilities and equipment	1 024 062	850 472
18. Fines, Penalties and Forfeits		
Traffic Fines - Municipal and Court	4 956 377	1 725 894
19. Investment revenue		
Interest revenue		
Bank interest	6 124 367	3 065 395
Interest charged on trade and other receivables	47 368 295	38 302 863
Interest on investments	2 164 649	7 360 762
Interest received - other	371	-
	55 657 682	**48 729 020**
20. Property rates		
Rates received		
Property rates: Resdential	42 764 437	40 676 196
Valuations		
Residential	7 261 231 798	7 261 231 798
Commercial	258 858 015	258 858 015
State	28 937 300	28 937 300
Municipal	115 732 060	115 732 060
Agricultural	1 529 616 000	1 529 616 000
Schools	258 230 500	258 230 500
Parks	23 539 700	23 539 700
Churches	26 127 000	26 127 000
	9 502 272 373	**9 502 272 373**

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Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2014. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The new general valuation will be implemented on 01 July 2018.

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Figures in Rand	2018	2017

21. Government grants and subsidies

Operating grants		
Equitable share	338 477 000	313 316 981
Capital grants		
MIG	136 562 000	117 504 000
FMG	1 700 000	1 625 000
EPWP Grant	2 560 000	2 244 000
Water Subsidy	45 000 000	29 000 000
	185 822 000	**150 373 000**
	524 299 000	**463 689 981**

Equitable Share

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

MIG

Balance unspent at beginning of year	-	21 142 981
Current-year receipts	136 562 000	117 504 000
Amount surrendered to National Treasury	-	(21 142 981)
Conditions met - transferred to revenue	(136 562 000)	(117 504 000)
	-	-

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FMG

Current-year receipts	1 700 000	1 625 000
Conditions met - transferred to revenue	(1 700 000)	(1 625 000)
	-	-

EPWP Grant

Current-year receipts	1 920 000	2 244 000
Conditions met - transferred to revenue	(1 920 000)	(2 244 000)
	-	-

Water Grant

Current-year receipts	45 000 000	29 000 000
Conditions met - transferred to revenue	(45 000 000)	(29 000 000)
	-	-

22. Licences and permits (non-exchange)

Licences and permits	3 909 346	7 569 185
Trading licences	188 657	156 994
	4 098 003	**7 726 179**

Notes to the Annual Financial Statements

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23. Public contributions and donations

Donations received	48 414 095	19 058 009

Donations by way of assets were received from National treasury, Department of Environmental Affars and the Nkangala District Municipality.

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24. Employee related costs

Basic	81 430 324	76 023 032
Bonus	6 305 798	6 307 006
Medical aid - company contributions	6 145 392	5 770 707
UIF	652 640	655 456
WCA	927 897	2 085 443
SDL	917 941	882 713
Shift allowances	856 116	550 655
Leave pay provision charge	323 555	(1 517 157)
Leave days	-	535 881
Travel, motor car, accommodation, subsistence and other allowances	2 347 704	3 790 450
Overtime payments	371 340	328 071
Long-service awards	1 386 107	1 152 166
Housing benefits and allowances	95 593	93 314
Cellphone allowances	544 650	547 450
Pension contributions	14 188 308	13 683 109
SALGBC	36 645	35 960
Acting allowances	508 462	261 918
	117 038 472	**111 186 174**

Remuneration of Municipal manager: Mr ON Nkosi 01 July 2017 to 30 June 2018

Annual Remuneration	1 006 197	1 124 745
Car Allowance	180 000	180 000
Contributions to UIF, Medical and Pension Funds	59 737	60 368
	1 245 934	**1 365 113**

Remuneration of Chief financial officer: Mr BB Sithole 01 July 2016 to 30 September 2017

Annual Remuneration	193 556	772 170
Car Allowance	36 000	144 000
Contributions to UIF, Medical and Pension Funds	2 551	10 197
	232 107	**926 367**

Acting allowances for Chief finance officer 01 November 2017 to 30 June 2018

Ms JG Mahlangu: 01 November 2017 to 31 January 2018	13 273	-
Mr OD Ledwaba: 01 February 2018 to 31 May 2018	20 152	-
Mr R Makhubele: 01 October 2017 to 31 October 2017	5 035	-
	38 460	**-**

Remuneration of Corporate service manager: Ms SA Nxumalo from 01 July 2017 to 30 June 2018

Annual Remuneration	822 648	221 188
Car Allowance	60 000	20 000
Acting allowance	-	15 304
Contributions to UIF, Medical and Pension Funds	58 301	73 744
	940 949	**330 236**

Acting allowances for Corporate service manager: 01 September 2016 to 30 November 2017

Adv JP Skosana - 01 September 2016 to 30 November 2016	-	27 967

Remuneration of Corporate Service Manager: Mr P Mabuzza to August 2016

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
24. Employee related costs (continued)		
Annual Remuneration	-	299 992
Car Allowance	-	30 000
Acting allowance	-	3 667
Contributions to UIF, Medical and Pension Funds	-	131 681
	-	**465 340**
Remuneration of Social development services manager: Mr T Kubekha		
Annual Remuneration	-	852 890
Car Allowance	-	132 000
Acting allowance	-	2 665
Contributions to UIF, Medical and Pension Funds	-	138 448
	-	**1 126 003**
Acting allowances for Social development services manager: 01 July 2017 to 30 April 2018		
Ms AN Aphane: 01 July 2017 to 31 October 2018	13 854	-
Mr SP Masilela: 01 February 2018 to 31 April 2018	15 104	-
	28 958	**-**
Remuneration of Technical services manager: Ms R Morudu from 01 July 2017 to 30 June 2018		
Annual Remuneration	813 738	744 464
Car Allowance	120 000	120 000
Contributions to UIF, Medical and Pension Funds	86 036	85 283
	1 019 774	**949 747**
25. Remuneration of councillors		
Executive Mayor	922 109	824 554
Chief Whip	723 741	640 774
Speaker	759 276	670 401
Councillors	21 129 016	18 910 049
	23 534 142	**21 045 778**

In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has the use of separate Council owned vehicle for official duties.

26. Depreciation and amortisation		
Property, plant and equipment	86 116 327	82 640 948
27. Finance costs		
Other interest paid	486	3 611

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28. Debt impairment		
Bad debts written off	96 110 628	181 009 694
29. Consumer Debtors Amnesty Written Off		
Amnesty Written off	1 925 673	2 216 027
30. Consumer Debtors Prescription Written Off		
Prescription Written off	135 439 513	-
31. Bulk purchases		
Water	143 761 162	114 276 854
32. General expenses		
Advertising	547 620	477 550
Assessment rates & municipal charges	-	65 281
Auditors remuneration	4 690 728	3 672 811
Bank charges	299 831	375 390
Consulting and professional fees	20 472 780	13 116 306
Debt collection	1 180 543	1 668 396
Entertainment	1 011 680	81 727
Fines management	77 251	-
Flowers	78 000	-
Insurance	1 578 903	1 042 138
Community development and training	-	722 851
IT expenses	-	334 111
Marketing	-	307 119
Motor vehicle expenses	3 440 004	10 471 803
Fuel and oil	6 618 544	6 101 244
Postage and courier	1 885	8 061
Printing and stationery	1 135 695	1 139 709
Promotions	45 836	462 778
Repairs and maintenance	19 739 690	1 455 783
Security (Guarding of municipal property)	17 033 329	12 403 370
Software expenses	2 807 670	728 035
Subscriptions and membership fees	1 505 519	1 335 179
Telephone and fax	1 615 952	1 224 432
Training	1 068 254	516 205
Travel - local	2 915 975	263 155
Municipal services	7 742 864	6 766 698
Sewerage and waste disposal	877 500	1 248 946
Water delivery services	13 472 779	3 387 161
Uniforms	673 370	426 627
Material and supplies	2 793 133	1 692 076
Motor vehicle licences	744 868	530 155
Town planning costs	198 687	21 910
Indigent relief	2 476 641	2 720 961
Sample testing - Water	1 700 476	619 755
Ward committee allowances	3 725 650	2 533 000
Other expenses	3 463 113	5 005 071
	125 734 770	**82 925 794**

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017

33. Cash generated from operations

Surplus	83 247 522	109 015 030
Adjustments for:		
Depreciation and amortisation	86 116 327	82 640 948
Loss on derognition of assets	281 219	-
Fair value adjustments	-	153 117
Debt impairment	96 110 628	181 009 694
Consumer Debtors Amnesty written off	(1 925 673)	(2 216 027)
Consumer Debtors Prescriptions written off	(135 439 513)	-
Movements in retirement benefit assets and liabilities	657 000	7 346 000
Movements in provisions	2 938 019	(3 984 895)
VAT adjustment	184 391	(52 468 150)
Loss on disposal of Property, Plant and Equipment	-	912 722
Changes in working capital:		
Inventories	(7 508 700)	11 884 628
Receivables from exchange transactions	(5 694 734)	16 285 011
Other receivables from non-exchange transactions	1 493 686	(6 345 138)
Payables from exchange transactions	(1 991 169)	(22 778 985)
VAT	4 161 227	4 900 253
Payable (non exchange)	(1 966 245)	261 919
Unspent conditional grants and receipts	-	(21 142 981)
	120 663 985	**305 473 146**

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34. Financial instruments disclosure

Categories of financial instruments

2018

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	35 886 978	35 886 978
Other receivables from non-exchange transactions	-	13 314 960	13 314 960
Cash and cash equivalents	56 621 997	-	56 621 997
	56 621 997	**49 201 938**	**105 823 935**

Financial liabilities

	At fair value	Total
Trade and other payables from exchange transactions	85 132 786	85 132 786

2017

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	41 581 712	41 581 712
Other receivables from non-exchange transactions	-	14 808 646	14 808 646
Cash and cash equivalents	69 586 376	-	69 586 376
	69 586 376	**56 390 358**	**125 976 734**

Financial liabilities

	At fair value	Total

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
34. Financial instruments disclosure (continued)		
Trade and other payables from exchange transactions	66 849 626	66 849 626
35. Commitments		
Authorised capital expenditure		
Already contracted and provided for		
• Property, plant and equipment	157 531 293	83 986 669
Total capital commitments		
Already contracted for but not provided for	157 531 293	83 986 669

36. Contingent Liabilities

THLM vs Lawmark Consulting CC - Case no: 70121/11

Joint Venture between Lawmark and Casnans is suing the municipality for termination of contract. The amount being claimed is R1 200 000.

Piet Chill vs THLM - Case no: 12/2013

Mr Chilli has issued summons against the municipality claiming among other loss of income as a result of alleged breach of contract on the part of the municipality - No amount is available -.

Johannah Ntuli vs THLM - Case no: 1313/15

Johannah is claiming R1 550 000 for damages as a result of negligence of the municipality

Mabapa Building Construction t/a vs THLM - Case no: 623/16/14

The plantiff is alleging that some employees of the municipality negligently started fire ore negligently failed and/or omitted to contain the fire they started. The said fire burned down and destroyed the plantiff's business premises and other items. Amount claimed is R2 000 000.

THLM vs Telkom - Case no: 110/2015

The plantiff is alleging that at or near Moloto Road on or about the 04th of March 2013, employees of the municipality acting within the scope of employment damaged an overhead cable belonging to the plantiff. the amount claimed is R24 908.84 with interest.

JC Msiza & BM Skosana vs THLM - Case no: 1263/12

Awaiting judgement on the application for leave of Appeal - No amount is available.

THLM vs SAMWU obo Thutse Reinethine Mmantimo - Case no: JS436/15

There were two appointments done while the vacant position was one. No amount is available.

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017

37. Related parties

Relationships

Accounting Officer	Mr ON Nkosi 24
Members of key management	Ms SA Nxumalo - Manager Corporate Service 24
	MS RF Morudu - Manager Technical Services 24
	Mr T Kubheka - Manager Social Services 24

The information required as per GRAP 20 paragraph 35 (a) to (i) can be found in notes 5 (Employee benefit obligations), 24, 25 and 46 (Councillors in arrears amounts) within the financial statements where relevant to the municipality.

No related party transactions occurred during the financial period under review.

38. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow stat adjustments:

Statement of financial position

2016

		As previously reported	Correction of error	Restated
PPE: Cost	3	3 238 036 441	2 140 543	3 240 176 984
PPE: Accumulated depreciation and accumulated impaitment	3	(1 466 447 488)	(1 174 705)	(1 467 622 193)
		1 771 588 953	**965 838**	**1 772 554 791**

2017

		As previously reported	Correction of error	Restated
PPE: Accumulated depreciation and accumulated impairment	3	(1 467 622 193)	(88 432)	(1 467 710 625)
Receivables from exchange transactions: Provision bad debt	7	38 493 578	3 088 134	41 581 712
Receivables from non-exchange transactions: Service charges: Property rates and provision bad debt traffic fines	8	13 965 183	843 463	14 808 646
Payables from exchange transactions - Software licences	14	(65 101 326)	217 052	(64 884 274)
		(1 480 264 758)	**4 060 217**	**(1 476 204 541)**

Statement of financial performance

2017

		As previously reported	Correction of error	Restated
Service charges: Property rates	20	(40 725 577)	49 381	(40 676 196)
Service charges: Water		(122 261 320)	35 907 987	(86 353 333)
Debt impairment	28	184 979 354	(3 969 660)	181 009 694
Expenditure: Depreciation	26	82 552 517	88 432	82 640 949
Grants and subsidies paid		35 907 988	(35 907 988)	-
Expenditure: Software licences		945 090	(217 052)	728 038
Surplus for the year		**141 398 052**	**(4 048 900)**	**137 349 152**

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Figures in Rand 2018 2017

38. Prior-year adjustments (continued)

Reclassifications

The following reclassifications adjustment occurred:

Reclassification

		As previously reported	Correction of error	Re-classification	Restated
PPE Community Assets: Cost:	3	362 363 145	-	(19 663 372)	342 699 773
PPE Libraries: Cost:		-	-	10 009 888	10 009 888
PPE Land: General Plant: In-use: Cost:		-	-	9 653 484	9 653 484
PPE Community Assets: Accumulated Depreciation		-	-	6 157 040	6 157 040
PPE Library: Accumulated Depreciation:		-	-	(6 157 040)	(6 157 040)
PPE Water Supply Infrastructure: PRV Stations: Cost:		2 555 405 061	-	(2 555 405 061)	
PPE Land: General Plant: In-use: Cost:		-	-	383 405 463	383 405 463
PPE Roads Infrastructure: Cost:		-	-	968 172 593	968 172 593
PPE Sanitation Infrastructure: Cost:		-	-	64 464 088	64 464 088
PPE Solid Waste Infrastructure: Cost:		-	-	396 035	396 035
PPE Storm water Infrastructure: Cost:		-	-	101 976 760	101 976 760
PPE Water Supply Infrastructure: Bulk Mains: Cost:		-	-	215 639 261	215 639 261
PPE Water Supply Infrastructure: Distribution: Cost		-	-	534 333 908	534 333 908
PPE Water Supply Infrastructure: Pump Stations: Cost:		-	-	14 376 963	14 376 963
PPE Water Supply Infrastructure: Reservoirs: Cost:		-	-	207 027 800	207 027 800
PPE Water Supply Infrastructure: Boreholes: Cost:		-	-	65 612 192	65 612 192
PPE Water Supply Infrastructure: Pump Stations: Accumulated Depreciation:		(1 176 869 525)	-	1 176 869 533	8
PPE Roads Infrastructure: Accumulated Depreciation:		-	-	(563 071 066)	(563 071 066)
PPE Sanitation Infrastructure: Accumulated Depreciation:		-	-	(33 515 403)	(33 515 403)
PPE Solid Waste Infrastructure: Accumulated Deprec		-	-	(341 623)	(341 623)
PPE Storm water Infrastructure: Accumulated Depreciation:		-	-	(41 164 116)	(41 164 116)
PPE Water Supply Infrastructure: Bulk Mains: Accumulated Depreciation:		-	-	(169 182 446)	(169 182 446)
PPE Water Supply Infrastructure: Distribution: Accumulated Depreciation:		-	-	(275 531 432)	(275 531 432)
PPE Water Supply Infrastructure: Pump Stations: Accumulated Depreciation:		-	-	(11 109 436)	(11 109 436)
PPE Water Supply Infrastructure: Reservoirs: Accumulated Depreciation:		-	-	(71 744 523)	(71 744 523)
PPE Water Supply Infrastructure: Boreholes: Accumulated Depreciation:		-	-	(11 209 488)	(11 209 488)
PPE Land: General Plant: Owned and In-use: Cost:		205 094 007	-	(205 094 007)	-
PPE Community Assets: Cost: Opening Balance		-	-	69 264 289	69 264 289
PPE Land: General Plant: In-use: Cost:		-	-	135 829 718	135 829 718
PPE Other Assets: Accumulated Depreciation:		(47 184 595)	-	47 183 757	(838)
PPE Community Assets: Accumulated Depreciation:		-	-	(47 183 757)	(47 183 757)
PPE Water Supply Infrastructure: PRV Stations: Accumulated Impairment:		-	-	837	837
PPE Community Assets: Accumulated Impairment:		-	-	(837)	(837)
PPE Furniture and Office Equipment: In-use: Cost:		818	-	(818)	-
PPE Computer Equipment: In-use: Cost:		-	-	117	117
PPe Machinery and Equipment: In-use: Cost:		-	-	701	701
PPE Computer Equipment: Future Use: Cost:		429 435	-	(429 435)	-
PPE Furniture and Office Equipment: In-use:		-	-	429 435	429 435
PPE Office Equipment Cost Balance 2017		1 493 206	-	(1 493 206)	-
PPE Furniture and Office Equipment: In-use: Cost:		-	-	1 493 206	1 493 206

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Notes to the Annual Financial Statements

Figures in Rand		2018		2017	
38. Prior-year adjustments (continued)					
PPE Furniture and Office Equipment: In-use: Accumulated Depreciation:		(605)	-	605	-
PPE Machinery and Equipment: In-use: Accumulated Depreciation		-	-	(605)	(605)
PPE Computer Equipment: In-use: Accumulated Depreciation:		(233 572)	-	233 572	-
Furniture and Office Equipment: In-use: Accumulated Depreciation		-	-	(233 572)	(233 572)
PPE Computer Equipment: In-use: Accumulated Impairment:		(2)	-	2	-
PPE Furniture and Office Equipment: In-use: Accumulated Impairment		-	-	(2)	(2)
Office Equipment Accumulated Depreciation Balance 2017		(695 275)	-	695 275	-
PPE Furniture and Office Equipment: In-use: Accumulated Depreciation		-	-	(695 275)	(695 275)
PPE Office Equipment Accumulated Impairment Balance 2017		(7)	-	7	-
PPE Furniture and Office Equipment: In-use: Accumulated Impairment:		-	-	(7)	(7)
Payables from non-exchange transactions		1 966 245	-	(1 966 245)	-
Payables from exchange transactions	14	65 101 326	(217 052)	1 966 245	66 850 519
		1 966 869 662	**(217 052)**	**2**	**1 966 652 612**

39. Comparative figures

Certain comparative figures were restated due to the implimentation of mSCOA. Where it was impraticable comparative figures were not restated but remained the same this will however not affect the presentation of the annual financial statements. Where applicable mention has been made under the notes where the comparatives have been restated due to the implimentation of mSCOA..

The following comparative figures have been reclassified.

		As previously reported	Correction of error	Re-classification	Restated
REVENUE FROM EXCHANGE TRANSACTIONS		1	-	-	1
> Service charges		154 971 349	-	-	154 971 349
> Rental from facilities and equipment		850 472	-	-	850 472
> Investment revenue		48 729 020	-	-	48 729 020
REVENUE FROM NON-EXCHANGE TRANSACTIONS		1	-	-	1
> Property rates	20	40 725 577	(49 381)	-	40 676 196
Transfer revenue		1	-	-	1
> Government grants and subsidies	21	533 393 981	-	(69 704 000)	463 689 981
> Licences and permits		7 726 179	-	-	7 726 179
> Public contributions and donations		19 058 009	-	-	19 058 009
> Fines, penalties and forfeits		1 725 894	-	-	1 725 894
> Other income		5 164 942	-	-	5 164 942
EXPENDITURE		1	-	-	1
Employee related cost		(111 186 174)	-	-	(111 186 174)
Remuneration of councillors		(21 045 778)	-	-	(21 045 778)
Depreciation and amortisation	26	(82 552 517)	(88 432)	-	(82 640 949)
Finance cost		(3 611)	-	-	(3 611)
Rental of office equipment		(1 088 374)	-	-	(1 088 374)
Debt impairment	30	(184 979 354)	3 969 659	-	(181 009 695)
Repairs and maintenance	32	(2 704 729)	-	2 704 729	-
Bulk purchases	31	(114 276 853)	-	(35 907 988)	(150 184 841)

Notes to the Annual Financial Statements

Figures in Rand				2018	2017
39. Comparative figures (continued)					
Grants & subsidies paid		(108 332 949)	-	108 332 949	-
Loss on disposal of assets		(1 122 655)	-	-	(1 122 655)
Decrease in leave and bonus provision		(153 117)	-	-	(153 117)
Amnesty consumers written off		(2 216 027)	-	-	(2 216 027)
GENERAL EXPENSES	32	1	-	-	1
> Advertising		(477 550)	-	-	(477 550)
> Assessment rates & municipal charges		(65 281)	-	-	(65 281)
> Auditors remuneration		(3 672 811)	-	-	(3 672 811)
> Bankcharges		(375 390)	-	-	(375 390)
> Consulting and professional fees		(3 329 851)	-	(9 786 455)	(13 116 306)
> Debt collection		-	-	(1 668 396)	(1 668 396)
> Entertainment		(81 727)	-	-	(81 727)
> Insurance		(1 042 138)	-	-	(1 042 138)
> Community development & training		(722 851)	-	-	(722 851)
> Computer expenses		(334 111)	-	-	(334 111)
> Marketing		(307 119)	-	-	(307 119)
> Motor vehicle expenses		(10 471 803)	-	-	(10 471 803)
> Fuel & oil		(6 101 244)	-	-	(6 101 244)
> Postage & couriers		(8 061)	-	-	(8 061)
> Printing & stationery		(1 139 709)	-	-	(1 139 709)
> Promotions		(462 778)	-	-	(462 778)
> Project maintenance cost		-	-	(381 802)	(381 802)
> Security		(12 403 370)	-	-	(12 403 370)
> Software expense		(945 090)	217 053	-	(728 037)
> Subscriptions & membership fees		(1 335 179)	-	-	(1 335 179)
> Sewerage and waste disposal		-	-	(1 248 946)	(1 248 946)
> Water delivery services		(3 387 161)	-	-	(3 387 161)
> Telephone & fax		(1 224 432)	-	-	(1 224 432)
> Training		(516 205)	-	-	(516 205)
> Travel - Local		(263 155)	-	-	(263 155)
> Electricity		(6 766 698)	-	-	(6 766 698)
> Uniform		(426 627)	-	-	(426 627)
> Material & supplies		(1 692 076)	-	-	(1 692 076)
> Licences		(530 155)	-	-	(530 155)
> Town planning cost		(21 910)	-	-	(21 910)
> Indigent relief		-	-	(2 720 961)	(2 720 961)
> Sample testing		(619 755)	-	-	(619 755)
> Ward committee allowance		(2 533 000)	-	-	(2 533 000)
> Other expenses		(16 459 922)	-	11 454 851	(5 005 071)
> Repairs & maintenance		-	-	(1 073 981)	(1 073 981)
Surplus for the year		**104 966 131**	**4 048 899**	**-**	**109 015 030**

The reclassification has been performed due to mScoa requirements.

40. Risk management

Financial risk management

The municipality's activities expose it to a minimum variety of financial risks: market risk (including cash flow interest rate risk) , credit risk and liquidity risk. Refer Note 34 Financial Instruments Disclosure for detail disclosure.

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40. Risk management (continued)

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Current liabilities: Payables from exchange transactions	62 539 702	-	-	-
Non-current liabilities: Payables from exchange transactions	-	17 680 144	4 912 940	-
Non-current liabilities: Landfill site	-	9 371 263	5 007 131	4 994 630

At 30 June 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Current liabilities: Payables from exchange transactions	64 530 871	-	-	-
Non-current liabilities: Payables from exchange transactions	-	352 510	1 966 245	-
Non-current liabilities: Landfill site	-	2 356 008	9 332 037	4 991 670

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40. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial instrument	2018	2017
Cash and cash equivalents	56 621 997	69 586 376
Receivables from exchange transactions	35 886 978	41 581 712
Receivables from non-exchange transactions	13 314 960	14 808 646

Cash and cash equivalents
The municipality has got investments with a few financial institutions wherein interest is earned on market-related rates. The municipality is not using any derivatives nor fireign exchange and as a result there is no related risk. There is a Cash Management policy which seeks to control the cash and cash equivalents.

Receivables from exchange transactions
This looks at the services which the municipality provides to its communities and an attached risk on this aspect is the low rate of collection which is sitting at 5% in the financial year 2017-2018 and 4% in the 2016-2017 financial year. The municipality has got a Credit Control and Debt Collection policy which as a control seeks to address the prominent risk.

Receivables from non-exchange transactions
In terms of GRAP 104, this financial instrument refers to interest which the municipality receive from ratepayers. The more prominent risk exposed to the financial instrument is collectivity which addressed by the means identified in the receivables from exchange transactions. The municipality has got a Credit Control and Debt Collection policy which as a control which seeks to address the prominent risk.

Credit Risk - Financial assets that are either past due or impaired
All receivables from exchange and non-exchange transactions which were past due were provided for impairment. The analysis for provision for debt impairment is recorded in note 10. The only debts that were written off relates to amnesty disclosed in note 29 and prescription disclosed in note 30 and the explanations for such write offs are noted in the accounting policy 1.17

Market risk

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

41. 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.

42. Events after the reporting date

No events after the reporting date occurred which requires disclosure.

Notes to the Annual Financial Statements

Figures in Rand	2018	2017

43. Unauthorised expenditure

Unauthorised expenditure	-	2 216 027

44. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure: Opening balance	2 705 303	2 686 545
Add: Current year expenditure incurred	9 113 327	18 758
Less: Amount written off by Council awaiting to be condoned by National Treasury	(2 705 789)	-
	9 112 841	**2 705 303**

Detail of fruitless and wasteful -current year

Description	Incident	
Other - Interest	Interest paid on late payments	486
Monde Consulting Engineers	Changes to BOQ without approved Variation Order for project	86 580
Toopvar Kgotsong Namukelwe JV	Inconsistent rates/overpayments for project	1 483 496
Toopvar Kgotsong Namukelwe JV	Overpayment made to a service provider without valid reasons	5 189 000
Mbako Projects and Trading	Claims on payment certificate unsubstantiated for the project	850 000
Employees	Employees who absconded	1 503 765
		9 113 327

Council passed a resolution to write off during the current financial period an opening of R2 705 789 and the current year interest on late payments of R486. The other amounts of R9 112 841 were discovered during the current year audit and are yet to be investigated by Council.

45. Irregular expenditure

Opening balance	91 349 727	175 722 849
Add: Irregular Expenditure - current year	34 892 481	16 708 211
Less: Amounts wriiten off by Council awaiting to be condoned by National Treasury	(101 178 064)	(101 081 333)
	25 064 144	**91 349 727**

Details of irregular expenditure – current year

Supplier	Incident	
Mamolato Construction and projects	Supply and Delivery of Portable water	527 200
Zembeleni Transport and Project	Repairs and Maintenance of White and yellow plant	4 831 783
		5 358 983

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45. Irregular expenditure (continued)

Non-compliance matters identified which led to irregular expenditure during 2017-2018 period for tenders and contracts

Supplier	Legislation	
Bahwiti Investment CC	SCM Regulation 19(b)	1 253 656
Work Dynamics PTY LTD	SCM Regulation 44	14 448
Kuye Trading	SCM Regulation 22(1)(b) (i)	2 019 772
Monde Consulting JV	General conditions of contract (GCC) clause 10.1.1.4	424 000
Monde Consulting	General conditions of contract (GCC) clause 6.4.1.1	1 533 056
Monde Consulting	General conditions of contract (GCC) clause 6.3.2 and 6.3.1.6	2 181 468
Monde Consulting	MFMA section 112(1)	19 240 816
Richo	SCM Regulation 19(b)	2 866 282
		29 533 498

46. Additional disclosure in terms of Municipal Finance Management Act Section 123

Audit fees

Current year subscription / fee	4 690 728	3 672 811
Amount paid - current year	(4 690 728)	(3 672 811)
	-	-

PAYE

Current year subscription / fee	15 567 190	15 824 448
Amount paid - current year	(15 567 190)	(15 824 448)
	-	-

UIF

Current year subscription / fee	652 640	655 456
Amount paid - current year	(652 640)	(655 456)
	-	-

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Pension and Medical Aid Deductions

Current year subscription / fee	23 077 770	21 927 811
Amount paid - current year	(23 077 770)	(21 927 811)
	-	-

VAT

VAT receivable	77 491 228	56 728 868
VAT payable	(62 615 682)	(46 014 549)
	14 875 546	**10 714 319**

VAT output payables and VAT input receivables are shown in note 9.

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

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46. Additional disclosure in terms of Municipal Finance Management Act Section 123 (continued)

Councillors' arrear consumer accounts - Section 124

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2018:

30 June 2018	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Cllr Boshego Steven	180	-	180
Cllr Maseko Zanele	-	1 343	1 343
Cllr Msibi Vusi Amos	251	8 446	8 697
Cllr Dhlamini Alicia Lebohang	311	22 997	23 308
Cllr Fakude Dumisani Chrescent	124	12 502	12 626
Cllr Hlope Nompumelelo Evidence	-	177	177
Cllr Jiyane Koos Vusi	-	178	178
Cllr Jiyane Laza Elsie	-	10 858	10 858
Cllr Kekana Piet Thapelo	258	10 767	11 025
Cllr Mabelwane Oria Mpheto	457	44 541	44 998
Cllr Mabena Thomas Lebandla	-	8 533	8 533
Cllr Madyungu Alexcious Sphiwe	255	19 131	19 386
Cllr Mahlangu Amos	175	2 230	2 405
Cllr Mahlangu Christinah Ndlelenhle	357	13 406	13 763
Cllr Mahlangu Gideon	-	5 450	5 450
Cllr Mahlangu Moses Michael	229	18 194	18 423
Cllr Makatu Pheneus Doctor	15	313	328
Cllr Makhubela Jan Masaka	-	143	143
Cllr Makhwiting Theletjie James	180	528	708
Cllr Malefo Nimrod Boitumelo	36	116	152
Cllr Mampuru Dipolelo Sinah	180	528	708
Cllr Masango Sipho	14	207	221
Cllr Mashaba Mqosh Paulus	180	528	708
Cllr Mashinini Thabisile Elsie	33	730	763
Cllr Masilela Toenkie Linah	180	528	708
Cllr Mathibela Emelinah Mavis	340	13 989	14 329
Cllr Mnguni Maria Qhubeni	175	4 311	4 486
Cllr Mnisi Sgaule Timothy	276	2 842	3 118
Cllr Mogoboya Samuel Bongani	257	9 838	10 095
Cllr Mokwena Maria Adelaide	-	11 514	11 514
Cllr Molefe Remenky Stephinah	3	369	372
Cllr Motanyane Thokozile Egnes	3	22 210	22 213
Cllr Motaung Ntombi Mitta	247	8 178	8 425
Cllr Motena Mitopi Andries	195	1 086	1 281
Cllr Msibi Bongani Victor	340	19 916	20 256
Cllr Msiza Maria Poppy	-	842	842
Cllr Msiza James Simausu	14	41	55
Cllr Msiza Khulisile April	-	21 952	21 952
Cllr Msiza Nomatjeni Nellie	-	9 449	9 449
Cllr Mthimunye Joseph Elias	-	256	256
Cllr Mtsweni Nomsa Sanny	-	392	392
Cllr Mtsweni Rubber Qaliwe	-	7 679	7 679
Cllr Nduli Masotja Petrus	251	26 929	27 180
Cllr Ngoma Norman	239	7 454	7 693
Cllr Ngoma Sipho Koos	175	556	731
Cllr Nhlapho Sonto Rose	-	911	911
Cllr Nobela Maria Truddy	-	104	104
Cllr Phakathi Nomasonto Emmah	-	334	334
Cllr Skosana Dini Samson	202	8 669	8 871
Cllr Skosana Lindiwe Thembi	-	19	19
Cllr Skosana Vusimusi Vincent	-	10 885	10 885

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46. Additional disclosure in terms of Municipal Finance Management Act Section 123 (continued)

Cllr Tau Joyce Johannah	-	180	180
Cllr Tibane Thabo John	-	1 250	1 250
Cllr Tshabangu Martha Lilian	111	3 100	3 211
	6 243	**377 629**	**383 872**

30 June 2017	**Outstanding less than 90 days R**	**Outstanding more than 90 days R**	**Total R**
Cllr Maseko Zanele	26	4 285	4 311
Cllr Msibi Vusi Amos	213	5 597	5 810
Cllr Dhlamini Alicia Lebohang	268	18 003	18 271
Cllr Fakude Dumisani Chrescent	10 468	537	11 005
Cllr Jiyane Koos Vusi	81	-	81
Cllr Jiyane Laza Elsie	279	17 640	17 919
Cllr Kekana Piet Thapelo	238	7 491	7 729
Cllr Mabelwane Oria Mpheto	390	36 249	36 639
Cllr Mabena Thomas Lebandla	264	14 980	15 244
Cllr Madyungu Alexcious Sphiwe	216	14 851	15 067
Cllr Mahlangu Amos	321	-	321
Cllr Mahlangu Christinah Ndlelenhle	312	9 299	9 611
Cllr Mahlangu Gideon	233	5 594	5 827
Cllr Mahlangu Nompumelelo Merriam	342	10 959	11 301
Cllr Masango Seisiwe Jack	213	-	213
Cllr Mashinini Thabisile Elsie	231	-	231
Cllr Masombuka Bafana Phillip	186	6 372	6 558
Cllr Mathibela Emelinah Mavis	296	10 080	10 376
Cllr Mnguni Maria Qhubeni	160	2 242	2 402
Cllr Mnisi Sgaule Timothy	481	-	481
Cllr Mogoboya Samuel Bongani	218	6 921	7 139
Cllr Mokwena Maria Adelaide	273	14 072	14 345
Cllr Motanyane Thokozile Egnes	318	17 642	17 960
Cllr Motaung Ntombi Mitta	209	5 381	5 590
Cllr Motena Mitopi Andries	16	536	552
Cllr Msibi Bongani Victor	267	16 870	17 137
Cllr Msiza Maria Poppy	114	437	551
Cllr Msiza James Simausu	160	-	160
Cllr Msiza Khulisile April	227	22 296	22 523
Cllr Mtsweni Rubber Qaliwe	216	6 759	6 975
Cllr Nduli Masotja Petrus	211	22 035	22 246
Cllr Ngoma Norman	201	4 753	4 954
Cllr Ngoma Sipho Koos	33	-	33
Cllr Phakathi Nomasonto Emmah	178	1 634	1 812
Cllr Sikosana Mzwandile Obed	89	-	89
Cllr Skosana Dini Samson	186	6 269	6 455
Cllr Skosana Lindiwe Thembi	160	-	160
Cllr Skosana Vusimusi Vincent	288	15 761	16 049
Cllr Tau Joyce Johannah	174	1 756	1 930
Cllr Tibane Thabo John	160	-	160
Cllr Tshabangu Martha Lilian	175	1 588	1 763
	19 091	**308 889**	**327 980**

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Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and be reported to and noted by Council.

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47. Deviation from supply chain management regulations

Section 36 of the MFMA Act and regulations states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

Various services were required during the financial year under review and the process followed in procuring those services deviated from the provision of paragraph 12(1)(d)(i) as stated above.The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

The municipality appointed various services providers in terms of section 36 and did not go out on normal SCM process resulting in a deviation fromSCM process. The following is a list of deviations incurred during the year.

Detail of deviations - current year

Service description	Service providers	Procurement date	Justifiable reason for deviation	2018
Registration fees from CIGFARO (IMFO) seminar	CIGFARO (IMFO)	13 February 2018	The institution is the sole provider of the service	17 097
Calibration of speed camera	Truvelo Manufacturers	27 February 2018	The company is the sole provider of the service	3 920
Registration fees for CIGFARO (IMFO) conference	CIGFARO (IMFO)	05 October 2017	The institution is the sole provider of the service	29 325
Registration fees for CIGFARO (IMFO) conference	IMFO	05 June 2018	The institution is the sole provider of the service	7 499
Servicing of mayoral vehicles	Kunene Motor Holdings	13 October 2017	The company is the sole provider of the service	16 962
Installation of battery on mayoral vehicle	McCarthy Kunene	12 June 2018		5 560
Installaion of reporting system and cameras	MWG Bussiness Solution	29 June 2018	Impractical to follow normal tender process	1 495 473
Drilling and equipment of solar boreholes	Diges Group CC	11 June 2018	Impractical to follow normal tender process	4 010 549
Updating of movable and immovable asset register	I@Consulting (Pty) Ltd	30 May 2018	Impractical to follow normal tender process	8 506 977
				14 093 362

THEMBISILE HANI LOCAL MUNICIPALITY
Unaudited Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		Jul	Oct	Dec	Feb	Mar	Jul	Oct	Jan	Mar	May	Jul	Oct	Jan	Mar	May		Yes/ No	
Equitable	NT	41 033 000	-	12 825 000	-	84 589 000	-	-	-	-	-	-	-	-	-	-		Yes	
MIG	NT	42 859 000	-	-	-	48 353 000	1 206 584	40 739 077	48 618 199	16 738 434	29 232 842	-	-	-	-	-		Yes	
FMG	NT	1 700 000	-	-	-	-	144 028	510 297	-	362 038	683 635	-	-	-	-	-		Yes	
Water Services Infrastructure	NT	22 500 000	-	13 500 000	-	9 000 000	-	14 023 290	8 965 837	668 708	15 321 653	-	-	-	-	-		Yes	
EPWP	NT	-	640 000	1 152 000	768 000	-	461 780	556 560	-	578 630	963 030	-	-	-	-	-		Yes	
		208 092 000	640 000	27 477 000	768 000	141 942 000	1 812 392	55 829 224	57 584 036	18 347 810	46 201 160	-	-	-	-	-			

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

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ACTION PLAN 2017/2018 FINANCIAL YEAR (ANNEXURE B)

THEMBISILE HANI LOCAL MUNICIPALITY								
AG REMEDIAL ACTION PLAN								
Audit outcome 2017/2018								
Audit Opinion: Qualified with Matters								
Finding No.	**Catergory / Key area**	**Focus area (Finding)**	**Root cause of non-compliance / Internal control deficiencies**	**Action plans to be taken**	**Activities to be undertaken to operationalise the Action plan**	**Due date**	**Responsible person**	**Monitoring Mechanism / Person**
Misstatements in financial statements								

9	AFS budget figures do not agree to the approved adjustment budget figures (COMAF 33)	With reference to the table below, we noted that the AFS budget figures in the Statement of Comparison of Budget and Actual Amounts differ to the adjustment budget figures approved by council on 27 February 2018.	The format for schedule B (mSCOA) of the adjustment budget is not the same as the one for GRAP which is used to prepare the AFS. E.g. Transaction Handling fee is disclosed separately as a line item. Also interest on Current Account is disclosed as other income under Schedule B of the Adjustment Budget and under AFS is disclosed as interest Received	To ensure that the AFS are informed by the adjustment budget approved by council	To ensure that the AFS are informed by the adjustment budget approved by council	During the adjustment of the AFS	Assistant Manager Budget and Reporting	Mr. Joster Moyo
10	FAR does not agree to AFS Note 3 (COMAF 8)	Whilst performing the reconciliation between the AFS and the fixed asset register (FAR) submitted on 22 September 2018, we noted the following differences:	1. First time complilation of GRAP and mSCOA compliant AFS's, trail and error mapping mistakes.	1. The Pump Stations amount of R2 568 873.00 will be written out of Caseware as it was a mapping error made during the compilation of the AFS. 2. The Asset Under Construction working paper/register submitted for audit will be reviewed and re-submitted in the	Ensure that all PPE accounts are mapped correctly on Caseware from Munsoft.	5th November 2018	Richard Makhubele – Assistant Asset Manager	Mr. Richard Makhubele

				format in which it was requested by the AGSA and without the misstatement error which it currently has.				
11	Depreciation disclosed inconsistent with the supporting documents (COMAF 8)	**a)** The following differences between AFS note 3 & note 4 and the statement of financial performance (SoFP) for property, plant and equipment and intangible assets were noted regarding depreciation and amortisation respectively. **b)** The following differences between trial balance (TB) & general ledger (GL) and AFS & FAR were noted regarding depreciation for property, plant and equipment.	1. First time complilation of GRAP and mSCOA compliant AFS's, trail and error mapping mistakes.	Rectification journals will be passed to correct the double entries made on the following; -Transport Assets -Computer Equipment -Furniture and Fittings -Machinery & Equipment -And rectify the minor differences on the following -Community Assets -Libraries	Ensure all journals processed are done once off without duplication	6th November 2018	Richard Makhubele – Assistant Manager Assets	Mr. Richard Makhubele
19	Donated assets not recorded accurately in the financial statement	The following donated assets were not recorded and disclosed as per supporting documents received	We did not receive all the suporting documents from NDM on time to capitalise	Disclose the R11 004 311.92 as contingent assets. Capitalise the assets in the 2018-2019	Ensure that we get the monthly recons and supporting documents from NDM on projects	17-Nov-18	Richard Makhubele – Assistant Manager Assets	Mr. Richard Makhubele

	(COMAF 11)	directly by the auditors from Nkangala District Municipality:	the R11 004 311.92	financial year	which they are doing on our behalf.			
25	Bank reconciliations for the entire year does not balance (COMAF 17)	Whilst testing cash and cash equivalent note 11, we noted the following: That the cashbook amount reflects R49 153 088 for the FNB current account whereas the bank reconciliation reflects R46 585 341, 85. Therefore there's unreconciled amount of R2 567 747 which management could not account for.	1. The municipality had some deficiencies in tharally peforming a bank reconcilliation on a monthly basis. Given the fact that there are two sides in the bank reconciliation process, namely the expenditure and revenue. Only the expenditure side performed tharally a monthly reconcilliation as compared to the revenue side.	1. Recpncilliation of Expenses incured and Revenue received.	1. A proper reconcilliation on both sides (Revenue and Expenditure) by the Chief Accountants will be performed on a monthly basis in order to avoid the identified challenges in the root cause.	Monthly	CFO	Mr. Oupa Ledwaba and MR. JS Mzobe
27	Misstatements identified on water inventory (COMAF 18)	The following findings were identified on water inventory: **a)** With reference to the table below whilst performing the reconciliation between the opening and closing balance for water inventory, we noted that the inventory	Late submission of billing for water amount and bulk water purchases.	We will pass a correction journal to account for the correct bulk purchases amount.	1. Ensure that the reconciliation of montly billing and bulk purchases is done on a month to month basis to avoid using incorrect amounts at year end.	22-Nov-18	Richard Makhubele: Assistant Manager Assets	Mr. Richard Makhubele

		issued was not accounted for correctly in the annual financial statements (AFS):						
31	Differences between the 2016-17 audited figures and current year comparatives (COMAF 25)	Whilst testing the accuracy of the value added tax control account, we noted the following difference for 2016-17 figures:	Incorrect intepretation of journal captured to balance correct the opening balance under line item current liabilities: Output VAT for VAT refund received from SARS	Journal will be processed	The matter was resolved during the adjustment of the AFS	During the Adjustment of the AFS	Assistant Manager Budget and Reporting	**Ensure that VAT 201 balances with all line items relating to VAT on cash basis on monthly basis**

61	Debt impairment calculations not in line with GRAP 104 requirements (COMAF 45)	Whilst reviewing the calculations on debt impairment, we noted the the municipality did not assess whether the objective evidence for impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant for the following: a) Consumer debtors – debt impairment: The municipality used a blanket collective approach when assessing the recoverability of debtors and thus came up with the average yearly collection rate of 5%. From there the municipality took the debtors listing at 30 June 2018 of R882 699 694 * 95% which is the projection for non-recoverable debtors	1. The calculation for impairement was performed on a blanket approach wherein GRAP 104 was not followed. 2. Proper categorisation of the impairement was not correcly followed in consideration of the payment trends as per GRAP 104.	Impairement of consumer debtors as per GRAP 104	1. A proper procedure to imair the consumer in view of all the classes and the payments made needs to be made each time the financial statements are performed, 2. A corresponding note for both the consumer debtors and the sundry debtors needs to be made for the readers to can follow through with understanding.	No action to be taken	Acting CFO: Mr Ledwaba	Anually and Bi-anualy

		which amounted to R838 564 709. From there, the municipality subtracted last year's non-recoverable debtors of R751 424 613 to come up with the movement for the year (provision for impairment) of R87 140 096. b) Traffic fines – debt impairment: The municipality used a blanket collective approach when assessing the recoverability of debtors and thus came up with the average yearly collection rate of 11.2%. The detailed calculations are as follows: In total the impairment loss according to municipality's calculations is R90 865 018 (R87 140 096 + 3 724 922) whereas the AFS reflect R90 748 040, leaving a difference of R116 978. c) After the above findings						

		management subsequently revised the debt impairment calculations to take into account GRAP 104 principles and the auditors calculations resulted in the following final differences recorded in the schedule of uncorrected misstatements in the management representation letter:						
13	Short term deposits reconciliations were not performed monthly (COMAF 2)	Whilst testing short term deposits we noted the following: a) The municipality did not perform monthly reconciliations for short term deposits (investments) for the accounts listed to ensure that the accounts are recorded at the correct amounts	1. While compiling the AFS, the calculations for the short term deposits were incorectly performed while the investments file showed clearly the calculations.	1. Performing of the short and long term deposits calculations.	1 A tharal performance of the calculation of both the short-term and long-term deposits to be made on a monthly basis in persuit of the invertments made by the munucipality.	31 September 2018	Assistant Manager-Revenue	Monthly

		at year end and to be able to detect, identify and correct any errors on the accounts on time. Instead the municipality prepared a once off summary of all the accounts at year end and presented that summary as part of the supporting evidence for the audit file presented with AFS to the auditors. We also noted that this summary does not reconcile to what is recorded in the AFS note 11 which amounts to R2 805 316. Such a summary was only prepared by the acting CFO without any senior official reviewing it for validity, accuracy and completeness.						

16	Expenses incorrectly classified as general expenses instead of grants and subsidies paid (COMAF 7)	The transaction listed below was incorrectly classified as general expenditure instead of grants and subsidies paid.	Management lacked the discipline to ensure that expenditure items are properly classified in line with GRAP requirements.	Correct classification of general expenditure instead of grants and subsidies paid.	After the information is captured, senior personnel should review thoroughly all the captured information in line with the supporting documents to validate the accuracy and completeness of what is captured on the financial system.	31-Jan-19	Jessica Mahlangu	Jessica Mahlangu
17	Incorrect calculations on VAT (COMAF 7)	With reference to the tables below, the municipality incorrectly calculated the VAT amount without taking into account the correct VAT amount reflected on the invoice.	Management lacked the discipline to ensure that the VAT calculations were done correctly taking into account the details in the invoice.	Correct the understated VAT by ensuring that the reorded VAT reconclile to the Vat amount resftected on the invoice.	Have a separare items for Fuel that is non vatable and oil that is vatable on the budget. Tighten the controls on VAT calculations by ensuring that staff is properly trained on VAT matters.	31-Mar-19	Jessica Mahlangu	Jessica Mahlangu

24	Bank reconciliation at year end does not balance (COMAF 17)	Whilst testing bank reconciliations between the cash book and the bank statement for Nedbank Account No 1004222378, we noted that the cash book amount was more by R533 395 compared to the bank statement amount. Whilst testing bank reconciliations between the cash book and the bank statement for FNB Account No 62026296427 we noted that cashbook amount was less by R1 653,00 compared to bank statement amount.	1. The municipality had some deficiencies in tharally peforming a bank reconcilliation on a monthly basis. Given the fact that there are two sides in the bank reconciliation process, namely the expenditure and revenue. Only the expenditure side performed tharally a monthly reconcilliation as compared to the revenue side.	1. Recpncilliation of Expenses incured and Revenue received.	1. A proper reconcilliation on both sides (Revenue and Expenditure) by the Chief Accountants will be performed on a monthly basis in order to avoid the identified challenges in the root cause.	Monthly	CFO	Oupa Ledwaba and JS Mzobe

25	Bank reconciliations for the entire year does not balance (COMAF 17)	Whilst testing cash and cash equivalent note 11, we noted the following: That the cashbook amount reflects R49 153 088 for the FNB current account whereas the bank reconciliation reflects R46 585 341,85. Therefore there's unreconciled amount of R2 567 747 which management could not account for.	1. The municipality had some deficiencies in tharally peforming a bank reconcilliation on a monthly basis. Given the fact that there are two sides in the bank reconciliation process, namely the expenditure and revenue. Only the expenditure side performed tharally a monthly reconcilliation as compared to the revenue side.	1. Recpncilliation of Expenses incured and Revenue received.	1. A proper reconcilliation on both sides (Revenue and Expenditure) by the Chief Accountants will be performed on a monthly basis in order to avoid the identified challenges in the root cause.	Monthly	CFO	Oupa Ledwaba and J Mzobe
19	Donated assets not recorded accurately in the financial statement (COMAF 11)	The following donated assets were not recorded and disclosed as per supporting documents received directly by the auditors from Nkangala District Municipality:	Duplicate, already answered above.	Disclose the R11 004 311.92 as contingent assets. Capitalise the assets in the 2018-2019 financial year	Ensure that completeness is exercised over the recording of all transactions including the donated assets	17-Nov-18	Richard Makhubele – Assistant Manager Assets	Richard Makhubele
23	Overstatement of interest on investment revenue (COMAF	The following differences were noted between the bank confirmation directly	Lack of proper review performed on the compiled AFS prior submission.	Correction in the AFS will be done to split the interests earned during the financial	1. A correction in terms of the interest earned has been made in the	19-Nov-18	CFO	Oupa Ledwaba and J Mzobe

	16)	received by AGSA from the bank vs AFS note 20 on interest on investment revenue.		year.	AFS. 2. Proper review on the AFS in following the preparation plan will be exercised.			
54	Different connection registers submitted for audit (COMAF 34)	We requested the register/ list of new connections for municipal services and the municipality provided us with two different registers at different dates as follows: **a)** The register below was provided on 07 November 2018 by assistant manager water and sanitation and reflected only 8 consumers without any account numbers and also the connection dates. As a result, it was difficult to prove if these consumers were billed for the services since no account numbers were provided neither the connection dates provided. **b)** The register below was	Poor controll of the connection register in respect of water services	Management will ensure that a correct connections register is compilled and submitted.	A proper controll of the connection register will be implemented with all the supporting documentations.	07-Nov-18	Assistant Manager-Revenue	31-Mar-19

		provided in October 2018 by acting CFO and reflected only account holder's name and account numbers but without any connection dates. As a result, it was difficult to calculate with precision when the services were actually provided to the consumers even though the billing reports reflect billed amounts for the year 2017-18 period.						
59	Variance explanations not correct (COMAF 43)	Whilst reviewing the statement of comparison of budget and actual amounts, we noted errors on the variance explanation since the actual amount was more compared to the budgeted amount:	N/A	N/A	N/A	During Adjustment of AFS Submitted on the 19 November 2018	Assistant Manager Budget and Reporting	Joster Moyo

21	Incomplete AFS note disclosure on related parties (COMAF 14)	Whilst verifying the completeness of note 37 on related party disclosure, we noted the following: • The references made in note 40 for note 4, 28 and 47 do not relate to related parties as these notes relate to the following ü Note 4 relates to Intangible assetsü Note 28 relates to Depreciation and amortisationü Note 47 relates to Fruitless and wasteful expenditure. • Note 40 omitted a reference to note 26 on employee related costs per GRAP 20 paragraph 35.	Lack of proper review performed on the compiled AFS prior submission.	Post audit correction on the note references are requested	1. Proper review on the AFS in following the preparation plan will be exercised.	30-Nov-18	Accounting Officer: Mr O Nkosi and CFO	Accounting Officer: Mr OD. Ledwaba and CFO

22	Control deficiencies on deviation from supply chain regulations – Note 50 (COMAF 15)	Whilst testing the SCM regulations on deviations, we noted the following: **a)** That the municipality included the following incorrect legislative requirements which are not aligned to SCM regulation 36. • Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process. • Paragraph 12 (1)(d)(i) of the Government gazette refers to ‘’’ A supply chain management policy must, subject to regulation 11(2), provide for the procurement of goods and services by way of a competitive bidding process for	Limited capacity within the SCM unit.	Adjust the notes on AFS with the amount overstated.	A) Management will review the mid year financials before they are submitted . B)Management will ensure all section 32 appointment are recorded on the deviation register and be submitted. C) Deviation register for every quarter be submmited to CFO and section 80 with supporting documents for for validation. d)All payment with purchase order will have MBD forms excluding the ones on contracts.	1 December 2018	Ass Manager SCM	Lydia Sehlako

		procurements above a transaction value of R200 000 (VAT included). • Various services were required during the financial year under review and the process followed in procuring those services deviated from the provision of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations. • The municipality appointed various services providers in terms of section 32 and did not go out on tender resulting in a deviation from tender process. The following is a list of deviations incurred during the year. **b)** The						

		following deviations were not reported to the fourth quarter council meeting. **c)** The following errors were identified in note 50 in the AFS which lead to an overstatement of R5 053. **d)** We could not determine whether the winning providers had any interest in the supplier as the MBD4 declaration documents were not provided						
29	Lack of disclosure on age analysis on financial assets past due or impaired (COMAF 23)	Whilst testing the risk management disclosure note 43, we identified the following: a) The municipality failed to disclose the age analysis on receivables whose debts are past due but are not yet impaired. The debtors age analysis shows R276 317 439.90 that is past due but is not yet impaired. b) For the debtors written off listed below, the municipality failed to	1. During the compilation proces of the AFS, a challenge in maping the controll accounts occurred and there was failure to correctly disclose the ageing in the corresponding notes as compared to the actual controll accounts in Munsoft. 2. The note pertaining to the risk management was not correctly disclosed as	1. Accurate disclosure of information in the AFS.	1. Disclosure of receivables amount needs to be done correctly in the AFS whErein the risk factors as also considered when drafting the corresponding notes.	20-Nov-18	Acting CFO: Mr O Ledwaba	Anually and Bi-anualy

		disclose an analysis of debtors that were individually determined to be impaired including the factors the entity considered in determining that they were impaired. c) Payables from exchange transactions disclosed in note 43 (risk management) does not agree to the amount presented on the statement of financial position: d) The municipality failed to classify trade payables worth R17 680 144 and R4 912 940 as non-current liabilities on the statement of financial position as they will mature after 12 months. The table below shows the maturity analysis of trade payables as adopted from note 43 risk management.	per the impaires amount in the debtors corresponding figures.					

30	Misstatements identified during audit of contingent liabilities (COMAF 24	Whilst testing the accuracy and completeness for contingent liabilities, we identified the following errors: **a)** THLM vs SAMWU obo Thutse Reinethine Mmantimo - Case no: JS436/15 The amount is not a reliable estimate since the municipality does not have details on the amount being claimed by the plaintiff and the matter was last dealt with in February 2013. **b)** JC Msiza & BM Skosana vs THLM - Case no: 1263/12 The case is currently disclosed as a contingent liability in the AFS even though the attorney's confirmation, indicates that it was finalised on 15 May 2018 in favour of the municipality.	Incorrect contigent amounts not appearing on the summons disclosed . Lack of monitoring and updating of our cases.	Management request a post audit correction on the disclosure note, Note 39 Contingent Liabilities	Summons will be used to determine the correct amount for contigent liabilities as stated in the summons. Revise the litigation register together with amounts disclosed in the AFS for contigency.	30-Nov-18	Assistant manager Legal	Quartely

58	Incorrect use of SCM Regulation 32 on lease contract (COMAF 42)	While auditing lease rental contracts on operating leases, we identified the following: • Initial contract which the municipality had for 5 years expired on the 31 October 2014. • Subsequent to 31 October 2014 the municipality failed to go on a bidding process due to poor planning and ended up making an application of SCM Regulation 32 by appointing DITIRO IT Resources and Services which came into effect from 01 March 2015 but DITIRO IT Resources and Services failed to deliver and perform in terms of the appointment letter which led to the termination of DITIRO IT Resource and Services on 31 March 2015. • After terminating the services for DITIRO IT Resource and Services, RICOH was appointed	Lack of planning by user department and limmited capacity of SCM unit has impact in the poor planing of departments.	None because new contractor was appointed through tender process	Adherence to procurement plan .	Already Implement ed	Assistant Manager: SCM	On-going

		using the same SCM Regulation 32 with effect from 21 April 2015 to 30 June 2018. The contract was further extended from 01 July 2018 to 30 September 2018 under the same SCM regulation 32. • The table below demonstrate the expenditure to date under the RICHO contract:						
32	AFS balances for UIF, PAYE and SDL does not agree to GL. (COMAF 26)	1. The following differences were noted on note 49 for PAYE and note 26 for UIF and SDL:	Management lacked the discipline to ensure that timely reviews on the GL, TB and AFS and were conducted before they were submitted for audit to minimise the possibility of submitting inaccurate information with errors.	Remapping classification of refund for skills levy training from the Skills development levy for note 26. Split the note 49 disclosure for total payment for PAYE and UIF.	Conduct thorough reviews on the GL, TB and AFS and corrections should be made on time in areas where errors are identified before the information is disseminated to the auditors or to other stakeholders of the municipality who exercises oversight responsibility over	31-Jan-19	Assistant Manager: Expenditure. JG Mahlangu	Jessica Mahlangu

					that information.			
20	Overstatement of payables (COMAF 12)	Whilst testing payables from exchange transactions in note 14, we noted that the municipality erroneously accounted for the debtors with credit balances twice i.e. under advance payments for R9 682 118 and consumer debtors with credit balances for R11 056 733 in the same note.	1. The disclosure of the debtors with credit balances was not correcly distinguished in the AFS so that the AG can establish understanding of the disclosure.	1. Disclosur eof information in the AFS	1. Proper clasificatioon of information while disclosing information in the AFS. 2. Correct mapping of information by the preparersof the AFS to avoid confusion by the readers	19-Nov-18	CFO	Anually and Bi-anualy
Misstatements in annual performance report								
12	**No action plan on unachieved indicators (COMAF 9)**	Whilst inspecting the performance reflected in the annual performance report and portfolio of evidence (PoE) submitted, we noted that the following indicators were not achieved and the measures to improve performance were	Leadership: Develop and monitor the implementation of action plans to address internal control deficiencies. Management lacked the discipline to ensure that proper action plans to improve performance are instituted for service	Revision of the APR and submission of supporting document. Fast tracking of works in order to achieve the set targets.	Revision of the APR and submission of supporting document. Fast tracking of works in order to achieve the set targets.	30-Jun-19	Manager Technical, Assistant Manager PMU & Assistant Manager Water and Sanitation.	Manager Technical, Assistant Manager PMU, Assistant Manager Water and Sanitation, and Assistant Manager PMS

		inadequate:	delivery purposes.					
66	Differences on the KPI between the grant agreement and Service Delivery and Budget Implementation Plan (SDBIP) and Annual performance report (APR) (COMAF 39)	Whilst verifying consistency reporting on the KPI set between the municipality and National Department of Public Works, we noted the following differences: When the SDBIP and APR information is translated in terms of the KPI set based on the agreement, the municipality created only 101 FTEs. Therefore, the municipality did not consistently report on this KPI based on the agreement. The 101 FTEs created were calculated as follows:	Different interpretation	Revise APR and SDBIP	SDBIP KPI will be revised during budget adjustments	30-Mar-19	Assistant Manager Waste and Environment Management: Ms A Aphane	Managert SDS. Mr Abram Chego
Non-Compliance with legislation								
20	Non-compliance matters identified in the SCM policy (COMAF 13)	The following omissions on SCM policy were identified which translates to non-compliance against the	Limited capacity within the SCM unit.	1. Amend the policy with section 16 (e) SCM regulation. 2. Submit all Circular relating to SCM for	Submit the ammendment of the policy and circulars to CFO,Section 80 and	30th January 2019	Assistant Manager SCM	On-going

		SCM Regulations of 2005:		nothing.	Council .			
33	Written price quotations not obtained from at least three different prospective service providers (COMAF 27)	The following awards were made without obtaining three written quotations or written approval from the CFO or designated official for deviating from the normal process:	Record management and safegauarding of douments is root cause,	Copies be made of the document and other quotations before is submitted to expenditure.	Form 1 December 2018 all document to be scanned or copied before they are submitted for payment to avoid shortage of other documents	1st December 2018	Ass Manager SCM	On-going
34	Bidding process was not followed (COMAF 27)	The following awards were procured through the quotation process instead of following the competitive bidding process after careful observation on the evidence provided for audit.	Interpretation of the seven days notice on the policy.	Proper market analysis will be conducted to ensure all goods, works and services which are used often will be advertised for competitive bidding process. All appointment for a period of 12months which followed RFQ process will be taken to council for noting.	All appointment through seven days notice will not exceed R200 000 per transaction or annualy.	1st December 2018	Ass Man SCM	On-going
35	Supporting documents not provided for audit (COMAF 27)	The following findings were identified whilst auditing quotation processes: **a)** For the table below, we could not determine whether	Record management and safegauarding of douments is root cause and limited capacity, lack of qualifed personnel and training	Printing of CSD report as and when goods, works and services are procured.	a) Scanning of coping all evaluation report for seven days notice will illiminate the	1st December 2018	Ass Manager SCM	On-going

		quotes were evaluated in accordance with the preference point system as prescribed by the PPPF Act as a result we were unable to conclude on whether the quotation that scored the highest points was based on the predetermined criteria. **b)** For the table below, we could not determine whether the total payments made under the quotation did not exceed the original quoted amount. **c)** We could not determine whether the evaluation criteria applied in evaluating the quotations are the same as those indicated in the original request for quotations as the evaluation documents were not provided. **d)** We could not determine whether the winning provider's tax affairs were in order at the time of award. **e)** The	within the unit which does not promote proper segregation of duties within the unit and reduce the load of work on the current employees.		findings. B) evaluation on rates will be analysed efectively before appoinment.			

		following supplier's tax affairs were not in order at the time of award. **f)** We could not determine whether the winning providers had any interest in the supplier as the MBD4 declaration documents were not provided. **g)** We could not determine if none of the councillor was a member of any committee evaluating or approving quotations, nor attended any such meeting as an observer since the attendance registers were not provided. **h)** We could not determine whether the final decision on which quotation to accept was made by an appropriately delegated official or committee as evaluation documents were not provided.						

36	Tenders who did not qualify were evaluated further (COMAF 27)	Thula Brothers Trading who bided for service: supply and delivery of plastic chairs dated 28/11/2017 for amount R98 000.00 did not pass the first stage of the evaluation process for functionality yet they were evaluated further in terms of price and preference point system even though the correct winning supplier was JP Trading and projects.	Limited capacity , lack of qualifed personnel and training within the unit which does not promote proper segregation of duties within the unit and reduce the load of work on the current employees.	Develop Checklist to ensure compliance.	Evaluation reportS for seven days RFQ will verified by Chief Accountant before approved by SCM Manager to ensure proper oversight.	Already developed.	Ass Manager SCM	On-going
37	The final decision for quote acceptance was not made by an appropriately delegated official or committee. (COMAF 27)	The final decision for winning bidder MTP Practical Refrigeration for an amount of R237 610.00 for request for quotation (RFQ) no. 06/2016/17 was approved by the CFO instead of the municipal manager or bid adjudication committee as per the delegations of authority per SCM policy.	Record management and safegauarding of douments is root cause and limited capacity , lack of qualifed personnel and training within the unit which does not promote proper segregation of duties within the unit and reduce the load of work on the current employees.	Develop Checklist to ensure compliance. Outline the delegation properly on SCM matters	All appointment through seven days notice will not exceed R200 000 per transaction or annualy . Furthermore as and when required services will be advertised as competitive bids fro period of 24 months	30-Jan-19	Ass Manager SCM	On-going

38	Amount paid less than quoted amount (COMAF 27)	For Hlophe Njabulo Enterprise we noted that the supplier quoted more than what was initially approved for the following orders: **a)** For purchase order: 3780, these are the differences noted: **b)** For purchase order: 3729, these are the differences noted:	Limited capacity , lack of qualifed personnel and training within the unit which does not promote proper segregation of duties within the unit and reduce the load of work on the current employees.Lack of oversight by authoring personeel	Review SCM procedure manual. Develop checklist on quotation. The debtors account to be open so that the service provider repays the extra amount.	Evaluation reportS for seven days RFQ will verified by Chief Accountant before approved by SCM Manager to ensure proper oversight.	01-Dec-19	Ass Manager SCM	On-going
39	Supplier in the service of the state did not declare the interest (COMAF 27)	The award below was made to a company of which a director is a person in the service of the state.	Lack of system to authenticate information provided on the MBD forms	None	All appointment are now verified on serach work system	Already Implement ed	Ass Manager SCM	On-going
40	Internal control deficiencies identified (COMAF 27)	Whilst testing various quotes, we identified the following: **a)** With reference to the table below, evaluation documents where the final decision to accept the quote is made were not dated to provide evidence that the transactions took place	Lack planning by department and inavialability of management to approve request before the date of service is major root cause. Limited capacity , lack of qualifed personnel and training within the unit which	Development PPPFA calculation through excel formula.	a)Check list has been developed and documents are dated accordingly. B) Excel calculation template has been developed to ensure accurate calculation of preference point system. C)	15th November 2018	Ass Manager SCM	On-going

		in the 2017-18 financial period. **b)** With reference to the table below, we noted numerous errors relating to preference point calculations even though the suppliers highlighted in blue were the correct suppliers who won the awards. **c)** The municipality received quotation through its own database not CSD database from Epic Operators Training Center. The award was given to the correct supplier Greenrim Training for an amount of R31 970.00, purchase order no. 4097. Upon CIPC verification by the auditors, we noted that Epic Operators Training Center used a company registration number 2013/202804/07 that did not belong to them since the CIPC results displayed the following information: • Company	does not promote proper segregation of duties within the unit and reduce the load of work on the current employees.Lack of oversight by authoring personeel		Verification of all suppliers is done on CIPC website and attached to all purchase orders.			

		name: Goodman Real Estate Investments not Epic Operators Training Center. • Physical and postal address: 321 Alpine Way, Lynwood, Pretoria, Gauteng, 0081. • Director: Michelle Adeline Hamman. From the above it's clear that Epic Operators Training Center fraudulently used incorrect company details for Goodman Real Estate Investment and the municipality failed to detect such since no CIPC checks were conducted by municipal officials						
41	Bids advertised for less than the minimum number of days (COMAF 28)	The following tenders were advertised for 12 days instead of 14 days on the Sowetan newspaper from 31 August 2017 to 12 September 2017. There were no formal deviations either from the accounting officer to justify the lesser	Lack of oversight by management and work load within the unit .	Check list to ensure compliance to the adverts	Advert to be authorised b y user department head , verfied by chief Accountant and Supply Chain Manager before publication.	1st January 2019	Ass Man SCM	Lydia Sehlako

		days:						
42	Awards made to suppliers who are tax non-compliant (COMAF 28)	The following tenders were awarded to non-tax compliant suppliers:	Lack of verfication on tax status .	CSD report be printed after verification to prove that the municipality has verified tax matters. Revise irregular expenditure register and AFS note	Tax compliant will be verified before an order is issued through CSD.	Already started on 9th November 2018. Revise Irregular and AFS 18 November 2018	Ass Man SCM	Lydia Sehlako
53	2011 PPR used instead of 2017 PPR for B-BBEE points calculations (COMAF 31)	**a)** The following bidders whose B-BBEE status level is 1 were evaluated using the 2011 PPR for B-BBEE instead of 2017 PPR for B-BBEE point calculations. This is incorrect since the transactions took place after 01 April 2017 when the 2017 PPR became effective. The correct suppliers were awarded the contracts based on the auditor's calculations using the correct PPR. **b)** The following tender was	Lack of training . Limited capacity , lack of qualifed personnel and training within the unit which does not promote proper segregation of duties within the unit and reduce the load of work on the current employees.	Checklist will be developed in line with all required legislation to avoid non-compliance. Provide training to SCM personnel on all SCM regulation include PPR.	a) All SCM personeel and Bid Committee to be taken to traning for clear understanding and be able to implement PPR.	1ST December 2018	Ass Manager SCM	Lydia Sehlako

		evaluated using the incorrect 2011 PPR for B-BBEE for goods and services below R1 million, instead of using the table relating to procurement above R1 million. The number of points allocated were 20 per bidder as they were all level 1 B-BBEE compliant, however 10 should have been allocated to each bidder. This does not impact on the award since the supplier below was still the best bidder even if 10 points were to be used.						

43	Late completion of the project: New Reservoir and Pipeline at Kwamhlanga for Phola Park and Mountain View Communities - Phase 2 (Multi Year Project) (COMAF 32)	Whilst inspecting the supporting documents for project: New Reservoir and Pipeline at Kwamhlanga for Phola Park and Mountain View Communities - Phase 2 (Multi Year Project), we identified the following: According to the appointment letter the project had to be completed by 09 June 2017. During the site visit on 5 October 2018, the project was still not completed, 16 months after the initial completion date. Furthermore, the only application for extension of time submitted for audit purposes was dated 05 February 2018. The application to extend for 6 months to 28 September 2018 was approved on 22 February 2018. No evidence was submitted	Management lacked the discipline to institute project management controls which operate effectively as the municipality did not interrogate the application for extension of time prior to approval as required by the GCC.	Placing project management controls in place with reference to the General Conditions of Contract.	Management will interrogate EOT's as required by the General Conditions of Contract.	31-Mar-19	Technical Services Manager	Technical Services Manager and Assistant Manager PMU

		for audit on the extension of time between June 2017 and February 2018. The following deficiencies were noted in respect of the application: • The application for extension of time did set out the reasons for the application however there was no justification for the basis of the 6 months as required by GCC clause 10.1.1.1.3. • The application for extension of time did not indicate any cost implication. However, it was noted on payment certificate no. 13 that item no. 1.2.1 was overpaid by R424 000 compared to BOQ on tender. This is in contravention of GCC clause no. 10.1.1.1.4.						

44	Inconsistencies in rates/overpayments for project: New Reservoir and Pipeline at Kwamhlanga for Phola Park and Mountain View Communities - Phase 2 (Multi Year Project) (COMAF 32)	**a)** As per inspection of payment certificate no. 13 item no. 10.3.16, the amount claimed for payment was R290 000 instead of R29 000. The difference is R261 000. **b)** Payment certificate 2 - Steel bars	Management lacked the discipline to ensure that an effective cost monitoring system against the budget is in place to avoid the risk of incurring unnecessary cost.	Revision of the PMU procedure manual.	Revise the PMU procedure manual to include project cost control mechanisms prior to payment being submitted by the PMU to Finace	31-Mar-19	Technical Services Manager	Technical Services Manager and Assistant Manager PMU
45	Amounts paid in advance without any justification for project: New Reservoir and Pipeline at Kwamhlanga for Phola Park and Mountain View Communities - Phase 2 (Multi Year Project) (COMAF 32)	Payment certificate no. 3 reflects advance payments made to the service provider Monde Consulting Engineers for services not rendered yet. See table below for details.	The procedure manual of the PMU is not sufficient to address all needed controls. As such project cost controls are not functioning effectively as the municipality is making payments in advance for services not rendered yet	Revision of PMU procedure manual and enhancement of project management techniques, notwithstanding the aspect that the contract is re-measurement contract, and Clauses 6.7.1 and 6.3.3 were adhered to in line with the General Conditions of Contract.	Revise the PMU procedure manual to include project cost control mechanisms prior to payment being submitted by the PMU to Finace	31-Mar-19	Technical Services Manager	Technical Services Manager and Assistant Manager PMU

46	Changes to BOQ without approved Variation Order for project: New Reservoir and Pipeline at Kwamhlanga for Phola Park and Mountain View Communities - Phase 2 (Multi Year Project) (COMAF 32)	Whilst inspecting the supporting documents for project: New Reservoir and Pipeline at Kwamhlanga for Phola Park and Mountain View Communities - Phase 2 (Multi Year Project we identified the following: **a)** Change of method without any formal approvalAs per inspection of the BOQ in the tender document, the reservoir was to be constructed using in-situ concrete. During site visit on 05 October 2018, it was noted that this was not the case. The walls and the roof of the reservoir were made of precast panels. It is unclear how these items were claimed for payment as there was no variation order approved. **b)** Pipeline length differencesPayment Certificate No. 9	The procedure manual of the PMU is not sufficient to address all needed controls. As such project cost controls are not functioning effectively as the municipality is making payments in advance for services not rendered yet.	Revision of PMU procedure manual and enhancement of project management techniques, notwithstanding the aspect that the contract is re-measurement contract, and Clauses 6.7.1 and 6.3.3 were adhered to in line with the General Conditions of Contract.	Revise the PMU procedure manual to include project cost control mechanisms prior to payment being submitted by the PMU to Finace	31-Mar-19	Technical Services Manager	Technical Services Manager and Assistant Manager PMU

		indicates that 8,47 km of pipe were laid. However, Item no. 4.1.1 and 4.1.2 for excavation indicates that 9,802 km was excavated. The difference (1.332 km) represents a length of excavation that was not utilized. This translates to an amount of R86 580 which is fruitless and wasteful expenditure.						
47	Inconsistent rates/overpayments for project: Upgrading of Existing Infrastructure from project to Augment Boreholes Water Supply in Bundu (Multi Year Project) Work Package 2 (COMAF 32)	Whilst inspecting the supporting documents for project: Upgrading of Existing Infrastructure from project to Augment Boreholes Water Supply in Bundu (Multi Year Project) we identified the following: **a)** Removal of bouldersThe municipality paid R1 483 496 more for the removal of boulders as the rate according to payment certificate no. 3 was more than the original rate included on	The procedure manual of the PMU is not sufficient to address all needed controls. As such project cost controls are not functioning effectively as the municipality is making payments in advance for services not rendered yet	Revision of PMU procedure manual and enhancement of project management techniques, notwithstanding the aspect that the contract is re-measurement contract, and Clauses 6.7.1 and 6.3.3 were adhered to in line with the General Conditions of Contract.	Revision of PMU procedure manual and enhancement of project management techniques.	31-Mar-19	Technical Services Manager	Technical Services Manager and Assistant Manager PMU

		the BOQ on the tender document (i.e. Pricing data). Furthermore, the site instruction with reference no 5464c009_Bundu WTW JV New rate20171109 indicated that this rate on the BOQ should be used for boulders and the new rate was not approved. **b)** According to payment certificate no.3, there was a payment of R1 533 056.00 included as a variation. However, no approved for variation order was submitted for audit purposes to support this variation.						
48	Poor planning: actual quantities more than tender amount for project: Upgrading of Existing Infrastructure from project to Augment Boreholes Water	Upgrading of Existing Infrastructure from project to Augment Boreholes Water Supply in Bundu (Multi Year Project) Work Package 2. With reference to the table below, significant differences in quantities for certain items were noticed when	Management lacked the discipline to ensure that an effective cost monitoring system against the budget is in place to avoid the risk of incurring unnecessary cost	Revision of PMU procedure manual and enhancement of project management techniques, notwithstanding the aspect that the contract is re-measurement contract, and Clauses 6.7.1 and 6.3.3 were	Revision of PMU procedure manual and enhancement of project management techniques.	31-Mar-19	Technical Services Manager	Technical Services Manager and Assistant Manager PMU

	Supply in Bundu (Multi Year Project) Work Package 2 (COMAF 32)	comparing the quantities on the BOQ of the tender document with the claimed quantities on payment certificate no.3 and 6. The following was difference was also identified with regard to Work Package 2: EarthworksThe amount claimed according to the summary page for Earthworks included in payment certificate no. 6 is more than the contract amount on the BOQ as follows:According to summary page of payment certificate no.7 for Work Package 5, an amount of R 5 127 021.35 was paid under earthworks. However, as per the BOQ the tender amount for earthworks was R1 704 400. This indicates that earthworks was paid more by R3 422 621.35. No approved variation order indicating reasons		adhered to in line with the General Conditions of Contract.				

		for the increase in quantity was provided. The rates claimed on the following payment certificates for project: New Reservoir and Pipeline at Kwamhlanga for Phola Park and Mountain View Communities - Phase 2 (Multi Year Project) were higher than the rates on the bills of quantity (BOQ) in the tender document for the following items: Payment certificate no. 9 – Excavation						
49	Advance payment made inconsistently for project: Upgrading of Existing Infrastructure from project to Augment Boreholes Water Supply in Bundu (Multi Year Project) Work Package 2	During the assessment of the site instructions, it was noted that the contractor was paid R12 049 104.35 upfront for material on site. The intension of the payment was to enable the contractor to pay the manufactures for lead items. However, according to site instructions dated 16 February 2018 and 02	Management lacked the discipline to ensure that an effective cost monitoring system against the budget is in place to avoid the risk of incurring unnecessary costs.	Submission of back up documentation (confirmation of material stored off site) to AG, as Management did not lack the discipline to ensure that an effective cost monitoring system against the budget was in place to avoid the risk of incurring unnecessary cost, as	To include all backup documentation to the claims when materials has been stored off site by service providers. Back up documentaton was submitted on the 16th of November 2018.	16-Nov-18	Technical Services Manager	Technical Services Manager and Assistant Manager PMU

	(COMAF 32)	May 2018 the suppliers were not paid. The guarantee provided to the municipality by the contractor was inadequate as it was lacking certain information, for example: • The amount of the material• The date of purchase• The description of the material purchased• Insurance supporting documentation		the contract is re-measurement contract, and Clauses 6.7.1 and 6.3.3 were adhered to in line with the General Conditions of Contract.				
50	Material from commercial source not used for project: Upgrading of Existing Infrastructure from project to Augment Boreholes Water Supply in Bundu (Multi Year Project) Work Package 2 (COMAF 32)	According to payment certificate no.6 item no. 2.7.2.3, there was a claim of R5 189 500 for G7 material from a commercial source, however during a site visit it was indicated that all fill material came from the borrow pit and material from commercial source was not used. Management also confirmed that the material from the commercial source was not delivered and used	Management lacked the discipline to ensure that the municipality only pays for goods and services delivered to the municipality.	Revision of PMU procedure manual so it interlinks with the General Conditions of Contract. An advert for the appointment of a disciplinary board was placed on the 13th of January 2019. The board will be appointed on/ or before the 31st of January 2019. The board will be tasked with investigating the contents that led to the fruitless and	Revision of PMU procedure manual and enhancement of project management techniques.	30-Apr-19	Technical Services Manager	Technical Services Manager and Assistant Manager PMU

		even though the payment was already processed.		wasteful expenditure as found by the AG (though Management did not agree with the finding by virtue of interpretation of a Borrow Pit), and submit recommendations to Council for consideration. If Council is satisfied with the findings, it will then be written off, and disclosed in the Annual Financial Statements. If the recommendations are for action to be taken against a particular party, then such findings will be submitted to Council for approval. Targeted date for the completion of the investigation and submission of findings is 31 March 2019, and Council to convene by the end of April 2019.				

51	Claims on payment certificate unsubstantiated for project: Upgrading of Existing Infrastructure from project to Augment Boreholes Water Supply in Bundu (Multi Year Project) Work Package 5 (COMAF 32)	Whilst inspecting the project for: Upgrading of Existing Infrastructure from project to Augment Boreholes Water Supply in Bundu (Multi Year Project) Work Package 5, we identified the following: **a)** No documents were submitted to support the claim of R100 000 (payment certificate no. 6 dated 03 April 2018) made by Monde Consulting for Environmental Impact Assessment (EIA). The only submitted document that refers to EIA is an approval letter from Environmental Affairs that dates back to 29 August 2016. **b)** No documents were submitted to support the claim of R750 000 (payment certificate no. 4 dated 03 June 2018) made by Monde Consulting for	Management did not exercise sufficient oversight responsibility to ensure that documents were safeguarded from any loss to substantiate the transactions reflected on the AFS.	Submission of EIA and Geotechnical information that could not be provided and providing the Auditor General with evidence that the services were performed.	Revision of PMU procedure manual to incoporate proper record keeping and safe guarding of documentation for services rendered. Collection of the EIA documentation and Recent Geo Technical Investigation conducted.	31-Mar-19	Technical Services Manager	Technical Services Manager and Assistant Manager PMU

		Geotechnical Services. The last available Geotechnical report was dated April 2016.						
52	No variation order for project: Upgrading of Existing Infrastructure from project to Augment Boreholes Water Supply in Bundu (Multi Year Project) Work Package 5 (COMAF 32)	Whilst inspecting supporting documents project for Upgrading of Existing Infrastructure from project to Augment Boreholes Water Supply in Bundu (Multi Year Project) Work Package 5, we identified the following: **a)** As per inspection of the Bill of Quantities (BOQ) in the tender document, the Preliminary & General (P&G) for pipeline and reservoir were consolidated for a total amount of R3 609 400. According to the valuation sheet on payment certificate no. 2 and 8 it was noted that the P&G's for the pipeline and reservoir amounts to R5 790 868. This is further detailed in the table below: It is	Management did not exercise sufficient oversight responsibility to ensure that documents were safeguarded from any loss to substantiate the transactions reflected on the AFS.	Revision of PMU procedure manual so it interlinks with the General Conditions of Contract. Submission of the approved Variation Order to the Auditor General was conducted on the 16th of November 2018.	Revise the PMU procedure manual.and monitor that all technicians are working in accordandance with the revised procedure manual in conjuction with the General Conditions of Contract.	31-Mar-19	Technical Services Manager	Technical Services Manager and Assistant Manager PMU

		evident from the table above that the P&G for reservoir was not included in the BOQ and was further added on the payment certificate. A variation order was submitted for audit purposes of R9 437 372.35. The breakdown indicating the activities and cost per activity was not submitted for audit purposes. **b)** The municipality paid for the following items which were not included in the BOQ. This constitutes irregular expenditure as no variation order was approved. PipelineAs per inspection of the drawings, the length of the pipeline is 1 347.94m. However, it was noted on the payment certificate no.6 that the contractor has claimed for a length of 4 928.3m. No approved variation order indicating reasons for the increase in						

		quantity was provided.						
56	Disciplinary board incorrectly constituted by MPAC members (COMAF 40)	We identified that the MPAC members which are part of the council structure constitute the disciplinary board for the municipality which contravenes the regulations stipulated above.	Lack of clear guidelines in the constitution of the disciplinary board.	To establish effective disciplinary board.	Invite applicants to constithe the disciplinary board through an advertisements.	31-Jan-19	Accounting Officer	Accountimg Officer
Internal control deficiency								
64	Contract management internal control deficiencies (COMAF 27)	The following contracts were not signed by witnesses.	Limited capacity within SCM and legal services t oreview all contract after signing. Lack of policy on contract management	All SLA be signed by witnesses from both parties. Develop contract management policy which will focus on monitoring.	Appoint Accountant SCM spefically dealing with contract management and monitoring operational contract. Develop a contract management policy to appoint a contract champion and contract manager to deal with issues of contract management.	20-Sep-19	Ass Manager SCM/ Legal Services	Quarterly

57	SCM Regulation 32: Services procured beyond the scope of the original contract (COMAF 41)	With reference to the table below, the municipality secured the services of 1@Consulting through SCM Regulation 32 from Bela Bela Local Municipality which was a contract whose scope only covered movable assets whereas the municipality decided to extend the scope to cover immovable assets too. The service level agreement with the service provider did not provide separate budgets for those two projects and thus making it difficult to track each project separately in terms of budget spending.	Poor planning to implement project	Subject any participation contract documentation to THLM BAC prior development of direct SLA and implementation thereof.	Section 32 Appointment to be reccomended by BAC before appointment	From 2018/2019 FY onwards	CFO	J Mzobe
15	Employees abscondement with remuneration (COMAF 5)	**a)** The following employees absconded from work without any knowledge from the line managers which demonstrates that the controls instituted by	Lack of proper monitoring and on-side reporting.	Monthly reconciliations from the electronic system will be done. • Disciplinary charges instituted to any staff member including	Monitoring of pending disciplinary cases.	Monthly. As and when required	HRM	Manager: Corporate Services

		the municipality to tract time and attendance and monitoring by line managers are not operating effectively. **b)** The following employees absconded from work and their cases are still under investigations.		Supervisors, HOD's and unit heads on any breach of the policy.				
28	Internal control deficiency – General workers (COMAF 19)	Upon inspection of the attendance registers for the employees listed below whilst verifying if the employees were entitled to their monthly salary, we noted that some general workers were not signing the registers almost on a regular basis even though they were not on leave based on the HRM leave reports. The tables below indicate the number of days the employees did not sign the attendance register and the impact thereof: **1**) Employees who did not sign the register and	Lack of proper monitoring and on-side reporting.	A Bio-metrics system installed will be used to track records.	Monitoring of records of the biometrics system to track attendance. Monthly reconcilaition of the attendance registers.	01-Dec-18	Assistant Manager: HRM	Manager: Corporate Services

		the impact thereof:						
65	EPWP employment contracts not signed (COMAF 35)	Upon inspection of the employment contracts below of the workers for e the Extended Public Works Programme (EPWP), we noted that a number of employment contracts were not signed by both the employer and employee. **1**. Contracts of employment that were not signed by both employer and employee: • Skhosana Ntombifuthi T (ID 910815 0615 083) • Mkwayi Thokozani E (ID 890929 6064 086) **2.** Contracts of employment that were not signed by the employer: • Maila Patricia (ID 860419 0673 088)	Insuffient control mechanisms and no dedicated EPWP Official	All contracts and letter of appointments have been validated together with HR	In the future upon appointment of newly recruited EPWP participants their contracts and letters of appointment will be taken to HR for further validation. Dedicated EPWP Official is appointed.	28-Feb-19	Assistant Manager Waste and Environment Management: Ms A Aphane	Manager SDS: Mr Abram Chego

55	Control deficiencies on training budget and training plan (COMAF 36)	Whilst reviewing controls around the training plans and budget for the municipality, we identified the following: **a)** The amount that was budgeted for training in the 2017-18 financial year is below one percent of the budgeted payroll cost as shown by the calculation below: **b)** The municipality does not have proper controls to source training needs for various departments coupled with the budgets and craft that in a formalised training plan which can be monitored regularly. **c)** The following employees were deployed into supply chain management unit lacking the appropriate supply chain management experience as shown below and there's no	Insufficient budget allocations	Continuous roll out of training programmes will be done as per WSP.	Quarterly reports on trainings instituted	Quarterly	Assistant Manager HRM	Manager: Corporate Services

		evidence that they have acquired further training and development on supply chain matters: **d)** The following staff members have not received training during the financial year in order for them to adequately perform their duties competently and efficiently:						
60	Performance agreements not in place for other staff officials (COMAF 44)	With reference to the table below, we noted that the municipality did not have any performance agreements in place for staff officials to keep the officials responsible and accountable for the areas of their responsibilities. We further noted through enquiries with management that performance agreements were not in place for all staff officials at the municipality except for	Delay in the finalisation of the Job Evaluation process	Management must create, fund and fill the position of a performance practitioner. • Management will start the process of entering into performance agreements with staff as soon as Job Evaluation is finalised.	Consultation with organised labour on the implementation. Finalisation of Job descriptions and performance agreements drafted all employees	Fourth Quarter	Manager: Corporate Services and Assistant Manager: HRM	Manager: Corporate Services and Assistant Manager: HRM

		Municipal Systems Act Section 56 managers.						
63	Control deficiencies identified on use of consultants (Comaf 24)	The findings below are adopted from the 2016-17 audit cycle since management coud not provide us with any evidence that the matters below were resolved in 2017-18 based on RFI 75 – part 2). Whilst testing the monitoring controls instituted by the municipality on the use of consultants, the following control deficiencies were identified. a) The municipality does not have the followingi. Strategy/ measures to address over reliance on consultants in a form of a consultancy reduction plan including a gap analysis report that highlights the extent of use of consultants and the impact thereof on the municipality.ii. A plan to address poor	The municipality lacked the discipline to identify the relevant staff officials to whom the skills are supposed to be transferred and to monitor the transfer properly in conjunction with the consultants. The municipality has also not made an exercise of looking at outsourcing some of the work in terms of costs Vs benefits to consultants or to bringing the skills in-house based on recruitment processes	The municipality will develop gap analysis and monitor the performance of consultants and review contract based on performance	All appointments should be made after following proper processes of SCM to avoid the risks of awarding contracts to suppliers without assessing the needs for such services	1st February 2017	Chief Financial Officer	J Mzobe

		performance based on the work conducted by consultants eg poor quality of the AFS prepared by Munsoft submitted for audit on 31 August 2017. b) Some of the appointments for consultants was not supported by a proper needs analysis eg Maxprof was appointed without any proper needs analysis being conducted by the municipality.c) Some of the consultants were appointed on primary functions/ roles which the municipality is supposed to cater for in-house and not outsource them to bring about suitability and consistency on those functions/ roles eg Maxprof Ltd for VAT returns, Munsoft ltd for annual financial statements (AFS) preparations and I@Consulting for fixed						

		assets register (FAR) preparations d) Some gaps were identified on skills transfer in the service level agreements (SLA) for consultants eg the terms of reference for Maxprof, Munsoft and I@Consulting did not outline an objective for transfer of skills, including the nature, scope and goals of the training programme.e) Gaps were also identified on contract monitoring processes eg meetings for Maxprof were held quarterly as opposed to monthly basis per SLA						
Service Delivery								
62	Control deficiencies identified on roads, water and sanitation infrastructure and lack of	**1**. The municipality does not have the following approved documents in place at 30 June 2018 a) Approved policy for routine maintenance of	Financial and performance management - Review and monitor compliance with applicable legislation. The council and	Management to implement the necessary controls in conjunction with CoGTA	Formulation of operations and maintenance plans. Formulation of a maintenance expenditure	30-Jun-19	Technical Service and CFO	Accounting Officer, CFO, and Technical Services Manager

	support by CoGTA (COMAF 46)	Water infrastructureb) Approved policy for routine maintenance of sanitation infrastructurec) Approved Water routine maintenance plan.d) Approved Sanitation routine maintenance plan.e) Approved Road infrastructure maintenance plan. **2.** Value of water losses disclosed in note 6 in the AFS is R 25 983 529 whereas auditor's calculations reflect: 3 031 917 (water units lost) * R8.3 (average rate per unit purchases) = R25 164 911.10, differences is R818 618. **3.** MISA's Municipal Infrastructure Performance Management Information System (MIPMIS) is not used to encourage greater expenditure on infrastructure maintenance and to enforce asset	management lacked the discipline to perform proper reviews during the annual review process of all policies to ensure that the maintenance policies and plans are in place and approved.		monitoring system			

		management over the life-cycle of assets at municipal level. **4**. Support plans did not adequately address the key challenges in improving the following two pillars for Thembisile Hani Local Municipality which is categorised as a municipality with the potential to do well by CoGTA: **a)** Ensuring sound financial management and accounting - The provision for bad debts reported to date is still significantly high and there's no proper strategy on CoGTA on how they are monitoring the turnaround strategy developed by the municipality to address this issue. **b)** Building institutional resilience and administrative capability: CFO position was vacant since October 2017 to 30						

		June 2018 and CoGTA only provided the resource to the municipality on 01 November 2018 which did not prevent the regression of a qualified opinion from an unqualified opinion last year.**5**. There are insufficient qualified technical staff to conduct the condition assessments in relation to roads infrastructure due to one vacancy in the technical services department.						
Matters affecting the auditor's report								
1	Annual financial statements (AFS) submitted late for audit (COMAF 1)	The municipality submitted the annual financial statement on 01 September 2018 at 00h42 early hours of the morning which translated to a 42 minutes delay contrary to section 126(1)(a) of the MFMA. Such delays stem majorly from the	Inadequate proper preparation and reporting planning	We have requested Cogta to second a CFO to act whilst the municipality under goes the re-advert, shortlisting and appointment process of the CFO.	Weekly meetings on preparation of annual financial statements Monthly submission of information in preparation for the annual financial statements.Quarterly consolidated	01-Oct-18	Accounting Officer	Weekly Monthly Quarterly

		absence of the chief financial officer (CFO) since 10 October 2017 to 30 June 2018 (8 months, 3 weeks).			reports submitted.			
2	High level overview errors identified in the annual financial statements (AFS) presented for audit (COMAF 3)	The following deficiencies were identified whilst reviewing the annual financial statements (AFS) submitted for audit on 01 September 2018: **1.** Accounting officer's report, paragraph 3 under going concern, the paragraph states the municipality's total liabilities exceeded its total assets by R1 844 527 115 but the municipality is in a net asset position for that amount under the statement of financial position. **2**. Accounting officer's report, paragraph 5 under accounting policies, the first paragraph states annual financial statements prepared in	The municipality lacked the discipline to identify the relevant staff officials to whom the skills are supposed to be transferred and to monitor the transfer properly in conjunction with the consultants. The municipality has also not made an exercise of looking at outsourcing some of the work in terms of costs Vs benefits to consultants or to bringing the skills in-house based on recruitment processes	We have requested Cogta to second a CFO to act whilst the municipality under goes the re-advert, shortlisting and appointment process of the CFO. Management will ensure that all requested rectification, if allowed by the AG will be made timeously and supporting documents provided to the AG to allow sufficient time to audit.	Appointment of a permanent CFO to be completed.	2018-10-01, 5 days within agreement of adjustments	Accounting Officer, All Finance Assistant Managers, and AFS preparers.	Accounting Officer, All Finance Assistant Managers, and AFS preparers.

		accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) instead of Generally Recognised Accounting Practice (GRAP). **3**. Pages 5 to 8 are not numbered and what should be page 9 after these is page 8. **4.** The name of the auditee is not on pages 5 to 8 (report of the audit and performance audit committee). **5.** The statement heading is not on pages 6 to 8 (report of the audit and performance audit committee). **6.** The reporting date is not on pages 5 to 8 (report of the audit and performance audit committee). **7.** Pages 17-16 (as it's written in the contents page) is an appropriation statement, however there is no such statement in the AFS and on those pages. **8.**						

		Note 20 is called "Investment revenue" and the line item on the AFS is called "Interest received-investment". **9.** Note 22 is called "Grants and Subsidies" and the line item on the AFS is called "Transfers and Subsidies".**10.** The following differences were identified between the AFS notes and what is presented in the AFS: **a)** Government grants and subsidies in the statement of financial performance reflects R523 659 000 whereas the note 23 reflects R665 904 000. The “in kind” grants have not been posted in the general ledger of the municipality for the financial period 2017-2018, only disclosed by using the Dora schedules for 2017-2018. **a)** Transfers and subsidies paid in the statement of financial						

		performance reflects R44 941 124 whereas the note 22 reflects R187 186 124. **b)** Purchase of property, plant and equipment in the cash flow statement reflects R256 993 887 whereas note 3 reflects R110 736 086. **c)** Cash and cash equivalents in note 11 reflect R59 189 637 (2016-17: R69 586 376) whereas the breakdown of the bank accounts under bank statement balances reflect R56 621 588 (2016-17: R69 576 791). **d)** Provisions in the statement of financial position reflects R19 373 024 (2016-17: R16 679 715) whereas note 13 reflects R22 262 484 (2016-17: R19 324 465). **11.** The following note numbers do not correspond to what is sitting on the statement of financial performance: **12.** The employee benefit							

		obligation in note 5 is not defined as defined benefit plan liability in terms of the AFS specimen. **13.** Total net assets and liabilities in the statement of financial position is presented as total net assets excluding liabilities.**14.** The amounts on note 40 for prior period error relating to the statement of financial position are not legible. **15**. Repairs and maintenance is presented under general expenditure as opposed to being separately disclosed in the statement of financial performance per the AFS specimen. **16.** Licenses and permits line item in the statement of financial performance is called Levies on the statement of comparison of budgets and actual amounts. **17.** Appendix						

		F on page 79 is not marked unaudited supplementary schedule and should be marked as such. The following items were not included as part of the audit file submitted for audit on 01 September 2018 as required by NT Circular 50 Annexure A: **1.** Supporting document for prior period error journals. **2.** VAT reconciliations. **3.** Documentation to support regular stock-takes / inventory counts. Evidence regarding valuations and impairments and reconciliation of any losses. **4.** Debtors trial balance and control account - total value of debtors to reconcile with trial balance showing debtor name, value and age of debt. Action taken to recover. Full information and authorization for write-offs and impairments. **5.**						

		Detailed payroll report. **6.** Property rates detailed reports. **7.** Capital commitment register. **8.** Unauthorised, irregular and fruitless and wasteful expenditure listings/registers. **9.** Contingent liability listing/register.						
3	Material adjustments identified by THLM management on the AFS submitted on 01 September 2018 (COMAF 6)	Subsequent to Comaf 3 issued to management on relating to high level over view of the AFS submitted on 01 September 018, management further identified the following errors which were rectified on the revised set of AFS submitted on 22 September 2018 as a final set for audit	The municipality lacked the discipline to identify the relevant staff officials to whom the skills are supposed to be transferred and to monitor the transfer properly in conjunction with the consultants. The municipality has also not made an exercise of looking at outsourcing some of the work in terms of costs Vs benefits to consultants or to bringing the skills in-house based on recruitment processes	Correction of all errors identified, (see attached excel spreadsheet) ensure that a fulltime CFO is appointed.	Appointment of a permanent CFO to be completed.	22 September 2018 (Resubmission of AFS) 2 January 2018 – Appointment of CFO	All Managers, and the Accounting Officer	All Managers, and the Accounting Officer

12	Achievements overstated on the annual performance report (COMAF 10)	Whilst verifying the validity, accuracy and completeness of reported performance reflected in the annual performance report (APR) and portfolio of evidence (PoE) submitted, we noted the following differences:	Financial and performance management: Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information and unachieved indicators should have proper action plan.	Revise the APR and submit supporting document	Revision of the APR and submission of supporting documents.	During the adjustment of the AFS	Manager Technical Services & Assistant Manager PMU	Manager Technical Services, Assistant Manager PMU, and Assistant Manager Solid Waste
6	Misstatement on receivables from exchange transactions (COMAF 22)	Whilst testing receivables from exchange transactions in note 07, we identified the following: a) Misstatements on note 07. b) The gross amount of consumer debtors on note 10 on the AFS does not agree to debtors listing as per table below: c) The net amount for traffic fines debtors on note 08 on the AFS does not agree to debtors listing as per table below:	1. During the compilation proces of the AFS, a challenge in maping the controll accounts occurred and there was failure to correctly disclose the ageing in the corresponding notes as compared to the actual controll accounts in Munsoft.	1. Accurate disclosure of information in the AFS.	1. Disclosure of receivables amount needs to be done correctly in the AFS whErein the risk factors as also considered when drafting the corresponding notes.	20-Nov-18	CFO	Anually and Bi-anualy

8	Participants in the preparatory process not excluded in the tendering process for project: New Reservoir and Pipeline at Kwamhlanga for Phola Park and Mountain View Communities - Phase 2 (Multi Year Project) (COMAF 32)	Whilst inspecting the supporting documents for project: New Reservoir and Pipeline at Kwamhlanga for Phola Park and Mountain View Communities - Phase 2 (Multi Year Project), we identified the following: **a)** The SCM process followed was not fair, transparent and competitive as Monde Consulting Engineers who won the bid was also responsible in association with Siza Tech Consulting Engineers for the compilation of the technical report which was then used by the municipality for specification purposes in the tender documents for the bidding process. According to the tender documents, Monde Consulting Engineers won the bid for this	Financial and performance management - Review and monitor compliance with applicable legislationManagement lacked the discipline to ensure that goods and services are sourced out in a way which is fair, equitable, transparent, competitive and cost effective.	Management did not agree with the finding and was able to clear the budget maintenance matter. However, and in light of the procurement matter of Monde JV, the following is placed on record:Sizatech was not appointed by the Municipality, but was appointed by Cogta and/ or Mega to conduct consultancy work for water related projects in the entire Mpumalanga province, and Thembisile Hani was part of that program as a beneficiary. Therefore, there was no unfair advantage gained by Monde Consulting and this is based on the fact that Monde Consulting did not participate in the bid specification committee. What transpired was that the	An advert for the appointment of a disciplinary board was placed on the 13th of January 2019. The board will be appointed on/ or before the 31st of January 2019. The board will be tasked with investigating the contents that led to the irregular expenditure, and submit recommendations to Council for consideration. If Council is satisfied with the findings, it will then be written off, and disclosed in the Annual Financial Statements. Targeted date for the completion of the investigation and submission of findings is 31 March 2019, and	30-Apr-19	Assistant Manager Supply Chain, Manager Technical Services & Assistant Manager PMU	Accountimg Officer and Assistant Manager: Legal

		project amounting to R52 382 454, 66. The technical report which was compiled by SizaTech Consulting Engineers in association with Monde Consulting reflected a budget of R47 234 745,34. CoGTA approved the MIG allocation for an amount of R45 000 000. The municipality did not provide any evidence on the funding of the excess for R7 382 454,66 thereby exposing itself on the possible risk of incurring unauthorised expenditure. **b)** The municipality also applied for a Variation Order amounting to R7 382 454, 56 at CoGTA to increase the budget to the tendered amount of R52 382 454, 66. The reasons put forward in the application were factually incorrect as: • The application indicated that the		Technical Report prepared by Monde Consulting was submitted to Cogta for MIG funding purposes for an amount of R 47 234 745.34, off which R 45 000 000.00 was approved/ registered for MIG funding, off which Monde Consulting was not privy to the approval letter that was received by the Municipality from Cogta.Further to that, the information that was extracted from the Technical Report for bid specification purposes was the overview of the scope of work, which was made available for all bidders, for it was clearly defined in the tender document which was prepared in-house by the Municipality as this is/ was a Turnkey project, prior to it being openly	Council to convene by the end of April 2019.			

		additional funds were required to provide for maintenance. However, as per inspection of payment certificate no 14, there has been no claim for maintenance despite the amount claimed already exceeded the approved construction amount of R45 000 000. No evidence supporting the approval for such usage was submitted for audit. • The bills of quantity (BOQ) submitted for audit purposes did not contain items for maintenance		advertised for prospective bidders, where the most responsive bidder was then appointed in line with the Municipal Finance Management Act.With the above-mentioned, and in light of the irregular expenditure, an advert for the appointment of a disciplinary board was placed on the 13th of January 2019. The board will be appointed on/ or before the 31st of January 2019. The board will be tasked with investigating the contents that led to the irregular expenditure, and submit recommendations to Council for consideration. If Council is satisfied with the findings, it will then be written off, and disclosed in the Annual Financial				

				Statements. Targeted date for the completion of the investigation and submission of findings is 31 March 2019, and Council to convene by the end of April 2019.				
9	AFS budget figures do not agree to the approved adjustment budget figures (COMAF 33)	With reference to the table below, we noted that the AFS budget figures in the Statement of Comparison of Budget and Actual Amounts differ to the adjustment budget figures approved by council on 27 February 2018.	None complaince to GRAP 17 on treatment of Repairs and Maintenance	To ensure that the AFS are informed by the adjustment budget approved by council	Ensure that the exenditure for Repairs and Maintenance in relation to capital projects is disclosed in note 3 under PPE	During the adjustmen t of the AFS	Assistant Manager Budget and Reporting	Richard Makhubele
7	Misstatements identified on assets under construction (WIP) and repairs and maintenance relating to Note 3 (COMAF 29)	Whilst testing the accuracy and completeness on note 3 disclosures, we identified the following: **a)** Note 3 only reflected the information below and omitted the disclosure requirements per GRAP 17 paragraph 87. **b)** Note 3 does not	None complaince to GRAP 17 on treatment of Repairs and Maintenance	Management will amend the register to comply with the requirements of GRAP 17	Ensure that the exenditure for Repairs and Maintenance in relation to capital projects is disclosed in note 3 under PPE	15-Nov-18	Richard Makhubele – Assistant Manager Assets	Richard Makhubele – Assistant Manager Assets

		make reference to expenditure incurred to repair and maintain property, plant and equipment (PPE).						
4	Misstatements noted on presentation and disclosures in the AFS (COMAF 20)	Whilst verifying the validity and accuracy of the amounts presented in the AFS, we noted the following errors: **a)** For note 48 on irregular expenditure, the council resolved to write off irregular expenditure incurred from the period 2012/213 to 2016/217 and the amount recorded on the council resolution was R101 178 064,28 whereas the amount disclosed reflects R1 336 800, leading to an understatement of R99 841 264,28 – Lydia 07/11/2018 at 10h45. **b**) The municipality omitted to include the following accounting policies: • Leases per GRAP 13. • Write offs on Prescription and	Lack of proper review performed on the compiled AFS prior submission.	Changes will be effected in the AFS based on the findings identified by the AG	1. Proper review on the AFS in following the preparation plan will be exercised.	19-Nov-18	Acting CFO	J Mzobe

		Amnesty per GRAP 104 under note 1.17. **c)** For note 47 on fruitless and wasteful expenditure, the municipality omitted to write off the R486 and R2 705 303 (2016-17) including a narrative description for the write off based on council resolution passed for both years. **d)** The municipality incorrectly disclosed the service charges in note 17 as follows: **e)** The municipality omitted to include a bold heading on note 49 and note 50 that stipulates "Unaudited information". **f)** The municipality omitted to combine note 7 and note 10 together. **g)** The municipality failed to include SCM regulation 32 transactions listed below as part of note 50 for deviations. **h)** For note 32 on consumer debtor's prescription written off, the							

		municipality made an incorrect reference to note 31 on the statement of financial performance instead of note 32. **i)** For note 48 on irregular expenditure, the opening balance for 2017/18 reflects R181 529 003 whilst the audited closing balance in the 2016/17 financial year reflects R175 722 849. The difference is an overstatement of the opening balance for the 2017/18 of R 5 806 154,00. **j)** GRAP 13 paragraph 42 on operating lease disclosure was omitted on the AFS.						

5	Misstatements identified on Commitments and WIP Note 38 (COMAF 21)	Whilst auditing Commitments and WIP disclosures, we identified the following errors: **1.** The projects listed below were on-going as at 30 June 2018 and yet were not included on the WIP and commitments registers and note disclosures which resulted in understatement of amount which we are unable to quantify since the expenditure vouchers were not provided for audit. **2** With reference to the table below, differences were noted between AFS and commitment schedule which resulted in overstatement of R22 896 437. **3.** The Projects listed below are completed as per completion certificate yet are still included in the commitments and WIP schedules and AFS	Management lacked the discipline to ensure that a valid, accurate and complete WIP/ commitments register that supports the AFS was kept, monitored throughout the period to evaluate contract performance to enable the municipality to take key decisions where gaps are identified.	Submission of the outstanding invoices. (Invoices attached). Invetigate the diclosed amount of R 20 723 042.00 and cincporate it in the new template developed for WIP and commitmnet register with the relevat supporting documents	Obtain Audited WIP and commitment registers from previous financiial years to route out the R 20 723 042.00 and clear if it is still remains in WIP or the projects we long complted	Monthly basis.	Assistant PMU Manager	Manager Technical Services, Assistant Manager PMU Assistant Manager Assets & Assistant Manager Water & Sanitation

		note which resulted in overstatement of WIP and commitments of R17 119 994.88 and R2 477 766.22 respectively. **4.** For projects below, contract/service level agreements were not submitted for audit thereby creating an inability for auditors to express an opinion on the validity, accuracy and completeness regarding note 38 disclosure.) **5.** For the project below, appointment letter was not submitted for audit thereby creating an inability for auditors to express an opinion on the validity, accuracy and completeness regarding note 38 disclosure. **6**. Payment batches (invoices) were not submitted at all thereby creating an inability for auditors to express an opinion on the validity, accuracy and completeness						

		regarding note 38 disclosure. **7.** Payments (Invoices) were not submitted for audit thereby creating an inability for auditors to express an opinion on the validity, accuracy and completeness regarding note 38 disclosure. **5.** With reference to the table below, audit differences were noted on WIP and commitments based on audit calculations.						
11	Misstatements identified on Commitments Note 36 and assets under construction (WIP) Note 3 (COMAF 47)	The following was identified whilst auditing WIP and Commitments disclosed in the AFS: • Initially when we received the first set of AFS on 01 September we raised Comaf 3 on material misstatements identified including the schedules that were not provided in terms of NT Circular 50 which included amongst other things the	Management lacked the discipline to ensure that a valid, accurate and complete WIP/ commitments register that supports the AFS was kept, monitored throughout the period to evaluate contract performance to enable the municipality to take key decisions where gaps are identified.	Management will prepare a revised schedule of WIP and Commitments register breaking down the amount disclosed in our schedule to incorporate all the projects implemented in previous financial years and reported correctly with accuracy. Management will transfer all completed projects to the asset register	Develop a revised template for the WIP that intelinks with the mScoa system to incoporate all the projects from previous financial year to the current year and reported with accuracy. The template to be monitored on a monthly basis for accuracy and	Monthly basis.	Technical Services Manager	Monthly payments being incoporated in the New Template and keeping of such records in the files for Audit purposes

		WIP/commitments register. • Through the permission of AGSA, the municipality requested to submit another set of AFS on 22 September 2018 including the relevant schedules which the municipality provided on 22 September excluding the WIP/Commitments register. • We further engaged with management to provide us with the WIP/Commitment register and we identified that such a register was non-existent at the time we received the 1st set of AFS on 01 September and 2nd set of 22 September and management needed time to populate the register which they did eventually and submitted on 11 October 2018 for audit. • We then audited the WIP/ Commitments		through the provision of practical completion certificates, and close out reports for the capitalisation of the projects. The above-mentioned action plan will be monitored on a month to month basis.	completeness.			

		register which supported the AFS figures disclosed and identified errors which were communicated to management on Comaf 21 on 01 November 2018. • Through the permission of AGSA, management requested to submit another register for WIP/ Commitments which was due on 08 November 2018 based on the agreement with management through the audit steering committee held on 06 November 2018 but management ended up submitting it on 12 November 2018 in the evening. At the audit steering committee held on 06 November 2018, we were clear to management that the WIP/ Commitment register scheduled for submission on 08 November was going to be the last and final						

		register which AGSA would accept for finalization of the audit for this section and management agreed to that commitment. • We then audited the final register received on 12 November 2018 for WIP/ Commitments and identified the following errors: **1.** The opening balance of R20 723 042 could not be accounted for and thus the auditors were not able to obtain assurance on the validity, accuracy and completeness of the amount disclosed resulting in a limitation of scope. **2.** Differences below were identified between what is reflected on the AFS and auditor's calculations which resulted in overstatement of commitments by R46 501 126,67 and overstatement of WIP by R13 448 623. The						

		table below reflects the completed projects for R2 252 492,28 for commitments and R21 745 667 for WIP noted in the table above in paragraph 2. The table below reflects the completed projects for R21 711 150,74 for commitments and R20 881 617,15 for WIP noted in the table above in paragraph 2.						
10	Misclassification on expenses on Contracted services and Grants and subsidies paid (COMAF 38)	Whilst testing the classification for expenditure, we identified the following: **a)** The municipality classified the subsidy for water and electricity as grants and subsidies paid for R44 941 124 in the statement of financial performance instead of incorporating that amount as part of bulk purchases in the R148 084 470. **b)** The municipality disclosed contracted services R64 706 983 as a separate	Management did not exercise sufficient oversight responsibility to ensure that all GRAP technical matters are accounted for accurately on the AFS.	Remapping classification of subsidy for water and electricity as grants and subsidies paid instead of incorporating that amount as part of bulk purchases (General Expenditure)	Provide continuous trainings on GRAP updates to staff members to ensure that staff is on par with the latest requirements. Hold consultants accountable for the area of work under their control and develop mechanisms to ensure that repeat mistakes are avoided.	30-Apr-19	Assistant Manager: Expenditure. JG Mahlangu	Jessica Mahlangu

		line litem in the statement of financial performance instead of classifying such under general expenditure which is an account that accounts for various transactions using their nature.						