



2014/2015

THEMBISILE HANI LOCAL MUNICIPALITY

DRAFT

ANNUAL

REPORT

Contents

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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 municipal vision that was adopted by the municipality as part of its 2007-2011 IDP has not been changed during the 2014/15 review as it still captures the municipality’s values and remains relevant to its priorities and aspirations. The municipality’s “Vision 2015” is,

“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

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- Intensified community participation
- Shared economic growth
- Allocate resources within annual budgetary constraints

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 with equality, integrity and respect they deserve
- Attending and responding to all queries efficiently
- Conducting the municipal business processes in an ethical and professional manner

KEY POLICY DEVELOPMENTS

Council in 2011 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 2014/2015, SDBIP and reviewed the IDP.

The 2014/2015 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 2014/2015 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*:

- Action plans are in place and implemented, form part of our policies.
- The collection rate improved, though not as high as expected following the interventions that were put in place on businesses and consumer that were not paying for services.

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 2014/2015 projects the following are highlights:

- 68% spent on Municipal Infrastructure Grant projects
- Water : 990 new Households connected to water reticulation
- 66495 h/h with access to basic refuse removal
- 1124 Community works programme and 270 EPWP jobs created
- Paving/ tarred of bus Routes and Storm-water

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*.

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PUBLIC PARTICIPATION

The municipality uses ward committee meetings, Mayoral outreach meetings, Budget and IDP indaba, radio interviews, newspaper, loud-hailing and newsletter distribution 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 appointment of 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 improve the organisational development capacity of the municipality to render effective service delivery
- To enhance revenue and to ensure financial viability and sustainability for Thembisile Hani Local Municipality
- To reduce infrastructure and services backlog 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 decent housing and to ensure that each housing project is linked to the improved water supply, sanitation, roads, health services as well as amenities such as education, community halls and basic recreational facilities
- To utilize the municipal area's agricultural potential to the maximum
- To focus development on tourism and mining as untapped economic sectors that can contribute to economic growth of the municipality
- To promote local economic development and growth in Thembisile Hani Local Municipality through the identification and facilitation of economic opportunities.
- To ensure that residents live within a safe environment
- To improve the quality of the natural environment and promote co-ordinate and orderly spatial development
- To deepen democracy and strengthen democratic institutions

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. N.J. MAHLANGU
EXECUTIVE MAYOR

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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 2014/2015 Annual Report.

The report has been compiled as per the provisions of Section 46 of the Local Government: Municipal Systems Act, 32 of 2000 and the section 121 & 127 Local Government: Municipal Finance Management Act, 56 of 2003 in the new format as proposed by National Treasury.

According to Section 121 of the Municipal Finance Management Act No. 56 of 2003 (MFMA), read with MFMA Circular No 32 and MFMA Circular No 63, the purpose of an annual report of a municipality is to:

- Provide a record of activities of the Municipality;
- Provide information that supports the revenue and expenditure decisions;
- Provide a report on performance in service delivery against Budget; and
- Promote accountability to the local community for the decisions made throughout the year;

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And therefore this report will give our community a substantial insight into the workings of Thembisile Hani Local Municipality.

The Municipality's progress in achieving its objectives as reflected in the Integrated Development Plan, the Budget and the Service Delivery and Budget implementation Plan is outlined in this Annual Report. Over the past 4 years since the Census 2011 counting and the development of the IDP there has been an immense increase in the number of households by an estimated 33 648 households due to informal settlements which make the total number of households to have increased from 75 634 in 2011 to an estimated 109 282 as at June 2015.

The achievements of 2014/2015 financial year include the provision of the following amount of services:-

- Provided 81% households with access to basic water
- Provided 25% of households with access to Ventilated Improved Pit (VIP) toilets
- Provided 30% of households with access to basic refuse removal
- Provided 4% of households with access to septic tank (sanitation)
- Provided 4% of households with access to basic sanitation (Water borne system)
- Provided 81% households with access to free basic water(6 kl)

Over the past few years we have seen a steady improvement in the quality of our report on performance as organisational performance management becomes entrenched and as managers gain insight on performance improvement. As this way of working becomes entrenched in the municipality, it also becomes possible for our customers to measure our progress based on clearly stated objectives.

The introduction of EPWP and other mechanisms assisted us in ensuring that our environment was kept clean and green which makes us to improve service delivery within the municipality.

The approval of the Integrated Development Plan (IDP) is crucial as this document guides this municipality in its long, medium and short term planning to address the ever increasing community needs.

The period under review challenged us to look for different answers and solutions. We have used our own resources, the equitable share and conditional grants to extend the provision of infrastructure.

There is an urgent need to further improve on the governance, decision making and financial management to deal with budgeting, tariff setting, revenue collection, Presidential hot line, operations and maintenance planning and infrastructure asset management. The focus on financial viability will be on revenue enhancement including debt management. However we have recorded a slight improvement on revenue generation and collection.

The history of the municipality has indicated that there is an entrenched culture of non-payment of municipal services in our area, this culture has in the period under review made it difficult for the municipality to raise own revenue which can be used to do further development in the area and to extend services to areas that require such services. And so, moving forward the municipality will have to device means to develop strategies to encourage the local residents to understand the importance of paying for services.

We have taken the opportunity in this 2014/2015 Annual Report to reflect on what we have achieved and what remains to be done especially on chapter 3. One thing is clear – as we move into the next financial year, the challenges will be ever greater. We look forward to work with all stakeholders to deliver ever better public services.

Lastly, it is also necessary to mention that we have tried to adhere to the principles of good governance as we believe that good governance is integral to economic growth, the eradication of poverty and for the sustainable development of the community we serve. We table this report in the spirit of Batho Pele, putting our people and communities first, and this report bears our testimony to our commitment for setting platforms to achieving more desired outcomes for the years ahead.

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I would like to thank the Executive Mayor, Members of the Mayoral Committee, all Councillors and staff for their contribution in building the municipality to be able to provide services to the community of Thembisile Hani Local Municipality

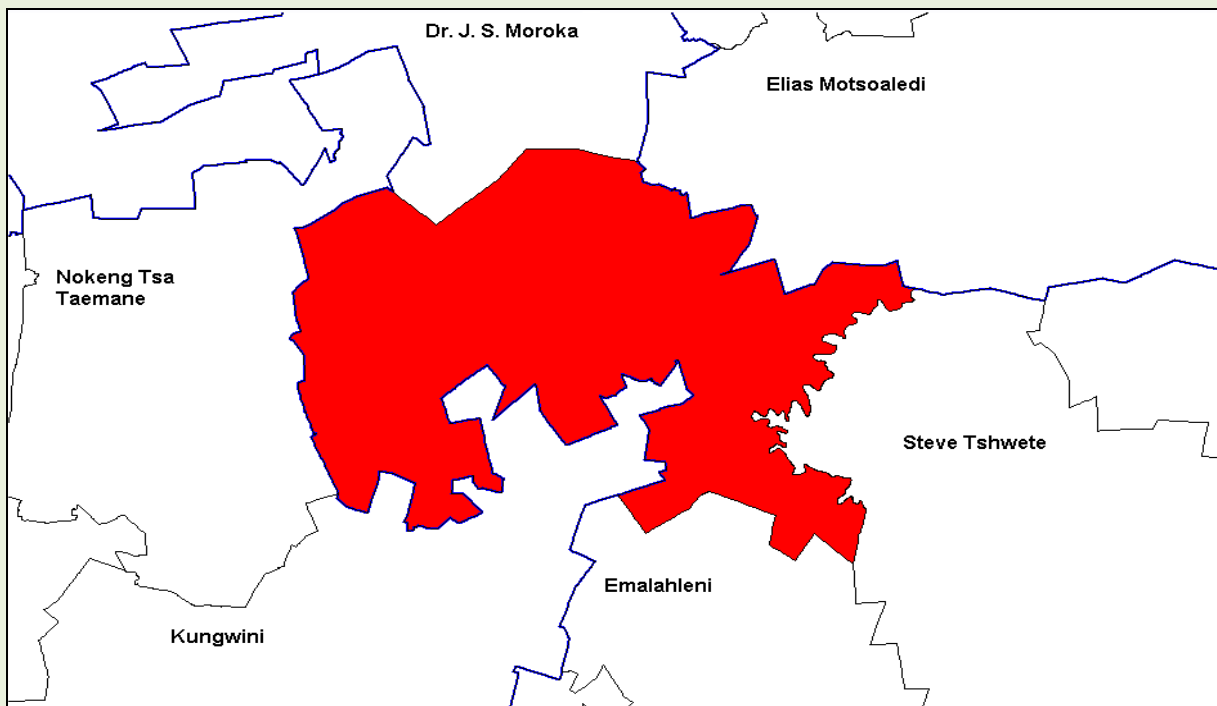
MR. O.N. NKOSI
MUNICIPAL MANAGER

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

ABOUT THEMBISILE HANI LOCAL MUNICIPALITY

SOCIO-ECONOMIC OVERVIEW

Locality Map – Adjacent Local Municipalities



SOCIO-ECONOMIC OVERVIEW

Mathyzensloop, Boekenhouthoek, Bundu, Enkeldoornoog, Goederede, Moloto north & south, Sun City A-C, Phola Park, Buhlebesizwe, Vlakraagte 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, Rooigrond, Gemsbokfontein.

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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. Mathyzens-loop, 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, Bronkhorstspuit and Verena to Groblersdal. To some extent, the two above mentioned provincial roads act as regional activity spines.

Most of the urban, peri-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 GGP is compared to that of the other NDM 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 mining 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

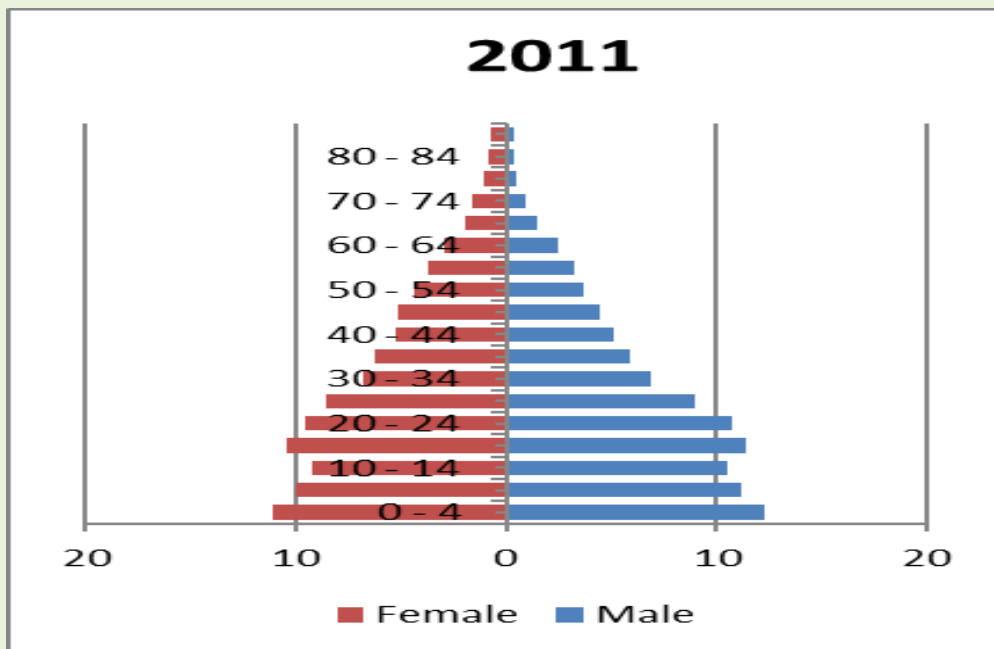
- Thembisile Hani local municipality aims to work towards achieving its long-term vision by:
- Participative integrated development planning
- Sustainable and accountable, accelerated service delivery
- Promotion of socio-economic development
- Intensified community participation
- Shared economic growth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

DEMOGRAPHICS

The total population of Thembisile Hani Local Municipality is currently standing at 310 458 people living in 75 634 Households. The population of the municipality has increased by 19 656, from 278,518 in 2007 to 310 458 in 2011 (Stats SA, 2011). The population growth rate of the Municipality is 1.91% p.a and the unemployment rate is 37% (Stats SA 2011). The slow increase of the population can be attributed to a number of factors including the prevalence of Tuberculosis, Cholera, and HIV/AIDS within the municipality. However, the main factor contributing to the slow growth is attributed to the migration of people to economic centers conceivably in Gauteng

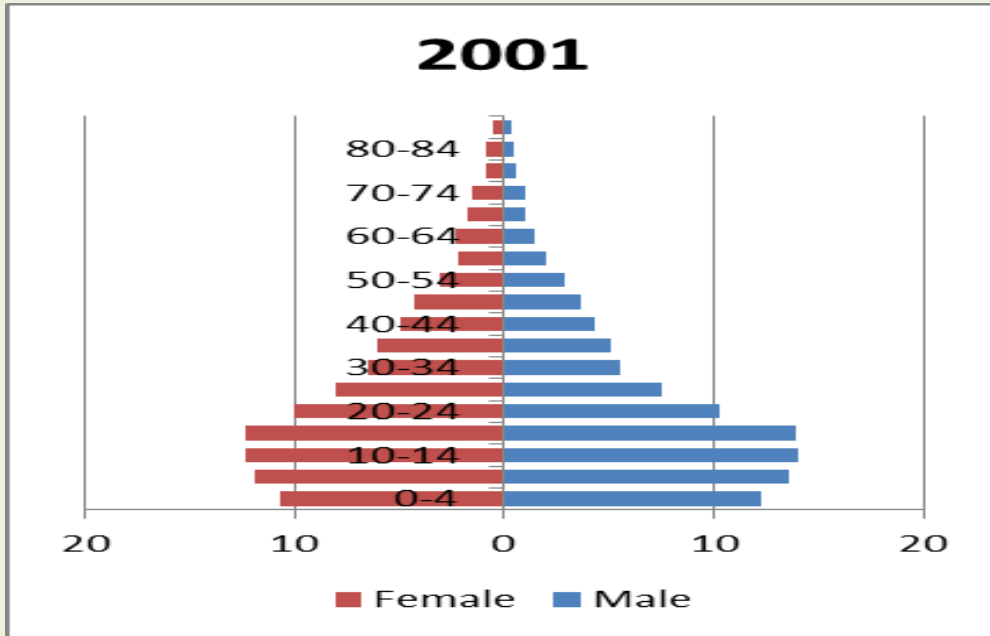
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Population group and gender



Source: Statistics South Africa, 2011 Survey

Chapter 1



Source: Stats SA. 2011 Survey: population group

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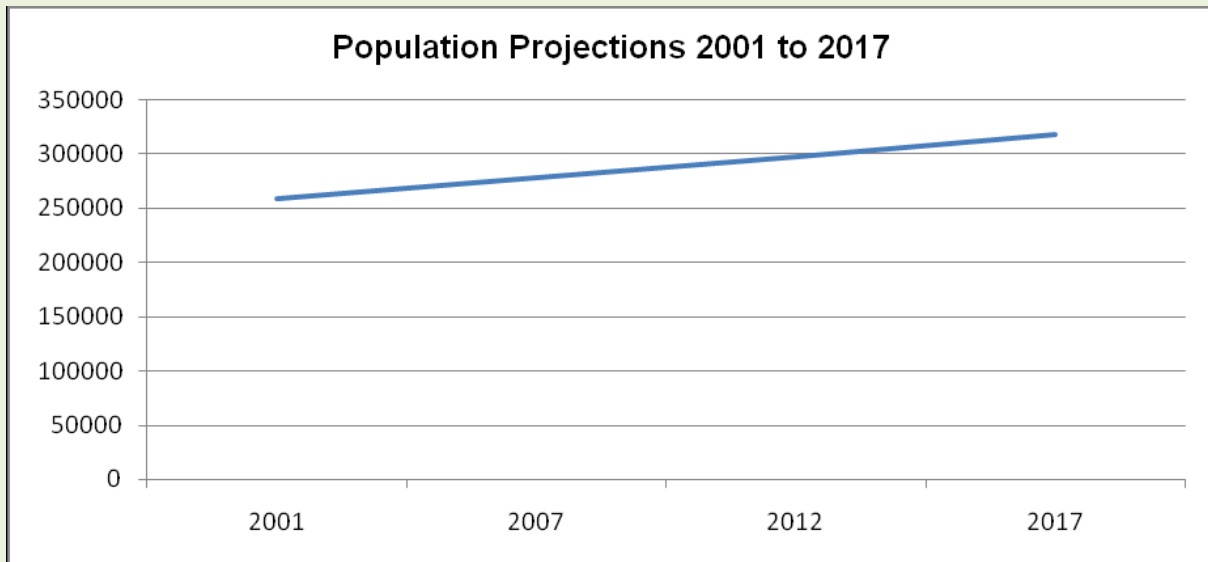
Population Group	2001	2011
Black African	256002	307952
Coloured	321	547
Indian or Asian	26	1031
White	234	299
Other		628

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 2.2.1 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.

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.

The population of Thembisile Hani Local Municipality from the census count of 2001 was 257,113 persons, and it has increased to 278,517 persons based on the estimates from the 2007 Community Survey and 310 458 in 2011.

Population Projection of Thembisile Hani Local Municipality



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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%

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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 labour 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	61605
Unemployed	36139
Discouraged Work Seeker	13477
Not Economically Active	84188

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.

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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 where 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	61611	36141	13476
Nkangala	355478	152250	42554
Mpumalanga	969771	448126	150844

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Economic Sectors and Activities

Agriculture

Apart from the urban settlements highlighted above, the rural parts of the Thembisile Hani Local Municipality are predominantly utilised for agricultural purposes. The agricultural land towards the east of Verena is predominantly utilised by large scale farmers while the agricultural land to the west of Verena in the Thembisile Hani area is utilised 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 Enkeldoornog 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 maximising its contribution to job creation, by ensuring that service delivery and capital projects implementation use labour intensive methods wherever appropriate. The Municipality furthermore supports job creation initiatives through the Community Works Programme and the EPWP programmes.

Chapter 1

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 Thembaletu	6
Clinics (8 Hour Service)	Empilweni, Gembokspruit / Mzimuhle, Goederede, Vlaklaagte 1, Kameelpoortnek, Tweefontein C, Tweefontein D, Tweefontein A, Tweefontein M, Vriesgewacht,, Tweefontein H, Boekenhouthoek/ Zithabiseni and Kwagga A	14
Mobile Clinics	Verena CHC Mobile, Thembaletu 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.

Chapter 1

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 Boekenhouhoek 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 were 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.

Chapter 1

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 TODs 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 water systems are operated and maintained according to the Blue water requirements. As a result Blue Drop Thembisile Hani Local Municipality received with 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 81% households with access to basic water
- Provided 25% of households with access to Ventilated Improved Pit (VIP) toilets
- Provided 90% of households with access to basic refuse removal
- Provided 4% of households with access to septic tank (sanitation)
- Provided 4% of households with access to basic sanitation (Water borne system)
- Provided 81% 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
- Lack of own water source/need for purification plant
- Lack of Water Storage in Kwamhlanga and Bundu

Chapter 1

1.4. FINANCIAL HEALTH OVERVIEW

Financial Overview - 2014/2015			
R		R	
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	356 865 000	359 653 544	337,500,744
Other	94 051 550	87 292 388	265,408,712
Sub Total	450 916 550	446 945 932	602,909,456
Less Expenditure	450 848 171	620 745 903	561,698,025
Net Total*	68 379	-173 799 971	41,211,431
* Note: surplus/(- defecit)	Note: operational and capital. Depreciation included on the expenditure		T1.4.2
2014/2015 Operating Ratios (adjusted budget)			
Detail	%		
Employee Cost	25.7%		
Repairs & Maintenance	5.5%		
Finance Charges & Depreciation	3.9%		
	T1.4.3		

LIQUIDITY RATIO

Liquidity ratio for 2013/2014 was 1.42 and for 2014/2015 is 1.0

COMMENT ON OPERATING RATIOS

Employee Costs is within the acceptable norm of approximately 25.7% to total operating cost. Repairs and Maintenance constitute 5.5%. Although the percentage is below the norm, there are no major repair and maintenance backlogs. Overall are the municipal assets in good health. Finance Charges and Depreciation is 3.9% to total operating cost. This low percentage informs that the municipality is in a position to take up additional external funding.

Total Capital expenditure			
Detail	R		
	2012/2013	2013/2014	2014/2015
Original Budget	104 041 000	116 206 820	111 451 000
Adjustment Budget	130 867 000	118 145 717	111 340 503
Actual Expenditure	151 168 751	84 537 235	75,392,503
%	116	72	68
	T1.4.4		

Chapter 1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

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

The organogram has the following Departments:

- Department: Municipal Manager's Office
- Department: Corporative Services
- Department: Finance Services
- Department: Technical Services
- Department: Social Development Services

The Municipal Manager and all managers signed Employment Contracts and Annual Performance Agreements

The percentage of vacant posts on the municipality's organogram is still a challenge and the vacancies totalled 32% by the end of the financial year.

The major priority for the municipality in terms of organisational development relates to capacity building of the institution in terms of filling of all vacant positions so that the municipality is able to deliver basic services to its communities. The second priority for the municipality was to put in place internal controls and implementation of By-Laws and policies to guide employees as well as the municipality on how to conduct its businesses. The municipality's record management unit should play 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.

Chapter 1

1.6. 2014/2015 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2014/2015

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 previous financial year (2013/2014) the Thembisile Hani Local Municipality received a qualified 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

Chapter 1

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 another 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 3

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 an inter link amongst the politicians and the administration. The Municipal Manager is supported by the following section 56 Managers appointed in terms of the Municipal Structures Act:

- Manager Corporate Services
- Manager Thechnical Services
- Manager Social Development Services (SDS)
- Chief Financial Officer (CFO)

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 councilors from various Political Parties. The Role of the

Chapter 2

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 reporting directly to the 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 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.

	<p>EXECUTIVE MAYOR</p> <p>Cllr. NJ Mahlangu (Political Head)</p> <p>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.</p>
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Chapter 2



SPEAKER

Cllr. PP Moseri (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. Mtshweni

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

Chapter 2

MEMBERS OF MAYORAL EXECUTIVE COMMITTEE:



Cllr. JJ Jiyane

MMC Technical Services

Provisioning of infrastructure development, maintenance and service delivery to ensure sustainable services to all communities.



Cllr. H Kabini

MMC finance Services

Provide and manage financial services to ensure financial viability, compliance and reporting.

Chapter 2



Cllr. LM Mboweni

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. MQ Mnguni

MMC Social Development Services

Render integrated community services to all its communities

Chapter 2



Cllr LX Mtshweni
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 and attendance at council meetings).

A Ward 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.

Chapter 2

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 57 of the Municipal Systems Act. The Municipal Manager is employed on a contract basis, which include 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 the CFO and 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-delegated 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.

Chapter 2

STRUCTURAL CHANGES

Top Administrative Structure	Functions
<p>MUNICIPAL MANAGER MR ON NKOSI</p> 	<p>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</p>
<p>MANAGER CORPORATE SERVICES MR PS MABUZA</p> 	<p>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 Services, Occupational Health and Safety, ICT and Administrative Services, Labour Relations, Legal, Transport, Council Secretariat,</p>

Chapter 2

**CHIEF FINANCIAL OFFICER
MS. MS MAKGABA**



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
MR AS NTULI**



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.

Chapter 2

MANAGER SOCIAL DEVELOPMENT SERVICES MR NTG KUBHEKA



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.

The third tier of posts / positions can be seen in **Appendix C**.

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:

Chapter 2

- (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 realise cooperative government by –**
- Fostering friendly relations;
 - Assisting and supporting one another;
 - Informing one another of, and consulting one another on, matters of common interest;
 - Coordinating their actions and legislation with one another;
 - 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 Speakers 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 Affairs appointed 270 EPWPs and Department of Corporate 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 by appointing service provider to assist the Internal Audit Unit implement six (4) project from its plan on the following:

- Financial Management Audit
- Asset Management Audit
- Project Management Unit
- Environmental Management Audit

PROJECTS THE MUNICIPALITY IS ASSISTED BY NDM

Vote No	Ward	Project Description	Capitalised 2014	Completed 2015	Total Appointment	Closing WIP 2014/2015	Commitments
105600033	22	Luthuli High Mast Lights	No	No	R3 116 112.27	R 613 598.80	R2 119 833.02
105600099	4	Zakheni High Mast Lights	No	No	R3 116 112.32	R 504 691.75	R2 228 740.11
105600024	21	Kwaggafontein D High Mast Lights	No	No	R2 259 338.59	R 461 349.11	R1 520 526.83
105600006	1 & 3	Moloto South High Mast Lights	No	No	R2 259 338.57	R 1 350 062.50	R631 813.44
1056000	19	Engwenyameni High	No	No	R3 116 112.32	R 539	R2 193 688.

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16		Mast Lights				743.79	07
105600098	2	Moloto North High Mast Lights	No	No	R 2 259 338.57	R 1 492 026.26	R4 898 49.68
105600108	19	Sun City High Mast Lights	No	No	R3 116 112.32	R 2 464 465.49	R268 266.37
105600082	17	Twefontein RDP High Mast Lights	No	No	R2 005 524.61	R 417 707.58	R1 341 524.53
105600083	18	Vezubuhle High Mast Lights	No	No	R2 005 524.61	R 1 423 611.14	R335 620.97
105600100	5	Thembaletu High Mast Lights	No	YES		R 924 479.19	
105600014	18	Chris Hani High Mast Lights	No	YES		R 1 186 100.34	
105600104	2	Moloto RDP High Mast Lights	No	No	R2 005 524.61	R 244 042.75	R1 515 189.36
105600105	18	Sakhile High Mast Lights	No	YES		R 458 803.81	
105307108	27	Kwaggafontein A High Mast Lights Extension	No	No	R2 875 103.04	R 103 609.40	R2 418 410.81
105307109	31	Kwaggafontein D High Mast Lights Extension	No	No	R2 875 103.04	R 197 451.11	R2 324 569.10
105600102	5	Thembaletu High Mast Lights	Yes	YES		R 82 226.50	
105600101	9	Zenzele High Mast Lights	Yes	YES		R 256 821.90	
105307107	20	Sun City High Mast Lights Extension	No	No	R3 116 112.32	R 555 720.56	R2 177 711.30
105307117	11	Boreholes (Farms) Ward 11	No	No	R2 000 000.00	R 1 535 637.13	R218 748.83
105307118	12	Boreholes (Farms) Ward 12	No	No	R 989 741.00	R 310 557.95	R557 635.91
105307119	8	Boreholes Doornek	No	No	R2 891 928.80	R 1 433 862.23	R1 102 917.42
105307120	8	Boreholes Reitfontein	No	No	R 700 000.00	R 225 176.23	
105600001	13	Twefontein B Bus Route	Yes	YES	-	-	-
105600005	18	Vezubuhle Bus Route	Yes	YES	-	-	-
105600019	6	Phola Park Water Reticulation	Yes	YES	-	-	-
105600152	19 & 20	Sun City AA Bus and Taxi Route	No	No	R 507 000.00	R 285 878.43	R158 858.41
105600153	19	Sun City B Bus Route	No	No	R 696 180.00	R 282 807.02	R327 877.19
105600028	24	Machipe Water Reticulation	Yes	No	R2 359 185.62	-	-
105600032	18 & 20	Vezubuhle High Mast Lights	No	No	R1 889 982.59	R 121 377.15	R43 975.66
105600034	16	Buhlebesizwe Street Lights	No	No	R8 933 907.19	R 274 700.96	R531 570.42
1056000	26 & 27	Kwaggafontein	No	No		R 503	

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35		Intersection Street Lights				465.49	
105600036		Vezubuhle Intersection Street Lights	No	No		R 343 319.80	
105600037	4, 6, 14 & 22	KwaMhlanga Intersection Street Lights	No	No		R 92 762.88	
105600038	1 & 3	Moloto Intersection Clinic Street Lights	No	No		R 407 445.19	
105600039	7	Matysensloop Intersection Street Lights	No	No		R 59 982.99	
105600040	8 & 11	Main Road CRDP Ward Street Lights	No	No		R 43 250.15	
105600042	18	Thokoza Street Lights	No	No		R 1 368 954.18	
105600007	17	Cashbuild Turn-Off Street Lights	No	No		R 449 347.35	
105600008	26 & 28	Sokapo and Mafesi Intersection Street Lights	No	No		R 540 092.19	
105600068	1 & 3	Moloto Intersection Clinic Street Lights	No	No		R 2 661 961.10	
105600009	21	Vlaklaagte No. 1 T-Junction Street Lights	No	No		R 430 207.48	
105600010	21	Vlaklaagte No. 1 (Parafin) Street Lights	No	No		R 430 207.51	
105600079	7	Mathysensloop High Mast Lights	No	No	R766 760.68	R 424 444.53	R248 152.58
105600081	16	Buhlebesizwe High Mast Lights	No	No	R766 760.68	R 460 885.43	R211 711.66
105600084	4 & 32	KwaMhlanga High Mast Lights	No	No	R1 150 141.02	R 940 547.04	R68 348.59
105600085	1, 2 & 3	Moloto Cross High Mast Lights	No	No	R766 760.68	R 647 100.39	R25 496.70
105600086	17	Tweefontein N High Mast Lights	No	No	R766 760.68	R 425 703.71	R246 893.38
105600023	17	New Police Station Street Lights	No	No	R1 192 950.51	R 320 322.87	R726 124.95
105600063	6	Phola Park Bus Route	No	No	R 3 762 124.00	R 130 418.16	R 3 169 690.61
105600160	13	Tweefontein K Water Reticulation	No	No	R 2 542 200.39	R 1 117 919.84	R 1 112 080.42
105600076	16	Buhlebesizwe Bus Route	No	No	R 2 116 974.42	R 1 841 486.00	R15 509.11
105600087	30	Tweefontein G, H and J Top Lights	No	No	R 1 153 902.30	R 985 982.03	R26 212.97
105600106	21	Vlaklaagte High Mast Lights	Yes	No	-	-	-
105600109	7 & 24	Boekenhouthoek Water Reticulation	Yes	No	R1 785 531.70	-	-

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1056001 10	18	Thokoza Water Reticulation	No	No	R1 788 999.	R 116 211.19	R528 098.46
1056001 15	7	Matysensloop Water Reticulation	No	No		R 924 988.59	
1056001 18	27, 28 & 29	Kwaggafontein Water Reticulation	No	No	R 2 509 885.62	R 2 006 462.95	R195 191.10
5303070 17	4 & 22	Electrification of Mandela	No	No	R975 458.17	R 141 628.04	R 714 037.02
1056001 40	19	Sun City AA (Ward 19) High Mast Lights	No	No	R7 667 606.80	R 463 170.76	R 1 011 634.20
1056001 24	22	Mandela Ext. 3 High Mast Lights	No	No		R 627 685.43	
1056001 42	17	Tweefontein N High Mast Lights	No	No		R 1 026 554.84	
1056001 43	21	Malekelekeni High Mast Lights	No	No		R 744 407.45	
1056001 44	23	Phumula B1 and D High Mast Lights	No	No		R 1 517 908.75	
1056001 41	4	Zakheni High Mast Lights	No	No		R 1 334 609.45	
1056001 55	8	Verena A High Mast Light	No	No	R 1 150 141.02	R 886 019.31	R122 876.32
1056001 61	4	KwaMhlanga B High Mast Light	No	No	R 766 760.68	R 575 319.10	R97 277.99
1056001 39	22	Luthuli Link Route	No	No	R2 161 110.78	R 1 619 962.82	R 275 748.39
1056000 24	18	Vezubuhle Bus Route	No	No	R 1 999 127.92	R 117 140.84	R 1 638 480.14
1056001 21	7	Matysensloop Bus Route	Yes	No	R 2 026 803.20	-	-
1056001 22	12, 13 & 30	Tweefontein G, B and D Bus Route	Yes	No	R2 856 083.04	-	-
1056001 23	27, 25 & 31	Kwaggafontein A, B and D	Yes	No	R511 000.00	-	-
1056001 28	15	Tweefontein E Bus Route	No	No	R 2 543 797.80	R 1 773 413.90	R 457 987.68
1056001 29	5	Thembaletu Bus Route	Yes	No	R 2 100 000.04	-	-
1056001 30	26	Upgrading of Kwaggafontein Stadium	No	No	R 628 660.00	R 458 305.92	R 93 150.22
1056001 31	2	Moloto Multi Purpose Centre	No	No	R 500 000.00	R 347 826.42	R90 770.07
1056001 33	22	Luthuli Waste Water Treatment Works	No	No	R 639 430.00	R 560 106.98	R 796.53
1056001 35	24	Storage Reservoir	No	No	R26 500 000.00	R 1 199 739.65	R22 045 874 .39
1056000 90	32	THLM Storage Reservoir	No	No	R 28 672 083.00	R 45 433.54	R 25 105 516.4 6
1056001 38	18	Thokoza Clinic Bus Route	No	No	R1 899 926.00	R 1 524 340.25	R 142 261.50
1056001 32	13	Tweefontein K Waste Water Treatment Works	No	No	R 10 000 000.00	R 4 493 060.94	R 4 278 868.88

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1056001 34	23	Phumula Multi Purpose	No	No	R 500 000.00	R 340 458.00	R98 138.49
1056001 50	32	New Reservoir at KwaMhlanga	No	No	R 29 240 000.00	R 17 400 696.00	R 8 248 426.81
1056001 48	24	Boekenhouthoek Boreholes	No	No	R 7 912 000.00	R 5 388 413.60	R 1 551 937.28
1056001 49	24	Kwaggafontein Water Scheme	No	No	R12 100 000.00	R 7 207 582.42	R3 406 452. 67
1056001 62	31	Matselapata Boreholes	No	No	R 2 000 000.00	R 161 588.18	R 1 592 797.78
1056001 66	19	Sun City D Water Reticulation	No	No	R 3 000 000.00	R 1 124 297.80	R 1 507 281.15
1056000 11	8 & 11	CRDP Street Lights	No	No	R 1 526 110.20	R 832 045.60	R 506 647.56
1056001 68	11	Boreholes Ward 11	No	No	R 1 000 000.00	R 168 800.00	R 708 392.98
Total							

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 further 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 January and February 2014 as part of the strategy for ensuring adequate public participation in the preparation for the compilation of the IDP and budget review for the 2014/2015 financial year. The community consultative meetings were followed by the IDP/Budget Indaba during May 2014. 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 Municipality will have to develop a revised Public Participation Strategy in the coming financial year.

Chapter 2

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 strategy, special attention with regard to the development of the 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, 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 on the May 2014 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
- Progressive Youth Structures
- Community Based Care Structures
- Political Structures and;
- Government Department
- Ordinary members of community

ASSESSMENT OF COMMUNITY NEEDS

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The Municipality has collected the following community needs during the 2014/2015 financial year to inform the 2015/2016 IDP:

Ward	Issues
Traditional Leaders	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 Thembaletu outline • Requesting the flat rate(water) to be decreased to R40-50 • Requesting a community hall at Thembaletu • Requesting a post office and a community hall for next year • Requesting water • Requesting a high mast light at Thembaletu outline • Lack of service delivery at Thembaletu • Roads not being properly gravelled • Complaining about unemployment • Extension of the tar road (clinic) • Extension of highmast lights • Requesting storm water drainage to control water that is damaging tar road • Complaining about roads that need to be constructed
Ward 6	<ul style="list-style-type: none"> • 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

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Requesting a tap inside where she is residing • Requesting a RDP house • Requesting a community clinic at Tweefontein J • Complaining about Thembisile Hani 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	<ul style="list-style-type: none"> • 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

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Complaining and requesting tarred road at "DK" Tweefontein C and 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

Chapter 2

	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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

Chapter 2

	<ul style="list-style-type: none"> • Complaining about a stream (river) across zone1 and zone 2 and requesting it to be fixed • Requesting toilets (flushing ones) at mountain view • Requesting water at mountain view zone 6
Ward 15	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 city location • 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	<ul style="list-style-type: none"> • Requesting electricity network at ward 17, extension. • Requesting a high school and a primary at ward 17 • Requesting a storm water control at Miliva 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

Chapter 2

	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Requesting a storm water control that will lead water to Gandhi • 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	<ul style="list-style-type: none"> • Requesting a storm water control at sun city C • Requesting a school at ward 19 and water • Requesting water at sun city A 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 not walk

Chapter 2

	<ul style="list-style-type: none"> • Requesting boreholes at Sun city D • Requesting high mast lights at sun city A.A • Requesting roads at A.A • Requesting water • Requesting water the whole of sun city A.A • Requesting water and a community hall • Requesting a satellite office for service payment around sun city A.A • Requesting an internship programme from agriculture to accommodate all the un-employed youth. • Requesting a jojo tank • Requesting street names at sun city A.A • Requesting a community hall • Requesting a clinic • Requesting recreational facilities • Requesting a satellite office at sun city A.A • Requesting street lights to be monitored and maintained at sun city A.A • Requesting water at sun city A.A • Requesting pedestrian tar roads and pedestrian bridge • Requesting speed humps at Moloto road near sun city A.A • requesting re-gravelling of roads at sun city A, B,C and A.A • Requesting a community hall at sun city • Requesting recreational facilities
Ward 20	<ul style="list-style-type: none"> • 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 A.A next to an open space • Requesting a satellite office to pay services fleet rate • Requesting roads at sun city A.A • Requesting roads at sun city A.A and may they be made solid • Requesting/complaining about not having water. The whole of Nyabela street
Ward 21	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 Msholozhi • Requesting high mast lights at Msholozhi • 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)

Chapter 2

	<ul style="list-style-type: none"> • 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 Msholoji • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 corporatives • requesting a storm water control • requesting that after construction , the holes that are left be closed • requesting a community clinic at Bhundu • Requesting a storm water control at Boekenothoek Kwa- Jane • Requesting a high mast light at Boekenothoek, 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 Boekenothoek • Requesting a high mast lights at Boekenothoek. The whole of Boekenothoek • Requesting high mast lights to be maintained and energised
Ward 25	<ul style="list-style-type: none"> • Requesting a storm water control at wad 25

Chapter 2

	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 Thembaletu 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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

Chapter 2

	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Requesting that, all the requested needs be implemented

Chapter 2

	<ul style="list-style-type: none"> • 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
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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 2014/2015 financial year.

WARD	DATE	DAY	VENUE	TIME	VILLAGES/STAKEHOLDERS	MMC's DEPLOYED
ALL	02/09/2014	TUE	THLM MUNICIPAL COUNCIL CHAMBER	09:00-12:00	WARD COUNCILLORS & WARD COMMITTEES	ALL MEMBERS OF MAYORAL COMMITTEE (MMC's)
26	03/09/2014	WED	THLM MUNICIPAL COUNCIL CHAMBER	09:00-12:00	TRADITIONAL LEADERS	ALL MEMBERS OF MAYORAL COMMITTEE (MMC's)
26	03/09/2014	WED	THLM MUNICIPAL COUNCIL CHAMBER	14:00-16:00	TRADITIONAL HEALERS	ALL MEMBERS OF MAYORAL COMMITTEE (MMC's)
26	04/09/2014	THU	THLM MUNICIPAL COUNCIL CHAMBER	09:00-12:00	FAITH-BASED STRUCTURES	ALL MEMBERS OF MAYORAL COMMITTEE (MMC's)
26	04/09/2014	THU	THLM MUNICIPAL COUNCIL CHAMBER	17:00-19:00	BUSINESS PEOPLE	ALL MEMBERS OF MAYORAL COMMITTEE (MMC's)
01	05/09/2014	FRI	MATIMBA SCHOOL SPORT GROUND	09:00-12:00	MOLOTO SOUTH	EXECUTIVE MAYOR & ALL MMC's. Cllr Amos Mahlangu-Ward councillor

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02	05/09/2014	FRI	KING MAKHOSOKE 2 H. SCHOOL	14:00-16:00	MOLOTO NORTH, MAFUSHANA & RDP	Executive Mayor, MMC MQ MNGUNI & MMC LM Mboweni. Cllr Mcithwa Mtshweni- Ward councillor
03	05/09/2014	FRI	MOLOTO OPEN SPORTSFIELD	14:00-16:00	MOLOTO SOUTH	MMC JJ Jiyane, MMC LX Mtsweni & MMC HM KABINI. Cllr Leah Huma- Ward councillor
02	06/09/2014	SAT	MOLOTO RDP OPEN SPACE	09:00-12:00	MOLOTO NORTH, MAFUSHANA & RDP	MMC JJ Jiyane, MMC LM Mboweni & MMC LX Mtsweni. Cllr Mcithwa Mtshweni- Ward councillor
14	06/09/2014	SAT	KGANTSHO P.SCHOOL	09:00-12:00	MOUNTAIN VIEW	Executive Mayor, MMC HM KABINI & MMC MQ MNGUNI Cllr Jerry Mahlangu- Ward councillor
04	06/09/2014	SAT	ZAKHENI HIGH SCHOOL SPORT GROUND	14:00-16:00	ZAKHENI & ZAKHENI EXTENSION	Executive Mayor and All MMC's. Cllr Andries Motena- Ward councillor
05	09/09/2014	TUE	Elukhanyisweni School Sports ground	09:00-12:00	THEMBALETHU	MMC JJ Jiyane, MMC HM KABINI & MMC LM Mboweni Cllr Badanile Skhosana- Ward councillor
06	09/09/2014	TUE	PHOLA PARK COMMUNITY HALL	09:00-12:00	PHOLA PARK, PHOLA PARK B, PHOLA PARK EXT. & JORDAN	Executive Mayor, MMC LX Mtsweni & MMC MQ MNGUNI. Cllr Koos Jiyane- Ward councillor
06	09/09/2014	TUE	SIZAMILE PRIMARY SCHOOL	14:00-16:00	PHOLA PARK, PHOLA PARK B, PHOLA PARK EXT. C & JORDAN	Executive Mayor and All MMC's Cllr Koos Jiyane- Ward councillor
19	10/09/2014	WED	TENNIS COURT OPEN SPACE	09:00-12:00	SUN CITY A, B, C, AA & ENGWENYAMENI	Executive Mayor and All MMC's Cllr Mzandile Skhosana- Ward councillor
19	10/09/2014	WED	King Makhosoke 2 cluster hall	14:00-16:00	SUN CITY A, B, C, AA & ENGWENYAMENI	Executive Mayor, MMC LX Mtsweni & MMC MQ MNGUNI. Cllr Mzandile Skhosana- Ward councillor
22	10/09/2014	WED	CHIEF LUTHULI P.	14:00-	MANDELA, LUTHULI &	MMC JJ Jiyane, MMC

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			SCHOOL SPORTSFIELD	16:00	MAHLABATHINI	HM KABINI & MMC LM Mboweni. Cllr Nimrodi Malefo-Ward councillor
19	11/09/2014	THU	SIPHUMULE PRIMARY SCHOOL	09:00-12:00	SUN CITY A, B,SUN CITY C, AA & ENGWENYAMENI	MMC JJ Jiyane, MMC LM Mboweni & MMC HM KABINI. Cllr Mzandile Skhosana-Ward councillor
22	11/09/2014	THU	MANDELA COMMUNITY HALL	09:00-12:00	MANDELA,LUTHULI & MAHLABATHINI	Executive Mayor, MMC MQ MNGUNI & MMC LX Mtsweni. Cllr Nimrodi Malefo-Ward councillor
32	11/09/2014	THU	KWAMHLANGA COMMUNITY HALL	17:00-19:00	KWAMHLANGA A, B, C, D, etc.	Executive Mayor and All MMC's Cllr Malebo Hlongwane-Ward councillor
32	12/09/2014	FRI	HOKAI OPEN SPACE	09:00-12:00	HOKAI, P APKUIL	Executive Mayor and All MMC's Cllr Malebo Hlongwane-Ward councillor
32	12/09/2014	FRI	TETEMA P. School	14:00-16:00	TETEMA (Known as NDEDEMA)	Executive Mayor, MMC LM Mboweni & MMC HM KABINI. Cllr Malebo Hlongwane-Ward councillor
20	12/09/2014	FRI	KHAYELITJHA P. SCHOOL	14:00-16:00	SUNCITY AA & VEZUBUHLE	MMC JJ Jiyane, MMC MQ Mnguni & MMC LX Mtsweni. Cllr Jack Masango-Ward councillor
20/18	13/09/2014	SAT	VEZUBUHLE COMM. HALL	09:00-12:00	SUNCITY AA & VEZUBUHLE	Executive Mayor, MMC LM Mboweni & MMC HM Kabini. Cllrs Jack Masango & Maria Mnguni- Ward councillors
09	13/09/2014	SAT	MUSA HIGH SCHOOL	09:00-12:00	BUHLEBUZILE, BELFAST, ZENZELE & TWEEFONTEIN J	MMC JJ Jiyane, MMC MQ Mnguni & MMC LX Mtsweni. Cllr Maria Mlambo-Ward councillor
32	13/09/2014	SAT	BRONKHORST MINE OPEN SPACE	14:00-16:00	Bronkhorst mine	Executive Mayor and All MMC's Cllr Malebo Hlongwane-Ward councillor
18	16/09/2014	TUE	MAKERANA TRIBAL OFFICE	09:00-12:00	THOKOZA, CHRIS HANI, SAKHILE & VEZUBUHLE	MMC JJ Jiyane, <u>MMC MQ Mnguni & MMC HM</u>

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						Kabini Cllr Maria Mnguni- Ward councillor
17	16/09/2014	TUE	ZAMANI P. SCHOOL SPORTS GROUND	09:00-12:00	TWEEFFONTEIN F, TWEEFFONTEIN N & MILIVA RDP	Executive Mayor, MMC LM Mboweni & MMC LX Mtsweni. Cllr Daisy Msibi- Ward councillor
09	16/09/2014	TUE	MZIMHLOPHE H. SCHOOL	14:00-16:00	BUHLEBUZILE, ZENZELE & TWEEFFONTEIN J	Executive Mayor and All MMC's Cllr Maria Mlambo- Ward councillor
17	17/09/2014	WED	MABENA TRIBAL OFFICE	09:00-12:00	TWEEFFONTEIN F & TWEEFFONTEIN N	MMC JJ Jiyane, MMC LX Mtsweni & MMC MQ Mnguni. Cllr Daisy Msibi- Ward councillor
30	17/09/2014	WED	ZAMANI SCHOOL	14:00-16:00	TWEEFFONTEIN H,J	Executive Mayor, MMC HM Kabini & MMC LM Mboweni. Cllr Samuel Mnamatheli- Ward councillor
13	17/09/2014	WED	DUTCH REFORM CHURCH	17:00-19:00	TWEEFFONTEIN K & TWEEFFONTEIN B2	Executive Mayor and All MMC's. Cllr Aaron Khumalo- Ward councillor
15	19/09/2014	FRI	BAMBANANI DISABLE CENTRE	09:00-12:00	BUHLEBESIZWE WEST & TWEEFFONTEIN E	Executive Mayor and All MMC's Cllr Speelman Mtsweni- Ward councillor
17	19/09/2014	FRI	MILIVA RDP SPORTS GROUND/ OLD TAXI RANK	14:00-16:00	TWEEFFONTEIN F, TWEEFFONTEIN N & MILIVA RDP	MMC JJ Jiyane, MMC LM Mboweni & MMC LX Mtsweni. Cllr Daisy Msibi- Ward councillor
15/16	19/09/2014	FRI	BUHLEBESIZWE SECONDARY SCHOOL	14:00-16:00	BUHLEBESIZWE WEST, TWEEFFONTEIN E	Executive Mayor, MMC MQ Mnguni & MMC HM Kabini. Cllr Speelman Mtsweni & Cllr Mgiyelwa Bhuda- Ward councillors
16	20/09/2014	SAT	OLD CIVIC OFFICE OPEN SPACE	09:00-12:00	BUHLEBESIZWE 2 & RDP	MMC JJ Jiyane, MMC LM Mboweni & MMC LX Mtsweni. Cllr Mgiyelwa Bhuda- Ward councillor
08	20/09/2014	SAT	OLD COMMUNITY HALL	09:00-12:00	VERENA A, B, LANGKLOOF FARMS(RIET FONTEIN & DOORNEK)	Executive Mayor, MMC MQ Mnguni & MMC HM Kabini. Cllr Helen Mahlomonyane- Ward

Chapter 2

						councillor
16	20/09/2014	SAT	RDP OPEN SPACE	14:00-16:00	BUHLEBESIZWE 2 & RDP	Executive Mayor and All MMC's Cllr Mgiyelwa Bhuda-Ward councillor
10	23/09/2014	TUE	SKHAHLA PRIMARY SCHOOL	09:00-12:00	SKHAHLA, Swartkoopies FARMS & MZIMUHLE	Executive Mayor, MMC LX Mtsweni & MMC MQ Mnguni. Cllr Fanie Mashiya-Ward councillor
11	23/09/2014	TUE	KAMLAUDZI HALL	09:00-12:00	VERENA C, D, WOLVENKOP & FARMS	MMC JJ Jiyane, MMC HM Kabini & MMC LM Mboweni. Cllr Sgaule Mnisi-Ward councillor
10	23/09/2014	TUE	SPORTS GROUND (MZIMUHLE)	14:00-16:00	MZIMUHLE, ISKHAHLA FARMS	Executive Mayor and All MMC's Cllr Fanie Mashiya-Ward councillor
08	25/09/2014	THU	FARM WATERVAL OPEN SPACE	09:00-12:00	BLY 'N BIETJIE FARMS	MMC JJ Jiyane, MMC LX Mtsweni & MMC LM Mboweni. Cllr Helen Mahlomonyane- Ward councillor
11	25/09/2014	THU	VERENA CLUSTER HALL	09:00-12:00	VERENA C, D, WOLVENKOP & FARMS	Executive Mayor, MMC HM Kabini & MMC MQ Mnguni. Cllr Sgaule Mnisi-Ward councillor
08	25/09/2014	THU	LANGKLOOF COMMUNITY HALL	14:00-16:00	VERENA A, B, LANGKLOOF FARMS(RIETFONTEIN & DOORNEK)	Executive Mayor and All MMC's. Cllr Helen Mahlomonyane- Ward councillor
08	26/09/2014	FRI	BLY 'N BIETJIE SCHOOL	09:00-12:00	FARM WATERVAL	Executive Mayor and All MMC's. Cllr Helen Mahlomonyane- Ward councillor
12	26/09/2014	FRI	OPEN SPACE (TWEEFONTEIN C)	14:00-16:00	TWEEFONTEIN C, EMANALENI	Executive Mayor, MMC LX Mtsweni & MMC MQ Mnguni. Cllr Moses Sepogwana- Ward councillor
23	26/09/2014	FRI	BONGUMUSA SCHOOL	14:00-16:00	PHUMULA A1, A2 & B1,C1	MMC JJ Jiyane, MMC HM Kabini & MMC LM Mboweni. Cllr Jan Ntuli- Ward councillor
21	27/09/2014	SAT	OLD MUNICIPAL SATELITE OFFICE	09:00-12:00	VLAKLAAGTE NO.1	Executive Mayor and All MMC's. Cllr Solomon

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						Mahlangu- Ward councillor
13	27/09/2014	SAT	TRIBAL OPEN SPACE	14:00-16:00	TWEEFFONTEIN B2, TWEEFFONTEIN K	Executive Mayor, MMC LM Mboweni & MMC HM Kabini. Cllr Aaron Khumalo- Ward councillor
18	27/09/2014	SAT	SAKHILE OPEN SPACE	14:00-16:00	THOKOZA, CHRIS HANI, SAKHILE & VEZUBUHLE	MMC JJ Jiyane, MMC LX Mtsweni & MMC MQ Mnguni. Cllr Maria Mnguni- Ward councillor
26	01/10/2014	WED	KWAGGAFONTEIN COMMUNITY HALL	09:00-12:00	KWAGGAFONTEIN C	MMC JJ Jiyane, MMC LX Mtsweni & MMC LM Mboweni. Cllr June Mtsweni- Ward councillor
07/24	01/10/2014	WED	ENDLINI YABO GOGO	09:00-12:00	BOEKENHOUTHOEK ,MATHYSENSLOOP & MHLAMONYANE	Executive Mayor, MMC MQ Mnguni & MMC HM Kabini. Cllrs Johannes Mahlangu & Aaron Motau- Ward councillors
24	01/10/2014	WED	OPEN SPACE	14:00-16:00	BUNDU & MACHIPE	Executive Mayor and All MMC's. Cllr Aaron Motau- Ward councillor
07	02/10/2014	THU	EKOSINI- MATHYSENSLOOP	09:00-12:00	MATHYSENSLOOP, MHLAMONYANE & BOEKENHOUTHOEK	Executive Mayor and All MMC's. Cllr Johannes Mahlangu- Ward councillor
31	02/10/2014	THU	OPEN GROUND- VRIES	14:00-16:00	KWAGGA D, KWAGGA E & DOBHA	Executive Mayor and All MMC's. Cllr David Lukhele- Ward councillor
25	03/10/2014	FRI	SINDAWONYE PRIMARY SCHOOL OPEN SPACE	09:00-12:00	KWAGGAFONTEIN B	Executive Mayor and All MMC's. Cllr Bellinah Skhosana- Ward councillor
31	03/10/2014	FRI	OPEN SPACE- DOBHA	14:00-16:00	KWAGGA D, E & DOBHA	Executive Mayor and All MMC's. Cllr David Lukhele- Ward councillor
27,28,29	04/10/2014	SAT	KWAGGAFONTEIN SPAR OPEN SPACE	09:00-12:00	KWAGGAFONTEIN A	Executive Mayor and All MMC's. Cllrs Senzeni Dube, Hendrick Kabini & Michael Nkabinde- Ward councillors

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31	04/10/2014	SAT	TRIBAL OFFICE	14:00-16:00	KWAGGA D, E & DOBHA	Executive Mayor and All MMC's. Cllr David Lukhele-Ward councillor
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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 July 2014 subsequent to the adoption of the District Framework Plan by the 27th of July 2014
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 prioritised 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 2014/15 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 October 2014
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 priorities must be taken into account when formulating council objectives. This process should involve strategic workshops, targeted stakeholder engagements, public hearings, sector Provincial and National Departments 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 November 2014.
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 programmes 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	This phase should be completed by December 2014.

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	committees and their subcommittees must be able to distinguish between the strategic municipal wide development programmes and the localized community-level projects.	
INTEGRATION PHASE	Thembisile Hani Local Municipality embarked on Mayoral outreach programme from September to November 2014 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 December 2014
IDP INDABA	Amendment of IDP according to comments	By April 2015
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 May 2015

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. The council consequently adopted its draft 2014/2015 Integrated Development Plan taking into account the needs that were collected at the aforementioned meetings.

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 2014 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.

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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, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* 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 need for risk management within the municipality is to ensure that all risks that the municipality is exposed to whether at the strategic, departmental, process or project level are proactively identified and managed to acceptable level on a continuous basis. Good risk management awareness and practices at all management levels is a key success factor in ensuring that the Thembisile Hani Local Municipality is able to meet its mission.

The Risk Management unit has been established in terms of the Public Sector Risk Management Framework in terms of 1 April 2010.

LEGAL MANDATE

Section 62 c (i) requires that:

The Accounting Officer of the municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains

Effective, efficient and transparent systems of financial and risk management and internal control.

The roles and responsibilities for the implementation of Risk Management Strategy are contained in the treasury regulations which revolve around risk management and can be summarized as follows:

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- The accounting officer must ensure that a risk assessment is conducted regularly to identify emerging risks for the municipality;
- The risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority and to determine the skills required of managers and staff to improve controls and to manage these risks;
- The strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the municipality.
- Operational, project and fraud activities.

RISK MANAGEMENT OBJECTIVES

- The establishment and communication of the organizations risk management objectives, vision and operating principles are vital to providing overall direction, and ensure the successful integration of the risk management function into the organization. Using these instruments can reinforce the notion that risk management is everyone's business.

The Accounting Officer is also responsible for ensuring that there is a sound system of risk management and control in place for:

- Safeguarding the municipal assets and investments;
- Support achievement of strategic objectives;
- Behave responsibly towards all stakeholders; and
- Ensure service delivery to all stakeholders.

RISK MANAGEMENT

Risk Management has been defined as “a continuous, proactive and systematic process, effected by the Municipal's executive authority, Accounting Officer, management and other personnel, applied in strategic planning and across the department, designed to identify potential events that may affect the municipality, and manage risks to be within its risk tolerance, to provide reasonable assurance regarding the achievement of municipal objectives.

ENTERPRISE-WIDE RISK MANAGEMENT (ERM)

ERM is a broad-based application of risk management in all major functions and activities of the institution, rather than only in selected areas, to isolate the material risks.

RISK

An unwanted outcome, actual or potential, to the institution's service delivery and other performance objectives, caused by the presence of risk factor(s). Some risk factors also present upside potential, which management must be aware of and be prepared to exploit.

EMBEDDING THE RISK MANAGEMENT CULTURE

For the risk management strategy to operate effectively through the municipality there are a number of key elements that need to be in place:

- Political buy-in;
- Promotion and support from senior management
- Municipal support for risk taking and innovation;
- Communication of all policies and benefits to entire municipal employees;
- Risk management is an element of all the departments management processes;
- The attainment of key departmental objectives is closely linked to the management of risk; and

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- Operating in an environment with partner organizations requires that these risks are assessed and managed on day to day.

BENEFITS OF RISK MANAGEMENT

The risk management process is being implemented by the municipality as it will assist with the achievement of the objectives. The benefit for risk management is for the municipality to:

- **Organizational alignment:** the risk management process is designed to complement effective strategic and operational planning. However, as the risk management approach is objective driven it will assist in ensuring that management and employees understand and are committed to the key objectives which have been defined. This will include an understanding of the key performance indicators (KPIs) against which our success is measured.
- **Improved ability to manage risks:** by formally identifying and evaluating risks we will improve our understanding of the risks which need to be managed. Furthermore, we will analyze and understand the cause of risks to ensure our internal controls manages the causes.
- **Improved ability to achieve objectives:** by proactively identifying risks in the municipality, will have a better understanding of risks and be more anticipatory and therefore able to achieve its objectives with greater certainty.
- **Improved ability to seize opportunities:** by understanding our risk profiles, the risk management process will enable us to seize and execute new opportunities successfully.
- **Cost effective internal controls:** risk management process will ensure that our system of internal control is cost effective.
- **Sustainability:** the risk management process is a means to educate all our management and staff on their responsibility for risk management and the effective application of internal controls. Risk management will be embedded at all levels within the department.
- **Aligning risk appetite and strategy:** management considers their risk appetite in evaluating strategic alternatives, setting related objectives and developing mechanisms to manage related risks.
- **Enhancing risk response decisions:** risk management provides the rigor for management to identify alternative risk responses- risk avoidance, reduction, sharing and acceptance.

RESPONSIBILITIES AND STRUCTURES

The Accounting Officer is ultimately responsible for and should assume “ownership” of risk management. More than any other individual, the accounting officer sets the “tone at the top” that affects integrity and ethics and other factors of the control environment.

The accounting officer fulfils duty by providing leadership and direction to senior managers and reviewing the way they manage the department.

MANAGEMENT

Management is accountable and responsible for implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the municipality.

Managers assign responsibility for establishment of more specific risk management policies and procedures to personnel responsible for individual unit’s functions. A manager is effectively an accounting officer of his/her sphere of responsibility. Also significant are leaders of staff functions such as compliance, finance, human resources and information technology, whose monitoring and control activities cut across, as well as up and down, the operating and other units of a department.

AUDIT COMMITTEE

The Audit Committee function as a monitoring and oversight body to ensure that risk management is embedded in the municipality.

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RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprise of senior management of all nominated directories; will be established to ensure that risks are being managed on strategic and on a day-to-day operation. The chairperson of this committee will provide reports on the status of significant risks to the Audit Committee.

The Risk Management Committee assist the head of department in discharging its risk management responsibilities. The composition and terms of reference of this committee is set out in a separate document.

RISK MANAGEMENT

Risk Management Unit is to assist management in their duties on risk management function and it has been set up within the municipality. The risk management function is not in place to manage specific risks on behalf of management. The function will be a co-ordination, facilitate and monitoring the process role. The risk management functions or risk officer will be:

- Responsible for educating management and employees in the risk management process;
- Responsible for creating an awareness of risk and assisting management in ensuring that there is a culture of control;
- Available to assist in the risk profiling exercises;
- Responsible for consolidating risk reports for the Audit Committee.

Risk management unit operates with other managers in establishing and maintaining effective risk management in their areas of responsibility. Risk management unit also have the responsibility for monitoring progress and for assisting other managers in reporting relevant risk information up, down and across the department, and will be a member of an internal risk management committee.

The risk management policies that were developed and approved by council for 2014/2015 are as follows:

- Anti-Corruption Strategy
- Fraud prevention policy
- Reporting template for management
- Risk Management methodology
- Risk management policy
- Risk Management Strategy
- Risk Management Committee's Terms of reference
- Terms of Reference for Risk Champions
- Risk Management Implementation Plan
- Whistle blowing policy

The Operational risk assessments for 2014/2015 has been performed as per the Public Sector Risk Management Framework as follows:

- Strategic risk assessment;
- Operational risk assessment per department which are:
 - Municipal Manager;
 - Corporate services;
 - Technical services;
 - Finance department; and
 - Social Development Services
- ICT risk register

The municipality has appointed Risk Champions to assist heads of departments in discharging the risk management responsibilities.

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FRAUD; THEFT AND CORRUPTION

Thembisile Hani is a “Zero corruption & Fraud tolerance” local municipality.

COMPLIANCE WITH LAWS & REGULATIONS

The municipality is in compliance with the following legislations:

- MFMA calendar;
- Municipal Systems Act
- Municipal Structures Act;
- Treasury Regulations;
- OHS's Act; and any other regulations.

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.

2.7 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management aims at supporting the strategic decision of the municipality thereby ensuring effective and efficient service delivery to its internal and external clients it also ensures that purchasing and procurement of goods and services are done according to prescribed legislation / policies of and the Thembisile Hani Local Municipality.

The unit has a staff compliment of six (6) including the Assistant Manager Supply Chain Management and reports directly to the Chief Financial Officer.

Challenges	Impact	Measures to improve performance
Deviations	Irregular expenditure	Proper planning to avoid deviation

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2.8 BY-LAWS

COMMENT ON BY-LAWS PERFORMANCE OVERALL

No By-laws were gazetted during 2014/2015 financial year

2.9 WEBSITES

Municipal Website: Content and Currency of Material			
Documents published on the Municipality's Website	Yes /no	2013/2014 Publishing Date	2014/2015
Current annual and adjustments budgets and all budget-related documents	Yes	March 2014	March 2015
All current budget-related policies	Yes	June 2014	June 2015
The previous annual report (2012/13)	yes	February 2014 02 April 2014	February 2015 April 2015
The annual report 2013/14 published	yes	February 2014 02 April 2014	February 2015 April 2015
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2000) and resulting scorecards	yes	July 2013	July 2014
All service delivery agreements	No	None	None
All long-term borrowing contracts	No	n/a	n/a
Contract register	Yes	30 June 2014	June 2015
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 2014/15	yes	None (no disposal register for 2013/2014)	None (no disposal register for 2014/2015)
Public-private partnership agreements referred to in section 120 made in 2014/15	Yes	None	None
All quarterly reports tabled in the council in terms of section 52 (d) during 2014/15	yes	August 2013– July 2014	August 2014– July 2015

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2.10 YOUTH DEVELOPMENT

POLICY STATEMENT

The National Youth Policy 2009 – 2014 stipulates that ***“all these role players must support young people who, by virtue of their vulnerability and other constraints, find themselves relegated to the margins of society and are unable to benefit from the policy dispensations offered by our democracy”***. Intervention across all stakeholders should be geared towards achieving positive outcomes in the lives of the youth with regard to the aforementioned imperatives areas:

- Education and Skills Development
- Health and Well being
- Economic Participation
- Social cohesion and Public Participation
- National Youth Services and
- Youth work.

In 2007, South Africa started to recognise the need to intensify the efforts towards mainstreaming and integrating youth development. Furthermore, in the NYP 2009 – 2014, it is said that a call was made in the Government’s Social Cluster Programme of Action for 2007 and 2008, which directed the cluster to:..... ***“intensify efforts to integrate youth development into the mainstream of government policies and programmes within the framework of the National Youth Policy, and strategically locate youth units/directorates in such a manner that director-generals, heads of departments and municipal managers take direct responsibility”***. It is against this background that the municipal manager of our municipality will be directly responsible for youth development and that the directorate will be located in the office of the municipal manager.

Youth development was created as a direct response to the negative and punitive approaches of the past. For the past years youth development has been in the centre, but without any positive success in Thembisile Hani Local Municipality.

YOUTH DEVELOPMENT PROGRAMMES 2014/15

Our youth development programmes must provide a wide range of services, opportunities and support to young people. The programme must build on the strength of young people through skills development, leadership training, mentoring and transitioning youth through different life and problem stages.

Focus areas:

- Need’s (not in education, employment and/or training)
- Life and personal skills development
- Work skills development
- Leadership development
- Mentoring
- Education and
- Entrepreneurship.

Our programmes are mostly done on a holistic level utilising social inclusion of Non-governmental Organisations and Non-profit Organisation. The following are the youth organisations in existence within the municipality:

- Up Beat Youth Organisation
- Mukombe Youth Organisation
- Ndlelehle Youth Advise Centre
- Good Hope Youth Organisation
- United Communities – Imbizo (UNICO)
- MAYO

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The unit has completed the youth development strategy which is already been issued out for consultation. It is anticipated that the strategy will be served before council once the consultation process is finalised and its implementation thereafter. The implementation of the strategy will ensure a well-co-ordinated and positive youth development within our municipality. The strategy shall be review again in 2016, this is to allow adequate period of implementation and assessment thereof.

LIFE SKILLS ORIENTATION PROGRAMMES

The unit will continuously conduct life skills programme as it is believed that the health and wellbeing of the youth is not just important, it needs to be preserved because the youth remains the future of our country and the globe. The continuous life skills programmes are prompted by the top four morbidity in the society being HIV/AIDS, Road carnages, injury violence and communicable diseases (diabetes, hypertension). It is worth highlighting that there are factors that lead to diseases amongst the youth and they are: Unsafe sex, use of intoxicating substances (drugs, alcohol), tobacco and interpersonal violence to mention the few.

The following life skills programmes were conduct during the financial year 2014/15 and supported by Department of Social Development, NYDA, and Love Life:

Tweefonten Extension K – His Will Outreach Ministry Church
Door-to-Door Awarnes Campaign – Vriesgewagt
Outreach Programme – Zithatheleni Primary School
Life Orientation – Hlomani School

CAREER GUIDANCE AND COUNSELLING

THEMBISILE HANI LOCAL MUNICIPALITY AVIATION CAREER EXHIBITION

One key area in youth development its education. Education also empowers individuals to participate meaningfully in the society. The amount and quality of education received by individuals is strongly associated with the probability of finding employment and with the level of wages one can expect to earn. It is for this reason, education is widely regarded as a key mechanism for bringing about transformation, eradication of poverty and reduction of unemployment. It is for that reason that the youth development will continuously conducting career guidance and counselling to the out-of-school youth (NEETs) and the youth at school.

The career exhibition for the 2014/15 was held on the 08th May 2015 at Solomon Mahlangu Stadium – KwaMhlanga and its focus was on geoscience related careers and the targeted participants were grade 11 and 12 learners. The total number of the school learners who attended the exhibition over a day was 789 from the following schools listed below:

KwaMhlanga High School
Vukani Secondary School
BSTS College
Mpumelomuhle Secondary School
Mzimhlophe Secondary School
Lethabong Secondary School
Zakheni Secondary School

Below is the list of the exhibitors who were part of the career expo:

Council for Geoscience
PCT Training College
Post Bank South Africa
Statistics South Africa
Pretoria Technical College
Department of Cultuer, Sports and Recreation
Department of Labour
Department of Finance and Economic Development

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Department of Health
Department Education
SANTS University
NYDA
Anglo American Science Careers
VEGA College
SAPS
Love Life
Talk Magazine
Tsebo Careers and Projects

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality conducted a public participation meetings as part of the Mayoral outreach 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 96 mayoral outreach meetings were held during 2014/2015 financial year.

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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 2014/2015 as per Community Survey:

- Provided 81% households with access to basic water
- Provided 25% of households with access to Ventilated Improved Pit (VIP) toilets
- Provided 90% of households with access to basic refuse removal
- Provided 4% of households with access to septic tank (sanitation)
- Provided 4% of households with access to basic sanitation (Water borne system)
- Provided 81% 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	<ul style="list-style-type: none">• Water losses• Lack of Water Storage in KwaMhlanga and Bundu• Lack of own water source/need for purification plant• Non- bulk water supply from Dr JS Moroka
Refuse removal	<ul style="list-style-type: none">• Shortage of Staff• Limited funding
Sanitation	<ul style="list-style-type: none">• Limited funding• Community of Thembisile Hani Local municipality requires water borne sanitation system and not the VIP toilets anymore• Lack of maintenance on VIP toilets
Electricity for energising High mast light	<ul style="list-style-type: none">• lengthy Eskom process
Roads and Storm-water Drainage	<ul style="list-style-type: none">• Limited funding• Heavy rainfalls experienced during November 2014 to January 2015

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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

The Water Services Act (No.108 of 1997, section 5(4)) states that in emergency situations, a Water Service Authority (WSA) must take reasonable steps to provide basic water supply to any person within its area of jurisdiction and may do so at the cost of the authority.

As Thembisile Hani Municipality, we do not have our own source of water; we depend on other Water Service Authorities for bulk water supply. Approximately 45.5 Mega liter per day of water is supplied from various sources: 9 MI/day by City of Tshwane Metropolitan and 35 MI/day by Rand Water. During 2014/2015 financial year, Dr JS Moroka supplied Thembisile Hani Local Municipality with 1.5 mega liter per day which was not consistent as per the agreement in terms of the service level agreement. Vandalism is rampant on all our bulk pipelines. Most air valves are leaking and manhole cover for chambers are missing. This contribute to 60% overall water losses, furthermore a business plan was submitted to Department of Water and Sanitation for funding of water demand and conservation to address water losses in 2014/2015 financial year. 2014/2015 financial year, Thembisile Hani Local Municipality managed to install six hundred (600) prepaid meters. 990 households connected to yard taps, 14 boreholes drilled and 180 communal stand pipes. The 81 % of the households have access to water and 19 % do not have access to water (referred to the table below: Water).

COMMENT ON WATER USE BY SECTOR

The Water section has the following challenges:-

- No meter reading was conducted
- Illegal connection to the distribution network
- High Distribution losses

Chapter 3

The baseline information below was sourced from 2011 Statistics

Water Service Delivery Levels		
Description	Households	
	2013/2014	2014/2015
	Actual No.	Actual No.
<u>Water: (above min level)</u>		
Piped water inside dwelling	12 300	12 300
Piped water inside yard (but not in dwelling)	56 177	58 339
Using public tap (stand pipes)	0	0
Other water supply (within 200m)	2 165	2 281
<i>Minimum Service Level and Above sub-total</i>	70 642	72 920
<i>Minimum Service Level and Above Percentage</i>	93%	96%
<u>Water: (below min level)</u>		
Using public tap (more than 200m from dwelling)	1 051	1 051
Other water supply (more than 200m from dwelling)	466	469
No water supply	3 441	1 160
<i>Below Minimum Service Level sub-total</i>	4 958	2 680
<i>Below Minimum Service Level Percentage</i>	144%	231%
Total number of households*	75 600	75 600

* - 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		
Description	Households	
	2013/2014	2014/2015
	Actual No.	Actual No.
Formal Settlements		
Total households	70 542	72 920
Households below minimum service level	5 058	2 680
Proportion of households below minimum service level	7%	4%
Informal Settlements		
Total households	5 058	2 680
Households ts below minimum service level	3 441	1 160
Proportion of households ts below minimum service level	68%	43%

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The information below is as per the community survey.

Water Service Delivery Levels		
Description	Households	
	2013/2014	2014/2015
	Actual No.	Actual No.
<u>Water: (above min level)</u>		
Piped water inside dwelling	12 300	12 300
Piped water inside yard (but not in dwelling)	56 177	73 754
Using public tap (stand pipes)	0	0
Other water supply (within 200m)	2 165	2 281
<i>Minimum Service Level and Above sub-total</i>	70 642	88 335
<i>Minimum Service Level and Above Percentage</i>	93%	81%
<u>Water: (below min level)</u>		
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
<i>Below Minimum Service Level sub-total</i>	4 958	35 680
<i>Below Minimum Service Level Percentage</i>	144%	32.6%
Total number of households*	75 600	109 282

* - To include informal settlements

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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	2013/2014	2014/2015
	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%

NOTE: OBJECTIVES TAKEN FROM IDP: A DETAILED PERFORMANCE REPORT (INCLUDES ANNUAL TARGETS, BUDGET, ACTUAL PERFORMANCE, AND EXPENDITURE ECT.) ON 3.23 COMPONENT J: MISCELLANEOUS

EMPLOYMENT INFORMATION

Employees: Water Services					
Job Level	2013/2014	2014/2015			
	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	2	4	1	3	75%
7 to 9	5	16	13	3	19%
10 to11	17	17	17	0	0%
13 to 15	48	48	48	0	0%
Total	73	86	80	6	7%

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.

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CAPITAL EXPENDITURE FOR 2014/2015

The capital expenditure is on the performance report table.

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.

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

OVERALL PERFORMANCE COMMENT ON SANITATION

The refurbishment of oxidation ponds aims at improving green drop score (instalation of flow meters) and improvement of waste water quality. The Municipality's Green Drop score is still based on 2011 results which is 25.68% and for 2014/2015 assessment are not yet done by Department of Water and Sanitation, the municipality is still waiting for the dates to conduct the assessments.

The baseline information below was sourced from 2011 Statistics

Sanitation Service Delivery Levels		
Household		
Description	2013/2014	2014/2015
	Outcome No.	Outcome No.
<u>Sanitation/sewerage: (above minimum level)</u>		
Flush toilet (connected to sewerage)	3 024	3 024
Flush toilet (with septic tank)	3 686	3 686
Chemical toilet	880	880
Pit toilet (ventilated)	15 942	15 942
Other toilet provisions (above min.service level)	0	0
<i>Minimum Service Level and Above sub-total</i>	23 532	23 532
<i>Minimum Service Level and Above Percentage</i>	31.1%	31.1%
<u>Sanitation/sewerage: (below minimum level)</u>		
Bucket toilet	0	0
Other toilet provisions (below min.service level)	50 109	50 109
No toilet provisions	1 959	1 959

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<i>Below Minimum Service Level sub-total</i>	52 068	52 068
<i>Below Minimum Service Level Percentage</i>	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		
2013/204	2013/2014	2014/2015
	Actual No.	Actual
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	2013/2014	2014/2015
	Outcome No.	Outcome No.
<u>Sanitation/sewerage: (above minimum level)</u>		
Flush toilet (connected to sewerage)	3 024	4 371
Flush toilet (with septic tank)	3 686	4 371
Chemical toilet	880	880
Pit toilet (ventilated)	15 942	27 321
Other toilet provisions (above min.service level)	0	0
<i>Minimum Service Level and Above sub-total</i>	23 532	36 943
<i>Minimum Service Level and Above Percentage</i>	31.1%	33.8%
<u>Sanitation/sewerage: (below minimum level)</u>		
Bucket toilet	0	0

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Other toilet provisions (below min.service level)	50 109	72 339
No toilet provisions	1 959	1 959
<i>Below Minimum Service Level sub-total</i>	52 068	74 298
<i>Below Minimum Service Level Percentage</i>	68.9%	67.9%
Total number of households	75 600	109 282

Households - Sanitation Service Delivery Levels below the minimum		
Households		
2013/204	2013/2014	2014/2015
	Actual No.	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	2013/2014	2014/2015			
	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	3	2	1	33%
10 - 12	6	11	7	4	36%
13 - 15	23	22	20	2	9%
Total	33	38	31	7	18%

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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.

NOTE: OBJECTIVES TAKEN FROM IDP: A DETAILED PERFORMANCE REPORT (INCLUDES ANNUAL TARGETS, BUDGET, ACTUAL PERFORMANCE, AND EXPENDITURE ECT.) ON 3.23 COMPONENT J: MISCELLANEOUS

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2013/14 AND 2014/15: WATER AND SANITATION SERVICES

VOTE	DETAILS	2013/2014 BUDGET	2013/2014 ACTUAL	2014/2015 BUDGET	2014/2015 ACTUAL
540	SALARIES	R 11 273 256.00	R 8 900 897.14	9,100,000	8,718,058
540	BONUS	R 735 000.00	R 780 023.28	518,839	734,803
540	SALGBC	R 6 200.00	R 0.00	2 873	5 688
540	ACTING ALLOWANCE	R 366 000.00	R 168 098.29	0	0
540	OVERTIME	R 995 120.00	R 889 967.22	0	0
540	PENSION CONTRIBUTIONS	R 1 750 000.00	R 1 683 155.36	1 823 950	1 806 366
540	MEDICAL AID CONTRIBUTIONS	R 17 100.00	R 375 085.38	562 000	597 137
540	HOUSING SUBSIDIES	R 35 230.00	R 17 862.00	20 000	16 488
540	UIF CONTRIBUTIONS	R 106 120.00	R 100 635.34	100 000	93 239
540	CELLPHONE ALLOWANCE	R 50 000.00	R 23 583.44	32 300	54 300
540	REPAIRS TO NETWORK	R 1 400 000.00	R 1 400 000.00	513 450	513 450

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540	REFURBISHMENT OF RESEVOIRS	R 3 500 000.00	R 1 359 484.32	1 137 850	1 137 850
540	REPAIRS AND MAINTANACE SANITAT	R 700 000.00	R 1 772 389.16	1 001 870	964 154
540	WATER PURCHASES	R 98 000 000.00	R 110 950 867.40	80 068 227	99 989 953
540	FREE BASIC CHARGE WATER 6KL	R 12 000 000.00	R 12 600 879.36	14 078 619	13 822 634
540	SKILLS DEVELOPMENT LEVY	R 116 000.00	R 102 607.76	113 760	96 006
540	MATERIALS AND SUPPLIES	R 4 500 000.00	R 4 427 738.48	1 013 198	768 563
540	SAMPLE TESTING	R 552 750.00	R 513 971.47	343 374	483 834
540	ACCOMODATION AND MEALS	R 200 000.00	R 28 462.42	0	0
540	SANITATION & WATER AWARENESS C	R 50 000.00	R 0.00	0	0
540	WWTW: BULK INFRASTRUCTURE	R 5 000 000.00	R 5 000 000.00	10 300 000	10 300 000
540	WATER METERS	R 2 631 579.00	R 2 632 823.01	0	0

NOTE: Water and Sanitation using vote number 540

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICTY

Thembisile Hani Local Municipality has no license for household connection and Eskom provides electricity at household level. The municipality is installing high mast lights and street lights. The challenges faced in 2014/2015 were due to limited funding to install high mast lights, street lights and the projects were not completed. 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.

NOTE: OBJECTIVES TAKEN FROM IDP: A DETAILED PERFORMANCE REPORT (INCLUDES ANNUAL TARGETS, BUDGET, ACTUAL PERFORMANCE, AND EXPENDITURE ECT.) ON 3.23 COMPONENT J: MISCELLANEOS

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EMPLOYMENT INFORMATION

Employees: Engineering Services					
Job Level	2013/2014	2014/2015			
	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	1	0	0	0%
7 - 9	5	7	6	1	14%
10 - 12	0				
13 - 15	3	18	3	15	83%
Total	8	26	9	16	62%

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.

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FINANCIAL PERFORMANCE EXPENDITURE FOR 2013/2014 AND 2014/2015 FINANCIAL YEAR: ELECTRICITY SERVICE

VOTE	DETAILS	2013/2014 BUDGET	2013/2014 ACTUAL	2014/2015 BUDGET	2014/2015 ACTUAL
530	INTERGRATED ELECTRIFICATION GR	R 2 838 544.00	R 0.00	0	0
530	SALARIES	R 654 267.00	R 202 571.09	726 800	196 689
530	BONUS	R 28 200.00	R 14 294.16	24 424	0
530	SALGBC	R 2 400.00	R 0.00	83	108
530	PENSION CONTRIBUTIONS	R 63 200.00	R 28 302.34	28 000	37 820
530	MEDICAL AID CONTRIBUTION	R 15 000.00	R 0.00	31 020	0
530	HOUSING SUBSIDIES	0	0	0	0
530	UIF CONTRIBUTION	R 3 300.00	R 2 198.89	1 600	2 007
530	OVERTIME	R 700.00	R 16 643.28	0	0
530	CELLPHONE ALLOWANCE	R 2 450.00	R 0.00	2 450	2 400
530	REP & MAINTENANCE-STREETLIGHTS	R 800 000.00	R 195 172.68	0	0
530	FREE BASIC ELECTRICITY	R 300 000.00	R 3 297 937.27	2 704 918	3 001 972
530	SKILLS DEVELOPMENT LEVY	R 3 200.00	R 2 217.84	1 300	1 860
530	MATERIALS AND SUPPLIES	0	0	1 902	1 901

COMMENTS ON THE PERFORMANCE OF ELECTRICAL AND MECHANICAL ENGINEERING OVERALL

The priority of the four largest capital projects is to address electricity backlogs and to ensure that the national basic standard for electricity provision is achieved by 2015 and to address the public lighting in previously disadvantaged communities to ensure provision of a safe economic environment.

- Installed 5 High mast lightings for 2014/2015 financial year.

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

INTRODUCTION TO WASTE MANAGEMENT

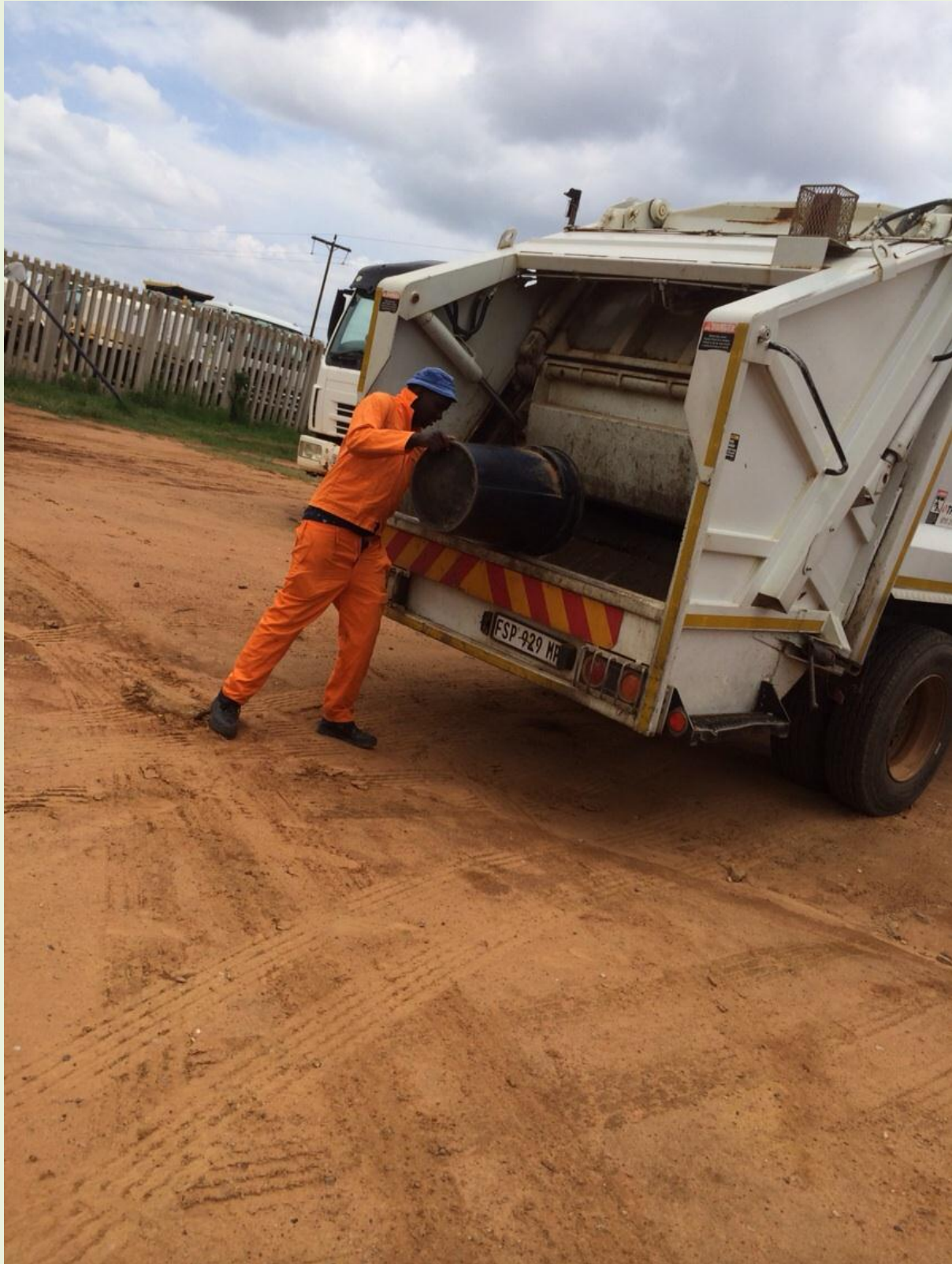
The Waste Management section's function is to provide an acceptable, affordable and sustainable waste collection to all the residents of Thembisile Hani Local Municipality.

Description of the activity:-

- Refuse removal
- Street cleansing
- Clearing of illegal dumping sites

Solid Waste Service Delivery Levels		
Description	Households	
	2013/2014	2014/2015
	Actual	Actual
	No.	No.
<i>Solid Waste Removal: (Minimum level)</i>		
Removed at least fortnight	73387	66495
Total number of households	73387	66495

Chapter 3



REFUSE REMOVAL

Chapter 3



STREET CLEANING

Chapter 3



CLEARING OF ILLEGAL DUMPING SITES

NOTE: OBJECTIVES TAKEN FROM IDP: A DETAILED PERFORMANCE REPORT (INCLUDES ANNUAL TARGETS, BUDGET, ACTUAL PERFORMANCE, AND EXPENDITURE ECT.) ON 3.23 COMPONENT J: MISCELLANEOUS

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EMPLOYEE INFORMATION

Employees: Waste Management and Environmental					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	8	18	18	0	0%
13 - 15	9	64	9	55	85%
Total	18	83	28	55	66%

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 AND CAPITAL EXPENDITURE FOR 2013/14 AND 2014/15 FINANCIAL YEAR: WASTE MANAGEMENT

VOTE	DETAIL	2013/2014 BUDGET	2013/2014 ACTUAL	2014/2015 BUDGET	2014/2015 ACTUAL
520	BASIC CHARGE SANITATION RESIDE	R 1 387 479.00	R 0.00	1 533 259	1 486 277
520	SEPTIC TANK FEES	R 180 000.00	R 0.00	237 284	233 273
520	BASIC CHARGE SANITATION BUSINE	R 56 268.00	R 0.00	0	23 556
520	SEPTIC TANK BLOCKAGE	R 1 500.00	R 0.00	2 446	1 682
520	REFUSE REMOVAL(R9/hhMX3000hh)	R 280 000.00	R 0.00	12 309 256	13 630 301
520	SALE OF REFUSE BINS(R30/hh)	R 4 500.00	R 0.00	1 401	934
520	REPAIRS AND MAINT OF LANDFIL S	R 110 000.00	R 101 326.88	0	0
520	MATERIALS AND SUPPLIES	R 1 000 000.00	R 1 006 528.48	0	36 632

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520	PROVISION FRO LAND FILLED	R 0.00	R 1 923 039.87	0	2 358 579
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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. 270 workers were appointed under this programme in 2014/15 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
2011/12	90000	75345	90%	14655	60%
2012/13	92500	75345	90%	17155	60%
2013/14	102500	75345	90%	27155	60%
2014/15	109600	75345	90%	34255	60%

EMPLOYEE INFORMATION

Employees: Human settlement Services (excluding town planning)					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	2	2	2	0	0%

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10 - 12	0	1	0	1	100%
13 - 15	0	0	0	0	0%
Total	5	6	5	1	17%

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.

COMMENTS ON THE PERFORMANCE OF HUMAN SETTLEMENTS OVERALL

The Thembisile Hani Local Municipality had no housing projects allocated on the IDP. 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.

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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

	Gravel Road Infrastructure			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to asphalt	Kilometres Gravel roads graded /maintained
2012/2013	814	86.5	14.8	
2014/2015	814	41.16	4.05	46.8

NOTE: OBJECTIVES TAKEN FROM IDP: A DETAILED PERFORMANCE REPORT (INCLUDES ANNUAL TARGETS, BUDGET, ACTUAL PERFORMANCE, AND EXPENDITURE ECT.) ON 3.23 COMPONENT J: MISCELLANEOUS

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Asphalted Road Infrastructure					
Kilometers					
	Total roads asphalted	New roads asphalt	Existing roads re-asphalted	Existing roads re-sheeted	Asphalt roads maintained
2011/12		13.54	0	0	
2012/13		14.8	0	0	
2013/14		4.05	0	0	
2014/15		0	0	0	

EMPLOYEE INFORMATION

Employees: Roads and stormwater					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	1	1	1	0	0%
4 - 6	2	3	2	1	33%
7 - 9	0	0	0	0	0%
10 - 12	28	41	30	11	27%
13 - 15	31	26	21	5	19%
Total	62	71	54	17	24%

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.

Chapter 3

FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2013/2014 AND 2014/2015: ROAD AND STORM WATER

VOTE	DETAIL	2013/2014 BUDGET	2013/2014 ACTUAL	2014/2015 BUDGET	2014/2015 ACTUAL
550	SALARIES	R 3 165 459.00	R 2 899 329.29	3 182 068	3 182 181
550	BONUS	R 175 000.00	R 212 553.14	341 226	265 148
550	SALGBC	R 710.00	R 0.00	2 977	1 953
550	ACTING ALLOWANCE	0	0	0	0
550	OVERTIME	R 54 750.00	R 153 492.27	0	0
550	PENSION CONTRIBUTIONS	R 255 120.00	R 597 396.99	664 000	663 356
550	MEDICAL AID CONTRIBUTION	R 55 020.00	R 173 335.40	230 000	242 768
550	HOUSING SUBSIDIES			0	
550	UIF CONTRIBUTION	R 12 987.00	R 32 108.47	34 000	33 964
550	CELLPHONE ALLOWANCES	R 9 900.00	R 6 400.00	9 900	19 200
550	REPAIRS & MAINT OF STORM WATER	R 620 000.00	R 1 561 551.03	0	0
550	REHABILITATION OF BORROWPITS			0	0
550	MAINTENANCE OF BORROWPITS			0	0
550	REPAIRS OF MICHINERY & EQUIP			0	0
550	SKILLS DEVELOPMENT LEVY	R 32 986.00	R 32 492.07	36 000	34 703
550	MATERIALS AND SUPPLIES	R 200 000.00	R 0.00	0	0
550	APPLICATION & REG FOR BORROW P			0	0
550	TESTING OF MATERIALS			0	0

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550	DEVELOPMENT OF SACTOR PLANS			0	0
550	TRAVEL AND ACCOMMODATION	R 30 000.00	R 15 265.50	0	0
550	MACHINERY AND EQUIPMENT	R 5 953 319.00	R 5 313 565.80	0	0
550	SEWERAGE	0	0	0	0

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 Enviromental 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 licences for purpose of compliance with standards for business buildings.

The Municipality inspects applications for liquor licences 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. 120 business trading licences were processed during the year under review.

EMPLOYEE INFORMATION

Employees: Business licensing and administration					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	2	2	2	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	1	0	1	100%
13 - 15	0	0	0	0	0%

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Total	2	3	2	1	33%
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.					

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 18 Traffic Officers – namely; 2 senior superintendents, 2 assistant superintendents, 2 superintendents, 12 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: TH/NDC 37/08/2011.

COMMENT ON SAFETY AND SECURITY PERFORMANCE OVERALL

i) Monthly Joint Security Cluster plenary meetings:

The Traffic department attends monthly joint security cluster meetings - 11 Joint Security Cluster plenary meetings conducted

ii) Case 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.

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EMPLOYEE INFORMATION

Employees: Safety and security					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	9	14	9	5	36%
7 - 9	2	8	4	4	50%
10 - 12	42	38	30	8	21%
13 - 15	4	4	4	0	0%
Total	57	65	48	17	26%

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 2013/2014 AND 2014/2015 FINANCIAL YEAR: TRAFFIC SERVICES

VOTE	DETAIL	2013/2014 BUDGET	2013/2014 ACTUAL	2014/2015 BUDGET	2014/2015 ACTUAL
108	SALARIES	R 5 184 900.00	R 2 829 323.92	3 000 471	3 000 191
108	BONUS	R 62 450.00	R 234 119.59	167 602	250 016
108	SALGBC	R 1 195.00	R 0.00	1 500	1 383
108	ACTING ALLOWANCE	R 60 000.00	R 25 217.33	0	
108	OVERTIME	R 1 600.00	R 0.00	0	
108	PENSION CONTRIBUTIONS	R 550 000.00	R 599 687.16	650 000	642 457
108	MEDICAL AID CONTRIBUTIONS	R 270 000.00	R 267 411.92	300 000	310 616

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108	HOUSING SUBSIDIES	R 9 000.00	R 9 618.00	16 488	16 488
108	U I F CONTRIBUTIONS	R 23 100.00	R 28 168.16	27 983	27 973
108	STANDBY/SHIFT ALLOWANCE	R 31 000.00	R 0.00	0	0
108	CELLPHONE ALLOWANCES	0	0	0	0
108	PRINTING AND STATIONERY	0	0	0	0
108	SKILLS DEVELOPMENT LEVY	R 30 000.00	R 31 757.33	32 557	790 100
108	MATERIALS AND SUPPLIES	0	0	0	0
108	SUBSISTANCE AND TRAVELLING	R 15 000.00	R 1 060.25	0	0
108	ACCOMODATION AND MEALS	R 50 000.00	R 69 584.97	0	0
108	ARMS AND AMMUNITION	0	0	0	0
108	VEHICLES	R 0.00	R 546 283.85	0	0

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	<ul style="list-style-type: none"> Delays in turn around time in terms of finalising applications.
Availability of developable land within THLM	<ul style="list-style-type: none"> Most of the land is vested to National and Provincial governments. Land invasion is perpetuated allegedly by tribal formations.

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SERVICE STATISTICS FOR PLANNING

Development Planning and Building Control

Detail	2013/2014	2014/2015
Detail of building plans:	0	0
<ul style="list-style-type: none"> Number of building plans approved (excluding low cost housing) 		

EMPLOYEE INFORMATION

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 Vlagklaagte 221JR; other town planning activities are conducted in Mahlabathini, Vlaklaagteview, Gembokspruit Ext.1, Gemboksfontein 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.

Employees: Town Planning Services					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	0	0	0	0	0%
4 - 6	4	4	0	4	100%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	5	5	1	4	80%

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.

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3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

COMMENT ON THE LED OVERALL PERFORMANCE

The performance by the LED unit has shown great improvement. Performance has moved from 67% in 2013/2014 financial year to 80% in 2014 /2015 financial year. The LED unit also managed to establish Local Economic Development (LED) forum with five working groups (sub-committees). These are:

- Transport and logistics
- SMME's and Cooperatives development
- Infrastructure and spatial Development
- Rural Development, Agriculture and Tourism
- Industrialization, mining and manufacturing

These working groups play a pivotal role in shaping the agenda of the larger forum

LED STRATEGY

With the assistance of the University of Johannesburg (UJ) the Local Economic Development (LED) strategy has been developed and adopted by council. This has been the most participatory programme by local SMME's, Cooperatives, Sector departments and potential investors. Inputs by stakeholders was enormous and second to none.

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 some Parastatals, ESKOM, Productivity SA with SASSETA). In all the Unit facilitated the trainings of 23 SMME's and cooperatives. They were trained in:

- Financial management

OUTREACH MEETINGS

The Unit hosted 4 outreach meetings in different zones of the municipality. These were held at:

- Kwaggafontein community Hall
- Verena Cluster
- Vezubuhle Hall and
- KwaMhlanga community Hall

CREATION OF JOB OPPORTUNITIES THROUGH THE CWP AND EPWP

The LED Unit coordinated the creation of 1124 job opportunities through Community Works Programme (CWP) and 270 job opportunities through EPWP.

JOB CREATED

DESCRIPTION	Number of Jobs Created	
	2013/2014	2014/2015
Community Work Program	337	1124
EPWP	135	270

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EMPLOYMENT INFORMATION

Employees: Local Economic Development Services					
Job Level	2012/2013	2014/2015			
	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	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%

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 2013/14 AND 2014/2015: LED (INCLUDE IDP AND PMS)

VOTE	DETAIL	2013/2014 BUDGET	2013/2014 ACTUAL	2014/2015 BUDGET	2014/2015 ACTUAL
103	SALARIES	R 2 335 000	R 1 295 441	1 593 429	1 523 998
103	BONUS	R 225 000	R 85 390	127 159	127 156
103	SALGBC	0	0	405	407
103	ACTING ALLOWANCE	R 14 000	R 0	0	0
103	PENSION CONTRIBUTIONS	R 205 000	R 217 997	245 726	242 706
103	MEDICAL AID CONTRIBUTIONS	R 18 000	R 91 987	107 878	108 296
103	HOUSING SUBSIDIES	R 4 000	R 0	4 000	0
103	UIF CONTRIBUTIONS	R 11 000	R 8 711	10 511	8 923

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103	WCC CONTRIBUTIONS			0	0
103	LEAVE DAYS	R 37 000		R 0	0
103	OVERTIME	R 14 000		R 23 630	0
103	TRAVEL ALLOWANCES	R 0		R 100 000	120 000
103	CELLPHONE ALLOWANCE	R 17 000		R 6 300	18 000
103	PRINTING AND STATIONERY	0	0	0	0
103	SKILLS DEVELOPMENT LEVY	R 23 000		R 15 040	18 663
103	ENTERTAINMENT COSTS	0	0	0	0
103	TRAVEL AND SUBSISTENCE	R 48 000		R 56 321	3 218
103	IDP PROCESS	R 300 000		R 142 640	0
103	LED PLAN	R 100 000		R 0	0
103	COMMUNITY WORKERS PROGRAMME	R 2 600 000		R 1 379 876	0
103	COOPERATIVES AND SMME DEV	R 100 000		R 19 900	0

3.12 STRATEGIC PLANNING AND REGULATORY (INCLUDING PMS, IDP, INTERNAL AUDIT 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.

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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 councillors 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 organisational 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-sectoral 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 13/14 Organisational Structure.

Level	Position	Status 2014/2015
3	Assistant Manager IDP	Filled
4	IDP Coordinator	Filled

COMMENT ON IDP PERFORMANCE OVERALL

Overall Comment

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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.

COMMENT ON PMS PERFORMANCE OVERALL

The performance Management Unit (PMS) consists of one person which is Assistant Manager reporting to the Municipal Manager. The Unit is fully functional. All the 2014/2015 four quarterly performance reports are in place and also audited by our internal audit unit. The 2014/2015 PMS policy framework adopted by Council on 31 May 2013.

Internal Audit Unit

Internal Audit is an independent function established within the Municipality to examine and evaluate the Municipalities 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;

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- 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."*

EMPLOYEE INFORMATION

COUNCIL-APPROVED INTERNAL AUDIT UNIT STRUCTURE

LEVEL	POST	2014/15
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 2014/2015 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 eighteen (18) planned audits and with the support from Nkangala District Municipality, all the audits were executed. Management further referred thirteen (13) ad-hoc requests to the unit and they 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 for 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 issues to the stakeholders.

COMMENT ON COMMUNICATION PERFORMANCE OVERALL

In our quest to ensure effective communication we have had four radio slots at IKwekwezi FM where the municipality was reporting on progress through the Executive Mayor, Municipal Manager. In these slots the listeners who are residents of Thembisile Hani Local Municipality are given an opportunity to ask questions to the municipal representatives with regards to service delivery in Thembisile Hani Local Municipality. We also had constant interviews with Moutse Community Radio Station (MCRS) through the Head of Communication updating the public about programmes of the municipality. The unit has organised a media breakfast session where the Executive Mayor would interact with our media stakeholders on service delivery issues. In future we intend to have these kind of engagements on a quarterly basis. The unit issues public notices for the community on Ikwekwezi FM, MCRS and Nkangala Community Radio Station and on the municipal notice boards that are

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mounted in our municipal buildings. We also issue media statements when there are issues that need to be communicated or clarified by the municipality. 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 and when there is a need.

FINANCIAL PERFORMANCE EXPENDITURE FOR 2014/15: MUNICIPAL MANAGER'S OFFICE (INTERNAL AUDIT, RISK MANAGEMENT, YOUTH DEVELOPMENT AND OTHER UNITS)

VOTE	DETAIL	2013/2014 BUDGET	2013/2014 ACTUAL	2014/2015 BUDGET	2014/2015 ACTUAL
102	SALARIES	R 5 329 568.00	R 5 965 551.88	7 120 850	6 334 307
102	BONUS	R 190 000.00	R 365 535.71	383 949	423 086
102	SALGBC	R 10 000.00	R 0.00	1 600	1 403
102	ACTING ALLOWANCE	R 280 000.00	R 17 815.30	0	
102	PENSION CONTRIBUTIONS	R 500 000.00	R 693 060.13	702 000	679 307
102	MEDICAL AID CONTRIBUTIONS	R 179 000.00	R 320 966.24	410 894	367 958
102	HOUSING SUBSIDIES	0	0	0	
102	U I F CONTRIBUTIONS	R 22 500.00	R 33 207.88	42 744	31 317
102	OVERTIME	R 19 000.00	R 27 200.35	0	
102	TRAVEL ALLOWANCES	R 535 000.00	R 647 500.00	678 000	663 000
102	CELLPHONE ALLOWANCES	R 51 000.00	R 35 500.00	114 600	113 700
102	MEMBERSHIP FEES	R 10 000.00	R 4 000.00	0	0
102	DEPUTATION COSTS	0	0	0	0
102	PRINTING AND STATIONERY	0	0	0	
102	SKILLS DEVELOPMENT LEVY	R 51 200.00	R 69 871.92	80 212	75 035
102	ENTERTAINMENT	R 8 000.00	R 5 762.63	0	0

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102	TRAVELLING AND SUBSISTANCE	R 240 000.00	R 154 218.38	100 000	106 119
102	ACCOMODATION AND MEALS	R 160 000.00	R 362 325.91	33 536	30 978
102	INTERNAL AUDIT	0	0	0	0
102	YOUTH DEVELOPMENT PROGRAMMES	0	0	0	0
102	RISK MANAGEMENT	R 25 000.00	R 7 850.00	0	0
102	INTERNAL AUDIT SOFTWARE	0	0	0	0
102	PROVISION FOR LEAVE	R 0.00	R 3 495 307.97	0	0
102	PROVISION FOR BONUS	R 3 125 125.00	R 0.00	0	0

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.

NOTE: OBJECTIVES TAKEN FROM IDP: A DETAILED PERFORMANCE REPORT (INCLUDES ANNUAL TARGETS, BUDGET, ACTUAL PERFORMANCE, AND EXPENDITURE ECT.) ON 3.23 COMPONENT J: MISCELLANEO

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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

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, encyclopedia, 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.

COMMENT ON LIBRARY SERVICES PERFORMANCE OVERALL

National library week campaign was held at Verena Cluster Community Hall. Learners and teachers from Marhagi Secondary School, Kwakwari Primary School and kids from Mdumsemi Educare were invited. Verena Cluster Manager was also invited. The Department of Culture, Sport and Recreation provided promotional material.

All Stalls

- The facilities are secured by Black Protectors Security Services.
- Bookings to access recreational facilities are made at the Head offices in Kwaggafontein

Mathyszensloop stalls

- The stalls are now occupied for utilization.
- The facility is maintained i.e. cleaning and cutting of grass.
- The electricity was repaired.

Poultry

The facilities are occupied and utilized by community members.

Sports and Recreation

- The municipality is coordinating and managing various Sporting and cultural services.
- Structure that falls within our jurisdictions' are: The sport council, which is the body of all the sporting federations and associations within the municipality. Art and Culture forum represented all art and cultural event within the municipality.
- The municipality has two stadiums one is at KwaMhlanga and the other at Kwaggafontein.

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FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR SOCIAL DEVELOPMENT SERVICES 2014/15

VOTE	DETAIL	2013/2014 BUDGET	2013/2014 ACTUAL	2014/2015 BUDGET	2014/2015 ACTUAL
107	SALARIES	R 7 741 400.00	R 16 344 303.82	17 100 000	17 077 119
107	BONUS	R 510 000.00	R 1 278 273.95	1 266 000	1 316 324
107	SALGBC	R 3 100.00	R 0.00	9 150	9 029
107	ACTING ALLOWANCE	R 545 000.00	R 226 037.77	0	
107	PENSION CONTRIBUTIONS	R 1 320 000.00	R 3 169 522.12	3 400 000	3 333 461
107	MEDICAL AID CONTRIBUTIONS	R 595 000.00	R 1 116 544.20	1 400 000	1 382 669
107	HOUSING SUBSIDIES	R 0.00	R 8 244.00	8 244	8 244
107	U I F CONTRIBUTIONS	R 53 900.00	R 165 879.10	169 728	162 495
107	W C C CONTRIBUTIONS	0	0	0	0
107	OVERTIME	R 655 000.00	R 1 252 916.53	100 000	124 555
107	TRAVEL ALLOWANCES	R 255 000.00	R 324 000.00	324 000	324 000
107	CELLPHONE ALLOWANCES	R 7 500.00	R 24 947.80	367 000	66 000
107	PRINTING AND STATIONERY	0	0	0	0
107	SKILLS DEVELOPMENT LEVY	R 150 000.00	R 194 827.02	191 000	190 146
107	LICENCES	0	0	0	0
107	ENTERTAINMENT	R 20 000.00	R 3 692.88	0	0
107	TRAVELLING AND SUBSISTANCE	0	0	58 152	94 152
107	ACCOMODATION AND MEALS	R 391 000.00	R 616 524.78	16 637	16 637

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			R 10 413 281.49	8 128 782	10 543 933
107	SECURITY	R 10 500 000.00			
107	SALGA COMMUNITY GAMES	0	0	0	0
107	TRAFFIC OFFICERS UNIFORM	R 20 000.00	R 1 665.36	0	0
107	LAND AUDIT	0	0	0	0
107	FEASIBILITY STUDY - SURVEY	R 0.00	R 420 462.49	0	0
107	EMERGENCY RELIEF COMPAIGN	R 100 000.00	R 53 485.48	0	0
107	WOMEN & GENDER PROGRAMME	R 100 000.00	R 69 482.03	0	0
107	TRANSPORT FORUM ACTIVITIES			0	0
107	OFFICE MACHINES	R 300 000.00	R 181 379.82	0	0
	INTERNAL WOMENS DAY	R 20 000.00	R 15 990.00	0	0
	TOWN PLANNING COSTS	R 500 000.00	R 183 214.10	0	0
	LOCAL AID COUNCIL	R 40 000.00	R 16 000.00	0	0
	CAMPAIGN	R 40 000.00	R 34 000.00	0	0

COMMENTS ON THE PERFORMANCE OF LIBRARIES, SPORTS AND OTHERS OVERALL

The municipality graded twenty five (25) sports field during 2014/2015 financial year. Bookings of facilities are on record for the hiring of these facilities

Several successful events were held:-

- Library week

NOTE: OBJECTIVES TAKEN FROM IDP: A DETAILED PERFORMANCE REPORT (INCLUDES ANNUAL TARGETS, BUDGET, ACTUAL PERFORMANCE, AND EXPENDITURE ECT.) ON 3.23 COMPONENT J: MISCELLANEOUS

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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
- Mathyszensloop 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 Coordinator, reporting to the Manager Social Development Service. The Unit is fully functional. The municipality conducted dialogues, HIV Counselling and Testing (HCT) campaigns and training to support and reduce the impact of the HIV/ AIDS on individuals, family community and society by expanding access to appropriate treatment, adhere care and support in accordance to NSP/ PSP by 2012 -2016. The municipality conducted 5 HIV/AIDS related campaigns and 2 HIV/AIDS related training in 2014-15 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.

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Disability Day Celebration

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

NOTE: OBJECTIVES TAKEN FROM IDP: A DETAILED PERFORMANCE REPORT (INCLUDES ANNUAL TARGETS, BUDGET, ACTUAL PERFORMANCE, AND EXPENDITURE ECT.) ON 3.23 COMPONENT J: MISCELLANEOUS

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FINANCIAL PERFORMANCE 2013/14 AND 2014/15: 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.

COMPONENT E: HEALTH

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 twelve (12) business inspections in six (6) villages. Routine business inspections were conducted by the Environmental Health Practitioner.

Employees: Health Inspection (environmental health)					
Job Level	2013/13	2014/2015			
	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%

*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.*

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3.16 DISASTER MANAGEMENT

INTRODUCTION

The municipality has a disaster management plan and plays a role in mobilizing a multi sectoral 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 one official dealing with disaster management.

EMPLOYEE INFORMATION

Employees: disaster management					
Job Level	2013/2014	2014/2015			
	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	1	0	1	100%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
Total	1	2	1	1	50%

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.

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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.

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

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- (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	2013/2014		2014/2015	
	Ordinary Meetings	Special Meetings	Special Meetings	Ordinary Meetings
Mayoral Committee	08	04	6	6
Technical Service Committee	02	0	5	0
SDS Committee	05	0	0	0
Audit Committee	09	0	0	0
LED Committee	10	0	0	0
Finance committee	06	0	0	0
Council Meeting	03	09	5	6

EMPLOYEE INFORMATION

Employees: The Executive and Council					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	6	6	0	0%
4 - 6	22	22	22	0	0%
7 - 9	0	0	0	0	0
10 - 12	36	36	36	0	0%
13 - 15	0	0	0	0	0
Total	64	64	64	0	0%

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.

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EXPENDITURE ON EXECUTIVE AND COUNCIL FOR 2013/2014 AND 2014/2015 FINANCIAL YEAR:

VOTE	DETAIL	2013/2014 BUDGET	2013/2014 ACTUAL	2014/2015 BUDGET	2014/2015 ACTUAL
100	SALARIES	R 3 166 066.00	R 2 857 913.19	3 349 381	2 983 021
100	PENSION CONTRIBUTIONS	R 1 450 000.00	R 0.00	1 750 000	1 740 279
100	MEDICAL AID CONTRIBUTIONS	R 250 000.00	R 239 161.91	264 475	256 056
100	TRAVEL ALLOWANCES	R 2 800 000.00	R 3 934 224.29	3 119 517	4 023 268
100	CELLPHONE ALLOWANCES	R 1 335 552.00	R 1 404 732.00	1 496 312	1 348 336
100	CLR ALLOWANCES	R 8 950 665.00	R 9 369 081.36	8 261 756	7 872 094
100	INFRASTRUCTURE DEPRECIATION	R 163 921 278.00	R 0.00	0	85 165 644
100	RENTAL OF OFFICE EQUIP	R 400 000.00	R 1 275 551.89	5 133	768 939
100	MEMBERSHIP FEES	R 800 000.00	R 377 392.11	345 232	448 747
100	SKILLS DEVELOPMENT LEVY	R 0.00	R 107 945.67	112 648	108 984
100	PUBLIC PARTICIPATION	R 250 000.00	R 129 174.98	123 727	122 200
100	AUDIT COMMITTEES	R 150 000.00	R 104 226.00	169 330	141 535
100	CATERING	R 500 000.00	R 356 670.51	0	
100	ELECTRICITY AND WATER / MUNICIPAL SERVICE	R 7 000 000.00	R 4 386 009.15	5 663 705	5 670 403
100	REFRESHMENTS:EXEC MAYOR	R 10 000.00	R 6 113.75	0	0
100	REFRESHMENT SPEAKER	R 8 000.00	R 3 356.11	0	0

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100	REFRESHMENT CHIEFWHIP	R 8 000.00	R 1 363.25	0	0
100	REFRESHMENT : MPAC	R 5 500.00	R 3 125.34	0	0
100	REFRESHMENT :MMC	0	0	0	0
100	REFRESHMENT : SECTION 79	0	0	0	0
100	TRAVELLING AND SUBSISTANCE	R 250 000.00	R 84 562.70	54 972	68 596
100	ACCOMODATION AND MEALS	R 350 000.00	R 667 825.67	100 000	135 857
100	TELECOMMUNICATIONS	R 1 800 000.00	R 2 171 437.14	1 413 520	1 650 914
100	INSURANCE	R 1 000 000.00	R 887 929.72	1 963 349	1 364 759
100	WARD COMMITTEES EXPENDITURE	R 330 000.00	R 3 270 400.00	4 010 500	3 966 000
100	AUDIT FEES	R 3 500 000.00	R 3 315 778.55	4 348 766	4 337 834
100	PROV FOR BAD DEBTS	R 24 100 000.00	R 20 241 420.68	55 997 200	90 140 595

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.

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Debt Recovery					
R					
Details of the types of account raised and recovered	2013/2014		2014/2015		
	Actual for accounts billed in year	Proportion of accounts 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	220 061	2%	53 989 190.13	32 669 164	60.51
Water	1 760 553	5%	30 240 109.45	1 846 185	6.11
Sanitation	118 510	9%	1 509 696.6	203 414	13.47
Refuse	186 673	1%	10 462 955	646 133	6.18
Other	624 977	29%	23 953 986	808 612	3.38

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them. note: 2014/2015 service charge

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: Budget and Treasury office					
Job Level	2013/14		2014/2015		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
3	5	5	4	1	20%
4 - 6	13	12	11	1	8%
7 - 9	9	1	1	0	0%
10 - 12	13	27	15	12	46%
13 - 15	0	0	0	0	0%
Total	40	45	31	14	31%

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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 AND CAPITAL EXPENDITURE 2013/14 AND 2014/15: FINANCIAL SERVICES

VOTE	DETAIL	2013/2014 BUDGET	2013/2014 ACTUAL	2014/2015 BUDGET	2014/2015 ACTUAL
104	SALARIES	R 6 100 911.00	R 7 801 684.18	7 156 403	7 090 323
104	INTERNS SALARIES-FMG	R 513 750.00	R 0.00	360 000	360 000
104	BONUS	R 400 000.00	R 534 452.98	561 772	579 571
104	SALGBC	R 1 850.00	R 0.00	4 264	2 800
104	ACTING ALLOWANCE	R 295 000.00	R 128 404.90	250 000	228 559
104	PENSION CONTRIBUTIONS	R 900 000.00	R 1 373 071.47	1 293 362	1 294 198
104	MEDICAL AID CONTRIBUTIONS	R 350 000.00	R 396 810.60	458 708	468 548
104	HOUSING SUBSIDIES	R 16 995.00	R 24 732.00	24 732	20 610
104	U I F CONTRIBUTIONS	R 40 000.00	R 58 743.55	54 753	56 093
104	W C C CONTRIBUTIONS	0	0	0	0
104	OVERTIME	R 45 000.00	R 38 111.95	0	0
104	TRAVEL ALLOWANCES	R 350 000.00	R 516 500.00	350 500	348 000
104	CELLPHONE ALLOWANCES	R 25 500.00	R 20 000.00	45000	37 330
104	VALUATION ROLL	R 3 500 000.00	R 3 419 298.24	870 060	763 211

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104	MUNSOFT UPGRADE MAINTENANCE &	R 500 000.00	R 444 685.56	0	0
104	MEMBERSHIP FEES	R 20 000.00	R 0.00	0	0
104	BANK CHARGES	R 200 000.00	R 171 921.92	200 000	152 989
104	PRINTING AND STATIONERY	R 300 000.00	R 136 344.25	250 939	92 386
104	SKILLS DEVELOPMENT LEVY	R 60 000.00	R 88 769.79	63 821	93 303
104	ENTERTAINMENT	R 5 000.00	R 2 715.77	0	0
104	FMG EXPENDITURE			1 240 000	1 240 000
104	SOFTWARE LICENCES	R 350 000.00	R 208 171.38	534 005	702 487
104	TRAVEL AND ACCOMMODATION	R 150 000.00	R 50 610.66	0	0
104	TRAVELLING AND SUBSISTANCE	R 80 000.00	R 89 385.02	11 537	10 322
104	POSTAGE	R 50 000.00	R 72 020.00	45 335	0
104	BUDGET PROCESS	R 50 000.00	R 4 541.76	0	0
104	SOFTWARE CONSULTANCY	R 250 000.00	R 0.00	0	0
104	MSIG	R 300 000.00	R 1 728 735.15	934 000	934 000
104	GRAP IMPLEMENTATION -FMG	R 230 000.00	R 50 089.88	0	0
104	GRAP IMPLEMENTATION - MSIG	R 50 000.00	R 270 000.00	0	0
104	DATA CLEANSING INDIGENT REGIST	R 50 000.00	R 0.00	0	0
104	ASS REG & INVENTORY MANAGEMENT	R 3 700 503.00	R 2 816 455.47	0	0

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104	VAT RECOVERY	R 3 000 000.00	R 6 189 362.64	2 545 028	4 041 484
104	METER READING MACHINES	R 300 000.00	R 236 230.00	0	0

3.19 HUMAN RESOURCE(CORPORATE) SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The municipality submitted the Employment Equity report to the Department of Labour. The Work Skills Plan for 2014/2015 was also approved by the Council.

Some of the identified critical posts to the 2014/2015 financial year were filled, but the process is ongoing. Occupational Health and Safety sub-unit is also in line with OHS Act 1993, this is to promote health and safety of employees by identifying potential hazards.

In order to ensure an effective workforce, the Labour Relations Unit oversees and deals with issues of conflict on duty and enforcing discipline in the workplace. Furthermore to ensure compliance with legislations.

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 2013/2014 to 2014/2015

Financial Year	(R)
2013/2014	96,788,418
2014/2015	104,534,024

Pension fund

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

Pension Fund	Number of Members	
	2013/2014	2014/2015
Municipal Gratuity Fund	10	9
National Fund for Municipal Workers	0	1
Joint Municipal Pension fund	0	0
Sala Pension Fund 96 92	0	0
Municipal Councillors Pension Fund	63	63
Municipal Employees Pension Fund	390	389
Meshawu Pension fund	0	0
Samwu Pension Fund	0	0
GEPF	07	6

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Medical Aid Funds

The medical aid funds are accredited by the South African Local Government Bargaining Council (SALGBC). The Council's actual expenditure for the 2014/2015 financial year towards the employer's contribution to total Medical Aid Funds is R 4 921 174

Medical Aid Fund	2013/2014 Number of Members	2014/2015 Number of Members	2013/2014 Employer's Contribution (R)	2014/2015 Employer's Contribution (R)
KeyHealth	17		225,557.51	224,448
Hosmed	55		1,341,047.10	1,358,650.
Bonitas	22		426,939.96	619,039.
LA Health	11		251,603.88	348,308.
Samwu Med	167		2,138,770.87	2, 370, 729
Total	272		4,383,919.32	4, 921, 174

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-2014 (R)	Arrears: Jun-2015 (R)
Councillors	285,,956	221 ,901

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)	
	2013/2014	2014/2015
Executive Council	4,433.947	4,526,523
Section 56 Managers	5,240,909.00	5,485,001
Part time/ Section 79	13 402 311	13, 805, 425

Designation	Remuneration (Package) (R)	
	2013/2014	2014/2015
Executive Mayor	703,801	739, 363
Speaker	563,040	595, 664
Chief Whip	527,851	462, 226
MMC's	527,851	2,694,360
Municipal Manager	1,338,104	1,336,319
Manager Corporate service	947,824	1,007,537
Manager SDS	947,824	1,007,537
Manager technical services	947,824	1,007,537
CFO	1,059,333	1,126,071

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Employees: Human Resource Services					
Job Level	2013/2014	2014/2015			
	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	6	5	1	17%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	8	8	7	1	13%

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 AND CAPITAL EXPENDITURE 2013/2014 AND 2014/2015: CORPORATE SERVICES (HR, FLEET MANAGEMENT, ICT, LEGAL, LABOUR RELATION AND OTHER)

VOTE	DETAIL	2013/2014 BUDGET	2013/2014 ACTUAL	2014/2015 BUDGET	2014/2015 ACTUAL
106	SALARIES	R 7 285 000.00	R 8 428 406.42	8 339 363	8 412 289
106	BONUS	R 450 000.00	R 609 353.08	578 312	644 821
106	SALGBC	R 2 500.00	R 0.00	3 132	3 112
106	ACTING ALLOWANCE	R 250 000.00	R 73 719.91	73 257	153 005
106	PENSION CONTRIBUTIONS	R 1 250 000.00	R 1 608 272.83	1 609 182	1 590 421
106	MEDICAL AID CONTRIBUTIONS	R 375 000.00	R 582 577.00	601 455	660 946
106	HOUSING SUBSIDIES	R 14 500.00	R 22 236.00	22 236	22 236
106	U I F CONTRIBUTIONS	R 45 000.00	R 68 579.70	83 394	64 655

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106	W C C CONTRIBUTIONS	R 14 500.00	R 22 236.00	3 100 000	1 949 977
106	OVERTIME	R 45 000.00	R 68 579.70	0	0
106	TRAVEL ALLOWANCES	R 14 500.00	R 22 236.00	300 000	300 000
106	CELLPHONE ALLOWANCES	R 45 000.00	R 68 579.70	50 000	48 300
106	HARDWARE REPAIRS & MAINTENANCE	R 14 500.00	R 22 236.00	75 950	44 531
106	VEHICLES	R 45 000.00	R 68 579.70	1 410 563	1 143 861
106	IT SLA MAINTANANCE	R 14 500.00	R 22 236.00	52 000	84 585
106	WEBSITE UPDATES - MSIG	R 45 000.00	R 68 579.70	0	0
106	MEMBERSHIP FEES	R 14 500.00	R 22 236.00	0	0
106	DEPUTATION COSTS	R 45 000.00	R 68 579.70	0	0
106	PRINTING AND STATIONERY	R 14 500.00	R 22 236.00	445 081	697 995
106	SKILLS DEVELOPMENT LEVY	R 45 000.00	R 68 579.70	33 000	97 131
106	FUEL	R 14 500.00	R 22 236.00	4 104 503	3 545 331
106	RENTAL OF OFFICE EQUIP	R 45 000.00	R 68 579.70	0	0
106	STRATEGIC PLANNING	R 14 500.00	R 22 236.00	0	0
106	ENTERTAINMENT	R 45 000.00	R 68 579.70	0	0
106	TRAINING	R 14 500.00	R 22 236.00	1 934 516	621 878
106	LEGAL COSTS	R 45 000.00	R 68 579.70	1 400 192	3 308 306
106	SOFTWARE LICENCE	R 14 500.00	R 22 236.00	391 736	477 518

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106	TRAVELLING AND SUBSISTANCE	R 200 000.00	R 49 615.40	0	10 003
106	ACCOMODATION AND MEALS	R 200 000.00	R 279 707.84	0	0
106	POSTAGE	R 30 000.00	R 7 897.93	12 139	8 216
106	POLICY DEVELOPMENT(BYLAWS)			0	0
106	LITIGATION	R 750 000.00	R 807 774.22	0	0
106	LABOUR RELATION JOURNAL	R 18 000.00	R 16 678.04	0	0
106	RECORD MANAGEMENT UPGRAD+	R 50 000.00	R 49 981.97	0	0
106	OHS PROGAMMES	R 120 000.00	R 67 122.72	0	0
106	COMPUTER EQUIPMENT	R 50 000.00	R 147 788.06	0	0
106	FURNITURE	R 50 000.00	R 153 206.80	0	0
106	ICT UPGRADE	R 215 000.00	R 228 200.00	0	0

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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

2013/2014 adopted policies	2014/15 adopted policies
Patch Management policy	Patch Management policy
Disaster recovery policy	Information Security Policy
Reviewed ICT governance framework	Reviewed ICT governance framework
Back-up policy	Back-up policy
ICT change management procedure manual	ICT Change Management Policy
Back-up procedure manual	Internet Usage Policy
	Email Policy
	Password Policy
	Telephone Usage Policy

Chapter 3

EMPLOYEE INFORMATION

Employees: ICT					
Job Level	2013/2014	2014/2015			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	0	1	100%
4 – 6	3	3	3	0	0%
7 – 9	0	0	0	0	0%
10 – 12	2	4	2	2	50%
13 – 15	0	0	0	0	0%
Total	6	8	5	3	38%

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.

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The Thembisile Hani Local Municipality has one large priority IT capital project running. This is:

- ICT Hardware/Software maintenance
- Renewal of 2013 Microsoft office, Anti-virus, Scope serve and Fire wall
- Updated municipal website
- Upgraded financial system (VIP and Munsoft systems)
- Maintained 06 (Mathysloop, Workshop, Tweefontein K, Traffic Center, Kwa- Mhlanga and Mandela satellite offices) satellite offices using Wireless technology

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.

Chapter 3

Employees: Legal Services					
Job Level	2013/2014	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	2	2	2	0	0%
7 – 9	0	0	0	0	0%
10 – 12	4	4	4	0	0%
13 – 15	0	0	0	0	0%
Total	7	7	7	0	0%

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.

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

Chapter 3

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. Council vehicles are centralized and managed within the fleet unit.

STATUS OF COUNCIL FLEET AS OF JULY 2014 TO JUNE 2015

Thembisile Hani Local Municipality has a Fleet Management component responsible for the management and administration of hundred and thirty (130) vehicles.

Thembisile Hani Local Municipality

Fleet Unit

Fleet Register 2014/2015

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. DSH 914 MP	ISUZU	HONEY SUCKER	2008	DIESEL
12. DSH 919 MP	ISUZU	HONEY SUCKER	2008	DIESEL
13. FZB 485 MP	NISSAN	HONEY SUCKER	2013	DIESEL
14. FZB 487 MP	NISSAN	HONEY SUCKER	2013	DIESEL
15. DXT 171 MP	NISSAN	TIPPER	2009	DIESEL
16. DXT 176 MP	NISSAN	TIPPER	2009	DIESEL
17. DRH 754 MP	ISUZU	TIPPER	2008	DIESEL
18. DRH 748 MP	ISUZU	TIPPER	2008	DIESEL
20. DVC 913 MP	NISSAN	TIPPER	2008	DIESEL
21. HDP 505 MP	NISSAN	TIPPER	2013	DIESEL
22. HDP 474 MP	NISSAN	TIPPER	2013	DIESEL
23. HDP 484 MP	NISSAN	TIPPER	2013	DIESEL
24. HBP 389 MP	NISSAN	TIPPER	2013	DIESEL

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25. HDP 505 MP	NISSAN	TIPPER	2013	DIESEL
26. HDP 489 MP	NISSAN	TIPPER	2013	DIESEL
27. HCY 382 MP	NISSAN	WATER TANK	2013	DIESEL
28. HCY 384 MP	NISSAN	WATER TANK	2013	DIESEL
29. DVC 923 MP	NISSAN	DROPSIDE	2004	DIESEL
30. HBY 802 MP	NISSAN	COMPACTOR	2013	DIESEL
31. DJN 789 MP	NISSAN	COMPACTOR	2005	DIESEL
32. FSP 929 MP	NISSAN	COMPACTOR	2012	DIESEL
33. FVP 717 MP	NISSAN	COMPACTOR	2012	DIESEL
34. HCD 563 MP	NISSAN	LOWBED	2013	DIESEL
35. HCD 587 MP	NISSAN	TRAILER(L/BED	2013	DIESEL
36. HCY 384 MP	NISSAN	WATER TANK	2013	DIESEL
37. HDP 474 MP	NISSAN	WATER TANK	2013	DIESEL
38. HGW 595 MP	NISSAN	COMPACTOR	2013	DIESEL
39. HGW 609 MP	NISSAN	COMPACTOR	2013	DIESEL
40. HDP 501 MP	NISSAN	TANKER	2013	DIESEL
41. DHY 232 MP	NISSAN	TANKER	2002	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

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EXCAVATORS				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. JCB	JCB	JCB	2011	DIESEL
2. BELL	BELL	BELL	2013	DIESEL
3. JCB	JCB	JCB	1996	DIESEL
BOMAGS				
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 END 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	QUANTUM	QUANTUM	2004	DIESEL
TRACTORS				
REGISTRATION NO.	MADE	TYPE	YEAR MODEL	FUEL
1. DXD 889 MP	MASSEY	MASSEY	2000	DIESEL
2. DXD 881 MP B	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. DDS 204 MP	MASSEY	MASSEY	2000	DIESEL
6. DDS 214 MP	MASSEY	MASSEY	2000	DIESEL
7. DCJ 108 MP	MASSEY	MASSEY	2000	DIESEL
8. DCJ 101 MP	MASSEY	MASSEY	2000	DIESEL
9. DDS 196 MP	MASSEY	MASSEY	2002	DIESEL
10. HFY 726 MP	TRACTOR	TRACTOR	2013	DIESEL
11. HFY 731 MP	TRACTOR	TRACTOR	2013	DIESEL

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12. HFY 733 MP	TRACTOR	TRACTOR	2013	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 142 MP	NISSAN	BAKKIE	2007	DIESEL
5. DWW 141 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 753 MP	NISSAN	BAKKIE	2006	DIESEL
11. DPY 701 MP	NISSAN	BAKKIE	2006	DIESEL
12. DPY 769 MP	NISSAN	BAKKIE	2006	DIESEL
13. DPY 802 MP	NISSAN	BAKKIE	2006	DIESEL
14. DPY 808 MP	NISSAN	BAKKIE	2006	DIESEL
15. DPY 747 MP	NISSAN	BAKKIE	2006	DIESEL
16. DPY 772 MP	NISSAN	BAKKIE	2006	DIESEL
17. DPY 725 MP	NISSAN	BAKKIE	2006	DIESEL
18. DGJ 982 MP	TOYOTA	BAKKIE	2004	PETROL
19. DFZ 634 MP	NISSAN	BAKKIE	2004	PETROL
20. DFS 353 MP	FORD	BAKKIE	2004	PETROL
21. FSB 890 MP	NISSAN	BAKKIE	2012	DIESEL
22. FSB 801 MP	NISSAN	BAKKIE	2012	DIESEL
23. FSB 887 MP	NISSAN	BAKKIE	2012	DIESEL
24. FSB 882 MP	NISSAN	BAKKIE	2012	DIESEL
25. FSB 891 MP	NISSAN	BAKKIE	2012	DIESEL
26. DFY 131 MP	NISSAN	BAKKIE	2004	PETROL
27. DFY 135 MP	NISSAN	BAKKIE	2004	PETROL
28. FYZ 069 MP	NISSAN	BAKKIE	2013	DIESEL
29. FYZ 067 MP	NISSAN	BAKKIE	2013	DIESEL
30. FYZ 066 MP	NISSAN	BAKKIE	2013	DIESEL
31. FYZ 065 MP	NISSAN	BAKKIE	2013	DIESEL
32. DRD 053 MP	ISUZU	BAKKIE	2007	PETROL
33. DRD 066 MP	ISUZU	BAKKIE	2007	PETROL
34. DRD 048 MP	ISUZU	BAKKIE	2007	PETROL

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35. DRD 044 MP	ISUZU	BAKKIE	2007	PETROL
36. HFN 945 MP	NISSAN	BAKKIE PMU	2013	DIESEL
37. HFN 956 MP	NISSAN	BAKKIE BULK	2013	DIESEL
38. HFN 972 MP	NISSAN	BAKKIE SANITA	2013	DIESEL
40. HFN 966 MP	NISSAN	BAKKIE ROADS	2013	DIESEL
41. 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. DFS 345 MP	COROLLA	SEDAN	2002	PETROL
12. DFT 019 MP	MAZDA	SEDAN	2002	PETROL
13. DFR 930 MP	CITI GOLF	SEDAN	2002	PETROL
14. FYZ 872 MP	TIIDA	SEDAN	2013	PETROL
15. HFN 966 MP	NISSAN	BAKKIE ROADS	2013	DIESEL

- **REPAIRS AND MAINTENANCE**

Council vehicles are repaired and maintained for the municipality to deliver services promised to the community during 2014/2015

COMPONENT G: MISCELLANEOUS

3.23 AUDITED ANNUAL PERFORMANCE REPORT

This component includes: Annual Performance Scorecard Report for the current year.

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).

Chapter 3

Section 46 of the Municipal Systems Act (Act 32 of 2000), stipulates the following:-

“Annual performance reports

46. (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 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.”

The 2014/2015 Performance Management Framework and Policy was adopted by Council on 31 May 2014.

The Annual Performance Report must be presented to the Auditor General for auditing together with the Annual Financial Statements on 31 August 2015.

COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD

Institutional performance management process overview

In the 2014/2015 financial year, every attempt was made to ensure that the municipality complies with 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. THLM has continued to maintain the effective operation of the following mechanisms:

- The 2014/2015 IDP included strategic objectives, strategies and key performance indicators (KPIs) 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 with performance plans were developed, signed and approved 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 to verify and to confirm performance information as reflected in the reports; the unit also confirmed the credibility of evidence that was submitted quarterly;
- The Audit Committee (AC) functioned optimally in the year; in line with the committee's approved terms of reference.

Chapter 3

KPA 1: MUNICIPAL BASIC SERVICE AND INFRASTRUCTURE DEVELOPMENT

Technical Service

The department of Technical Services overall performance for 2014/15 financial year has improved from 54% achieved in 2013/2014 financial year to 88% achievement in 2014/15 financial year

KPA												
BASIC SERVICE DELIVERY												
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
WATER												
Ward 32	Boreholes ward 32	Number of boreholes drilled and equipped	8 boreholes drilled and equipped by 31 May 2015	2 316	Drilling and equipping of 08 Boreholes	R 1 729 043.72 (inclusive of professional fees and other)	Yes	Snagging and de-snagging not accounted for in the annual target duration	Snagging and de-snagging to be done during site visits prior to due completion of the project	08 Boreholes	Access to potable water	Completion certificate
Zakheni	Water Reticulation Zakheni Extension	Number of households connected to yard taps	70 households connected to yard taps by 31 December 2014	1 844	74 households connected to yard taps	R 1 844 784.39 (inclusive of professional fees and other)	Yes	Snagging and de-snagging not accounted for in the annual target duration	Snagging and de-snagging to be done during site visits prior to due completion of the project	good quality drinking water	Access to potable water	Completion certificate

Chapter 3

KPA												
BASIC SERVICE DELIVERY												
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
Ward 10	Boreholes Ward 10 Farm	Number of boreholes drilled and equipped	4 boreholes drilled and equipped by 31 May 2015	2 500	Drilling and equipping of 04 Boreholes	R 1 463 944.55 (inclusive of professional fees and other)	Yes	Snagging and de-snagging not accounted for in the annual target duration	Snagging and de-snagging to be done during site visits prior to due completion of the project	04 Boreholes	Access to potable water	Completion certificate
(Rietfontein & Domek Farms) Ward 08	Boreholes Farm Ward 08 (Rietfontein & Domek Farms)	Number of boreholes drilled and equipped	2 boreholes drilled and equipped by 31 May 2015	700	Drilling and Equipping of 3 boreholes and refurbishment of 2 Boreholes	R 0.00	Yes	Payment not effected due to other charges effected that were not budgeted for by the municipality	The municipality to engage Rand Water on the submitted invoices	02 Boreholes	Access to potable water	Completion certificate
Boekenhouthoek	Drilling & Equipping of Boreholes in Boekenhouthoek	Number of Boreholes drilled and equipped	7 boreholes drilled and equipped by 31 May 2015	12 100	10 boreholes sited and drilled Equipping = 0%	R 6 374 552.29 (inclusive of professional fees and other)	No	Four boreholes with the high yield to be used instead of seven.	Rand water to re-do the design in order to accommodate the initial scope of work.	07 Boreholes	Access to potable water	Multi-year project. Progress report
Vlakraagte (Mabhoko)	Water Reticulation Vlakraagte (Mabhoko)	Number of households connected to yard taps	59 households connected to yard taps by 31 March 2015	2 570	59 households connected to yard taps	R 2 460 061.89 (inclusive of professional fees and other)	Yes	None	None	good quality drinking water	Access to potable water	Completion certificate
Mandela/ Msholoji	Water Reticulation Mandela/ Msholoji	Number of households connected to yard taps	80 households connected to yard tap by 31 December 2014.	2 084	84 households connected to yard taps	R 1 968 489.83 (inclusive of professional fees and other)	Yes	None	None	good quality drinking water	Access to potable water	Completion certificate

Chapter 3

BASIC SERVICE DELIVERY													
KPA	LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
	Tweefontein K	Upgrading of WWTW Tweefontein K	Number of WWTW upgraded	1 WWTW upgraded by 31 May 2015	6 000	Construction of floor slab 100% Construction of walls 100% Casting of concrete walls 80% Backfilling 75% 80 % overall progress	R 5 307 895.75 (inclusive of professional fees and other)	No	Multi-year project	Action plan to be completed in the 2015/2016 financial year	WWTW upgraded	Improve service delivery	Multi Year Project. Progress report
	KwaMhlanga, Phola & Mountain View	New Reservoir & Pipeline at KwaMhlanga for Phola & Mountain View	Number of Pipelines constructed	3.2 km dia PVC pipe tapping off from the existing 1000mm dia line from Ekandustria to Enkeldoornoog constructed by 31 May 2015 3.75km pipeline to KwaMhlanga R1 reservoir constructed by 31 May 2015	33 717	3.2 km dia PVC pipe tapping off from the existing 1000mm dia line from Ekandustria to Enkeldoornoog (100% progress for excavation and pipe line) 2.1 km pipeline constructed to KwaMhlanga R1 reservoir (56% progress for excavation and pipe line) Overall progress is at 50.3%	R 20 828 633.12 (inclusive of professional fees and other)	No	Hard rock material on site delayed the completion of the project.	Service provider to provide extra resources.	Construction of New 3.2 km dia PVC pipe tapping off from the existing 1000mm dia line from Ekandustria to Enkeldoornoog C by 31 May 2015. Construction of new dedicated line of 3.75km to KwaMhlanga R1 reservoir	Improve service delivery	Multi Year Project. Progress report

Chapter 3

KPA		BASIC SERVICE DELIVERY										
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
Tweefontein K Newstands	Tweefontein K water Reticulation New stands	Number of Pipelines constructed	1800m of 75mm dia pipework constructed by 31 May 2015	1 387	1500m of 75mm dia pipework constructed by 31 May 2015	R 1 387 293.26 (inclusive of professional fees and other)	No	Technical report rejected by DWS to reticulate green fields for the purpose of selling stands to the community.	The project was not approved for MIG funding. The Municipality will use its own revenue to fund the project.	good quality drinking water	Access to potable water	Completion certificate
Luthuli (Mahlabathini)	Water Reticulation Luthuli (Mahlabathini)	Number of communal stand pipes	10 Communal stand pipes installed to serve 180 by 31 May 2015	1 415	11 communal stand pipes installed	R 1 415 499.47 (inclusive of professional fees and other)	Yes	None	None	good quality drinking water	Access to potable water	Completion certificate
Kwaggafontein, Boekenhouthoek, Bundu and Machipe	Upgrading of Kwaggafontein Water Scheme	Number of Pipelines constructed	2km pipeline of 160mm diam. By 31 May 2015	9 216	1.8km pipeline of 160mm dia completed	R 8 627 475.39 (inclusive of professional fees and other)	No	Hard rock material on site delayed the completion of the project.	Service provider to provide extra resources.	good quality drinking water	Improve service delivery	Multi Year Project. Progress report
Moloto North and South	Replacement of asbestos pipes at Moloto North and South	Number of households connected to yard 31 May 2015	60 households connected to yard taps by 31 December 2014	2 000	63 households equipped with yard taps	R 1 987 449.51 (inclusive of professional fees and other)	Yes	None	None	good quality drinking water	Improve service delivery	Completion certificate
Mandela Extension	Water Reticulation Mandela Extension	Number of households connected to yard taps	40 households connected to yard by 31 May 2015	1 000	3000m of 75mm dia pipe with 130 house connections	R 820 771.65 (inclusive of professional fees and other)	Yes	None	None	good quality drinking water	Access to potable water	Completion certificate

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BASIC SERVICE DELIVERY												
KPA												
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
Vlaaklaagte No: 2 Next to RDP	Water Reticulation Vlaaklaagte No: 2 Next to RDP	Number of households connected to yard taps	150 households connected to yard by 31 May 2015	9 095	3500 m of 75mm dia pipe and 150 house connections	R 2 687 189.41 (inclusive of professional fees and other)	Yes	Payment not effected due to over expenditure	Rand Water to revise payment certificate	good quality drinking water	Access potable water	to Completion certificate
Tweefontein A Miliva Next to RDP	Water Reticulation Miliva Next to RDP	Number of households connected to yard taps	205 households connected to yard by 31 May 2015	8 979	4140m of 75mm dia pipe and 205 house connections	R 3 727 537.57 (inclusive of professional fees and other)	Yes	None	None	good quality drinking water	Access potable water	to Completion certificate
THLM	Water	Number of household provided with access to basic water	73 000 households provided with access to basic water by daily	62 054	73 000 households provided with access to basic water by daily	R106 952 732.00	Yes	Actual budgeted amount was 100 million before the budget adjustment for 2014/2015 and adjusted to 62 million.	Budget for water purchases to be in line with actual expenditure in the	good quality drinking water	Access potable water	to Reports
THLM	Free basic water	Number of kiloliters provided to household at no charges (free basic water)	6 kiloliters provided to households on a monthly basis	Operational budget	6 kiloliters provided to households on a monthly basis	In house	Yes	None	None	good quality drinking water	Access potable water	to Statement

Chapter 3

BASIC SERVICE DELIVERY												
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
THLM	Water samples	Number of water samples tested	150 water samples tested by 30 December 2014	251	183 water samples tested by 30 December 2014 Annual performance = 368 water samples tested (July 2014 – June 2015)	R 483 833.64	Yes	None	None	good quality drinking water	Access to potable water	Reports
ROADS AND STORM WATER												
Vezubhle	Bus Route Vezubhle	Number of bus route Designs developed	1 bus route Designs developed by 30 December 2014	324	1 Bus route designed	R 324 000.00	Yes	None	None	Improving road usage and safety for all users.	Improved road safety and access to all residents	Design Report
Mathyzensloop	Bus Route Mathyzensloop	Number of bus route Designs developed	1 bus route Designs developed by 30 December 2014	251	1 Bus route designed	R 251 068.45	Yes	None	None	Improving road usage and safety for all users.	Improved road safety and access to all residents	Design Report
Twefontein G	Bus Route Twefontein G Bus and Taxi Route	Number of bus route Designs developed	1 bus route Designs developed by 30 December 2014	383	1 Bus route designed	R 383 000.00	Yes	None	None	Improving road usage and safety for all users.	Improved road safety and access to all residents	Design Report

Chapter 3

KPA BASIC SERVICE DELIVERY												
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
Kwagqafontein A	Bus Route Kwagga A Bus & Taxi Rute	Number of bus route Designs developed	1 bus route Designs developed by 30 December 2014	287	1 Bus route designed	R 287 280.00	Yes	None	None	Improving road usage and safety for all users.	Improved road safety and access to all residents	Design Report
Buhlebesizwe	Bus Route Buhlebesizwe	Number of bus route Designs developed	1 bus route Designs developed by 30 December 2014	387	1 Bus route designed	R 387 000.00	Yes	None	None	Improving road usage and safety for all users.	Improved road safety and access to all residents	Design Report
Twefontein B2	Bus Route Twefontein B2	Number of bus route Designs developed	1 bus route Designs developed by 30 December 2014	63	1 Bus route designed	R 63 382.46	Yes	None	None	Improving road usage and safety for all users.	Improved road safety and access to all residents	Design Report
Twefontein E	Bus Route Twefontein E	Number of bus route Designs developed	1 bus route Designs developed by 30 December 2014	595	1 Bus route designed	R 595 000.00	Yes	None	None	Improving road usage and safety for all users.	Improved road safety and access to all residents	Design Report
Thembaletu	Bus Route Thembaletu	Number of bus route Designs developed	1 bus route Designs developed by 30 December 2014	322	1 Bus route designed	R 322.149.00	Yes	None	None	Improving road usage and safety for all users.	Improved road safety and access to all residents	Design Report
Luthuli	Link Route Luthuli	Number of bus route Designs developed	1 bus route Designs developed by 30 December 2014	136	1 Bus route designed	R 135.837.06	Yes	None	None	Improving road usage and safety for all users.	Improved road safety and access to all residents	Design Report

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KPA												
BASIC SERVICE DELIVERY												
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
Suncity AA (Ward 20)	Bus and Taxi Route Suncity AA (Ward 20)	Number of bus route Designs developed	1 bus route Designs developed by 30 December 2014	326	1 Bus route designed	R 326 000.00	Yes	None	None	Improving road usage and safety for all users.	Improved road safety and access to all residents	Design Report
Route Suncity B (Ward 19)	Completion of Bus Route Suncity B (Ward 19)	Number of bus route Designs developed	1 bus route Designs developed by 30 December 2014	322	1 Bus route designed	R 322 400.00	Yes	None	None	Improving road usage and safety for all users.	Improved road safety and access to all residents	Design Report
Twefontein N	re-gravelled road	Kilometre of road re-gravelled	0.8 Km road re-gravelled by 31 July 2014	In-house	0.8 Km road re-gravelled by 31 July 2014	In-house	Yes	None	None	Improving gravel road usage and safety for all users	Improved road safety and access to all residents	Confirmation letter from Ward Council (happy Letter)
Twefontein A1	re-gravelled road	Kilometre of road re-gravelled	2.3 Km road re-gravelled by 31 July 2014	In-house	2.3 Km road re-gravelled by 31 July 2014	In-house	Yes	None	None	Improving gravel road usage and safety for all users	Improved road safety and access to all residents	Confirmation letter from Ward Council (happy Letter)
Twefontein A2	re-gravelled road	Kilometre of road re-gravelled	3.5 Km road re-gravelled by 31 August 2014	In-house	3.5 Km road re-gravelled by 31 August 2014	In-house	Yes	None	None	Improving gravel road usage and safety for all users	Improved road safety and access to all residents	Confirmation letter from Ward Council (happy Letter)

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BASIC SERVICE DELIVERY												
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
Mathyszenslop	Road graded	Kilometre of road graded	0.25Km road graded by 30 November 2014	In-house	0.25Km road graded by 30 November 2014	In-house	Yes	None	None	Improving gravel road usage and safety for all users	Improved road safety and access to all residents	Confirmation letter from Ward Council (happy Letter)
Tweefontein D	Road graded	Kilometre of road graded	1.8 Km road graded by 30 November 2014	In-house	1.8 Km road graded by 30 November 2014	In-house	Yes	None	None	Improving gravel road usage and safety for all users	Improved road safety and access to all residents	Confirmation letter from Ward Council (happy Letter)
ELECTRICITY												
Zakheni (Ward 4)	Highmast Lights Zakheni (Ward 4)	Number of Highmast Lights installed and energized	2 High mast Lights installed and energized by 31 May 2015	634	2 High mast lights Installed and energised	R 634 566.33	Yes	None	None	2 High mast lights Installed and energised	improved standard of living	Completion certificate
Verena(A,B,C,D)	Highmastlights Verena(A,B,C,D)	Number of High mast Lights installed and energized	4 High mast Lights installed and energized by 31 May 2015	1 021	4 High mast lights Installed and energised	R 1 021 041.65	Yes	None	None	4 High mast lights Installed and energised	improved standard of living	Completion certificate
KwaMhlanga (Bankview)	Highmastlights KwaMhlanga (Bankview)	Number of High mast Lights installed and energized	2 High mast Lights installed and energized by 31 May 2015	633	2 High mast lights Installed and energised	R 633 577.33	Yes	None	None	2 High mast lights Installed and energised	improved standard of living	Completion certificate

Chapter 3

BASIC SERVICE DELIVERY												
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
PUBLIC FACILITIES												
Moloto North	Multi-Purpose Centre Moloto North	Number of Multipurpose centers design developed	1 Multipurpose centers design developed by 31 December 2014	328	Designs for Multipurpose centre in Moloto developed	R 328 000.00	Yes	None	None	1 Multipurpose centers design developed	improved standard of living	Design Report (Multi-year project)
Phumula	Multi-Purpose Phumula	Number of Multipurpose centers design developed	1 Multipurpose centers design developed by 31 December 2014	388	Designs for Multipurpose centre are available	R 388 000.00	Yes	None	None	1 Multipurpose centers design developed	Improved standard of living	Design Report (Multi-year project)
SANITATION												
KwaMhlanga and Tweefontein K	Sanitation	number of households provided with access to sanitation	3 500 households provided with access to basic sanitation daily	Operational budget	3884 households provided with access to basic sanitation (i.e. 2784 h/h connected to the network + 1100 h/h collected using the honey sucker)	In house	Yes	None	None	Provision of sustainable sanitation facilities for citizens in the KwaMhlanga and Tweefontein K areas	diseases free environment for all residential in KwaMhlangaand Tweefontein K areas	Reports

Chapter 3

Social Development Services

The department of SDS overall performance for 2014/15 financial year has improved from 47% achieved in 2014/2015 financial year to 88% achievement in 2014/15 financial year

KPA	BASIC SERVICE DELIVERY											
LOCATION / PROJECT DESCRIPTION	AUDITED BASELINE 2014/2015	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
Waste Management and Environment / Refuse removal	73 387 h/h provide with access to refuse removal on fortnight base	Number of households provided with access to refuse removal	75 000 h/h provided with access to refuse removal by 30 June 2015	In house machinery to be used	66 495 h/h provided with access to refuse removal	In house machinery used	No	Budget constrains (to maintain the machinery used to collect waste)	Maintenance Budget provided for 2015/2016	minimize waste	improve service delivery	12 monthly reports
Waste Management and Environment / EPWP	337 jobs Created	Number of job created thought EPWP initiative,	170 EPWP jobs Created by 30 March 2015	3,757	270 EPWP jobs created	R3 757 000	Yes	None	None	job creation and poverty alleviation	improved the standard of living for the community	Appointment letters and report
Sports, arts, recreation, culture and facilities management / Grading of sports grounds	25 soccer fields graded	Number of sports fields graded per ward	20 soccer fields graded by 30 June 2015	In house machinery to be used	21 soccer fields graded	In house machinery used	Yes	Overachieved (1 additional soccer field graded)	None	20 sport fields graded	healthy lifestyles	20 reports with control sheet
Sports, arts, recreation, culture and facilities management / Literacy campaign and National library	Literacy campaign conducted on 27 September 2013	Conducted Literacy campaign	Literacy campaign conducted by 26 September 2014	In house	Conducted Literacy campaign on 26 September 2014 at Boeknhouthoek Library	In house	Yes	None	None	effective use of library facilities within municipal area	educated and well informed community	Attendance registers and reports

Chapter 3

BASIC SERVICE DELIVERY												
LOCATION / PROJECT DESCRIPTION	AUDITED BASELINE 2014/2015	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
Sports, arts, recreation, culture and facilities management / Literacy National library week campaign	National library week campaign conducted at Verena on 26 March 2014	Conducted Literacy National library week campaign	National library week campaign Conducted at by 30 March 2015	In house	National library week campaign conducted on the 20 March 2015	In house	Yes	None	None	effective use of library facilities within municipal area	educated and well informed community	Attendance registers and reports
Public Safety and Transport / Road blocks	16 road blocks conducted	number of road blocks conducted	18 road blocks conducted by 30 June 2015	In house	18 road blocks conducted	In house	Yes	None	None	18 road blocks	effective and efficient law enforcement	Reports
Health, transversal services and disaster management / HIV & AIDS campaign and training	6 campaigns and 2 training conducted	number of HIV & AIDS campaign and training conducted	3 campaigns and 1 training1 conducted by 30 March 2015	In house	5 campaigns and 2 training conducted {HIV/AIDS on behaviour change, HCT and community dialogue and HIV/AIDS training }	In house	Yes	Over achieved by 1 training and 2 campaigns conducted	None	Improved municipal intervention on issues related to special group.	improved wellbeing of community	5 attendance registers for campaign and 2 attendance registers for training
Health, transversal services and disaster management / HIV & AIDS strategy	Reviewed HIV & AIDS strategy not yet approve	Reviewed and adopted HIV & AIDS strategy	Reviewed and adopted HIV & AIDS strategy by 30 September 2014	In house	Adopted HIV & AIDS strategy (Plan) on the 29 th August 2014	In house	Yes	None	None	Improved municipal intervention on issues related to special group.	improved wellbeing of community	Council resolution and adopted HIV & AIDS plan

Chapter 3

KPA 2: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Finance Services

The department of Finance's overall performance for 2014/15 financial year has improved from 77% achieved in 2014/2015 financial year to 83% achievement in 2014/15 financial year

KPA MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT												
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTDOLIO OF EVIDANCE
Financial Viability	Approval adjustment Budget	Approved 2014/15 adjustment budget	Adjusted and approved 2014/2015 Budget by 28 February 2015	In house	Adjusted Budget 2014/15 approved	In house	Yes	none	none	Balanced budget	improve service delivery	Council resolution
Financial Viability	MTREF budget for 2014/2015	Approved MTREF budget for 2015/2016	Approved Budget for 2015/2016 by 31 May 2015	In house	Adopted budget and related policies on the 28 th of May 2015	In house	Yes	None	None	Compliant budgets	improve service delivery	Approved MTREF budget Council resolution
Financial Viability	all budget related policies	Reviewed and adopted budget related policies	Adopted budget related policies by 31 May 2015	In house	Adopted all budget related policies on the 28 th of May 2015	In house	Yes	None	None	all adopted budget related policies	improve service delivery	Council resolution and policies
Financial Viability	Revenue collection	Amount collected within the financial year	R10,000,00.00 collected by 30 June 2015	In house	R495,549,615.68	In house	Yes	None	None	Decreasing doubtful debts	achieve acceptable collection level of all amounts billed	71 Monthly reports
Financial Viability	MFMA Section 71 reports	Number of MFMA Section 71 reports submitted to the Executive Mayor and provincial treasury within	12 monthly reports submitted by 30 June 2015	In house	12 monthly reports submitted	In house	Yes	None	None	12 Monthly reports	improve service delivery	Proof of submission and 12 reports

Chapter 3

KPA	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT											
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTDOLIO OF EVIDANCE
		10 working days after the end of each month										
Financial Viability	Supply Chain Management reports	number of quarterly SCM report submitted to council	4 quarterly SCM report submitted by 30 June 2015	In house	4 quarterly SCM report submitted	In house	Yes	None	None	4 SCM reports	improve service delivery	4 reports and council resolutions
Financial Viability	quarterly financial statement	Number of quarterly financial statement submitted to council	4 quarterly financial statement submitted by 30 June 2015	In house	4 quarterly financial statement submitted	In house	Yes	None	None	4 quarterly financial statement	Improve services delivery	Council resolution and reports
Financial Viability	monthly bank reconciliation	Number of monthly bank reconciliation submitted	12 monthly bank reconciliation submitted by 30 June 2015	In house	12 monthly bank reconciliation submitted	In house	Yes	None	None	12 monthly bank reconciliation	Improve services delivery	12 monthly bank reconciliation
Financial Viability	Annual Financial Statement.	AFS submitted to Auditor General	AFS submitted to AG by 31 August 2014	In house	AFS submitted to AG on the 29 th of August 2014	In house	Yes	None	None	AFS submitted to Auditor General and Audit committee	2014/2015 AFS	Acknowledgement letter
Financial Viability	Indigent Register (revenue enhancement)	Approved indigent register	Approved indigent register by 30 June 2015	In house	In progress	In house	No	Currently busy with data capturing Finalising indigent register	Finalise indigent register Target not achieved	updated indigent register	improve service delivery	Approved Indigent register

Chapter 3

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT												
KPA	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTDOLIO OF EVIDANCE
Financial Viability	valuation roll	Supplementary valuation roll and implemented	1 valuation roll and implemented by 01 July 2014	350	1 valuation roll developed and implemented	R0	Yes	None	None	Implemented valuation roll	improve service delivery	Valuation roll
Financial Viability	capital budget	% of capital budget actually spent on capital projects identified	100%	111 341	68% of capital budget spent on capital projects identified	75 788 178.44	No	Implementing Agent (Rand Water) Appointed late	Application for Rollover	100% capital budget actually spent on capital projects identified	Implementation of capital budget and improve service delivery	Section 71 Reports

Chapter 3

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Local Economic Development

The overall rating for LED's overall performance for 2014/15 financial year has improved from 67% achieved in 2014/2015 financial year to 80% achievement in 2014/15 financial year

KPA												
LOCALECONOMIC DEVELOPMENT												
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDANCE
Local Economic Development	LED strategy	Reviewed and approved LED strategy	approved LED strategy by 30 June 2015	0	Approved LED Strategy	In house	Yes	None	None	job creation and poverty alleviation	Improve the quality of life	Council resolution and approved LED strategy
Local Economic Development	SMME DEV training	Number of SMMEs trained on Business Management Skills	20 SMMEs trained by 30 June 2015	In house	23	In house	Yes	None	None	Create sustainable businesses	Economic growth	Attendance registers and reports
Local Economic Development	tourism ambassadors	Number of tourism ambassadors trained	15 tourism ambassadors trained by 31 August 2014 (a year programme)	In house	15	MTPA +NDM	Yes	None	None	Skills developed	Employable residents	Report
Local Economic Development	LED outreach's (Mass economic opportunities)	Number of LED outreach conducted (Mass economic opportunities)	4 LED outreach's by 31 May 2015	In house	4 LED outreach's held	In house	Yes	None	None	LED outreach	Sustainable Economic growth and development	Attendance register and report
Local Economic Development	CRDP	Number of CRDP meetings facilitated	07 CRDP meetings facilitated by 30 June 2015	In house	06 CRDP meetings facilitated	In house	No	CRDP has been moved from DARLEA to the Premier's Office	Only Local Reference Committee (LRC) meetings will be facilitated in 2015/16	Informed stakeholders	Participation of community in development.	Minutes and attendance register

Chapter 3

KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Office of the Municipal Manager

The overall performance for the Office of the Municipal Manager for 2014/15 financial year has improved from 75% achieved in 2014/2015 financial year to 94% target achieved in 2014/15 financial year

GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
IDP												
Good governance	IDP	Reviewed and adopted IDP	reviewed and adopted IDP by 31 May 2015	In house	Reviewed and adopted IDP on the 28 th of May 2015	In house	Yes	None	None	Reviewed and adopted IDP	Credible Approved IDP	Council resolution and IDP
Good governance	strategic planning	Number of strategic planning held	1 Strategic Planning Workshop held by 31 May 2015	In house	1 Strategic Planning Workshop (IDP Indaba) held	In house	Yes	None	None	strategic planning held	Improve service delivery	Attendance register and report
PERFORMANCE MANAGEMENT SYSTEM												
Good governance	Annual Performance Report	submitted annual performance report to the office of the Auditor General	submitted annual performance report to the office of the Auditor General by 31 August 2014	In house	submitted annual performance report to the office of the Auditor General by 31 August 2014	In house	Yes	None	None	Approved and submitted annual performance report	Accurate and credible annual performance report	Acknowledgement letter
Good governance and public participation	Annual report	tabled the annual report to Council	annual report table to council by Executive Mayor by 31 January 2015	In house	Executive Mayor Tabled annual report to council on the 30 January 2015 2014/2015 Oversight report approved by council on the 31 March 2014	In house	Yes	None	None	2014/2015 annual report	Credible and accurate report	Council resolution, proof of submission to NT,PT, COGTA and AG, and Annual report

Chapter 3

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANC INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITUR E TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDANCE
Good governance and public participation	Submission of Mid-year budget and performance assessment	submitted Mid-year budget and performance assessment to the Executive Mayor, National Treasury and Provincial Treasury	Mid-year budget and performance assessment submitted to the Executive Mayor, National Treasury and Provincial Treasury by 25 January 2015	In house	Mid-year budget and performance assessment submitted to the Executive Mayor, National and Provincial treasury	In house	Yes	None	None	credible Mid-year budget and performance assessment	improved performance and service delivery	Council resolution, proof of submission to NT &PT, and report
Good governance and public participation	Tabling of Mid-year budget and performance assessment	tabled Mid-year budget and performance assessment to Council	tabled Mid-year budget and performance assessment to Council by 31 January 2015	In house	Executive Mayor tabled Mid-year budget and performance assessment to council	In house	Yes	None	None	credible Mid-year budget and performance assessment	improved performance and service delivery	Council resolution
Good governance and public participation	Performance Management Framework	reviewed and adopted 2015/2016 Performance Management System Policy Framework and action plan	Adopted 2015/2016 PMS Policy Framework by 30 June 2015	In house	Adopted 2015/2016 PMS Policy Framework on 30 June 2015	in house	Yes	None	None	Performance Management System Policy Framework	improved performance and service delivery	Council resolution and policy
Good governance and public participation	Quarterly performance reports	Number of quarterly performance reports submitted to Internal Audit and Executive Mayor	4 quarterly performance reports submitted to Internal Audit and Executive Mayor by 30 June 2015	In house	1 quarterly performance report submitted	In house	Yes	None	None	4 reports	improved performance and service delivery	Council resolution and 4 Quarterly performance reports
Good governance and public participation	Adopted SDBIP	Developed and adopted 2015/16 SDBIP	adopted 2015/16 SDBIP by 28 June 2015	In house	2015/2016 SDBIP approved by the Executive Mayor for Capital projects only	in house	No	Awaiting finalisation of budget process	Adoption of revised budget and adjustment of SDBIP	adopted 2014/15 SDBIP	adopted 2014/15 SDBIP aligned to budget and IDP	Approved and signed SDBIP

Chapter 3

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDANCE
									for approval			
Good governance and public participation	Signed PAS	Number of signed performance agreement for section 56 manager	5 signed PA by 30 July 2014	In house	5 signed PA by 30 July 2014	in house	Yes	None	None	productive workforce	improved performance and service delivery	5 signed PA and prove of submission to CoGTA
INTERNAL AUDIT												
Good Governance And Public Participation	Compilation of IA Plan (Annual & 3-year rolling)	tabled 2015/16 Audit Plan for approval by the Audit committee	approved Audit Plan by 30 June 2015	In house	2015/16 Audit Plan tabled to the AC and approved during its meeting held on the 29th of June 2015	In house	Yes	None	None	Plan	Audit Deliverance& Assurance	Approved Audit plan and minutes of the AC meeting
Good Governance And Public Participation	2014/2015 Internal Audit Plan	Developed and adopted Internal Audit Plan	Approved Internal Audit Plan by 30 July 2014 Fully implemented plan by 30 June 2015	In house	2014/15 Internal Audit Plan developed, adopted and fully implemented	In house	Yes	None	None	Issued Internal Audit Reports	Audit Deliverance& Assurance	Reports
Good Governance And Public Participation	Audit Committee	Number of Audit Committee meetings held	4 meetings by 30 June 2015		5 Audit Committee meetings held (4 Ordinary and 1 Special)		Yes	None	None	improve internal controls and procedures	effective and accountable organization	Attendance registers and minutes
Good Governance And Public Participation	Performance Audit Committee	Number of Performance Audit Committee meetings held	2 meetings by 30 June 2015	150	2 Performance Audit Committee meetings held	141	Yes	None	None	improve internal controls and procedures	effective and accountable organization	Attendance registers and minutes

Chapter 3

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDANCE
Good Governance And Public Participation	Audit charter workshops	Number of Audit charter workshops conducted	2 Audit charter workshops conducted by 31 December 2014	In house	2 Audit charter workshops conducted (1 with management and 1 with the Audit Committee)	In house	Yes	None	None	improve internal controls and procedures	effective and accountable organization	Attendance registers and reports
Good Governance And Public Participation	internal audit reports	Number of internal audit reports submitted to audit committee	4 quarterly report submitted by 30 June 2015	In house	4 quarterly reports submitted to the Audit Committee	In house	Yes	None	None	improve internal controls and procedures	effective and accountable organization	Attendance register and minutes
Good Governance And Public Participation	AC Reports to Council	Number of Audit Committee reports submitted to Council	4 Audit Committee reports submitted to Council by 30 June 2015	In house	5 Audit Committee reports submitted to Council	In house	Yes	None	None	improve internal controls and procedures	effective and accountable organization	Reports and council resolution
OFFICE OF THE MAYOR												
Good governance and public participation	Mayoral committee meetings	Number of mayoral committee meetings held	12 meetings held by 30 June 2015	In house	14 meetings held	In house	Yes	None	None	minutes and agendas prepared	adhere to legislative requirements	Attendance register
Good governance and public participation	mayoral outreach programmes	Number of mayoral outreach programmes conducted	100 mayoral outreach programmes held by 30 June 2015	In house	96 meetings held	In-house	No	Financial constraints (operational budget), other commitments by members of executive and failure to meet the set timelines.	To prioritise, engage members of executive about the programme and to start it as early as possible.	100 mayoral outreach programmes	improve service delivery	Attendance register

Chapter 3

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDENCE
OFFICE OF THE SPEAKER												
Public Participation	ward committee meetings	Number of ward committee meetings held	384 meeting held by 30 June 2015	In house	384 meeting held	In house	Yes	None	None	384 meetings	improve service delivery	Minutes and attendance register
Public Participation	adopted Name Tags Policy for ward committee	adopted Name Tags Policy for ward committee	adopted Name Tags Policy for ward committee by 31 December 2014	In house	Adopted name Tags Policy for ward committee	In house	Yes	None	None	adopt Name Tags Policy for ward committee	a well informed and participating community in local government	Council resolution and policy
Public Participation	Public participation policy	adopted Public participation policy	adopted Public participation policy by 31 December 2014	In house	Adopted Public participation policy	In house	Yes	None	None	Adopted Public participation policy by 31 May 2014	a well informed and participating community in local government	Council resolution and policy
Public Participation	ward committee Indaba (Public participation)	number of ward committee Indaba conducted	01 ward committee Indaba conducted by 31 December 2014	124	01 ward committee Indaba conducted	In house	Yes	None	None	Conducted parliament events	informed community	Report and attendance register
Public Participation	Public participation	Number of workshop programmes conducted for ward committee and councillors	2 workshop programmes conducted for ward committee and councillors by 30 June 2015	In house	2 workshop programmes conducted for ward committee and councillors	In house	Yes	None	None	2 workshops	improved service delivery	Reports and attendance register
Public Participation	event coordination policy	developed and adopted event coordination policy	developed and adopted event coordination policy by 31 December 2014	In house	Developed and adopted event coordination policy	In house	Yes	None	None	adopted event coordination policy	a well informed and participating community in local government	Council resolution and policy

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KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	PORTFOLIO OF EVIDANCE
Public Participation	Communication Strategy	Developed and adopted Communication Strategy	adopted Communication Strategy by adopted event coordination policy by 31 December 2014	In house	Adopted Communication Strategy	In house	Yes	None	None	Developed and adopted Communication Strategy	a well informed and participating communication in municipal activities	Council resolution
YOUTH DEVELOPMENT												
Youth Development	youth development strategy and policy	developed and adopted youth development strategy	adopted youth development strategy by 31 December 2014	In-house	Approved youth development strategy	In house	Yes	None	None	adopted youth development strategy and policy	improve lifestyle amongst the youth	Council resolution and policy
Youth Development	Youth outreach	Number of youth outreach conducted	2 youth outreach conducted by 30 June 2015	In-house	2 youth outreach conducted	In house	Yes	None	None	2 youth outreach	improve lifestyle amongst the youth	Attendance register and reports
RISK MANAGEMENT												
Good governance and public participation	reports	Number of quarterly Risk Management reports submitted to RMC and AC	4 quarterly Risk Management reports submitted to RMC and AC by 30 June 2015	In-house	4 quarterly Risk Management reports submitted to RMC and AC	In house	Yes	None	None	4 quarterly Risk Management reports submitted to RMC and AC	Minimize risk	4 quarterly Risk Management Reports
Good governance and public participation	Compliance Register	Developed compliance (with policies, laws and regulations) register	Compliance Register developed by 30 July 2014	In house	Developed compliance (with policies, laws and regulations) register/ reporting on implementation	In house	Yes	None	None	Compliance register	Clean Audit	Compliance register
Good governance and public participation	Action Plan	Developed and implemented Action plan	Developed and implemented Action plan by 15 December 2014	In house	Developed and implemented Action plan	In house	Yes	None	None	Action plan	Clean Audit	2014/2015 Action plan

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KPA 5: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Corporate Services

Corporate Service Departments' overall performance for 2014/15 financial year has improved from 48% achieved in 2014/2015 financial year to 59% achievement in 2014/15 financial year.

MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT												
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	POE
Corporate Services	Training	Number of councillors Trained	12 councillors Trained by 31 March 2015 (the course started on July 2014 until 28 February)	1,935	11 Councillors Trained on Municipal Governance	R995 177.72	No	Insufficient Funds (the budget was only on paper, there was not cash to spend)	The municipality will review the training to Councillors	12 councillors capacitate	improved service delivery	Training reports and council resolution
Corporate Services	% municipal budget actually spent on implementing its work place skilled (Training)	% of a municipal budget actually spent on implementing its work place skills Plan (WSP)	1% of payroll budget to be spent by 31 March 2015 on workplace skills plan (WSP)	Training budget	0.7% of payroll budget spent by 31 March 2015 on workplace skills plan (WSP) 0.84% of payroll budget spent by 30 June 2015 on workplace skills plan (WSP)	R995 177.72	No	Due to cash flow problems some commitments could not be paid in time.	To expedite the payment of training providers.	productive workplace an councillors	transformed and productive workforce	Training reports
Corporate Services	WSP submitted	Developed and adopted WSP	Adopted WSP by 30 April 2015	In house	WSP adopted by Council on 30 June 2015	In house	No	LLF not quorated and new shopsteward election delayed consultation on WSP. LGSETA	To consult with Organised Unions in time.	capacity in term of compliance	improve service delivery	council resolution and adopted WSP

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KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	POE
								granted an Extension to submit by 30 May 2015				
Corporate Services	Employment Equity report	Submitted Employment Equity report to the Department of Labour	Submitted Employment Equity report by 15 January 2015	In house	Submitted Employment Equity report by 15 January 2015	In house	Yes	None	None	EET to be submitted	transformed workplace	Proof of submission and EE report
Corporate Services	OHS status	submitted OHS return of earning to the Department of Labour	Submitted OHS return of earning by 30 March 2015	In house	Submitted OHS return of earnings on the 16th of May 2015	In house	No	The Department of Labour System did not accept the submission on 31 March 2015 as it was closed for the previous financial year. The due date for submission in terms of the Act was 31 May 2015	To align the municipal submission dates with the Act in the SDBIP for 2015/16 financial year.	return of earnings report to be submitted	Activated registration with Dept of Labour. Assured employees.	Proof of submission
Corporate Services	review HR policies	Number of HRD policies adopted	5 HR Policies (Recruitment; Attendance and punctuality; Education, Training & development; HIV/AIDS, Intoxicating	In house	The policies are still referred to the subcommittee of HRD for consideration	In house	No	The HRD committee was sitting as scheduled but did not form the quorum as required hence the	The policies are still referred to the subcommittee of HRD for consideration	5 policies	improve service delivery	Council resolution and 5 policies

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KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	POE
			&substance and employee assistance program policies) by 30 June 2015					policies were not yet finalised.				
Corporate Services	enhance labour relation	number of meetings conducted to enhance labour relation	4 meetings conducted by 30 June 2015	In house	4 meetings held by 30 June 2015	In house	Yes	None	None	enhance labour relation through initiated activities	improved Labour Relations	Attendance register and minutes
Corporate Services	Filling of vacant positions to meet strategic objectives	Number of vacant position filled.	07 Total post filled {02 (PMU Technician), 02 (Compactor truck drivers) 03 (Tractor drivers)} by 30 December 2014	operational Budget	07 Total post filled {02 (PMU Technician), 02 (Compactor truck drivers) 03 (Tractor drivers)} Appointed by 30 December 2015	In house	Yes	None	None	filled vacant posts	improved service delivery	Appointment letters
Corporate Services	training on Records Management	Number of assistant managers trained on record management	15 assistant managers trained on record management by 30 August 2014	In house	16 assistant managers trained on record management in November 2014	In house	No	The training was cancelled due to the venue which the training was schedule to be held there was an urgent meeting by the office of the Executive Mayor for	Comply with the date as per SDBIP outlined.	assistant managers trained on record management	proper record management	Attendance register and report

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KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	POE
								outreach programme. Communication was made to the facilitator and the training was postponed to November 2014				
Corporate Services	audit reports	Number of audit report on all municipal buildings submitted and employees inspected on health, to comply with the OHS regulations.	2 audit reports submitted by 31 May 2015	100	2 audit reports submitted (1 in September 2014 and 1 in March 2015)	0	Yes	None	None	Minimised hazards and safe environment	safe and healthy working environment	2 audit reports
Corporate Services	OHS meeting	Number of OHS committee meetings held	4 meetings held by 31 May 2015	In house	4 meetings held by 31 May 2015	In house	Yes	Poor attendance of meetings	Members to submit letters of apology if they are not attending meeting.	4 meetings	safe and healthy working environment	4 attendance register and minutes
Corporate Services	Sittings of council	Number of council sittings held	6 council sittings held by 30 June 2015	In house	11 council sittings held by 30 June 2015	In house	Yes	None	None	minutes and agendas prepared	adhere to legislative requirements	Attendance register and minutes
Corporate Services	induction Programme	Number of induction conducted for new/old employees	01 induction conducted by 30 December 2014	In house	03 inductions conducted by 30 December 2014	In house	Yes	None	None	2 induction	improve service delivery	Attendance register and minutes

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KPA	MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT											
LOCATION	PROJECT DESCRIPTION	KEY PERFORMANCE INDICATOR	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE	TARGET ACHIEVE YES / NO	CHALLENGES / COMMENT	ACTION PLAN	OUTPUT INDICATOR	OUTCOME INDICATOR	POE
Corporate Services	ICT Policy	number of ICT policy reviewed and approved	1 policy by 30 December 2014 (IT Information security Policy)	In house	1 IT policy framework approved and 1 IT information security policy approved on 28 Oct 2014	In house	Yes	None	None	1	Internal controls	Adopted policy and council resolution
Corporate Services	Website Updates-MSIG	Website compliance with section 75 of the MFMA(updated website)	Website compliance with section 75 of the MFMA(updated website) by 30 June 2015	78	Budget & budget policies, IDP, S.71 reports all uploaded on website	Website compliant with section 75 of the MFMA	No	The annual fee was paid late resulting to the website not being updated with documents	Effective July 2015, the website will be hosted and managed within the municipality	comply with section 75	improve communication	Website updated proof of payments
Corporate Services	ICT licenses renewed	Number of ICT licenses renewed	50 Microsoft License 210 Anti-virus license 1 Firewall licence 1 scope serve licence 1 GIS licence 1 VIP licence	operational budget	50 Microsoft License 210 Anti-virus license 1 Firewall licence 1 scope serve licence 1 GIS licence 1 VIP licence	In house	Yes	None	None	50 Microsoft License 210 Anti-virus license 1 Firewall licence 1 scope serve licence 1 GIS licence 1 VIP licence	Improve service delivery	Renewal Letter
Corporate Services	12 monthly reports	Number of monthly reports produced/issued on usage of municipal vehicle	12 monthly reports by 30 June 2015	In house	12 monthly reports	In house	Yes	None	None	12 reports	Improve service delivery	12 reports

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Performance against the National Key Performance Indicators

The following tables indicate the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These Key Performance Indicators are linked to the National Key Performance Areas.

National Key Performance Areas.

Municipal Transformation and Institutional Development

Indicator	Municipal Achievement 2014/2015
Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Top Management Target (0)-Achieved (N/A) Senior Management Target (1)-Achieved (N/A) Professionals Target (2 African Males/2 African Females) Achieved (3 African Males/2 African Females)
% of a municipality's budget actually spent on implementing its workplace skills plan	(0.7%) R995 177.72

Basic Service Delivery

Indicator	Municipal Achievement 2014/2015
% of households earning less than R1100 per month with access to free basic services	Data not available
% of households with access to basic level of water	87 345 h/h
% of households with access to basic level of sanitation	27 123 h/h
% of households with access to basic level of electricity	72 691 h/h
% of households with access to basic level of solid waste removal	66 495 h/h

Local Economic Development

Indicator	Municipal Achievement 2014/2015
Number of jobs created through municipality's local economic development initiatives including capital projects	Community Works Programme - 1124 jobs for 2014/2015 Mpumalanga Regional Training Trust - 91 jobs created for 2014/2015 Extended Public Works Programme – 270 jobs created for 2014/2015 Total Jobs created for 2014/2015 – 1485 Jobs

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Municipal Financial Viability and Management

Indicator	Municipal Achievement 2014/2015
Debt coverage ((Total operating revenue - operating grants received) /Debt service payments due within the year)	Debt coverage = [(R 494 026 521) - (R 355 551 765)] / (R 420 688 949)
Service debtors to revenue (Total outstanding service debtors / Annual revenue received for services)	Service debtors to revenue = (R 420 688 949) / (R 355 502 290)
Cost coverage ((Available cash + investments) / Monthly fixed operating expenditure)	Cost coverage = [(36 005 436) + (225 300 000)] / (32 402 192.06)

Good Governance and Public Participation

Indicator	Municipal Achievement 2014/2015
% of the municipality's capital budget actually spent on capital projects identified in the municipality's IDP for 2014/15	68% of capital budget spent on capital projects identified (R75 788 178.44)

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3.24 2014/2015 ANNUAL REPORT OF AUDIT COMMITTEE

ANNUAL REPORT OF THE AUDIT COMMITTEE

For the year ended 30 June 2015

PURPOSE

To report on how the Audit Committee has conducted its affairs in compliance with the approved audit committee charter for the year ended 30 June 2015.

LEGISLATIVE REQUIREMENT

Section 166 of the Municipal Finance Management Act (No. 56 of 2003) stipulates that each municipality must have an Audit Committee which serves as an independent advisory body.

- (a) The Audit Committee must advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff of the municipality on matters relating to:-
- (i) *Internal financial controls and internal audit;*
 - (ii) *Risk management;*
 - (iii) *Accounting policies;*
 - (iv) *The adequacy, reliability and accuracy of financial reporting and information;*
 - (v) *Performance management;*
 - (vi) *Effective governance;*
 - (vii) *Compliance with the MFMA, the DORA and any other applicable legislation;*
 - (viii) *Performance evaluation; and*
 - (ix) *Any other issues referred to it by the municipality*
- (b) Review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its effectiveness and its overall level of compliance with the MFMA, the DORA and any other applicable legislation
- (c) Respond to the council on any issues raised by the Auditor-General in the audit report;
- (d) Carry out such investigations into the financial affairs of the municipality as the council of the municipality may request;
- (e) Perform such other functions as may be prescribed

AUDIT COMMITTEE MEMBERSHIP AND ATTENDANCE OF MEETINGS

The composition of the Audit Committee was in line with the requirements of the MFMA and MFMA circular 65 on Audit Committees. The Committee consisted of three (3) members who are not in the employment of Thembisile Hani Local Municipality. Attendance of meetings by the members in 2014/15 financial year was as follows:

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Member	Period which the member served in the Audit Committee	Number of meetings attended in 2014/15 before the term ended in August 2014	Date of the meeting
Mr. MA Mashego (Chairperson)	01/09/2011 to 31/08/2014	1	27 August 2014
Mr. SAB Ngobeni	01/09/2011 to 31/08/2014	0	Absent with apology
Mr. JA Motha	01/09/2011 to 31/08/2014	1	27 August 2014

New members appointed after the term of the previous committee ended

Member	Period which the member served in the Audit Committee	Number of meetings held in 2014/15 after appointment of the new members	Number of meetings attended
Mr. SAB Ngobeni (Chairperson)	27/11/2014 to date	4	4
Mr. ZM Nzimande	27/11/2014 to date	4	4
Mr. BTA Matabane	27/11/2014 to date	4	3 (absent with apology in 1 meeting)

INDUCTION OF THE AUDIT COMMITTEE MEMBERS

In line with MFMA Circular 65 on Audit Committees, a formal process of induction was facilitated by the Chief Internal Auditor in consultation with the Accounting Officer after the new Audit Committee members were appointed. The induction was held on the 10th of December 2014 and the Provincial Treasury was also invited to make presentations to the members.

During this session, the role and responsibility of the Committee was clarified to the members, sufficient briefings on management and Council's expectations were also given including the following information:

- The municipality's governance and operational structures and how the audit committee operates within this structure;
- A copy of the approved audit committee's charter, including the minutes of the previous audit committee meetings, AG's management letter and audit report for 2013/14 financial year, Council resolutions relating to the Committee and recommendations presented by the previous Committee to the municipal Council;
- Copies of all acts relevant to a municipality (library act box);
- A copy of the Annual Report, Annual Financial Statements, Integrated Development Plan, Budget, Service Delivery and Budget Implementation Plan, in-year reports, the municipality's risk register and risk management plans;
- Information on the municipality's risk profile, status of internal controls and system of delegation; and
- A copy of the approved internal audit charter and annual work plan.

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PARTICIPATION OF MEMBERS IN THE MEETINGS

All members participated equally during the audit committee meetings. The Committee as a whole performed the role of an advisor to the Accounting Officer, management and Council in 2014/15 financial year. It carefully reviewed the information presented to it by management and obtained clarification where needed. Throughout the year, the members raised relevant questions, evaluated the responses provided by management and follow ups on unclear matters were made. The members acted independently and were proactive in advising the Accounting Officer on issues that require further management attention. Openness and transparency was encouraged at all times so that the members can assist where necessary. Practical and suitable proposals and recommendations were made to both management and Council. Over and above, all the members conducted the committee responsibilities in the context of the strategic objectives of the municipality and overall corporate governance of the council.

COMMENTS OF THE AUDIT COMMITTEE ON THE MATTERS LISTED IN SECTION 166 (2) (A) OF THE MFMA

EFFECTIVENESS OF FINANCIAL CONTROLS

Based on the reports presented to the Committee by the Internal Audit Unit, the Committee noted that progress was being made to improve the internal control system in the Municipality. It has also been noted that management has implemented adequate controls in most areas within the Municipality to provide reasonable assurance that all major inherent financial risks are appropriately identified.

EFFECTIVENESS OF THE INTERNAL AUDIT FUNCTION

Thembisile Hani Local Municipality has established an Internal Audit Unit (IAU) that is independent of management and reports functionally to the Audit Committee. The Unit currently comprises of three (3) personnel (1 x Chief Internal Auditor and 2 x Internal Auditors). Resource challenges (i.e. lack of funds to execute some of the internal audit activities) were experienced during the year, however, the committee appreciates the assistance lent to the unit by the Nkangala District Municipality.

The Three-Year Rolling Plan and the Annual audit plan for 2014/15 were prepared by the IAU and approved by the Audit Committee. The Internal Audit unit has operated effectively during the financial year ended 30 June 2015 and the Committee is satisfied with the work performed by the unit as it addressed the risks pertinent to the municipality in its audits.

RISK MANAGEMENT

During the financial year ended 30 June 2015, reports relating to risk management were presented to the Audit Committee. Based on these reports, the Committee is satisfied that the Municipality has identified significant risks that may impact on the achievement of its objectives.

However, the Committee is of the view that improvement is required on the time in which documents that are supposed to be implemented in the year are approved e.g. the risk management policies and strategies for 2014/15 financial year that were only approved at year end (30 June 2015)

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ACCOUNTING POLICIES

During its meeting held on the 27th of August 2014, the Audit Committee reviewed the accounting policies followed by the Municipality in preparing the Annual Financial Statements for 2013/14 and did not identify any material differences.

ADEQUACY, ACCURACY AND RELIABILITY OF FINANCIAL REPORTING

Based on the information presented to the Committee throughout the year, the Committee is of the view that there is still room for improvement in ensuring that the financial reporting of the Municipality is reliable and accurate.

PERFORMANCE MANAGEMENT & EVALUATIONS

The Municipality has established a performance management function and has implemented an effective performance management system during the year ended 30 June 2015.

Based on the reports considered during the year, the Audit Committee is satisfied that the Municipality has implemented an effective system of monitoring progress made in terms of achieving the set performance targets, though it was unable to achieve all its targets set for the year due to various challenges including financial constraints.

However, in relation to performance evaluations, the Committee noted that there is a serious need for improvement as the Municipality was not evaluating the performance of the Municipal Manager and Managers reporting to the Municipal Manager quarterly as required by Section 28 (1) of the Municipal Performance Regulations for Municipal Managers and managers directly accountable to Municipal Managers.

EFFECTIVE GOVERNANCE

During interaction with the members of management, the Committee noted that the leadership provided within the municipality is very strong. The management style adopted by the leadership of the Municipality enhances a strong sense of accountability and responsibility.

COMPLIANCE WITH RELEVANT ACTS AND LEGISLATIONS

During the analysis of the reports presented to the Committee in the year, issues of non-compliance with the MFMA and other relevant legislations were noted. The Committee is of the view that there is room for improvement in this regard.

ANNUAL FINANCIAL STATEMENTS

The Audit Committee reviewed the Annual Financial Statements that were prepared by the Municipality prior submission to the Auditor-General on the 31st of August 2014 using the tool that was provided by National Treasury and a number of issues were raised for correction by management so as to ensure that the Annual Financial Statements conform to GRAP.

AUDITOR-GENERAL, SOUTH AFRICA (AGSA)

During the financial year, the Audit Committee met with the Auditor-General South Africa on the 08th of December 2014 to discuss the report on the audit of financial statements for 2013/14 financial year. The Committee concurred with the Auditor-

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General's conclusions on the said Annual Financial Statements. This meeting was also to ensure that there are no unresolved issues between management and AGSA.

APPRECIATION

The Audit Committee would like to thank the Municipal Council for the conducive environment to serve without any hindrance. We thank the Municipal Manager and his team for their readiness to give the committee an ear when this became necessary.

A handwritten signature in black ink, consisting of the letters 'SAB' in a stylized, cursive font, enclosed within an oval shape.

Mr. SAB Ngobeni

Chairperson: Thembisile Hani Local Municipality Audit Committee

Date: 15 July 2015

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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	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015
	Total no. of post approved	Total no. of post approved	Number of filled post	Number of filled post	Number of vacant posts	Number of vacant posts	% of vacancy	% of vacancy
Political office	12	12	12	12	0	0	0%	0%
Municipal Manager	16	16	14	13	2	3	12%	19%
Corporate services	38	38	34	33	4	5	11%	13%
Finance	45	46	33	31	14	15	31%	33%
SDS	201	238	138	138	63	100	29%	42%
Technical	232	237	182	174	50	63	22%	27%
Total	544	587	413	401	133	186	23%	32%

Vacancy Rate 2014/15			
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	1	100%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	4	0	0%
Other S57 Managers (Finance posts)	0	0	0%
Municipal Police	0	0	0%
Fire fighters	0	0	0%

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Senior management: Levels 13-15 (excluding Finance Posts)	15	2	13%
Senior management: Levels 13-15 (Finance posts)	5	1	25%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	35	12	34%
Highly skilled supervision: levels 9-12 (Finance posts)	4	1	25%
Total	65	17	26%

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2012/2013	160	13	8%
2013/2014	38	13	34%
2014/2015	7	12	171%

* 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

COMMENT ON VACANCIES AND TURNOVER

The total vacancy rate for the financial year under review totalled 186 or 32%. Critical positions are filled from time to time.

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

Designation	Status
Municipal Manager	Vacant
CFO	Filled
Manager : Technical services	Filled
Manager :Social Development Services	Filled
Manager :Corporate	Filled

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COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The current workforce is 401 employees. The Municipality has approved policies on which employees are inducted.

4.2 POLICIES

HR Policies and Plans for 2013/2014					HR Policies and Plans for 2014/2015		
	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%	1-May-2007
2	Delegations, Authorisation & Responsibility	100%	100%	5-August 2011	100%	100%	5-August 2011
3	Disciplinary Code and Procedures	100%	100%	1-May-07	100%	100%	1-May-07
4	Essential Services	100%	100%	1-May-2007	100%	100%	1-May-2007
5	Employment Equity	100%	100%	1-Jul-2011	100%	100%	1-Jul-2011
6	Grievance Procedures	100%	100%	1-May-2007	100%	100%	1-May-2007
7	Human Resource and Development	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
8	Information Technology	100%	100%	10-Jul-2012	100%	100%	10-Jul-2012
9	Occupational Health and Safety	100%	100%	31 May 2013	100%	100%	31 May 2013
10	Official Housing	100%	100%	1-May-2007	100%	100%	1-May-2007
11	Official Journeys	100%	100%	31May2013	100%	100%	31May2013
12	Official Working Hours and Overtime	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
13	Organisational Rights	100%	100%	1-May-2007	100%	100%	1-May-2007

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14	Performance Management and Development	100%	100%	31 January 2013	100%	100%	31 May 2013
15	Recruitment, Selection and Appointments	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
16	Remuneration Scales and Allowances	100%	100%	2-Nov-2011	100%	100%	2-Nov-2011
17	Sexual Harassment	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
18	Skills Development	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
19	Smoking	100%	100%	5-Aug-2011	100%	100%	5-Aug-2011
20	Other: Retention policy	100%	100%	31 May 2013	100%	100%	31 May 2013
Use name of local policies if different from above and at any other HR policies not listed.							

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Level 0- 2	5	100%	4	5	80%	
Level 3	30	130%	23	23	100%	
Level 4	4	67%	6	6	100%	
Level 5	135	435%	29	31	94%	
Level 6	18					
Level 7	32		15	15	100%	
Level 8						
Level 9						
Level 10	254		50	60	83%	
Level 11	101		41	41	100%	
Level 12	70		34	41	83%	
Level 13						
Level 14						
Level 15	250	149%		168	0%	
Total	899	231%	202	390	52%	0

* - Number of employees in post at the beginning of the year

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*Average calculated by taking sick leave in ecogn 2 divided by total employees in ecogn 5

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.

SUSPENSIONS

Number and Period of Suspensions			
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised
Manager Corporate Service	Financial mismanagement	28 March 2014	Acquitted
Manager Technical Servies	Financial mismanagement	28 March 2014	Acquitted
CFO	Financial mismanagement	28 March 2014	Acquitted

COMMENTS ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

All the cases have been deal with in terms of South African Local Government bargain Council, Disciplinary procedures and Local government: Diciplinary Regulation of senior Managers 2011. The MFMA also becomes applicable in cases of financial mismanagement.

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4.4 PERFORMANCE REWARDS

No Performance Rewards were issued during the 2014/2015 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.

Furthermore the Municipality in accordance with compliance with the MSA and MFMA has also approved the Supply Chain Management Policy which outlines all procedures to be followed in implementing the 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. The way ahead is that on the improvements to be made is to determine all training needs that are aligned to meeting the operational objectives of the municipality as a whole, take a blanket approached in addressing the skills gaps identified to ensure all employees are competent to perform their functions and be able to exercise their powers in an economical, effective, efficient and accountable way.

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4.5 SKILLS DEVELOPMENT AND TRAINING

Progress report about the enforcement of the minimum competency regulations

BACKGROUND

Thembisile Hani LM made a formal request to NT 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

The following is a list of managers that attended the Municipal Finance Management Programme (NQF Level 6) with the University of Pretoria:

- Mr. PS Mabuza (Manager: Corporate Services)
- Ms. L Nxumalo (Assistant Manager: HR)
- Mr. JP Skosana (Assistant Manager: Legal)
- Ms. L Sehlako (Assistant Manager: SCM)
- Ms. P Modipane (Assistant Manager: Assets Management)
- Mr. TP Mahlangu (Assistant Manager: Youth Development)
- Mr. KO Bapela (Assistant Manager: Monitoring and Evaluation)
- Ms. S Mashiyane (Assistant Manager: Communication)
- Mr. WS Msiza (Assistant Manager: LED)
- Mr. HS Nkosi (Assistant Manager: Public Participation)
- Mr. A Ntuli (Manager: Technical Services)
- Mr. JJ Skosana (Assistant Manager: Fleet Management)
- Ms. AA Aphane (Assistant manager: Waste Management)
- Mr. N Bhila (Senior Technician: PMU)
- Ms. G Mogorosi (Assistant Manager: PMS)
- Mr. KC Mokwena (Assistant Manager: IDP)

The learners started attending the Municipal Financial Management Programme (NQF Level 6) with University of Pretoria in May 2013 and the programme ended in February 2015.

The following group also attended the Municipal Finance Management (NQF Level 6) with North West University:

Mr. NTG Kubheka (Manager: Social Development Services)
Mr. SP Masilela (Assistant Manager: Human Settlement)
Mr. V Sibuyi (Assistant Manager: Roads and Stormwater)
Mr. KM Ndala (Technician: Roads and Stormwater)
Mr. DO Ledwaba (Assistant Manager: Revenue)

The above-listed group started in January 2013 and they finished in August 2014.

Conclusion

The municipality believes that all the registered learners will be competent in December 2015 as per the regulations set by the National Treasury.

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Other interventions

Training interventions are targeted for implementation in the Municipal Finance Management Programme for municipal officials (for 12 months)

The budget for 2014/15 WSP is R1, 935,000.00 and the expenditure is R1, 021,154.63

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 **Appendix H**.

- 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.

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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

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

FINANCIAL SUMMARY						
Description	2013/14	Current Year 2014/15			2014/2015 Actual	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	13 187	6 657	22 086	45 254	205%	680%
Service charges	51 735	44 650	53 774	56 257	105%	126%
Investment revenue	2 637	500	1 455	4 104	282%	821%
Transfers recognised - operational	247 290	280 980	279 699	275 455	98%	98%
Other own revenue	96 765	30 153	33 216	69 375	209%	230%
Total Revenue (excluding capital transfers and contributions)	411 614	362 940	390 230	452 571	116%	125%
Employee costs	96 797	101 036	99 603	104 241	105%	103%
Remuneration of councillors	17 836	19 092	18 354	18 332	100%	96%
Depreciation & asset impairment	130 728	230 082	99 647	193 158	158%	158%
Finance charges	-	-	-	293	-100%	-100%
Materials and bulk purchases	110 951	102 550	81 315	100 318	123%	98%
Transfers and grants	2 842	20 101	19 224	12 297	64%	61%
Other expenditure	275 017	69 344	50 672	80 955	160%	117%
Total Expenditure	(542 204)	153 377	(388 826)	(478 802)	123%	312
Surplus/(Deficit)	(179 263)	292 008	112 744	59 105	52%	20%
Transfers recognised - capital	90 211	110 820	111 341	80 097	72%	72%
Contributions recognised - capital & contributed	-	-	-	-	-	-

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assets						
Surplus/(Deficit) after capital transfers & contributions	(132 346)	(68 444)	112 744	27 898	25%	-41%
Share of surplus/ (deficit) of associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	(132 346)	(68 444)	112 744	27 898	25%	-41%
Capital expenditure & funds sources						
Capital expenditure	113 650	110 820	111 341	90 357	116 339	122 738
Transfers recognised - capital	113 650	110 820	111 341	90 357	81%	82%
Public contributions & donations	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-
Total sources of capital funds	113 650	110 820	111 341	90 357	81%	82%
Financial position						
Total current assets	60 957	231 652	37 527	148 224	395%	64%
Total non current assets	1 603 786	2 018 999	2 019 519	1 588 409	79%	79%
Total current liabilities	145 659	64 913	64 913	149 717	231%	231%
Total non current liabilities	20 858	15 294	15 294	24 292	159%	159%
Community wealth/Equity	1 482 387	2 170 443	1 976 839	1 519 865	77%	70%
Cash flows						
Net cash from (used) operating	148 867	91 647	(145 162)	135 853	-94%	148%
Net cash from (used) investing	(112 956)	(110 820)	(111 341)	(90 624)	81%	82%
Net cash from (used) financing	-	-	-	-		
Cash/cash equivalents at the year end	41 211	30 553	(163 572)	86 440	-34%	1320%

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%.

See **Appendix J**. For other conditional grants received excludes MIG grants.

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5.2 GRANTS

Grant Performance						
R						
Description	2013/2014	2014/2015		2014/2015 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	247 290 000	276 215 000	275 455 000	275 455 000	-6%	-7%
Equitable share	237 008 000	259 924 000	259 164 000	259 164 000	0%	0%
Municipal Systems Improvement	890 000	934 000	934 000	934 000	0%	0%
Department of Water Affairs	5 000 000	10 300 000	10 300 000	10 300 000	100%	100%
Levy replacement	0	0		0	0%	0%
Other transfers/grants [insert description]	4 392 000	5 357 000	5 357 000	5 357 000	0%	0%
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%
<i>nNkangala District Municipality</i>	0	0	0	0	0%	0%
	0	0	0	0	0%	0%
Other grant providers:	0	0	0	0	0%	0%
<i>[insert description]</i>	0	0	0	0	0%	0%
	0	0	0	0	0%	0%
Total Operating Transfers and Grants	247 290 000	276 515 000	275 755 000	275 755 000	100%	100%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Note MIG + EPWP+FMG+ INEG= other						

See **Appendix J**. For other conditional grants received excludes MIG grants

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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
2013/2014	0.34
2014/2015	1.0

COMMENT ON LIQUIDITY RATIO

YEAR	Outstanding service debtor to revenue
2011/2012	51.5 days
2012/2013	618 days
2013/2014	24 day
2014/2015	11 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

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5.5 CAPITAL EXPENDITURE

2014/2015	% of Expenditure Budget	Original Budget	Adjustment Budget	Audited Full Year Total
Capital Expenditure	19.03%	110	111	90
Operating Expenditure	80.97%	542	388	504
Total expenditure		652	499	594

NOTE: operational expenditure includes depreciation and debt impairment

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources 2012/2013 - 2014/2015						
Details	2013/2014	2014/2015				
	Audited	Original Budget (OB)	Adjustment Budget	Actual Expenditure	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies	109 275 000	111 250 503	111 736 232	75 788 178	68%	68%
Other	0	0	0	0	0	0
Total	109 275 000	111 250 503	111 736 232	75 788 178	68%	68%
<i>Percentage of finance</i>						
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	0.0%	100.0%	0%	60.7%	-54.86%	-56.28%
Other	0.0%	0	0	0	0	0

Capital expenditure						
Water and sanitation	42 847 777	109 169 275	100 320 405	64 921 289	65%	59%
Electricity	0	2 081 228.00	6 734 293	6 941 492	103%	334%
Housing	0	0	0	0		

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Roads and storm water	113 855 433	0.00	3 902 412	3 149 275	81%	-100%
Other	171 941 617	0.00	776 122	776 122	100%	-100%
Total	328 644 827	111 250 503	111 736 232	75 788 178	68%	68%
<i>Percentage of expenditure</i>						
Water and sanitation	13.0%	98%	90%	86%	58%	58%
Electricity	0.0%	2%	6%	9%	6%	6%
Housing	0.0%	0	0	0	0	0
Roads and storm water	34.6%	0	3%	4%	3%	3%
Other	52.3%	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 – Kwamhlanga Reservoirs	34 003 000	33 717 000	19 787 201.46
B – Kwaggafontein Water Scheme	0	9 216 000	7 207 582.43
C – Tweefontein WWTW	5 000 000	6 000 000	4 493 060.94
D – Boekenhouthoek drilling of boreholes	10 600 000	12 100 000	5 388 413.60
E – Water reticulation Vlaaglaagte 2	0	9 095 000	2 552 829.4

* completed Projects with the highest capital expenditure in 2014/2015.

Name of Project - A	New Reservoir and Pipeline at Kwamhlanga Reservoirs for Phola Park, Mountain View and Moloto Communities – Phase 1
Objective of Project	To address the water supply shortages within the KwaMhlanga, Moloto, Phola Park and Mountain View areas/ communities.
Delays	Amount/ budget allocated is not fully committed by the Implementing Agent (Rand Water), and slow progress on site.
Future Challenges	Shortages of water in KwaMhlanga, Moloto, Phola Park and Mountain View, should there not be enough supply from Rand Water and City of Tshwane, in light of the persisting water shortages in the country.
Anticipated citizen benefits	19 225 Households to benefit

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Name of Project - B	Upgrading of Kwaggafontein Water Scheme
Objective of Project	To ensure an adequate water supply to all residents in the settlements of Boekenhouthoek, Machipe and Bundu.
Delays	Change of design. Delay in obtaining design from Consultants that were appointment by MEGA. Slow progress as a result of boulders and hard rock that was encountered.
Future Challenges	Shortages of water in Boekenhouthoek, Machipe and Bundu, should there not be enough supply from Rand Water and City of Tshwane, in light of the persisting water shortages in the country.
Anticipated citizen benefits	8 638 Households to benefit

Name of Project - C	Tweefontein K Waste Water Treatment Works
Objective of Project	To upgrade the sewer networks and sewage treatment capacity within Thembisile Hani Local Municipality.
Delays	Delay in obtaining design from Consultant contracted by THLM, and changes in design due to errors.
Future Challenges	Maintenance and population growth can become a challenge should THLM not look into the capacity of the plant versus the population in future, and the maintenance of the plant thereof.
Anticipated citizen benefits	1 066 Households to benefit

Name of Project - D	Drilling and Equipping of Boreholes in Boekenhouthoek
Objective of Project	To improve the equitable distribution and management of significant water supply in the area through the drilling and equipping of Boreholes, as a result of water supply challenges.
Delays	Slow progress on site from the contractor.
Future Challenges	Shortages of water should more infrastructure not be constructed in line with Thembisile Hani's growth rate of 1.9%.
Anticipated citizen benefits	1 595 Households to benefit

Name of Project - E	Vlaklaagte No. 2 Water Reticulation – Phase 1
Objective of Project	To provide households with access to potable water
Delays	Delays in the appointment of Service Providers for construction.
Future Challenges	Shortages of water should more infrastructure not be constructed in line with Thembisile Hani's growth rate of 1.9%.
Anticipated citizen benefits	150 Households to benefit

Chapter 5

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The Municipal Grants expenditure 2014/15 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	2014/15				2013/14
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Audited Outcome
R thousand	1	2	3	4	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Ratepayers and other	11 203	(1 118)	10 085	58 844	36 161
Government - operating	280 980	(5 225)	275 755	330 195	424 410
Government - capital	110 820	4 465	111 736	75 788	90 211
Interest	4 185	(2 360)	1 825	4 104	2 859
Payments					
Suppliers and employees	(289 816)	(258 297)	(548 113)	(265 750)	(344 035)
Finance charges			-	(661)	
Transfers and Grants			-	(294 247)	(367 319)
NET CASH FROM/(USED) OPERATING ACTIVITIES	117 372	(262 535)	(145 162)	135 853	148 867
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE			-	(33)	1 503
Decrease (Increase) in non-current debtors			-		
Decrease (increase) other non-current receivables			-		-

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Decrease (increase) in non-current investments			-		-
Payments					-
Capital assets	(110 820)	(521)	(111 341)	(90 624)	(114 459)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(110 820)	(521)	(111 341)	(90 624)	(114 459)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans			-		-
Payments					-
Repayment of borrowing			-		
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-
					-
NET INCREASE/ (DECREASE) IN CASH HELD	6 553	(263 055)	(256 503)	45 229	38 022
Cash/cash equivalents at the year begin:	-	68 930	-	41 211	3 189
Cash/cash equivalents at the year end:	6 553		(256 503)	86 440	41 211

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

Thembisile Hani Local Municipality applies all GRAP standards in the compilation of its financial statements.

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION 2013/2014

6.1 AUDITOR GENERAL REPORTS 2013/2014

The Municipality received a Qualified Audit Opinion for the financial year 2013/2014. 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 2014. 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

The progress is owing to the complex nature of the causes that results in audit matters. These can be summarised as being:-

- Aggregation of immaterial uncorrect misstatement.
- The financial statements were materially misstated in the prior period due to the cumulative effect of numerous individually immaterial uncorrected misstatements.

However efforts will be increased and more vigorous management focus directed towards corrective actions, as well as more resources employed to ensure proper implementation of clean audit strategies.

Issues raised by the Auditor General have been analysed and classified according to the nature and extent of the cause's factors. Issues that can be resolved in the ordinary course of business are dealt with by responsible officials. Issues of a more complex nature that relate to organisational or systems deficiencies are allocated to multi-functional project teams to ensure a proper holistic solution is implemented. These corrective measures are implemented and audited.

Chapter 6

6.2 AUDITOR GENERAL REPORTS 2014/2015

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

REPORT ON THE FINANCIAL STATEMENTS

Introduction

Accounting officer's responsibility for the financial statements

1. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

2. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
3. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
4. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Revenue

5. The municipality did not have adequate systems to ensure a properly updated valuation roll and billing system. The municipality did not always update its valuation roll with changes within its jurisdiction and its billing system with property market values. Some accounts in the general ledger could not be found in the valuation roll and some of the properties in the valuation roll were not included as rateable properties on the billing system. Property owners on the valuation roll also differed from the owners captured on the financial system of the municipality. Consequently, property rates amounting to R45 254 092 and receivables amounting to R39 444 394 disclosed in note 5 to the financial statements were understated by R44 981 594. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus.

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Qualified opinion

6. In my opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Thembisile Hani Local Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Going concern

8. As disclosed in note 39 to the financial statements, the municipality's creditor-payment and debt-collection periods exceeded 175 days, thus making it a challenge for the municipality to honour its obligations on time. This condition indicates the existence of a material uncertainty that may cast significant doubt on the municipality's ability to continue as a going concern in the absence of financial assistance from provincial or national government.

Material losses

9. As disclosed in note 2 to the financial statements, material losses of R58 394 773 (58,4%) were incurred as a result of distribution losses.

Material impairment

10. As disclosed in note 5 to the financial statements, the receivables balance was significantly impaired. The impairment of consumer debtors amounted to R372 520 971 (2013-14: R327 775 456), which represented 89% (2013-14: 96,8%) of the total consumer debtors. The contribution to the provision for debt impairment was R44 745 515 (2013-14: R150 737 889)

Restatement of corresponding figures

11. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2014-15 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

Additional 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. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under

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each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2015:
 - Development priority 1: service delivery and infrastructure development, on pages ... to ...
 - Development priority 2: social development service, on pages ... to ...
16. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
17. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
18. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not identify material findings on the usefulness and reliability of the reported performance information for the following development priorities:
 - Service delivery and infrastructure development
 - Social development service

Additional matters

20. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected development priorities, I draw attention to the following matters:

Achievement of planned targets

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

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for the development priority relating to service delivery and infrastructure. As management subsequently corrected the misstatements, I did not identify material findings on the usefulness and reliability of the reported performance information.

Chapter 6

Compliance with legislation

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

Annual financial statements, performance report and annual report

24. 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 property, plant and equipment; revenue; receivables; expenditure and disclosure of commitments identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

25. Contracts were extended without tabling the reasons for the proposed amendment in the council of the municipality, as required by section 116(3) of the MFMA.

Expenditure management

26. Reasonable steps were not taken to prevent unauthorised, irregular as well as fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.
27. Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.

Revenue management

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

Consequence management

29. Irregular expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA.

Internal control

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

Leadership

31. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting, compliance and related internal controls.

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Financial and performance management

32. The municipality did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information.
33. The municipality did not review and monitor compliance with applicable legislation.
34. Management did not implement controls over daily and monthly processing and reconciling of transactions.
35. Management did not implement controls over daily and monthly processing and reconciling of transactions.

Governance

36. The audit committee operated effectively during the current period as per their legislated mandate. Recommendations were made to management to improve internal controls and ensure reliable reporting of financial and performance information as well as compliance with legislation. However, this did not result in improved controls, due to management not implementing the recommendations.


Mbombela

30 November 2015



UD TOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Chapter 6

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.

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Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of

Chapter 6

money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.

Section 1 of the MFMA defines a "vote" as:

- a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and*
- b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A (I) – LIST OF WARD COUNCILLORS

WARD	SURNAME & NAMES	CONTACT	PHYSICAL ADDRESS
1	Cllr. Amos Mahlangu	082 686 5570 074 310 5612 082 963 9449	Stand 1849 Block 15 Moloto South
2	Cllr. Mcithwa Phillip Mtshweni	074 285 3458	414 Moloto North
3	Cllr. Tabeah Leah Huma	078 318 3315	Stnd 3159 block 09 Moloto Soith
4	Cllr. Mitopi Andries Motena	072 244 2785	Stand no.521 Zakheni
5	Cllr. Badanile Johanna Skosana	072 642 4261	1629 Themba lethu
6	Cllr. KoosVusi Jiyane	078 255 2077	718 Phola park
7	Cllr. Johannes Buti Mahlangu	082 588 5728 061 438 4007	742 Madala Stands Mathazynsloop
8	Cllr. Raisibe Hellen Mohlamonyane	072 480 9310	1500 Verena D
9	Cllr. Maria Mlambo	076 570 7985	473 Buhlebuzile
10	Cllr. Joseph Fani Mashiya	082 790 0808	450 Mzimuhle/Gembokspruit
11	Cllr. Sgaule Timothy Mnisi	076 792 1744	258 Wolvenkop Verena
12	Cllr. Moses Mmoisetsi Sepogwana	072 952 9093 082 965 3997	609 Tweefontein C2
13	Cllr. Aaron Bhinga Khumalo	078 965 0747 071 623 5841	1117 Tweefontein B2
14	Cllr. Jerry Thili Mahlangu	072 383 2034	786 Montanview Zone 2 Thobela street
15	Cllr. Speelman Prince Mtshweni	083 451 3853	1529 Tweefontein E
16	Cllr. Mgyielwa Hendrik Buda	072 562 1439	1361 Buhlebesizwe 02
17	Cllr. Daisy Mamanyana Msibi	071 096 1488	1076 Tweefontein F
18	Cllr. Maria Qhubeni Mnguni (MMC SDS)	084 716 2684 074 308 9530	284 Slovo street Thokoza
19	Cllr. Mzwandile Obed Sikosana	079 031 2227	621 Suncity A
20	Cllr. Seisiwe Jack Masango	074 424 8140	492 Suncity AA
21	Cllr. Solomon Linda Mahlangu	071 158 6364	327 Vlaaglagte no1
22	Cllr. Nimrod Boitumelo Malefo	079 718 9023	391 Mandela - KwaMhlanga

APPENDICES

23	Cllr. Jan Samuel Ntuli	072 105 9398	474 Tweefontein B1
24	Cllr. Aaron Samson Motau	082 903 2639	728 Bundu
25	Cllr. Bellinah Thobile Mahlangu	082 2205 298	426 Kwagga B next to Somtjhongweni primary
26	Cllr. June Lindeni Mtsweni (Council Whip)	082 965 4007 076 225 2550	1047/1123 Kwagga C
27	Cllr. Shellboy Senzeni Dube	072 013 3104 074 330 7949	1966 Kwagga A
28	Cllr. Hendrick Martin Kabine (MMC Finance)	079 677 2154	116 Shabangu Section Kwagga A
29	Cllr. Moses Micheal Nkabinde	072 209 0846 074 310 6236	1913 Kwagga A Khalanyoni
30	Cllr. Samuel Zwelabo Mnamateli	082 965 4056	622 Tweefontein H
31	Cllr. David Vulani Lukele	082 586 2716 071 624 0647	475 Vreisgewaagte
32	Cllr. Sarah Malebo Hlungwani	078 127 9140 084 858 5808	271 Kwamhlanga Sect A

APPENDICES

APPENDIX A (II) – LIST OF PR COUNCILLORS

SURNAME & NAMES	CONTACT	PHYSICAL ADDRESS
Hon Execituve Mayor: Ndaweni Johannes Mahlangu	082 447 6155	Stand no. 1300 Vlaklaagte No. 1
Cllr. Winnie Thandi Mthombeni	076 723 4118	STAND NO 577 MZIMUHLE
Cllr. Mtsweni Lucky (MMC Coporate)	079 457 6531	
Cllr. CaneliaDudu Zabane	072 885 8368	1904 Mountaiview Zone 4
Cllr. Maria Thruddy Nobela	083 544 8498 074 067 7727 073 988 2968	341 Emzimuhle/Germbokspruit
Cllr. Joyce Johannah Tau (MMC SDS)	082 965 4343	2471 Block 06 Moloto
Cllr. Marcia Msiza	084 4711 624 082 746 9944	352 Kwagga A
Cllr. Lillian Martha Tshabangu (MMC Finance)	083 375 9473 082 791 0771	Tweef/ F
Cllr. Linda Modiegi Mboweni (MMC LED)	082 335 5603	Suncity A
Cllr. HereminahNomakhuwaDhlangalala	073 251 1753	Tweef/ G
Cllr. Thokozile Egnés Motanyane	082 965 2217	2564 Kwagga C
Cllr. Sam QuquzaKabini	071 247 3515	1509 Thembaletu
Cllr. Marry Jane Masuku	07 273 2486 082 965 2270	Wolvenkop
Cllr. Phineas Pule Moseri (Hon Speaker)	079 603 8878	1210 Larry Mammabolo V.
Cllr. Thabisile Elsie Mashinini	083 210 5246 072 102 7549	Stand1459 Mandela
Cllr. Andrew Mduduzi Mohoaduba	082 965 1508	Tweefontein D
Cllr. Bethuel Sibanyoni (Council Whip)		Larry Mammabol V.
Cllr. Muziwakhile Danisa	076 899 3195	1643 Block 16 Moloto South

APPENDICES

Cllr. Joyina Johannes Jiyane (MMC Technical)	082 335 3143	1184 Larry Mammabolo V.
Cllr. Maria Poppy Msiza	073 311 7976 076 676 0319 074 429 2638 076 949 5438	866 Kwagga D
Cllr. Mapuse Christina Mosena	073 253 1920	292 Tweefontein G- Jomo store
Cllr. Zelani Nelly Mahlangu	079 918 5483	571 Mathyzensloop Joshua street
Cllr. Rubber Qaliwe Mtsweni	082 517 5076 082 965 4479	586/7 Mountain View Zone
Cllr. Zenaye Jantjie Mnguni		1942 Phola Park 68 Street - Magalela
Cllr. Moloji Gibson Komane	082 9653 686	Verena
Cllr. Malasi Josiah Madonsela	082 2270 294	765 ThamboStr. Vlaklaagte –no 2 Nkalakatha
Cllr. Phillip Bafana Masombuka	078 334 1259	219 AA Buhlebesizwe
Cllr. Boisana Solomon Mnyakeni	072 248 5141 082 965 4390	Suncity AA
Cllr. Stanely Thabang Zondi	083 7221 188	977 Tweefontein/ H
Cllr. John Msebenzi Masombuka	082 429 4606	Larry Mammabolo V.
Cllr. Mandla Cyril Shabalala	073 0264 692	1485 Tweefontein E

APPENDICES

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

APPENDICES

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. DG Mogorosi
Assistant Manager: LED	Mr. WS Msiza
Assistant Manager: Communication	Ms. S Mashiane
Chief Internal Auditor	Ms. PB Mosomane
Chief Risk Officer	Ms. MR Masenya
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 M Tholo
Assistant Manager: PMU	Vacant
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. S Khoza
Assistant Manager: Revenue Management	Mr. O Ledwaba
Assistant Manager: Assets Management	Ms P Modipane
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	

APPENDICES

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

Continued next page

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Municipal Functions	
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 5, Part B functions:	
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
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
* If municipality: indicate (yes or No); * no entity	

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
	Vusumuzi Kheswa				
	Sibusiso Dlamini				
	Stephinah P Moganedi				
	Simon Seswike				
	Piet Mayisela				
	Tokozile Magopa				
	Mphakeng Themane				
	Kedibone Masogo				
	Sabani Mahlangu				
	Lucky Zwane				
2	CLLR MP MTSHWENI	YES	12	12	4
	Melita Mpele				
	Joyce Mantu				
	Phila Madela				
	Shomi Mabitsela				
	Ntokozo Mabuza				
	Joseph Motha				
	Dipolelo Mampuru				
	Ntombizodwa Nkosi				
	Meisie Baloyi				
3	CLLR TL. HUMA	YES	12	12	4
	Mofaka Manyako				
	Tom Kgomo				

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
	Anna Ringane				
	Julia Morudu				
	Ntokozo Mahlangu				
	Mmalefu Mohloba				
	Mabanti Ntuli				
	Princess Mgomezulu				
	Constance Thusini				
	Mokgaetsi Mahlangu				
4	CLLR MA MOTENA	YES	12	12	8
	David Masilela				
	Thomas Kabini				
	Brenda Mtsweni				
	Magdeline Matshika				
	Maria Mphahlele				
	Thomas Mathenjwa				
	Mokhine Sibiya				
	Dineo Molope				
	Simon Mashigo				
	Rapoto Nkgadima				
5	CLLR BJ SKOSANA	YES	12	12	3
	Jabu Msiza				
	Mzakhe Mgidi				
	Saaiman Ndala				
	Letty Skosana				
	Elizabeth Myeni				
	Africa Mahlaba Ntuli				
	Selina Ntuli				
	Amos Mthimunye				

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
	Themba Sindane				
	Koos Matsheni				
6	CLLR KV JIYANE	YES	12	12	9
	Layza Skhosana				
	Nokuthula Mlotshwa				
	Poppy Madonsela				
	Elizabeth Msiza				
	Tshegane Tolamo				
	William Masilela				
	Dumisani Mloi				
	Maria Mlanjana				
	Moses Nxumalo				
	Sylvester Mthomeni				
	Abednigo Ntsibande				
7	CLLR BJ MAHLANGU	YES	12	12	9
	Eunice Donga				
	Evelyn Skosana				
	Mokhuzelwa Mabona				
	Mhlangelwa Mtshweni				
	Dantji Thubani				
	Moses Mahlangu				
	Emmah Mahlangu				
	Makhosazana Gwebu				
	Njengabo Ntuli				
	Manala Mathibela				
8	CLLR RH MOHLAMONYANE	YES	12	12	7
	Duduzile Ngubane				
	Jostina Mahlangu				
	Johhanes Mahlangu				

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
	Sonnyboy Sibanyoni				
	Linah Phetla				
	Justice Mpandle				
	Maria Sibanyoni				
	Zanele Mashia				
	Johannah Mokwana				
	William Madisa				
9	CLLR M MLAMBO	YES	12	12	8
	Johanna Mahlangu				
	Joseph Mthimunye				
	Nomangisi Masangu				
	Mandla Mkhathshwa				
	Sophy Jiane				
	Lungile Sikhosana				
	Sdudla Masilela				
	Nomatjeni Msiza				
	Madenke Skhosana				
10	CLLR JF MASHIYA	YES	12	12	2
	Phumuzile Masemola				
	Thandi S Mnisi				
	Themba Sindane				
	Lettie Mahlangu				
	Themba Masilela				
	William Mthombeni				
	Sdudla Thabethe				
	Lenny M Mthimunye				
	Elka Ragimana				
	Lizzy Ntuli				

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
11	CLLR ST MNISI	YES	12	12	10
	Lucky Mthimunye				
	Oupa Mtshweni				
	Jeaneth Mtsweni				
	Thomas Magadla				
	Annah Marupeng Madisa				
	Miriam Mahlangu				
	Julia Mamogobo				
	Piet Nyathi				
	Sindisiwe Zikalala				
12	CLLR MM SEPOGWANA	YES	12	12	3
	Evelyn Mokwena				
	Zanele Mthimunye				
	Mandla Bila				
	John Mnguni				
	Nomonde Ngubeni				
	Nonkululeko Rembeyi				
	Sipho Masango				
	Meshack Ndala				
	Gladys Mkhwanazi				
	Elizabeth Mahlangu				
13	CLLR AB KHUMALO	YES	12	12	9
	Kgarola Mathobela				
	Fikile Sibeko				
	Jacob Vusumuzi Mahlangu				
	Matshiliso Mokoena				
	Solomon Masemola				
	Zondi Mtsweni				

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
	Bakholisekile Sithole				
	Poppy Motswene				
	Thelma Ndala				
	Moses Masango				
14	CLLR JT MAHLANGU	YES	12	12	3
	Ntsoaki Motaung				
	Phethole Lefophana				
	Happy Ndebele				
	Anna Mmodong				
	Mashadi Nkadimeng				
	Gomotsegang Mohlala				
	James Msiza				
	Vusi Mahlangu				
	Ephraim Mahlangu				
	Josephine Nkabinde				
15	CLLR SP MTSHWENI	YES	12	12	7
	Grace Skhosana				
	Kotshiwe Masango				
	Peter Ntuli				
	Simon Mnguni				
	Sebueng Masehla				
	Thomas Masuku				
	Nanetjie Magagula				
	Johannes Mbonani				
	Phindile Mahlangu				
	Sokana Tshabangu				
16	CLLR MH BUDA	YES	12	12	7
	Nelly Mahlangu				
	Andries Mabhena				

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
	Mnyazwa W Mashika				
	Thembinkosi Mahlangu				
	Mathukana Ntoyi				
	Ntombikayise Queen Malope				
	Beatrice Dlamini				
	Samson Moela				
	Silvester Mahlangu				
	Mienkie Senamela				
17	CLLR DM MSIBI	YES	12	12	7
	Besabakhe Mgidi				
	Auta Mpongose				
	Jwana Mahlangu				
	Johannah Makhubu				
	Ouma Khumalo				
	Fikile Mgyai				
	Mngonelwa Msiza				
	Malobane Mahlangu				
	Valencia Shabalala				
18	CLLR MQ MNGUNI	YES	12	12	8
	Jetro Ngobeni				
	Nkele Ntuli				
	Ntombi Masina				
	Khubelo Mashiyane				
	Sibongile Mahlangu				
	Merriam Mahlangu				
	Caphius Mbonani				
	Pauline Mahamba				
	Songo Shabalala				

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
19	CLLR MO SIKOSANA	YES	12	12	7
	Lucky Mtsweni				
	Koos Mngomezulu				
	Hezekiel Nkosi				
	Hlengiwe Sibanyoni				
	Thabisile Mtsweni				
	Thunile Mahlangu				
	Phindaphi Mashiyane				
	Martin Babedi				
	Aaron Mtsweni				
	Angelinah Mabena				
20	CLLR SJ MASANGO	YES	12	12	7
	Pouline Mkhuma				
	Rebecca Masuku				
	Ben Mabuza				
	Sellinah Kabini				
	Baas Mahlangu				
	David Mokoena				
	Jerry Malebe				
	Zandile Motha				
	Lucia Mavimbela				
	Tshepo Maboho				
21	CLLR SL MAHLANGU	YES	12	12	6
	Germina Mnguni				
	Patience Magxotywa				
	Stunford Shongwe				
	Joyce Konoti				
	Martha Tsiane				

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
	Mackenzi Mngomezulu				
	Sphiwe Skosana				
	Namkoena Nonyani				
	Nakumalo Kobe				
	Timothy Mahlangu				
	Nengi Rosy Sebelebele				
22	CLLR NB MALEFO	YES	12	12	3
	Shirley Mahlangu				
	Zanele Shabalaba				
	Shimi Rakgalakane				
	Doctor Ngobeni				
	Lesetja Monama				
	Kedibone Elizaberth Mako				
	Phona Madiseng				
	Christinah Masilela				
	Sonto Nhlapho				
	Maria Komete				
23	CLLR JS NTULI	YES	12	12	4
	Johannes Mulaudzi				
	Elizabeth Nkosi				
	Magreth Mabena				
	Nomsa Mahlangu				
	Martha Mthimunye				
	Themba Makhubu				
	Freda Aphane				
	Lettah Masopoga				
	Bongani Msibi				
	Johnnes Matlala				
24	CLLR AS MOTAU	YES	12	12	12

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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
	Alfred Ramphisa				
	Suzan Mathelele				
	Sello V Mathebe				
	Mfana Paulos Mthembu				
	Cynthia Maphosa				
	Ntombifuthi Nkabinde				
	Nomoya Tshabalala				
	Norah Sekopa				
	Jacob Mazibuko				
	John Senamela				
25	CLLR BT Mahlangu	YES	12	12	5
	Kortman Mahlangu				
	George Shezi				
	Lindiwe Kabine				
	Sarah Phakathi				
	Andries Botha				
	Esther Sibanyoni				
	Martha Masilela				
	Paulline Kadinge				
	Jan Mahlangu				
	Constance Masango				
26	CLLR JL Mtsweni	YES	12	12	4
	Johannes Mokwena				
	Sarah Masango				
	Adelide Masombuka				
	Nomusa Motanyane				
	Matome Segwapa				
	Suzan Motshwene				
	Maria Ntuli				

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
	Themba Zwane				
	Sarah B Nkosi				
	Shadrack Mahlangu				
27	CLLR S S Dube	YES	12	12	5
	Sophie Mnguni				
	Prudence Mahlangu				
	Bongani Lawane				
	Emily Ngoma				
	Paulos Mthimunye				
	Makhosazana Dhlamini				
	Koos Mbonani				
	Solomon Mhlanga				
	Dini Skosana				
	Sponono Mahlangu				
28	CLLR H M Kabine	YES	12	12	4
	Khulise Msiza				
	Mkhululi Sithole				
	Kathriena Mnguni				
	Julia Magakwe				
	Gloria Sebothoma				
	Bubu Kubeka				
	Virginia Mahlangu				
	Ntile Mtsweni				
	Moses Masemola				
	Emmanuel Mokhethwa				
29	CLLR M M Nkabinde	YES	12	12	11
	Jabulani Masombuka				
	Sancho Lebese				

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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
	Sinah Mahlangu				
	Skhalo Hlongwane				
	Mgetsan iMtshweni				
	Bheki Mngomezulu				
	Thokozile Mthimunye				
	Zanele Skosana				
	Annah Madile				
	Girly Motlounq				
30	CLLR S ZMnamatheli	YES	12	12	3
	Peter Sithole				
	Ntazi jiyana				
	James Skosana				
	Richard Ntuli				
	Anna Masango				
	William Mahlangu				
	LindiweTshabalala				
	Nanatshi Mahlangu				
	Funani Skhosana				
	Mavis Kabini				
31	CLLR D V Lukele	YES	12	12	3
	Maria Magane				
	France Mahlangu				
	Brenda Kabini				
	Phillemon Skosana				
	Phumzile Mashilo				
	Simon Mahlangu				
	William Vusi Mahlangu				
	Esther P Skosana				
	Linah Mampane				

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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
	Irene Mbonane				
32	CLLR S M Hlongwani	YES	12	12	6
	Kalaka Mahlangu				
	Malesela Nkhumise				
	Gladys Mokwatlo				
	Zakhele Ndaba				
	Elizabeth Mgidi				
	Dion Motshweni				
	Thelma Mabena				
	Mamorobele Monaiwa				
	Betty Malope				

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APPENDIX F – WARD INFORMATION

Capital Projects: Seven Largest in 2014/2015 (Full List at Appendix N)

No.	Project Name and detail	Total Value (R)	Start Date	End Date
1	New Reservoir and Pipeline at KwaMhlanga	R 34 003 001.63	27 January 2015	On-Going (Multi Year Project) - 76% at end of June 2015
2	Drilling and Equipping of Boreholes in Boekenhouthoek	R 12 100 000.00	25 January 2015	On-Going – 68% Complete at end of June 2015
3	Upgrading of Kwaggafontein Water Scheme	R 9 216 000.00	20 January 2015	On-Going (Multi Year Project) - 80% at end of June 2015
4	Upgrading of Tweefontein K Waste Water Treatment Works – Phase 1	R 6 000 000.00	19 February 2015	On-Going (Multi Year Project) - 80% at end of June 2015.
5	Miliva (Next to RDP) Water Reticulation	R 3 727 537.57	23 February 2015	22 June 2015
6	Vlaklaagte No. 2 Water Reticulation	R 2 687 189.41	23 February 2015	22 June 2015
7	Drilling and Equipping of Boreholes, Ward 32	R 1 665 060.00	9 February 2015	19 June 2015

Top Four Service Delivery Priorities for Ward (Highest Priority First)

No.	Priority Name and Detail	Progress During 2014/2015
1	Water	87345 households provided with access to basic water daily
2	Sanitation	3 500 households provided with access to sanitation (Kwamhlanga and Tweefontein K)
3	Electricity	Street lights- 132 and 52 High mast lights (high mast light strated from 2012/2013 to 2014/2015)
4	Waste management	66495 h/h provide with access to refuse removal on fortnight base

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APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2014/15

Audit Committee Recommendations		
Report Name	Committee recommendations made during 2014/15	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 2013/14	Qualification Matters <ol style="list-style-type: none"> 1. Management to investigate all items and appropriate journal entries for processing before the end of January 2015. 2. That the assets consultant be requested to clear all asset related issues at no charge. 3. That AGSA be requested to come and verify the corrected or processed entries in this regard. 	All recommendations were noted
	Compliance Matters <ol style="list-style-type: none"> 1. Preparation of GRAP compliant Quarterly Financial Statements (QFS). The said QFS must serve at both the Audit Committee and Council level on a quarterly basis starting from the Second Quarter (end of December 2014). 2. The unauthorised expenditure must be dealt with in terms of section 32 of the MFMA. 3. Use of budget adjustment in January to address any possible unauthorized expenditure. 4. Going forward, actual and possible unauthorized expenditure report must be submitted to the AC and Council every quarter. 5. Actions must be taken by the Accounting Officer against the person/s who caused the said expenditure. 6. Proper planning by municipality (including proper communication). 7. Application of roll-overs and ensuring it is spent in 2014/15, if granted by National Treasury 8. Actions must be taken by the HOD's against officials for their non-adherence to current revenue management process. 9. Review of the current funding model of the municipality. 	
	Additional recommendations <ol style="list-style-type: none"> 1. That Council prioritise the appointment of the Chief Financial Officer. 2. That management develop an action plan that will highlight and address the root causes of all the findings contained in Auditor General's 	

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Audit Committee Recommendations		
	<p>management report and audit report.</p> <ol style="list-style-type: none"> 3. That emphasis be made on shortening the turnaround time of addressing the AG findings. 4. That the Municipal Manager ensure the implementation of the agreed action plans and report to the Audit Committee on a monthly basis effective 30 January 2015. 5. That the audit issues and action plan progress report be a standing item in all Management, EXCO and MPAC agendas. 6. That the Executive 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. 7. Internal Audit to verify the accuracy of the reported implementation status on the action plans and report to the Audit Committee; 8. 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; 9. That there be a regular interaction between the Audit Committee, MPAC and Portfolio Committees; and 10. That the Audit Committee resolutions be tracked by the Portfolio Chairpersons and MPAC on a monthly basis 	
<p>Audit Committee Report for the quarter ended 30 September 2014 (1ST Quarter Report)</p>	<p>Internal Financial Controls and Internal Audit</p> <ol style="list-style-type: none"> 1. That Management make the corrections suggested by the Audit Committee and Internal Audit before submission of the Annual Financial Statements to the AGSA. 2. That Council note the progress made by Internal Audit against the approved annual internal audit plan, and reasons for non-achievement of planned targets. The main reasons for non-achievement is capacity, and excessive requests of Adhoc assignments by the municipality. <p>Accuracy and Reliability of Financial Reporting</p> <ol style="list-style-type: none"> 1. That Management work on a revenue enhancement strategy that will assist the municipality to be sustainable 	<p>All recommendations were noted</p>

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Audit Committee Recommendations		
	<p>2. That all the line items that have negative balances be addressed during the budget adjustment period; and going forward management ensure that the municipal budget process is improved so as to ensure that the outcomes of the process are realistic.</p>	
	<p>Performance Management</p> <p>1. That Council consider the Annual Report and that it be dealt with in terms of Section 127 (5) of the MFMA</p> <p>2. Management to implement the Internal Audit recommendations immediately.</p>	
	<p>Compliance with MFMA and DoRA</p> <p>1. That the municipality consider appointing a person that will be solely responsible for all compliance matters. This should be considered as part of the Clean Audit Strategy.</p>	
<p>Audit Committee Report for the quarter ended 31 December 2014 (2ND Quarter Report)</p>	<p>Internal Financial Controls and Internal Audit</p> <p>1. Drafting and implementation of the Combined Assurance Framework, in line with the Combined Assurance Model.</p> <p>2. Capacitating the Risk Management Unit and Internal Audit Unit to be able to assist both Management and Council in this regard.</p>	<p>All recommendations were noted</p>
	<p>Risk Management</p> <p>1. That Council take the appropriate remedial action for non-submission of risk management reports by management to the Committee.</p>	
	<p>Performance Management</p> <p>1. That management escalates the 62% underperformance against the planned targets to Council immediately, together with the internal audit findings.</p> <p>2. Management to develop a recovery plan to address</p>	

APPENDICES

Audit Committee Recommendations		
	<p>the underperformance.</p> <ol style="list-style-type: none"> 3. Management to implement all Internal Audit recommendations immediately. 4. That a follow-up audit be conducted on the implementation of the recommendations during the third quarter audit. 	
	<p>Effective Governance</p> <ol style="list-style-type: none"> 1. That Council approve the Internal Audit Policy for 2014/15 and the Performance Audit Committee Charter for 2014/15 financial year 	
	<p>Compliance with the MFMA and DoRA</p> <ol style="list-style-type: none"> 1. That management develop an action plan that will highlight and address the root causes of all the compliance findings contained in Auditor General's management report and audit report. 2. That emphasis be made on shortening the turnaround time of addressing the issues raised by the Auditor-General. 3. That the Municipal Manager ensure the implementation of the agreed action plans and report to the Audit Committee on a monthly basis effective 30 January 2015. 4. That all the finding be immediately factored into 2014/15 risk registers as emerging risks. 5. That the municipality consider appointing a person that will be solely responsible for all compliance matters. This should be considered as part of the Clean Audit Strategy. 	
	<p>Performance Evaluations</p> <ol style="list-style-type: none"> 1. That Council hold management accountable for the evaluations of the Section 56 managers that are not taking place as it is non-compliance. 	
<p>Audit Committee Report for the quarter ended 31 March 2015 (3RD Quarter Report)</p>	<p>Internal Financial Controls and Internal Audit</p> <ol style="list-style-type: none"> 1) That Council approve the revenue enhancement strategy and draft finance related policies for 2015/16 2) Going forward, all documents presented to the Committee be submitted prior submission to the Mayoral Committee and Council so that the Committee can properly advise on the items 	<p>All recommendations were noted</p>

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Audit Committee Recommendations

- 3) That Council approve the draft IDP, Budget and the draft risks in the Strategic Risk Register for 2015/16
- 4) That a provision be made for the Internal Audit and Risk Management activities in the final budget of the municipality for 2015/16 financial year
- 5) That management develop an implementation plan in respect of the revenue enhancement strategy, and credit control and debt collection policy
- 6) That Council note the internal audit reports
- 7) That management develop an action plan to address both the findings and root causes identified by Internal Audit

Risk Management

1. That Council approve all the risk management policies for 2014/15
2. That Council be involved in the risk management processes of the municipality so as to ensure the following:
 - a. That the municipal strategies are aligned to the government mandate
 - b. To obtain assurance that the municipality's strategic choices are/were based on a rigorous assessment of risk
 - c. To obtain assurance that key risks inherent in the municipal strategies are/were identified and assessed, and are being properly managed
 - d. To assist the Accounting Officer to deal with fiscal, intergovernmental, political and other risks beyond the municipality's direct control and influence

Accuracy and Reliability of Financial Reporting

1. That Council take note of the Section 66 and 71 reports for January 2015

Performance Management

1. That Council take note of the Performance Audit Committee report for the period ended 31 December 2014 as submitted
2. That Council ensures that the recommendations made by the Performance Audit Committee in the report are implemented

Effective Governance

1. That Council take note of the Audit Committee's Annual Work Plan

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Audit Committee Recommendations		
	<p>2. That Council assess/evaluate the effectiveness of the Audit Committee atleast on a quarterly basis and that feedback be given to the Committee to make improvements where necessary</p>	
	<p>Compliance with the MFMA and DoRA</p> <p>1. That there be close monitoring of compliance issues and enforcement of the corrective action plans where non-compliance has been identified</p> <p>2. That the municipality consider appointing a person that will be solely responsible for all compliance matters. This should be considered as part of the Clean Audit Strategy.</p>	
<p>Audit Committee Report for the quarter ended 30 June 2015 (4TH Quarter Report)</p>	<p>Internal Financial Controls and Internal Audit</p> <p>1. That the credit control and debt collection policy for 2015/16 financial year be implemented</p> <p>2. That the tariff structure for 2015/16 financial year be implemented</p> <p>3. That Council take note of the Internal Audit Charter and the Internal Audit operational plan supported by the Accounting Officer and approved by the Committee</p> <p>4. That Council approve the Internal Audit Policy for 2015/16 financial year and that it be implemented</p> <p>5. That management implement the recommendations made by Internal Audit in the following audit reports:</p> <ul style="list-style-type: none"> a. Information, Communication and Technology b. Expenditure Management c. Assets Management d. Financial Management e. Project Management f. Leave Management g. Environmental Management 	<p>All recommendations were noted</p>
	<p>Risk Management</p> <p>1. That the findings of the Provincial Treasury on the Strategic Risk Register be addressed when finalizing the strategic risk assessment process</p> <p>2. That fraud risks as well as the risks attached to the coming local government elections be identified so that measures can be put in place to manage those risks</p>	
	<p>Accuracy and Reliability of Financial Reporting</p> <p>1. That Council take note of the following reports:</p>	

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Audit Committee Recommendations	
	<ol style="list-style-type: none"> 1.1. Report on the Councillors and Employee Debts (Rates and Taxes) 1.2. Top 20 debtors of the municipality 1.3. Progress on debts and revenue collection 1.4. Amnesty report 1.5. Interim Financial Statements for 2014/15 2. That the municipality recover all the monies owed by the Councillors before their term ends and that it continues deducting the monies owed by the employees as per the arrangements made 3. That various forms of communication be utilized to encourage communities to take advantage of the “amnesty principle” and also communicate its benefits to the communities and how in turn it assists the municipality e.g. make use of the radio stations, local circulating newspapers, municipal brochures, notice boards and etc. 4. Management to ensure that before reports are taken to Council, they have been seen by the Committee members first so that Council can be advised properly 5. That measures be put in place to ensure that all the reports requested and expected by the Audit Committee are submitted so that it may be able to advise Council
	<p>Effective Governance</p> <ol style="list-style-type: none"> 1. That Council approve the Audit Committee and Performance Audit Committee Charters for 2015/16 financial year. 2. That Council take note of the Audit Committee’s Annual Work Plan for 2015/16 financial year.
	<p>Compliance with the MFMA and DoRA</p> <ol style="list-style-type: none"> 1. That Council takes note of the compliance report for the 3rd quarter and compliance register to be utilized to monitor compliance in 2015/16 financial year.
	<p>Performance Evaluation</p> <ol style="list-style-type: none"> 1. That the municipality ensures that the performance of Section 56 Managers is evaluated and that supporting documentation is kept as this may be drawn as a matter of emphasis in the Auditor-General’s report for 2014-15 financial year if the municipality is unable to prove that these evaluations were conducted on a quarterly basis

APPENDICES

Audit Committee Recommendations

	2. That the contracts that the municipality has entered into be subjected to evaluations as well	
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APPENDIX H: MUNICIPAL SERVICE PROVIDER PERFORMANCE

PERFORMANCE OF SERVICE PROVIDERS DURING THE 2014/2015 FINANCIAL YEAR FOR THE PERIOD ENDING 30 JUNE 2015

2014/2015 PERFORMANCE OF EXTERNAL SERVICE PROVIDERS:

DURATION: 01 JULY 2014 TO 30 JUNE 2015

The performance of external service providers was measured and rated as follows:

- 1 : Poor Performance (Very Poor)
- 2 : Below satisfactory (Poor)
- 3 : Satisfactory (Acceptable)
- 4: Performance significantly above expectations (Very Good)
- 5 : Excellent performance (Excellent)

Water Projects

LOCATION	NAME OF SERVICE PROVIDER/COMPANY	TERM OF CONTRACT	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	KEY PERFORMANCE AREA	TARGET ACHIEVE YES / NO	2014/2015 ACTUAL PERFORMANCE	PERFORMANCE RATING 1/2/3/4/5	PROJECT COMPLETE / PROJECT NOT COMPLETE / PERFORMANCE COMMENT	CORRECTIVE MEASURES
Ward 32	Serodime consulting engineers	3 months	Boreholes ward 32	8 boreholes drilled and equipped by 31 May 2015	2 316	Basic Service delivery	Yes	Drilling and equipping of 08 Boreholes	4	Snagging and de-snagging not accounted for in the annual target duration	None
Zakheni	Serodime consulting engineers and baithusi trading	3 months	Water Reticulation Zakheni Extension	70 households connected to yard taps by 31 December 2014	1 844	Basic Service delivery	Yes	74 households connected to yard taps	4	Snagging and de-snagging not accounted for in the annual target duration	None
Ward 10	me consulting	3 months	Boreholes Ward	4 boreholes	2 500	Basic Service	Yes	Drilling and	4	Snagging and	None

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	engineers and neo siyabonga JV		10 Farm	drilled and equipped by 31 May 2015		delivery		equipping of 04 Boreholes		de-snagging not accounted for in the annual target duration	
(Rietfontein & Domek Farms) Ward 08	Rand water	n/a	Boreholes Farm Ward 08 (Rietfontein & Domek Farms)	2 boreholes drilled and equipped by 31 May 2015	700	Basic Service delivery	Yes	Drilling and Equipping of 3 boreholes and refurbishment of 2 Boreholes	3	Payment not effected due to other charges effected that were not budgeted for by the municipality	None
Boekenhouthoek	Rand water	N/A	Drilling & Equipping of Boreholes in Boekenhouthoek	7 boreholes drilled and equipped by 31 May 2015	12 100	Basic Service delivery	No	10 boreholes sited and drilled Equipping = 0%	3	Four boreholes with the high yield to be used instead of seven.	None
Vlakraagte (Mabhoko)	Thoko Consulting and elezulu Construction	3 Months	Water Reticulation Vlakraagte (Mabhoko)	59 households connected to yard taps by 31 March 2015	2 570	Basic Service delivery	Yes	59 households connected to yard taps	4	Yes	None
Mandela/ Msholoz	Thembaekele consulting and elezulu construction	3 Months	Water Reticulation Mandela/ Msholoz	80 households connected to yard tap by 31 December 2014.	2 084	Basic Service delivery	Yes	84 households connected to yard taps	4	Yes	None
Tweefontein K	Rand Water	N/A	Upgrading of WWTW Tweefontein K	1 WWTW upgraded by 31 May 2015	6 000	Basic Service delivery	No	Construction of floor slab 100% Construction of walls 100% Casting of concrete walls 80% Backfilling 75% 80 % overall progress	4	Multi-year project	None
KwaMhlanga, Phola & Mountain View	Rand Water	N/A	New Reservoir & Pipeline at KwaMhlanga for Phola & Mountain View	3.2 km dia PVC pipe tapping off from the existing	33 717	Basic Service delivery	No	3.2 km dia PVC pipe tapping off from the existing 1000mm dia line from Ekandustria to	3	Hard rock material on site delayed the completion of the project.	None

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				1000mm dia line from Ekandustria to Enkeldoornoog constructed by 31 May 2015 3.75km pipeline to KwaMhlanga R1 reservoir constructed by 31 May 2015				Enkeldoornoog (100% progress for excavation and pipe line) 2.1 km pipeline constructed to KwaMhlanga R1 reservoir (56% progress for excavation and pipe line) Overall progress is at 50.3%			
Tweefontein K Newstands	Tshimokuhle consulting engineers and Mkhushkho Trading and enterprise	3 Months	Tweefontein K water Reticulation Newstands	1500m of 75mm dia pipework constructed by 31 May 2015	1 387	Basic Service delivery	Yes	1500m of 75mm dia pipework constructed by 31 May 2015	3	Technical report rejected by DWS to reticulate green fields for the purpose of selling stands to the community.	None
Luthuli (Mahlabathini)	Thembakele consulting and mamolato construction	3 months	Water Reticulation Luthuli (Mahlabathini)	10 Communal stand pipes installed to serve 180 by 31 May 2015	1 415	Basic Service delivery	Yes	11 communal stand pipes installed	4	None	None
Kwaggafontein, Boekenhouthoek, Bundu and Machipe	Rand Water	N/A	Upgrading of Kwaggafontein Water Scheme	2km pipeline of 160mm diam. By 31 May 2015	9 216	Basic Service delivery	No	1.8km pipeline of 160mm dia completed	3	Hard rock material on site delayed the completion of the project.	None
Moloto North and South	Serodime consulting engineers and nomakhobong construction	3 months	Replacement of asbestos pipes at Moloto North and South	60 households connected to yard taps by 31 December 2014	2 000	Basic Service delivery	Yes	63 households equipped with yard taps	4	None	None
Mandela Extension	Rand Water	1 Month	Water Reticulation Mandela Extension	40 households connected to yard by 31 May 2015	1 000	Basic Service delivery	Yes	3000m of 75mm dia pipe with 130 house connections	4	None	None

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Vlaaklaagte No: 2 Next to RDP	Rand water	3 months	Water Reticulation Vlaaklaagte No: 2 Next to RDP	150 households connected to yard by 31 May 2015	9 095	Basic Service delivery	Yes	3500 m of 75mm dia pipe and 150 house connections	4	Payment not effected due to over expenditure	None
Tweefontein A Miliwa Next to RDP	Rand Water	3 Months	Water Reticulation Miliwa Next to RDP	205 households connected to yard by 31 May 2015	8 979	Basic Service delivery	Yes	4140m of 75mm dia pipe and 205 house connections	4	Yes	None
THLM	Rand water, City of Tshwane and Dr JS Moroka	12 months	Provision of water	73 000 households provided with access to basic water by daily	62 054	Basic Service delivery	Yes	73 000 households provided with access to basic water by daily	4	Actual budgeted amount was 100 million before the budget adjustment for 2014/2015 and adjusted to 62 million.	None
THLM	Mpumamanzi	3 years	Water samples	150 water samples tested by 30 December 2014	251	Basic Service delivery	Yes	720 water samples tested by 30 December 2014	5	None over achieved by 570 samples	None

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Roads and Storm Water

LOCATION	NAME OF SERVICE PROVIDER/COMPANY	TERM OF CONTRACT	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	KEY PERFORMANCE AREA	TARGET ACHIEVE YES / NO	2014/2015 ACTUAL PERFORMANCE	PERFORMANCE RATING 1/2/3/4/5	PROJECT COMPLETE / PROJECT NOT COMPLETE / PERFORMANCE COMMENT	CORRECTIVE MEASURES
Vezubuhle	Nomfundo consulting africa	3 years	Bus Route Vezubuhle	1 bus route Designs developed by 30 December 2014	324	Basic Service delivery	Yes	1 Bus route designed	4	None	None
Mathyzensloop	Kontinental engineering consulting	3 years	Bus Route Mathyzensloop	1 bus route Designs developed by 30 December 2014	251	Basic Service delivery	Yes	1 Bus route designed	4	None	None
Twefontein G	Nomfundo consulting africa	3 years	Bus Route Twefontein G Bus and Taxi Route	1 bus route Designs developed by 30 December 2014	383	Basic Service delivery	Yes	1 Bus route designed	4	None	None
Kwaggafontein A	Zmc consulting	3 years	Bus Route Kwagga A Bus & Taxi Route	1 bus route Designs developed by 30 December 2014	287	Basic Service delivery	Yes	1 Bus route designed	4	None	None
Buhlebesizwe	Victory consulting	3 years	Bus Route Buhlebesizwe	1 bus route Designs	387	Basic Service delivery	Not applicable	1 Bus route designed		This project is a multi-year project. The	None

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				developed by 30 December 2014						design for the project was completed in 2013/2014FY although only phase one of the design was paid. In 2014/2015FY the design of phase two was paid, since it was expected to be implemented in the FY, although it was re-prioritised in 2014/2015 FY	
Twefontein B2	Ditlou consulting and engineers	3 years	Bus Route Twefontein B2	1 bus route Designs developed by 30 December 2014	63	Basic Service delivery	Yes	1 Bus route designed	4	None	None
Twefontein E	Khonza izwe consulting	3 years	Bus Route Twefontein E	1 bus route Designs developed by 30 December 2014	595	Basic Service delivery	Yes	1 Bus route designed	4	None	None
Thembaletu	Nomfundo consulting africa	3 years	Bus Route Thembaletu	1 bus route Designs developed by 30 December 2014	322	Basic Service delivery	Yes	1 Bus route designed	4	None	None

APPENDICES

Luthuli	Ewesizwe consultants	3 years	Link Route Luthuli	1 bus route Designs developed by 30 December 2014	136	Basic Service delivery	Yes	1 Bus route designed	4	None	None
Suncity AA (Ward 20)	Nofundo consulting engineers	3 years	Bus and Taxi Route Suncity AA (Ward 20)	1 bus route Designs developed by 30 December 2014	326	Basic Service delivery	Yes	1 Bus route designed	4	None	None

Electricity Projects

LOCATION	NAME OF SERVICE PROVIDER/COMPANY	TERM OF CONTRACT	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	KEY PERFORMANCE AREA	TARGET ACHIEVE YES / NO	2014/2015 ACTUAL PERFORMANCE	PERFORMANCE RATING 1/2/3/4/5	PROJECT COMPLETE / PROJECT NOT COMPLETE / PERFORMANCE COMMENT	CORRECTIVE MEASURES
Route Suncity B (Ward 19)	Zmc consulting	3 years	Completion of Bus Route Suncity B (Ward 19)	1 bus route Designs developed by 30 December 2014	322	Basic Service delivery	Yes	1 Bus route designed	4	None	None
Zakheni (Ward 4)	Omphile Electrical	3 Months	Highmast Lights Zakheni (Ward 4)	2 High mast Lights installed and energized by 31 May 2015	634	Basic Service delivery	Yes	2 High mast lights Installed and energised	4	None	None

APPENDICES

Verena(A,B,C,D)	Omphile Electrical	3 Months	Highmastlights Verena(A,B,C,D)	4 High mast Lights installed and energized by 31 May 2015	1 021	Basic Service delivery	Yes	4 High mast lights Installed and energised	4	None	None
KwaMhlanga (Bankview)	Omphile Electrical	3 Months	Highmastlights KwaMhlanga (Bankview)	2 High mast Lights installed and energized by 31 May 2015	633	Basic Service delivery	Yes	2 High mast lights Installed and energised	4	None	None

Facilities Projects

LOCATION	NAME OF SERVICE PROVIDER/COMPANY	TERM OF CONTRACT	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	KEY PERFORMANCE AREA	TARGET ACHIEVE YES / NO	2014/2015 ACTUAL PERFORMANCE	PERFORMANCE RATING 1/2/3/4/5	PROJECT COMPLETE / PROJECT NOT COMPLETE / PERFORMANCE COMMENT	CORRECTIVE MEASURES
Moloto North	Simono Consuting Engineers	3 Years	Multi-Purpose Centre Moloto North	1 Multipurpose centers design developed by 31 December 2014	328	Basic Service delivery	Not applicable	Designs for Multi-purpose centre in Moloto developed	3	Project comments 2014/2015 FY: the design was completed by May 2014 (see POE) and it was budgeted R5 mil for implementation 2014/15. The outstanding invoice on the design was processed in December 2014.	None

APPENDICES

										This project was considered a multi-year project. This project was discontinued due to re-prioritisation of water and sanitation, then the project did not have a budget to continue.	
Phumula	Simono Consuting Engineers	3 Years	Multi-Purpose Phumula	1 Multipurpose centers design developed by 31 December 2014	388	Basic Service delivery	Not applicable	Designs for Multi-purpose centre are available	3	Project comments 2014/2015 FY: the design was completed by May 2014 (see POE) and it was budgeted R5 mil for implementation 2014/15. The outstanding invoice on the design was processed in December 2014. This project was considered a multi-year project. This project was discontinued due to re-prioritisation of water and sanitation, then the project did not have a budget to continue.	

APPENDICES

APPENDIX I: REVENUE COLLECTION PERFORMANCE BY VOTE

APPENDIX I (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
NOTE: R' 000 ON TOTAL REVENUE						
Vote Description	2012/2013	2014/2015			2014/2015	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 104	267 113 053	292 126 000	279 379 000	369 715 101	0	0
Vote 105	137 703 820	109 783 000	109 965 000	75 969 374	0	0
Vote 107	2 135 816	1 057 000	786 000	1 647 557	1	1
Vote 108	2 416 019	4 323 000	5 520 000	16 673 162	0	0
Vote 300	121 420	131 000	74 000	171 516	0	0
Vote 500	2 863 000	2 842 000	2 842 000	3 548 769	0	0
Vote 520	4 163 018	1 910 000	1 910 000	17 621 517	1	1
vote 530	3 000 000	0	2 839 000	7 000 000	1	0
Vote 540	38 175 050	38 746 000	43 631 000	57 920 984	0	0
Total Revenue by Vote	457 691 196	450 918 000	446 946 000	171 516	0	0

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3

APPENDIX J: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						
R						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Partnership Grant Development	0	0	0			
FMG	1 600 000	1 600 000	1 600 000	0%	0%	
MSIG	934 000	934 000	934 000	0%	0%	
EPWP	3 757 000	3 757 000	3 757 000	0%	0%	

WATER OPERATING SUBSIDY	10 000 000	10 000 000	10 000 000	0%	0%	
EQUITABLE SHARE	259 164 000	259 164 000	259 164 000	0%	0%	
INEP	0	0	0	0%	0%	
Total	275 455 000	275 455 000	275 455 000	0%	0%	

APPENDIX K: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
R '000							
Description	2012/2013	2014/2015			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	-	111 2501	111 736	75 788	-	-	-
Infrastructure: Road transport - Total	-	0	3 902	3 149	-	-	-
<i>Roads, Pavements & Bridges</i>		0	3 902	3 149			
<i>Storm water</i>							
Infrastructure: Electricity - Total	-	2 081	6 738	6 941	-	-	-
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>		2 081	6 738	6 941			
Infrastructure: Water - Total	-	99 169	94 320	59 614	-	-	-
<i>Dams & Reservoirs</i>							
<i>Water purification</i>		99 169					
<i>Reticulation</i>			94 320	59 614			
Infrastructure: Sanitation - Total	-	10 000	6 000	5 308	-	-	-
<i>Reticulation</i>							
<i>Sewerage purification</i>		10 000	6 000	5 308			
Infrastructure: Other - Total	-	0	776	776	-	-	-
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>		0	776	776			
Community - Total	-	-	-	-	-	-	-

APPENDIX L – CAPITAL PROGRAMME BY PROJECT BY WARD 2014/15

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE
Ward 32	Boreholes ward 32	8 boreholes drilled and equipped by 31 May 2015	2 316	Drilling and equipping of 08 Boreholes	R 1 729 043.72 (inclusive of professional fees and other)
Zakheni	Water Reticulation Zakheni Extension	70 households connected to yard taps by 31 December 2014	1 844	74 households connected to yard taps	R 1 844 784.39 (inclusive of professional fees and other)
Ward 10	Boreholes Ward 10 Farm	4 boreholes drilled and equipped by 31 May 2015	2 500	Drilling and equipping of 04 Boreholes	R 1 463 944.55 (inclusive of professional fees and other)
(Rietfontein & Dornek Farms) Ward 08	Boreholes Farm Ward 08 (Rietfontein & Dornek Farms)	2 boreholes drilled and equipped by 31 May 2015	700	Drilling and Equipping of 3 boreholes and refurbishment of 2 Boreholes	R 0.00
Boekenhouthoek	Drilling & Equipping of Boreholes in Boekenhouthoek	7 boreholes drilled and equipped by 31 May 2015	12 100	10 boreholes sited and drilled Equipping = 0%	R 6 374 552.29 (inclusive of professional fees and other)
Vlakraagte (Mabhoko)	Water Reticulation Vlakraagte (Mabhoko)	59 households connected to yard taps by 31 March 2015	2 570	59 households connected to yard taps	R 2 460 061.89 (inclusive of professional fees and other)
Mandela/ Msholoz	Water Reticulation Mandela/ Msholoz	80 households connected to yard tap by 31 December 2014.	2 084	84 households connected to yard taps	R 1 968 489.83 (inclusive of professional fees and other)
Tweefontein K	Upgrading of WWTW Tweefontein K	1 WWTW upgraded by 31 May 2015	6 000	Construction of floor slab 100% Construction of walls 100% Casting of concrete walls 80% Backfilling 75% 80 % overall progress	R 5 307 895.75 (inclusive of professional fees and other)
KwaMhlanga, Phola & Mountain View	New Reservoir & Pipeline at KwaMhlanga for Phola & Mountain View	3.2 km dia PVC pipe tapping off from the existing 1000mm dia line from Ekandustria to Enkeldoornoog	33 717	3.2 km dia PVC pipe tapping off from the existing 1000mm dia line from Ekandustria to Enkeldoornoog (100% progress for	R 20 828 633.12 (inclusive of professional fees and other)

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE
		constructed by 31 May 2015 3.75km pipeline to KwaMhlanga R1 reservoir constructed by 31 May 2015		excavation and pipe line) 2.1 km pipeline constructed to KwaMhlanga R1 reservoir (56% progress for excavation and pipe line) Overall progress is at 50.3%	
Tweefontein K Newstands	Tweefontein K water Reticulation New stands	1500m of 75mm dia pipework constructed by 31 May 2015	1 387	1500m of 75mm dia pipework constructed by 31 May 2015	R 1 387 293.26 (inclusive of professional fees and other)
Luthuli (Mahlabathini)	Water Reticulation Luthuli (Mahlabathini)	10 Communal stand pipes installed to serve 180 by 31 May 2015	1 415	11 communal stand pipes installed	R 1 415 499.47 (inclusive of professional fees and other)
Kwaggafontein, Boekenhouthoek, Bundu and Machipe	Upgrading of Kwaggafontein Water Scheme	2km pipeline of 160mm diam. By 31 May 2015	9 216	1.8km pipeline of 160mm dia completed	R 8 627 475.39 (inclusive of professional fees and other)
Moloto North and South	Replacement of asbestos pipes at Moloto North and South	60 households connected to yard taps by 31 December 2014	2 000	63 households equipped with yard taps	R 1 987 449.51 (inclusive of professional fees and other)
Mandela Extension	Water Reticulation Mandela Extension	40 households connected to yard by 31 May 2015	1 000	3000m of 75mm dia pipe with 130 house connections	R 820 771.65 (inclusive of professional fees and other)
Vlaaklaagte No: 2 Next to RDP	Water Reticulation Vlaaklaagte No: 2 Next to RDP	150 households connected to yard by 31 May 2015	9 095	3500 m of 75mm dia pipe and 150 house connections	R 2 687 189.41 (inclusive of professional fees and other)
Tweefontein A Miliva Next to RDP	Water Reticulation Miliva Next to RDP	205 households connected to yard by 31 May 2015	8 979	4140m of 75mm dia pipe and 205 house connections	R 3 727 537.57 (inclusive of professional fees and other)
THLM	Water	73 000 households provided with	62 054	73 000 households provided with access	R106 952 732.00

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE
		access to basic water by daily		to basic water by daily	
THLM	Free basic water	6 kiloliters provided to households on a monthly basis	Operational budget	6 kiloliters provided to households on a monthly basis	In house
THLM	Water samples	150 water samples tested by 30 December 2014	251	183 water samples tested by 30 December 2014 Annual performance = 368 water samples tested (July 2014 – June 2015)	R 483 833.64
Vezubuhle	Bus Route Vezubuhle	1 bus route Designs developed by 30 December 2014	324	1 Bus route designed	R 324 000.00
Mathyzensloop	Bus Route Mathyzensloop	1 bus route Designs developed by 30 December 2014	251	1 Bus route designed	R 251 068.45
Twefontein G	Bus Route Twefontein G Bus and Taxi Route	1 bus route Designs developed by 30 December 2014	383	1 Bus route designed	R 383 000.00
Kwaggafontein A	Bus Route Kwagga A Bus & Taxi Rute	1 bus route Designs developed by 30 December 2014	287	1 Bus route designed	R 287 280.00
Buhlebesizwe	Bus Route Buhlebesizwe	1 bus route Designs developed by 30 December 2014	387	1 Bus route designed	R 387 000.00
Twefontein B2	Bus Route Twefontein B2	1 bus route Designs developed by 30 December 2014	63	1 Bus route designed	R 63 382.46
Twefontein E	Bus Route Twefontein E	1 bus route Designs developed by 30 December 2014	595	1 Bus route designed	R 595 000.00
Thembaletu	Bus Route Thembaletu	1 bus route Designs developed by 30 December 2014	322	1 Bus route designed	R 322.149.00

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE
Luthuli	Link Route Luthuli	1 bus route Designs developed by 30 December 2014	136	1 Bus route designed	R 135.837.06
Suncity AA (Ward 20)	Bus and Taxi Route Suncity AA (Ward 20)	1 bus route Designs developed by 30 December 2014	326	1 Bus route designed	R 326 000.00
Route Suncity B (Ward 19)	Completion of Bus Route Suncity B (Ward 19)	1 bus route Designs developed by 30 December 2014	322	1 Bus route designed	R 322 400.00
Tweefontein N	re-gravelled road	0.8 Km road re-gravelled by 31 July 2014	In-house	0.8 Km road re-gravelled by 31 July 2014	In-house
Tweefontein A1	re-gravelled road	2.3 Km road re-gravelled by 31 July 2014	In-house	2.3 Km road re-gravelled by 31 July 2014	In-house
Tweefontein A2	re-gravelled road	3.5 Km road re-gravelled by 31 August 2014	In-house	3.5 Km road re-gravelled by 31 August 2014	In-house
Mathyszenslop	Road graded	0.25Km road graded by 30 November 2014	In-house	0.25Km road graded by 30 November 2014	In-house
Tweefontein D	Road graded	1.8 Km road graded by 30 November 2014	In-house	1.8 Km road graded by 30 November 2014	In-house
Zakheni (Ward 4)	Highmast Lights Zakheni (Ward 4)	2 High mast Lights installed and energized by 31 May 2015	634	2 High mast lights Installed and energised	R 634 566.33
Verena(A,B,C,D)	Highmastlights Verena(A,B,C,D)	4 High mast Lights installed and energized by 31 May 2015	1 021	4 High mast lights Installed and energised	R 1 021 041.65
KwaMhlanga (Bankview)	Highmastlights KwaMhlanga (Bankview)	2 High mast Lights installed and energized by 31 May 2015	633	2 High mast lights Installed and energised	R 633 577.33
Moloto North	Multi-Purpose Centre Moloto North	1 Multipurpose centers design developed by 31 December 2014	328	Designs for Multi-purpose centre in Moloto developed	R 328 000.00

LOCATION	PROJECT DESCRIPTION	REVISED ANNUAL TARGET 2014/2015	ADJUSTED ANNUAL BUDGET (INPUT INDICATOR' 000)	2014/2015 ACTUAL PERFORMANCE	EXPENDITURE TO DATE
Phumula	Multi-Purpose Phumula	1 Multipurpose centers design developed by 31 December 2014	388	Designs for Multi-purpose centre are available	R 388 000.00
KwaMhlanga and Tweefontein K	Sanitation	3 500 households provided with access to basic sanitation daily	Operational budget	3884 households provided with access to basic sanitation (i.e. 2784 h/h connected to the network + 1100 h/h collected using the honey sucker)	In house

APPENDIX M – PRESEDENTIAL OUTCOME FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving the household access to basic level of services	Water	2162 new Households conneted to yard taps
	Electricity	<ul style="list-style-type: none"> o Street lights- 225 o High mast lights- 65
	Sanitation	VIP Toilets- 0 Septic Tanks- 0 Waterbourne-0 3 500 households provided with access to sanitation (Kwamhlanga and Tweefontein K)
	Refuse removal	73 387 h/h provide with access to refuse removal
Output: Implementation of the Community Work Programme	Implementing the Community work programme (CWP), EPWP and CRDP	337 CWP and 135 EPWP jobs created
Output: Administrative and financial capability	5 Critical positions filled with competent employees	80%
Deepen democracy through refined ward committee model	32 ward committees established and functional	100%

VOLUME II: AUDITED ANNUAL FINANCIAL
STATEMENTS (ANNEXURE A)



**Thembisile Hani Local Municipality
Annual Financial Statements
for the year ended 30 June 2015**

Thembisile Hani Local Municipality

Annual Financial Statements for the year ended 30 June 2015

General Information

Members of the Council

Executive Mayor

Speaker

Chief Whip

Member of Executive Committee

Member of Executive Committee

Member of Executive Committee

Member of Executive Committee

Member of Executive Committee

Member

Member

Member

Member

Member

Member

Member

Member

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Member

Member

Member

Member

Member

Hon. NJ Mahlangu

Cllr PP Moseri

Cllr JL Mtsweni

Cllr LX Mtsweni

Cllr HM Kabine

Cllr JJ Jiyane

Cllr MQ Mnguni

Cllr LM Mboweni

Cllr A Mahlangu

Cllr MP Mtsweni

Cllr TL Huma

Cllr MA Motena

Cllr BJ Skosana

Cllr KV Jiyane

Cllr CD Zabane

Cllr M Msiza

Cllr LM Tshabangu

Cllr MJ Masuku

Cllr HM Dhlantalala

Cllr TE Mashinini

Cllr N Ngoma

Cllr M Danisa

Cllr MC Mosena

Cllr BS Mnyakeni

Cllr DD Sithole

Cllr NS Mahlangu

Cllr PA Masombuka

Cllr SS Mbonani

Cllr MJ Madonsela

Cllr BP Masombuka

Cllr JZ Buthe

Cllr MS Nkutha

Cllr JM Masombuka

Cllr MC Shabalala

Cllr JB Mahlangu

Cllr RH Mohlamonyane

Cllr M Mlambo

Cllr JF Mashiya

Cllr TW Mthombeni

Cllr MM Sepogwana

Cllr AB Khumalo

Cllr JT Mahlangu

Cllr MH Buda

Cllr DM Msibi

Cllr MT Nobela

Cllr MO Sikosana

Cllr SJ Masango

Cllr SL Mahlangu

Cllr NB Malefo

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

General Information

Member	Cllr JS Ntuli
Member	Cllr AS Motau
Member	Cllr BT Mahlangu
Member	Cllr JJ Tau
Member	Cllr SS Dube
Member	Cllr HM Kabine
Member	Cllr MM Nkabinde
Member	Cllr SZ Mnamatheli
Member	Cllr DV Lukhele
Member	Cllr SM Hlungwani
Grading of local authority	Grade 3
Municipal Manager (MM)	Mr ON Nkosi
Chief Finance Officer (CFO)	Ms MS Makgaba
Physical Address	24 Kwaggafontein C Kwaggafontein 3100
Postal address	Private Bag X4041 Empumalanga 0458
Bankers	Nedbank
Auditors	Auditor General of South Africa
Telephone number	013 986 9100
Fax- Number	013 986 0995
Email- Address	nkosio@thembisilehanilm.gov.za

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Index

Audited
By
2015 -11- 30
Auditor General South Africa
Muzmaonga Business Dr

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

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Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

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.

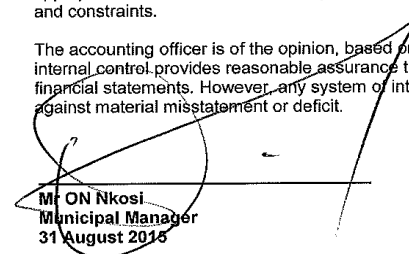
The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

I am responsible for the preparation of these annual financial statements, which are set out on pages 5 to 48 in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 19 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The 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 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.


Mf ON Nkosi
Municipal Manager
31 August 2015

Thembisile Hani Local Municipality
 Annual Financial Statements for the year ended 30 June 2015
Statement of Financial Position as at 30 June 2015

Audited
 By
 2015-11-30
 Auditor General South Africa
 11-000000000 Business Unit

Figures in Rand	Note(s)	2015	2014 Restated
ASSETS			
Current Assets			
Inventories	2	7,591,532	1,341,651
Receivables from exchange transactions	3	3,495,829	3,586,704
VAT receivable	4	8,860,818	4,205,525
Consumer debtors	5	46,041,666	10,611,914
Cash and cash equivalents	6	86,440,151	41,211,431
		<u>152,429,996</u>	<u>60,957,225</u>
Non-Current Assets			
Investment property	7	1,238,919	1,238,919
Property, plant and equipment	8	1,585,937,556	1,608,152,271
		<u>1,587,176,475</u>	<u>1,609,391,190</u>
Total Assets		<u>1,739,606,471</u>	<u>1,670,348,415</u>
LIABILITIES			
Current Liabilities			
Payables from exchange transactions	9	89,911,025	53,124,576
Unspent conditional grants and receipts	11	57,091,035	89,747,800
Provisions	12	2,714,554	2,786,753
		<u>149,716,614</u>	<u>145,659,129</u>
Non-Current Liabilities			
Employee benefit obligation	13	5,297,000	4,222,000
Provisions	12	18,994,717	16,636,137
		<u>24,291,717</u>	<u>20,858,137</u>
Total Liabilities		<u>174,008,331</u>	<u>166,517,266</u>
NET ASSETS		<u>1,565,598,140</u>	<u>1,503,831,149</u>
Reserves		207,577,510	207,577,510
Revaluation reserve		1,358,020,630	1,296,253,639
Accumulated surplus			
Total Net Assets		<u>1,565,598,140</u>	<u>1,503,831,149</u>

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Statement of Financial Performance

Figures in Rand

Note(s) 2015 2014
Restated

	2015	2014
Revenue		
Revenue from exchange transactions		
Interest received (trading)	24,678,747	20,426,233
Interest received - investment	4,103,851	2,855,827
Rental of facilities and equipment	773,694	371,898
Service charges	56,256,818	53,160,807
Total revenue from exchange transactions	85,813,110	76,814,765
Revenue from non-exchange transactions		
Taxation revenue		
Property rates	45,254,092	18,019,174
Transfer revenue		
Fines	11,722,482	2,981,254
Government grants & subsidies	362,851,765	337,500,744
Other income	1,337,851	3,842,500
Licences and permits	5,296,314	4,380,049
Public contributions and donations	25,630,449	60,264,907
Total revenue from non-exchange transactions	452,092,953	426,988,628
Total revenue	537,906,063	503,803,393
Expenditure		
Employee related costs	(104,534,024)	(96,788,418)
Remuneration of councillors	(18,331,948)	(17,836,258)
Depreciation and amortisation	(105,276,909)	(130,784,648)
Impairment loss	(72,150)	-
Finance costs	(660,584)	-
Debt impairment	(55,205,652)	(153,254,941)
Bulk purchases	(99,989,953)	(110,836,819)
Repairs and maintenance	(1,478,104)	(7,630,575)
Grants and subsidies paid	(12,297,000)	(2,842,000)
General Expenses	(81,045,895)	(103,758,222)
Total expenditure	(478,892,219)	(623,731,881)
Operating surplus (deficit)	59,013,844	(119,928,488)
Loss on disposal of assets and liabilities	(558,287)	(32,944)
Decrease in leave and bonus provision	72,199	1,893,100
	(486,088)	1,860,156
Surplus (deficit) for the year	58,527,756	(118,068,332)

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Statement of Changes in Net Assets

Audited
By
2015-01-30
Auditor General South Africa
Midrand Business Jn'

Figures in Rand		Revaluation reserve	Accumulated surplus	Total net assets
	Note	Revaluation reserve		
Opening balance as previously reported		- 1,614,733,238		1,614,733,238
Adjustments				
Correction of error		207,577,510	(213,475,207)	(5,897,697)
Balance at 01 July 2013 as restated		207,577,510	1,401,258,031	1,608,835,541
Changes in net assets				
Vat adjustment		- 11,991,816		11,991,816
Property, plant and equipment		- 177,273		177,273
Correction of error	35	- 894,851		894,851
Net income (losses) recognised directly in net assets		- 13,063,940		13,063,940
Surplus for the year		- (118,068,332)		(118,068,332)
Total recognised income and expenses for the year		- (105,004,392)		(105,004,392)
Total changes		- (105,004,392)		(105,004,392)
Balance at 01 July 2014 Restated		207,577,510	1,296,253,636	1,503,831,146
Changes in net assets				
Surplus for the year		- 58,527,756		58,527,756
WIP transferred		- (6,837,727)		(6,837,727)
Vat adjustment		- 9,385,385		9,385,385
Payables adjustment		- 679,314		679,314
PPE adjustment		- 12,266		12,266
Total changes		- 61,766,994		61,766,994
Balance at 30 June 2015		207,577,510	1,358,020,630	1,565,598,140

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Cash Flow Statement

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Receipts			
Taxes		57,491,253	35,806,482
Sales of goods and services		9,119,859	29,608,267
Grants		330,195,000	424,410,000
Interest income		4,103,851	2,855,827
Other receipts		1,353,220	354,263
		<u>402,263,183</u>	<u>493,034,839</u>
Payments			
Employee costs		(121,790,971)	(113,634,676)
Suppliers		(143,958,761)	(230,533,387)
Finance costs		(660,584)	-
		<u>(266,410,316)</u>	<u>(344,168,063)</u>
Net cash flows from operating activities	27	<u>135,852,867</u>	<u>148,866,776</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(90,590,929)	(114,458,744)
Proceeds from sale of property, plant and equipment	8	(33,218)	2,741,525
Net cash flows from investing activities		<u>(90,624,147)</u>	<u>(111,717,219)</u>
Net increase/(decrease) in cash and cash equivalents		<u>45,228,720</u>	<u>38,022,179</u>
Cash and cash equivalents at the beginning of the year		41,211,431	3,189,252
Cash and cash equivalents at the end of the year	6	<u>86,440,151</u>	<u>41,211,431</u>

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Audited
By
2015-10-30
Auditor General South Africa
Winkelmanburg, 6010 Westville

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	44,650,459	9,123,256	53,773,715	56,256,818	2,483,103	
Rental of facilities and equipment	135,318	399,087	534,405	773,694	239,289	
Interest received (trading)	21,240,000	2,128,673	23,368,673	24,678,747	1,310,074	
Income from agency services	5,800,000	-	5,800,000	5,099,780	(700,220)	
Licences and permits	202,713	92,313	295,026	196,534	(98,492)	
Interest received - investment	500,000	954,904	1,454,904	4,103,851	2,648,947	
Total revenue from exchange transactions	72,528,490	12,698,233	85,226,723	91,109,424	5,882,701	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	6,656,525	15,429,696	22,086,221	45,254,092	23,167,871	
Transfer revenue						
Other income	2,298,181	(19,320)	2,278,861	1,337,851	(941,010)	
Public contributions and donations	-	-	-	25,630,449	25,630,449	
Fines	476,927	461,975	938,902	11,722,482	10,783,580	
Government grants and subsidies	280,980,250	110,059,750	391,040,000	362,851,765	(28,188,235)	
Total revenue from non-exchange transactions	290,411,883	125,932,101	416,343,984	446,796,639	30,452,655	
Total revenue	362,940,373	138,630,334	501,570,707	537,906,063	36,335,356	
Expenditure						
Employee related costs	(101,035,795)	1,432,715	(99,603,080)	(104,534,024)	(4,930,944)	
Remuneration of councillors	(19,091,720)	737,631	(18,354,089)	(18,331,948)	22,141	
Depreciation and amortisation	(174,084,397)	130,434,397	(43,650,000)	(105,276,909)	(61,626,909)	
Impairment loss	-	-	-	(72,150)	(72,150)	
Finance costs	-	-	-	(660,584)	(660,584)	
Debt impairment	(55,997,200)	-	(55,997,200)	(55,205,652)	791,548	
Repairs and maintenance	(17,850,000)	4,721,706	(13,128,294)	(1,478,104)	11,650,190	
Bulk purchases	(100,000,000)	19,931,773	(80,068,227)	(99,989,953)	(19,921,726)	
Contracted Services	(6,300,000)	(1,828,782)	(8,128,782)	-	8,128,782	
Grants and subsidies paid	(20,100,544)	876,306	(19,224,238)	(12,297,000)	6,927,238	
General Expenses	(47,744,058)	(2,928,337)	(50,672,395)	(80,955,208)	(30,282,813)	
Total expenditure	(542,203,714)	153,377,409	(388,826,305)	(478,801,532)	(89,975,227)	
Operating surplus	(179,263,341)	292,007,743	112,744,402	59,104,531	(53,639,871)	
Loss on disposal of assets and liabilities	-	-	-	(558,287)	(558,287)	
Transfers recognised-capital	110,819,750	520,753	111,340,503	80,096,765	(31,243,738)	
Decrease in leave and bonus provision	-	-	-	72,199	72,199	

Audited
by

2015-11-30

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

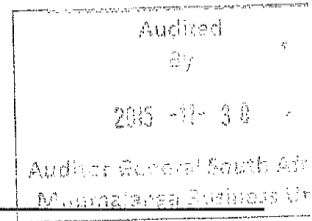
Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
	110,819,750	520,753	111,340,503	79,610,677	(31,729,826)	
Deficit for the year	(68,443,591)	292,528,496	224,084,905	138,715,208	(85,369,697)	
Actual Amounts on Comparable Basis	(68,443,591)	292,528,496	224,084,905	138,715,208	(85,369,697)	

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

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) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation of currency

These annual financial statements are presented to the nearest South African Rand.

1.2 Comparative figures

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

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. Significant judgements include:

Trade receivables

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

The impairment for trade 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.

Traffic fines - IGRAP 1

The application of IGRAP 1 requires estimations to be made on the probability of receipts for traffic fines. This is done using legislation, historical data and payment trends.

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 assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

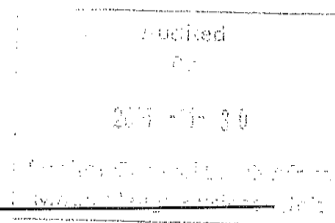
The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. 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 tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply demand, together with 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 12 - Provisions.

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Accounting Policies



1.3 Significant judgements and sources of estimation uncertainty (continued)

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.

Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

- GRAP 20 Related Party Disclosures
- GRAP 32 Service Concession Arrangements: Grantor
- GRAP 105 Transfer of Function Between Entities Under Common Control
- GRAP 106 Transfer of Function Between Entities Not Under Common Control
- GRAP 107 Mergers
- GRAP 108 Statutory Receivables
- IGRAP 17 Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset.

The adoption of these standards will have no material impact on the Annual Financial Statements

The following GRAP standard has been approved but is not required to be applied:

GRAP 18 Segment Reporting.

1.4 Going concern

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.

1.5 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.

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

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

Audited
By
2015 - 11 - 30
Auditor General South Africa
Municipal Finance Services Unit

1.5 Inventories (continued)

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.

1.6 Property, plant and equipment

Initial Recognition

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as 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.

Subsequent Measurement

Approved
By
2015-06-30
Audited and approved by the
Municipal Council

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.6 Property, plant and equipment (continued)

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 eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

Item	Average useful life
Land	Indefinite
Buildings	50
Infrastructure	
• Roads and Stormwater	25-50
• Reservoirs	50
• Electrical	25
• Water Reticulation	120
• Sewer	60
• Bulk Water Pipeline	60-100
• Sewage Pump Station	50
• Water Pump Station	50
• Stabilisation Ponds 2	25
• Waste Water Treatment Plant	50
• Borehole	30
• Telemetry System 5	5
Community	
• Buildings	50
• Recreational Facilities	50
• Halls	50
• Libraries	50
• Parks and Gardens	50
• Creche	50
• Abattoir	50

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

Audited
By
2015-11-30
Auditor General South Africa
Accounting Business Unit

1.6 Property, plant and equipment (continued)

Other Assets	
• Plant and Equipment	5-10
• IT Equipment	3-5
• Office Equipment	3-7
• Furniture and Fittings	3-7
• Motor Vehicles	5

1.7 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 an 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 revaluation model:

- (a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability (subject to (b)) is credited to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit
 - an increase in the liability is recognised in surplus or deficit, except that it is debited to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
- (b) in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; and
- (c) a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit or net assets under (a). If a revaluation is necessary, all assets of that class are revalued.

1.8 Financial instruments

Initial recognition and measurement

Financial instruments are recognised when the municipality becomes a party to the contractual provisions of the relevant instrument, and are initially measured at fair value. Subsequent to initial recognition, these instruments are measured as set out below.

Receivables

Receivables are stated at amortised cost, which due to their short term nature, closely approximate their fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and deposits held on call and are stated at amortised cost, which, due to their short-term nature, closely approximate their fair value

Payables

Payables are stated at amortised cost, which, due to their short-term nature, closely approximate their fair value.

Offsetting

Financial assets and financial liabilities have not been offset in the Statement of Financial Position.

Other receivables

Other receivables consist of prepaid expenses and deposits relating to the provision of electricity and the leasing of the premises. These receivables are stated at amortised cost.

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.8 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.

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, 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.

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

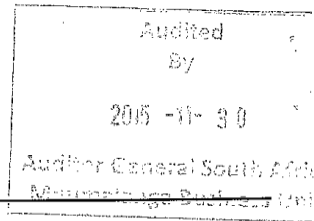
Financial assets measured at amortised cost:

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.

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Accounting Policies



1.8 Financial instruments (continued)

Derecognition

Financial assets

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.

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.

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 — that is 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.

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).

1.9 Leases

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

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

Operating leases - lessor

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

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

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

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

Income for leases is disclosed under revenue in statement of financial performance.

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

Audited

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2015-11-30

Republic of South Africa

South African Revenue Service

1.9 Leases (continued)

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 Impairment of cash-generating assets

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

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.

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.

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.

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.

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.

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.

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

Audited
By
2015 -11- 30
Auditor: General South Africa
Mphahlele Business Unit

1.10 Impairment of cash-generating assets (continued)

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.

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.10 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.

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.

1.11 Impairment of non-cash-generating assets

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

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

An asset is considered to be impaired when its recoverable service amount falls lower than its carrying value

1.12 Employee benefits

Short-term employee benefits

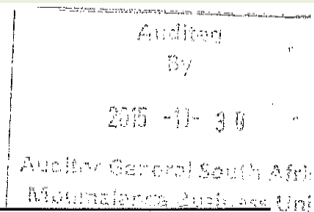
The cost of short-term employee benefits (those payables within 12 months after the service is rendered, such as paid vacation leave and sick, bonuses, and non-monetary benefits such as medical care) is recognised in the period in which the service is rendered and is not discounted.

Post-employment benefit obligations

The municipality operates a defined contribution plan for its employees and is not liable for any actuarial loss sustained by the fund. Accordingly, no provision has been made for any such losses and contributions paid are expensed.

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Accounting Policies



1.12 Employee benefits (continued)

Actuarial gains and losses are recognised immediately in the Statement of Financial Performance.

Past service costs are recognised immediately to the extent that the benefits are already vested.

The amount recognised in the Statement of Financial Position represents the present value of other long-term employee benefits as adjusted for the unrecognised past service costs and reduced by the fair value of plan assets.

Provision for employee benefits

Provision for employee entitlement to annual leave represents the present obligation that the municipality has to pay as a result of employees' services provided to the reporting date. The provision has been calculated at undiscounted amounts based on salary rates effective on the reporting date.

1.13 Provisions and contingencies

Provisions are recognised when:

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

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 rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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.

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.

1.14 Revenue from exchange transactions

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.

Measurement

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

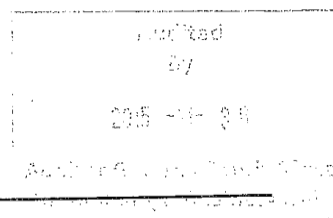
Sale of goods

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

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Accounting Policies



1.14 Revenue from exchange transactions (continued)

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.

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

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

1.15 Revenue from non-exchange transactions

Donations and subsidy receipts

Income from donations and subsidies is recognised as income on receipt.

1.16 Investment income

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

1.17 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.

1.18 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.

1.19 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the 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.

1.20 Commitments

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date;
- where disclosure is required by a specific standard of GRAP

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

Audited
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Abumalenga Rufaro Jit

1.21 Related parties

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

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

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

1.22 Value added tax (VAT)

The Municipality is registered with SARS for VAT on the payments basis, in accordance with Sec15(2)(a) of the Value-Added Tax Act No 89 of 1991.

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

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2. Inventories

Consumable stores	573,066	1,027,011
Water	7,018,466	314,640
	<u>7,591,532</u>	<u>1,341,651</u>

During the 2014-2015 Financial Year, Thembisile Hani Local Municipality had an Inventory write down of Materials, Supplies and Stationery with a combined value of R 710 967.64. The municipality incurred water distribution losses to the value of R58 394 773 in the 2014-2015 financial year.

3. Receivables from exchange transactions

Other debtors	3,426,103	3,466,166
Traffic fines debtor	69,726	120,538
	<u>3,495,829</u>	<u>3,586,704</u>

4. VAT receivable

VAT	8,860,818	4,205,525
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VAT is declared on the payments basis. Once payment is received from debtors and payments made to creditors, VAT is declared to SARS.

5. Consumer debtors

Gross balances		
Rates	211,198,360	171,885,303
Water	151,982,418	125,097,265
Sewerage	5,963,533	4,624,891
Refuse	49,418,326	36,779,911
	<u>418,562,637</u>	<u>338,387,370</u>

Less: Allowance for impairment

Rates	(171,753,966)	(163,785,362)
Water	(147,147,114)	(123,204,123)
Sewerage	(5,773,804)	(4,557,220)
Refuse	(47,846,087)	(36,228,751)
	<u>(372,520,971)</u>	<u>(327,775,456)</u>

Net balance

Rates	39,444,394	8,099,941
Water	4,835,304	1,893,142
Sewerage	189,729	67,671
Refuse	1,572,239	551,160
	<u>46,041,666</u>	<u>10,611,914</u>

Rates

Current (0 -30 days)	5,739,746	424,462
31 - 60 days	777,427	57,492
61 - 90 days	765,493	56,609
91 - 120 days	1,302,926	96,353
121 - 365 days	20,099,860	2,756,414
> 365 days	10,758,942	4,708,611
	<u>39,444,394</u>	<u>8,099,941</u>

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Annual Financial Statements for the year ended 30 June 2015

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Auditor: G. Mami S. M. Afric
Municipal Business Unit

5. Consumer debtors (continued)

	2015	2014
Water		
Current (0 -30 days)	229,858	89,995
31 - 60 days	67,899	26,584
61 - 90 days	67,187	26,305
91 - 120 days	67,033	26,245
121 - 365 days	948,024	371,175
> 365 days	3,455,303	1,352,838
	4,835,304	1,893,142
Sewerage		
Current (0 -30 days)	3,936	1,404
31 - 60 days	3,892	1,388
61 - 90 days	3,867	1,379
91 - 120 days	3,858	1,376
121 - 365 days	61,995	22,112
> 365 days	112,181	40,012
	189,729	67,671
Refuse		
Current (0 -30 days)	73,900	25,906
31 - 60 days	32,785	11,493
61 - 90 days	32,677	11,455
91 - 120 days	32,621	11,436
121 - 365 days	496,864	174,179
> 365 days	903,392	316,691
	1,572,239	551,160
Reconciliation of allowance for impairment		
Balance at beginning of the year	(327,775,456)	(177,037,567)
Contributions to allowance	(44,745,515)	(150,737,889)
	(372,520,971)	(327,775,456)

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

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5. Consumer debtors (continued)

Summary of debtors by customer classification

Consumers		
Current (0 -30 days)	20,112,507	25,989,403
31 - 60 days	14,082,308	4,419,819
61 - 90 days	6,865,984	4,542,566
91 - 120 days	6,700,053	4,500,432
121 - 365 days	52,307,729	34,062,060
> 365 days	286,108,194	206,284,660
	386,176,775	279,798,940

Industrial/ commercial		
Current (0 -30 days)	76,445	2,745,046
31 - 60 days	419,647	178,025
61 - 90 days	386,219	181,060
91 - 120 days	382,505	178,723
121 - 365 days	2,974,837	1,346,342
> 365 days	13,155,098	7,289,700
	17,394,751	11,918,896

National and provincial government		
Current (0 -30 days)	135,399	597,084
31 - 60 days	8,057,407	57,116
61 - 90 days	498,155	57,070
91 - 120 days	434,302	52,036
121 - 365 days	3,772,488	376,129
> 365 days	2,093,314	1,628,462
	14,991,065	2,767,897

Total		
Current (0 -30 days)	20,324,351	29,331,533
31 - 60 days	22,559,362	4,654,960
61 - 90 days	7,750,358	4,780,696
91 - 120 days	7,516,860	4,731,191
121 - 365 days	59,055,054	35,784,531
> 365 days	301,356,652	259,104,458
	418,562,637	338,387,369
Less: Allowance for impairment	(372,520,971)	(327,775,455)
	46,041,666	10,611,914

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	5,000	5,000
Bank balances	36,242,573	41,023,395
Short-term deposits	50,192,578	183,036
	86,440,151	41,211,431

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Municipal Finance Management Act	
2015	2014

6. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2015	30 June 2014	30 June 2013	30 June 2015	30 June 2014	30 June 2013
First National Bank - Current Account - 620-262-96427	8,533,386	8,436,839		8,533,386	8,436,839	
First National Bank - Call Deposit - 621-470-52427	30,000,000	183,036		30,192,578	183,036	
Capitec Bank - Current Account - 117-301-4177	168,276	165,200		168,276	165,200	
Nedbank - Current Account - 100-422-2378 - Main Account	27,467,051	32,421,355	-	27,540,911	32,421,355	-
Nedbank Call deposit- 7881527927	20,000,000	-		20,000,000	-	
Total	86,168,713	41,206,430		86,435,151	41,206,430	

7. Investment property

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	3,786,524	(2,547,605)	1,238,919	3,786,524	(2,547,605)	1,238,919

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

8. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land & Buildings	164,857,655	(42,005,454)	122,852,201	164,857,655	(39,463,876)	125,393,779
Plant and machinery	44,143,504	(22,813,700)	21,329,804	43,978,504	(15,759,283)	28,219,221
Furniture and fixtures	2,960,503	(1,419,511)	1,540,992	2,926,507	(1,051,699)	1,874,808
Motor vehicles	8,556,324	(4,548,659)	4,007,665	8,556,324	(3,319,226)	5,237,098
Office equipment	51,017	(40,326)	10,691	51,017	(35,302)	15,715
IT equipment	3,149,963	(2,010,806)	1,139,155	3,081,130	(1,299,049)	1,782,081
Infrastructure	2,159,536,614	(990,572,826)	1,168,963,788	2,121,736,405	(905,991,017)	1,215,745,388
Community	355,929,408	(184,865,653)	171,063,755	351,868,333	(176,421,458)	175,446,875
Assets Under Construction	95,029,505	-	95,029,505	54,437,306	-	54,437,306
Total	2,834,214,493	(1,248,276,937)	1,585,937,556	2,751,493,181	(1,143,340,910)	1,608,152,271

Thembsile Hani Local Municipality

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8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 30 June 2015

	Opening balances	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land & Buildings	125,393,779	-	-	-	(2,540,740)	(638)	122,852,201	
Plant and machinery	28,219,221	166,000	-	-	(7,054,417)	-	21,329,804	
Furniture and fixtures	1,874,808	33,996	-	-	(367,812)	-	1,540,992	
Motor vehicles	5,237,098	-	-	-	(1,158,120)	(71,313)	4,007,665	
Office equipment	15,715	-	-	-	(5,024)	-	10,691	
IT equipment	1,782,061	68,833	-	-	(711,769)	-	1,139,155	
Infrastructure	1,215,745,388	21,282,540	(525,069)	17,549,557	(85,088,628)	-	1,168,963,788	
Community	175,446,875	4,061,075	-	(93,786)	(6,350,409)	-	171,063,755	
Assets Under Construction	54,437,306	64,979,485	-	(17,549,557)	(6,837,729)	-	95,029,505	
	1,608,152,271	90,590,929	(525,069)	(93,786)	(6,837,729)	(105,276,909)	(72,151)	1,585,937,556

Reconciliation of property, plant and equipment - 30 June 2014

	Opening balance	Additions	Disposals	Transfers	Correction of error	Depreciation	Total
Land & Buildings	128,059,932	-	-	-	147,262	(2,813,415)	125,393,779
Plant and machinery	26,266,622	12,855,940	-	-	-	(10,903,341)	28,219,221
Furniture and fixtures	2,387,152	152,226	-	-	-	(664,570)	1,874,808
Motor vehicles	5,388,298	1,566,284	-	-	-	(1,737,484)	5,237,098
Office equipment	42,117	-	-	-	-	(29,402)	15,715
IT equipment	2,013,946	559,272	(32,944)	-	-	(758,193)	1,782,061
Infrastructure	1,213,114,241	77,527,777	(1,502,605)	12,959,846	18,901,118	(105,254,989)	1,215,745,388
Community	184,452,049	808,453	(1,238,920)	-	-	(8,574,707)	175,446,875
Assets Under Construction	55,057,792	20,968,792	-	(12,959,846)	(8,629,432)	-	54,437,306
	1,616,782,149	114,468,744	(2,774,469)	-	10,418,948	(130,733,101)	1,608,152,271

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

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Figures in Rand

Audited
By
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Auditor General/ South Africa
Mopani/Orange Business Unit

8. Property, plant and equipment (continued)

Revaluations

The effective date of the revaluations was 30 June 2012. Revaluations were performed by independent valuer, Mr Kurt Rohner [BSc in Civil Engineering with 30 years experience in the engineering field and registered with the Engineering council of South Africa with Membership No.830162], of Messrs i@consulting. i@consulting are not connected to the municipality.

Land and buildings are re-valued independently every 5 years.

The valuation was performed using the recent arms length transaction method

The assumptions used were based on current market conditions.

9. Payables from exchange transactions

Retentions	10,010,916	11,966,609
Payments received in advance	6,017,843	2,703,255
Other Creditors	4,143,375	4,780,718
Accrued leave pay	8,781,712	3,495,308
Accrued Expenses	60,638,120	29,336,937
Other deposits	192,110	162,435
Trade Creditors	126,949	679,314
	89,911,025	53,124,576

10. VAT payable

Not Applicable

11. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal Infrastructure Grant (MIG)	57,091,035	88,987,981
Integrated National Electrification Grant	-	759,819
	57,091,035	89,747,800

See note 15 for reconciliation of grants from National/Provincial Government.

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

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12. Provisions

Reconciliation of provisions - 30 June 2015

	Opening Balance	Additions	Reversed during the year	Total
Environmental rehabilitation	16,636,137	2,358,580	-	18,994,717
Provision for Bonuses	2,786,753	-	(72,199)	2,714,554
	19,422,890	2,358,580	(72,199)	21,709,271

Reconciliation of provisions - 30 June 2014

	Opening Balance	Additions	Reversed during the year	Total
Environmental rehabilitation	14,713,098	1,923,039	-	16,636,137
Provision for Bonuses	3,125,125	-	(338,372)	2,786,753
	17,838,223	1,923,039	(338,372)	19,422,890

Non-current liabilities	18,994,717	16,636,137
Current liabilities	2,714,554	2,786,753
	21,709,271	19,422,890

The municipality raises a provision for 13th cheque bonuses that staff members receive during their birthday month. 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 5,4 hectares. The remaining useful lives of these dumping sites are 7 years and 8 years respectively. Each year the dumping sites remaining useful lives are assessed and the provision is adjusted accordingly.

The Operational and Maintenance costs of the landfill sites were conducted independently by Aurecon.

13. Employee benefit obligations

Long service bonus award

The municipality's long service bonus awards consists of an obligation to pay out a bonus in the year of the employee attaining the required service. This obligation represents a liability to the municipality and the value is represented by the present value of the total long service bonus awards expected to become payable under the municipality's current policy.

The municipality offers bonuses for every 5 years of completed service from 10 years to 45 years.

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

Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(5,297,000)	(4,222,000)

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2015 by Gershhem Holding. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Net expense recognised in the statement of financial performance

Current service cost	772,000	792,000
Interest cost	361,000	233,000
Actuarial (gains) losses	(14,000)	(7,000)
	1,119,000	1,018,000

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13. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Duration of liability (years)	10.00	10.97
Normal retirement age	63	63
Discount rates used	8.51 %	8.60 %
Inflation rates used	6.25 %	6.36 %
Expected increase in salaries	7.25 %	7.36 %

Sensitivity analysis

The valuation bases assume that the salary inflation rate (which manifests itself as the annual increase in employees' salaries which determine the bonuses payable) will be 1.15% less than the corresponding discount rate, in the long term. The effect of a one percent increase and decrease in the salary inflation rates is as follows:

	One percent point increase	One percent point decrease
Accrued liability	5,831,000	4,830,000
Expense cost	1,438,000	1,159,000

The above table illustrates that for the 30 June 2015 financial year, a 1% increase in the salary cost inflation assumption will result in roughly a 10.0% increase in the accrued liability. Similarly, a 1% decrease in the salary inflation assumption will result in roughly a 8.8% decrease in the accrued liability.

14. Service charges

Sale of water	41,960,975	35,006,390
Sewerage and sanitation charges	1,510,233	-
Refuse removal	12,785,610	18,154,417
	56,256,818	53,160,807

15. Property rates

Rates received

Residential	45,254,092	18,019,174
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Valuations

Residential	6,879,105,479	11,227,274,237
Commercial	163,487,015	589,152,378
State	3,960,000	-
Municipal	97,959,660	18,677,422
Agricultural	1,765,238,000	2,011,155,680
Schools	255,000,500	1,690,000
Parks	24,739,700	64,945,042
	9,189,490,354	13,912,894,759

Valuations on land and buildings are performed every 5 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.

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16. Government grants and subsidies

Operating grants

Equitable share	259,923,819	237,008,000
	<u>259,923,819</u>	<u>237,008,000</u>

Capital grants

Municipal Infrastructure Grant (MIG)	79,336,946	88,132,019
Financial Management Grant (FMG)	1,600,000	1,550,000
Integrated National Electrification Grant (INEG)	-	2,078,725
Municipal Systems Infrastructure Grant (MSIG)	934,000	890,000
EPWP	3,757,000	2,842,000
Water Subsidy	10,000,000	5,000,000
INEP - In Kind	7,000,000	-
Water Grant - In Kind	300,000	-
	<u>102,927,946</u>	<u>100,492,744</u>
	<u>362,851,765</u>	<u>337,500,744</u>

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	88,987,981	-
Current-year receipts	47,440,000	177,120,000
Conditions met - transferred to revenue	(79,336,946)	(88,132,019)
	<u>57,091,035</u>	<u>88,987,981</u>

Conditions still to be met - remain liabilities (see note 11).

FMG

Current-year receipts	1,600,000	1,550,000
Conditions met - transferred to revenue	(1,600,000)	(1,550,000)
	<u>-</u>	<u>-</u>

Integrated National Electrification Grant

Balance unspent at beginning of year	759,819	2,838,544
Conditions met - transferred to revenue	-	(2,078,725)
Allocated to Equitable Share	(759,819)	-
	<u>-</u>	<u>759,819</u>

Conditions still to be met - remain liabilities (see note 11).

MSIG

Current-year receipts	934,000	890,000
Conditions met - transferred to revenue	(934,000)	(890,000)
	<u>-</u>	<u>-</u>

EPWP

Current-year receipts	3,757,000	2,842,000
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16. Government grants and subsidies (continued)		
Conditions met - transferred to revenue	(3,757,000)	(2,842,000)
	<u>-</u>	<u>-</u>
Water subsidy		
Current-year receipts	10,000,000	5,000,000
Conditions met - transferred to revenue	(10,000,000)	(5,000,000)
	<u>-</u>	<u>-</u>
17. Other income		
Sundry Income	1,337,851	3,842,500
	<u>-</u>	<u>-</u>
18. Public contributions and donations		
Donations received	25,630,449	60,264,907

Donations by way of assets were received from National Treasury, Department of Environmental affairs and municipal staff.

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19. Employee related costs

Basic	68,393,461	66,216,253
Bonus	5,305,989	4,986,352
Medical aid - company contributions	4,921,174	3,991,760
UIF	599,952	623,473
WCA	1,949,977	-
SDL	775,745	773,714
SALGBC	33,091	29,738
Leave pay provision charge	5,471,662	-
Cellphone Allowance	445,230	164,131
Pension contributions	12,697,194	12,266,982
Travel, motor car, accommodation, subsistence and other allowances	2,255,011	2,441,555
Overtime payments	124,555	3,218,485
Provision for long-service awards	1,075,000	990,000
Acting allowances	401,917	999,878
Housing benefits and allowances	84,066	86,097
	104,534,024	96,788,418

Remuneration of Municipal Manager- Mr J Sindane 01 July 2014-28 February 2015

Annual Remuneration	770,880	1,183,367
Car Allowance	120,000	180,000
Contributions to UIF, Medical and Pension Funds	2,677	3,636
Subsistence and travel allowance	39,921	85,940
	933,478	1,452,943

Remuneration of Municipal Manager- Mr ON Nkosi 01 March 2015 -30 June 2015

Annual Remuneration	289,080	-
Car Allowance	45,000	-
Contributions to UIF, Medical and Pension Funds	892	-
Subsistence and travel allowance	39,921	-
	374,893	-

Remuneration of Chief Financial Officer- Ms LS Sehlako 02 July 2014 - 30 September 2014

Annual Remuneration	174,079	-
Car Allowance	25,000	-
Contributions to UIF, Medical and Pension Funds	45,370	-
	244,449	-

Remuneration of Chief Financial Officer-Mr OD Ledwaba 01 October 2014-14 March 2015

Annual Remuneration	137,851	-
Car Allowance	20,000	-
Contributions to UIF, Medical and Pension Funds	38,614	-
	196,465	-

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19. Employee related costs (continued)

Remuneration of Chief Financial Officer - Ms MS Makgaba 15 March 2015- 30 June 2015

Annual Remuneration	262,878	891,066
Car Allowance	195,000	-
Backpay	648,297	-
Contributions to UIF, Medical and Pension Funds	39,595	37,880
Subsistence and travel allowance	6,558	30,495
	1,152,328	959,441

Remuneration of Corporate Services Manager -Mr P.Mabuza

Annual Remuneration	635,199	716,818
Car Allowance	180,000	180,000
Contributions to UIF, Medical and Pension Funds	201,003	67,399
Subsistence and travel allowance	-	5,460
	1,016,202	969,477

Remuneration of Social Services Manager -Mr T. Kubheka

Annual Remuneration	673,930	672,354
Car Allowance	144,000	144,000
Contributions to UIF, Medical and Pension Funds	194,333	57,955
Subsistence and travel allowance	-	21,020
	1,012,263	895,329

Remuneration of Technical Services Manager- Mr AS Ntuli

Annual Remuneration	714,804	694,362
Car Allowance	120,000	120,000
Contributions to UIF, Medical and Pension Funds	110,669	33,380
Subsistence and travel allowance	26,624	32,664
	972,097	880,406

20. Remuneration of councillors

Executive Mayor	739,363	630,128
Chief Whip	462,226	331,813
Speaker	595,664	357,297
Councillors	16,534,695	16,517,020
	18,331,948	17,836,258

In-kind benefits

The Executive Mayor, Deputy 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.

21. Depreciation and amortisation

Property, plant and equipment	105,276,909	130,784,648
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2015-12-31		
2014-12-31		

22. Debt impairment

Contributions to traffic fine debt impairment provision	10,460,136	2,517,053
Contributions to consumer debt impairment provision	44,745,516	150,737,888
	55,205,652	153,254,941

23. Bulk purchases

Water	99,989,953	110,836,819
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24. Grants and subsidies paid

Grant expenditure (EPWP)	4,997,000	2,842,000
INEP - In Kind	7,000,000	-
Water Grant - In Kind	300,000	-
	12,297,000	2,842,000

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25. General expenses

Auditors remuneration	4,237,834	3,318,155
Advertising	214,295	434,234
Bank charges	152,989	171,663
Provision for landfill site expense	2,358,579	1,923,040
Consulting and professional fees	2,963,199	3,868,259
Consumables	1,016,444	5,850,563
Discount allowed	790,100	-
Entertainment	300	23,287
Material and supplies	69,230	-
Plant and machinery	132	-
Insurance	1,364,759	887,930
Feasibility study	-	2,501,397
IT expenses	59,273	944,308
IDP process	-	142,640
Lease rentals on operating lease	768,939	1,275,552
Legal costs	3,308,306	3,586,473
Motor vehicle expenses	1,207,658	5,890,597
VAT recoverable expenses	4,041,484	5,734,915
Valuation roll	763,211	3,419,298
Fuel and oil	3,468,315	8,118,355
Catering	-	356,027
Postage and courier	8,216	79,918
Printing and stationery	859,075	1,586,042
Other Expenses	2,504,428	3,946,591
Sample testing	483,834	513,971
Security (Guarding of municipal property)	10,543,933	10,084,751
Software expenses	1,634,612	827,692
Subscriptions and membership fees	448,747	797,508
Telephone and fax	1,650,914	2,773,030
Training	779,126	805,213
Travel - local	387,829	2,396,691
Basic sanitation charge	-	116,563
Electricity	5,642,152	4,412,700
Uniforms	-	246,899
Ward committee expenditure	3,966,000	3,270,400
Free basic electricity	2,999,686	3,297,937
Waste water treatment works	8,529,662	5,000,000
Community workers programme	-	2,595,205
Cemeteries	-	1,006,528
Free basic water	13,822,634	11,553,890
	81,045,895	103,758,222

26. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:

Operating lease charges

Equipment		
• Contractual amounts	768,939	1,275,552
Loss on sale of property, plant and equipment	(558,287)	(32,944)
Impairment on property, plant and equipment	72,150	-
Depreciation on property, plant and equipment	105,276,909	130,784,648
Employee costs	122,865,972	114,624,676

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27. Cash generated from operations

Surplus (deficit)	58,527,756	(118,068,332)
Adjustments for:		
Depreciation and amortisation	105,276,909	130,784,648
Loss on sale of Assets	558,287	32,944
Movement in leave and bonus provision	(72,199)	-
Impairment deficit	72,150	-
Debt impairment	55,205,652	153,254,941
Movements in retirement benefit assets and liabilities	1,075,000	990,000
Movements in other provisions	2,358,580	1,584,667
Payables adjustment	679,314	-
Vat adjustment	9,385,385	-
Loss on PPE	106,053	-
Changes in working capital:		
Inventories	(6,249,881)	3,605,295
Receivables from exchange transactions	(10,369,262)	(2,626,991)
Consumer debtors	(80,175,267)	(92,411,894)
Payables from exchange transactions	36,786,449	(12,548,832)
VAT	(4,655,293)	(2,638,926)
Unspent conditional grants and receipts	(32,656,765)	86,909,256
	135,852,868	148,866,776

28. Fruitless and wasteful expenditure

Opening balance	92,367	-
Fruitless and wasteful expenditure	2,290,529	92,367
	2,382,896	92,367

29. Unauthorised expenditure

Unauthorised expenditure	115,850,336	39,434,294
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30. Irregular expenditure

Opening balance	49,220,682	-
Add: Irregular Expenditure - current year	50,996,479	49,220,682
Less: Amounts written off	(866,234)	-
	99,330,927	49,220,682

Details of irregular expenditure – current year

Rand Water Project	Details Incurred due to CoGTA procuring on the municipality's behalf without following proper supply chain processes"	44,605,365
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31. Financial instruments disclosure

Categories of financial instruments

2015

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	5,688,992	5,688,992
Consumer debtors	-	13,383,060	13,383,060
Cash and cash equivalents	86,437,076	-	86,437,076
	86,437,076	19,072,052	105,509,128

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	90,590,337	90,590,337

2014

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	3,586,704	3,586,704
Consumer debtors	-	10,611,914	10,611,914
Cash and cash equivalents	41,211,431	-	41,211,431
	41,211,431	14,198,618	55,410,049

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	52,353,203	52,353,203

32. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Property, plant and equipment	104,130,694	12,609,908

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33. Contingencies

THLM vs Lawmark Consulting cc. Case No: 70121/11

Joint Venture between Lawmark and Casnans is suing the municipality for the termination of contract. The amount being claimed is R1.2 million

THLM vs Piet Chill

Mr. Chill has issued a summons against the Municipality claiming among others loss of income as a result of alleged breach of contract on the part of the municipality to the amount of R38 204

THLM vs Johannah Ntuli

Johannah Ntuli is claiming R1 550 000 for damages as a result of negligence of the municipality.

THLM vs Makadi Dantla Trading & Projects

Makadi Dantla Trading alleges that municipality is indebted to Makadi Dantla for an amount in a sum of R360 371.00 which monies are due and payable as a result of cemetery fencing services rendered by Makadi Dantla on behalf of municipality.

THLM vs Lamola Incorporated

A letter of demand for the amount of R2 402 070 was given to the municipality by Lamola Incorporated.

34. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

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.

35. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Current year subscription / fee	4,526,897	3,315,779
Amount paid - current year	(4,526,897)	(3,315,779)
	-	-

PAYE and UIF

Current year subscription / fee	11,749,526	12,526,974
Amount paid - current year	(11,749,526)	(12,526,974)
	-	-

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35. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and Medical Aid Deductions

Current year subscription / fee	19,450,059	21,995,136
Amount paid - current year	(19,450,059)	(21,995,136)
	-	-

VAT

VAT receivable	8,860,818	4,205,525
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VAT output payables and VAT input receivables are shown in note .

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

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35. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2015:

30 June 2015	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Dhlangalala Hereminah Nomakhuwa	-	1,460	1,460
Danisa Muziwakhile	-	1,427	1,427
Huma Tabeah Leah	-	675	675
Jiyane Koos Vusi	-	2,085	2,085
Khumalo Aaron Bhing	-	896	896
Hlungwani Sarah Malebo	-	16,850	16,850
Komane Molozi Gibson	-	2,018	2,018
Mahlangu Amos	-	8,159	8,159
Mahlangu Johannes Buti	-	1,442	1,442
Mahlangu Jerry Thili	-	6,796	6,796
Mahlangu Bellinah Thobile	-	8,110	8,110
Lukele David Vulani	-	14,040	14,040
Madonsela Malasi Josiah	-	4,132	4,132
Masango Seisiwe Jack	-	128	128
Mahlangu Solomon Linda	-	1,780	1,780
Malefo Nimrod Boitumelo	-	1,245	1,245
Mahlangu Ndaweni Johannes	-	2,535	2,535
Mahlangu Zelani Nelly	-	3,814	3,814
Masango Thandi Esther	-	1,722	1,722
Mlambo Maria	-	453	453
Mashiya Joseph Fanie	-	11,183	11,183
Mnguni Maria Qhubeni	-	133	133
Mnamatheli Samuel Zwelabo	-	2,784	2,784
Mboweni Linda Modiegi	-	2,950	2,950
Masuku Marry Jane	-	2,035	2,035
Mashinini Thabisile Elsie	-	9,078	9,078
Mnguni Zenaye Jantjie	-	11,434	11,434
Masombuka Bafana Phillip	-	6,332	6,332
Masombuka John Msebenzi	-	4,746	4,746
Motena Mitopi Andries	-	24	24
Mohlamonyane Raisibe Hellen	-	229	229
Mnisi Sgaule Timothy	-	1,388	1,388
Msibi Daisy Mamanyana	-	2,115	2,115
Motau Aaron Samson	-	5,494	5,494
Moseri Phineas Pule	-	16,582	16,582
Mohoaduba Andrew Mduduzi	-	2,720	2,720
Msiza Poppy Maria	-	2,194	2,194
Mosena Mapuse Christina	-	693	693
Mnyakeni Bolsana solomon	-	2,094	2,094
Skosana Badanile Johanna	-	4,090	4,090
Sepogoane Moses Mmoisetsie	-	3,954	3,954
Mtsweni S.P	-	2,523	2,523
Sikosana Mzwandile Obed	-	34	34
Ntuli Jan samuel	-	1,711	1,711
Nkabinde Moses Michael	-	447	447
Mthombeni Thandi Winnie	-	20,327	20,327
Zabane Canelia dudu	-	6,931	6,931
Nobela Maria Truddy	-	3,170	3,170
Tau Joyce Johannah	-	1,310	1,310
Tshabangu Lillian Martha	-	1,781	1,781
Mtsweni Rubber Qaliwe	-	2,520	2,520

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35. Additional disclosure in terms of Municipal Finance Management Act (continued)

Zondi Stanely Thabang	-	27	27
Shabalala Mandla Cyrel	-	9,101	9,101
	-	221,901	221,901

30 June 2014

	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Mahlangu Amos	136	8,065	8,201
Mtsweni Phillip Mcithwa	137	632	769
Huma Tabeah Leah	102	1,539	1,641
Motana Mitopi Andries	-	304	304
Skosana Bandlele Johanna	126	5,692	5,718
Jiyane Koos Vusi	-	1,124	1,124
Mahlangu Johannes Buti	-	846	846
Mohlamonyane Raisibe Hellen	-	685	685
Mlambo Maria	-	804	804
Mashiya Joseph Fanie	242	9,522	9,764
Mnisi Sgaule Timothy	9	948	957
Sepogoane Moses Mmoisetsie	120	3,236	3,356
Khumalo Aaron Bhinga	-	1,068	1,068
Mhlangi Jerry Thili	125	6,215	6,340
Mtsweni S.P	89	1,582	1,671
Buda H.N	99	1,251	1,350
Msibi Daisy Mamanyana	88	1,300	1,388
Mnguni Maria Qhubeni	-	570	570
Sikosana Mzwandile Obed	-	824	824
Masango Seisiwe Jack	94	1,934	2,028
Mahlangu Solomon Linda	137	7,172	7,309
Malefo Nimrod Boitumelo	90	1,475	1,565
Ntuli Jan Samuel	89	1,586	1,675
Motau Aaron Samson	184	7,113	7,297
Mahlangu Bellinah Thobile	240	11,577	11,817
Mtsweni June Lindeni	55	8	63
Dube Shellboy Senzeni	108	797	905
Kabine Hendrick Martin	185	5,748	5,933
Nkabinde Moses Michael	90	940	1,030
Mnamatheli Samuel Zwelabo	19	1,796	1,815
Lukele David Vulani	240	14,775	15,015
Hlungwani Sarah Malebo	332	14,732	15,064
Mahlangu Ndaweni Johannes	4	4,102	4,106
Nthombeni Thandi Winnie	333	20,096	20,429
Zabane Canelia Dudu	126	6,404	6,530
Nobela Maria Truddy	121	4,645	4,766
Tau Joyce Johannah	-	1,412	1,412
Msiza Marcia	-	1,706	1,706
Tshabangu Lillian Martha	115	1,402	1,517
Mboweni Linda Modlegi	92	1,675	1,767
Dhlangalala Hereminah Nomakhuwa	92	1,675	1,767
Motanyane Thokozile Egnés	159	282	441
Kabini Sam Ququza	141	7,997	8,138
Masuku Marry Jane	89	1,130	1,219
Moseri Phineas Pule	403	18,968	19,371
Mashinini Thabisile Elsie	140	8,932	9,072
Mohoadube Andrew Mduzuzi	113	1,748	1,861
Sibanyoni Bethuel	454	20,117	20,571
Danisa Muziwakhile	-	756	756
Mahlangu Zelani Nelly	186	4,755	4,941
Mtsweni Rubber Qaliwe	88	1,090	1,178

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand

	2015	2014
35. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Mnguni Zenaye Jantjie	140	8,826
Komane Moloi Gibson	140	8,826
Madonsela Malasi Josiah	124	5,700
Masombuka Bafana Philip	139	11,438
Masango Thandi Esther	37	1,195
Myakeni Boisana Soloman	32	855
Zondi Stanely Thabang	-	540
Masombuka John Msebenzi	295	5,658
Shabalala Mandla Cyrel	268	11,046
Msiza Poppy Maria	11	242
	6,978	278,978
		285,956

Supply chain management regulations - Deviations

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved by the Municipal Manager and be reported to Council for noting.

Incident	2015	2014
If such goods or services are produced or available from single provider only	16,436	-
In any other exceptional case where it is impractical or impossible to follow official procurement processes	136,069	-
	152,505	-

36. Related parties

There were no related party transactions during the financial year.

37. Prior period errors

During the prior years Consumers were understated, this has been corrected.

During the prior year, the VAT was not declared by the system to the amount of R1 875 828.

During the prior year, output VAT to the amount of R293 996.69 was incorrectly declared.

The creditors to the amount of R201 687.64 were erroneously raised due to incorrect orders, this has been corrected.

In 2010 the debtors were erroneously written off, this has been corrected.

Property, Plant and Equipment had few errors occurred in 2012/2013 and 2013/2014 financial years. These included completed projects which were sitting in Assets under construction, components which were derecognised and capital expenditure which was sitting under Repairs and Maintenance. The adjustment has been made to correct the prior year balance of Property, Plant and Equipment.

The correction of the error(s) results in adjustments as follows:

Statement of financial position	
Property, plant and equipment	- 4,567,921
Receivables from exchange transactions	- (30,391)
Payables from exchange transactions	- (1,005,517)
VAT Receivables	- 4,205,525
Accumulated Surplus	- (21,444,358)
Consumer debtors	- 6,263,440
Investment property	- 1,238,919
VAT payables	- 6,204,461

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand

Audited
By
2015 -11- 30
Auditor General South Africa
Municipalities Business Unit
2015 2014

37. Prior period errors (continued)

Statement of Financial Performance

Service charges	-	(1,425,316)
Property rates	-	(4,832,179)
Depreciation	-	56,307
Interest received	-	(219,269)
Fines	-	(42,204)
Other income	-	626
Licenses and permits	-	2,646,575
Employee related costs	-	(8,770)
Debt impairment	-	6,069,770
Repairs and maintenance	-	(11,927,508)
General expenses	-	(4,596,147)

38. Budget differences

Material differences between budget and actual amounts

Thembisile Hani Local Municipality
Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand

Approved
by
2015-07-09
Auditor General of South Africa
Mkhabela G. Mkhabela
2015 2014

The variance of actual expenditure over or under the final budget by 10% is considered to be a material variance.

1. Service charges - change due to new clients captured on consumer database and also corrections made on the database, including the increase of tariffs
2. Rental of facilities - received more than anticipated due to the demand of people hiring halls and stadiums.
3. Interest received (Trading) - less consumers paid their account and this resulted to an increased on interest received.
4. Licences and Permits - received income from those businesses that renewed their licences and a few from those opening new business.
5. Interest received - investment - more cash in reserve, invested on a short term basis.
6. Property rate - new consumers captured on the database, also correcting errors from previous years, including the increase of tariffs.
7. Public contributions and donations - received assets from Nkangala District Municipality.
8. Fines - we received more than anticipated since we put strict measures for those owing traffic fines and also the discount given.
9. Government grants - the difference is only on the part of MIG that still needs to be spent, we applied for roll-over for the money not spent and it was approved.
10. Employee cost - difference due to the less budgeting for rate used (CPI) as per SALGA circular.
11. Remuneration of councillors - there was less budgeting for the line item of travelling allowance.
12. Depreciation - during adjustment the depreciation for Infrastructure was not included.
13. Finance Cost - there was late payment of creditors.
14. Debt Impairment - corrected billing raised increased debts
15. Repairs and maintenance - less repairs made during the year
16. Bulk purchases - more water supply because of new areas established
17. Grants and subsidies paid - free basic water and electricity spending exceeded the budget amount, because new consumer were provided with free basic services
18. General Expense - there was less budgeting on line items and this resulted to the overspending

39. Going concern assumption

We draw attention to the fact that at the end of the reporting period, the municipality's creditors payment and debtors collection period is 175 days, thus creating challenges in the municipality's ability to honour the current liabilities. The annual financial statements have been prepared on the basis applicable to a going concern. This basis presumes that the funds will be available to finance further operations and the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary cause of business. The ability of the municipality to continue as a going concern is dependent on:

A large portion of liability relates to Unspent Grants. The Municipality received approval of rolling over for unspent grants that will be used to finance the Commitments. Short term creditors were settled during July 2015. Budget for 2015/2016 was reduced to cover financing of year End Accruals.

ACTION PLAN 2014/2015 FINANCIAL YEAR (ANNEXURE B)

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
1. MATTERS AFFECTING THE AUDIT REPORT				
1.1. QUALIFICATION MATTER				
1. Revenue - understatement of property rates (Extrapolated figure is R44 981 594)				

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
<p>DETAILS: Debtors from the water meter installed register were not found in the debtors listing (EX.1)</p>	<p>1) Non-alignment between the debtor's listing, list of debtors where water meters were installed and the valuation roll 2) The water meters that were installed are prepaid and therefore the debtors will not appear on the debtors listing as these consumers are expected to buy water from the municipality <u>ADDITIONAL CONCERNS NOTED</u> 3) Some of the debtors where these prepaid meters cannot be traced in the list of debtors that purchases water from the municipality which is an indication that they are illegally accessing the water</p>	<p>1) To perform a desktop reconciliation exercise so as to trace the differences 2) Ensure that there is alignment of data contained in these 3 documents (confirm existence and accuracy) 3) Physical verification of the installed meters (whether they are straight-reading meter or prepaid meters) vs. what the municipality has in its records 4) Ensure that all the consumers where straight water meters have been installed are loaded on the system and are billed for services provided to them. Where prepaid meters have been installed but consumers are not buying the water, investigations on how they access the water will be conducted and disconnect any old infrastructure (taps) that may still be running 5) Finally to correct prior year errors</p>	<p>Assistant Manager: Revenue & Manager: Technical Services overseen by the MM</p>	<p>28-Feb-16</p>

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
Valuation roll details do not agree with the debtor's statements (EX.2)	1) The differences on the details were caused by the manual changes made on the system 2) Lack of proper data cleansing process 3) There was an omission of areas during the compilation of the valuation roll	1) An exercise will be undertaken to update the information on the billing system to agree with the information on the valuation roll 2) Where there are changes to be made the customers will be required to complete the change of details form and bring their identity documents and affidavit 3) A request will also be submitted to the District to extend the scope of the appointed service provider to THLM (i.e. to make use of the cross checking system) debtor details that differs with the statements 5) A supplementary valuation roll will also be prepared so as to include all the areas that were not valued before	Assistant Manager: Revenue overseen by the MM	28-Feb-16

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
The amount of property rates revenue does not agree with the recalculated amount (EX.5)	1) Usage of the old market values as opposed to the new values as per the new valuation roll. 2) The valuation roll was also loaded late in the year	1) The valuation roll with the new market values has already been loaded into the financial system 2) The municipality will once again check the entire billing information per village so as to verify the accuracy of the market values used with the aim of eliminating any differences that may be there .		28-Feb-16
Property rates calculated in the debtor statements are incorrect (EX.13)	1) Usage of the old market values as opposed to the new values as per the new valuation roll. 2) The valuation roll was also loaded late in the year	1) The valuation roll with the new market values has already been loaded into the financial system 2) The municipality will once again check the entire billing information per village so as to verify the accuracy of the market values used with the aim of eliminating any differences that may be there .		28-Feb-16
1.2. EMPHASIS OF MATTERS				

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
2. Going Concern	<p>1) The municipality was not able to pay its creditors within 30 days due to cash flow challenges</p> <p>2) The conditional grants were not fully spent due to poor planning (late appointment of service providers)</p> <p>3) The municipality had R60.2 Million year-end accruals</p> <p>4) Services provided by the municipality do not break-even as the debtors are reluctant to pay</p>	<p>1) Cash flow analysis is done and monitored on a monthly basis</p> <p>2) Creditors reconciliations are prepared on a monthly basis and the age analysis is also updated and monitored on a monthly basis</p> <p>3) To improve in the appointment of service providers. All service providers for 2015/16 projects will be appointed before end of Jan 2016</p> <p>4) Going forward (2016/17), there will be proactive planning and registration of projects prior the new financial year</p> <p>5) To exert more pressure on the government departments and businesses that owe the municipality</p>	CFO with the assistance of Management	31-Dec-15 and Monthly basis

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
3. Material Losses (EX.64)	<p>1) No system in place that can be used to measure losses on a monthly basis.</p> <p>2) Lack of meters in some of the municipal areas so as to enable the municipality to bill according to the consumption</p>	<p>1) Reconciliations on water inventory will be performed on a monthly basis</p> <p>2) The municipality also has a Water Conservation Project which will reduce the losses by more than 20%</p> <p>3) Commission of the meters that have already been installed</p> <p>4) To source funds from the District and Provincial CoGTA to supplement the installation of water meters</p>	Manager: Technical Services & Assistant Manager: Water and Sanitation	31-Dec-15 and Monthly basis
4. Material Impairments (EX.6)	1) Low collection on revenue	<p>1) The municipality is currently embarking on an intensive collection programme (e.g amnesty) which is aimed at addressing the low collection of revenue.</p> <p>2) To exert more pressure on the government departments and businesses that owe the municipality, in terms of the applicable legislation.</p> <p>3) To also generally ensure that the municipality continues to put measures in place encouraging all other consumers to pay for services</p>	Assistant Manager: Revenue with the assistance of the MM	31-Dec-15 and On going
1.3. COMPLIANCE MATTERS				

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
5. Non-compliance with Section 122 of the MFMA (i.e. AFS not prepared in all material respects in accordance with Sec 122 of the MFMA) (EX.77)	1) Late preparation of the AFS 2) Late submission of information to the consultants dealing with the unbundling of assets	1) Early appointment of the preparers so that the municipality may start with the preparation early 2) Submission of completion certificates within 5 days after the project has been complete so that the consultant can start with the componentisation.	CFO, Manager: Technical Services, PMU Manager	20-Jan-16
6. Non-compliance with Section 116 (3) of the MFMA (i.e. Contracts extended without tabling reasons for amendment to Council) (EX.8)	1) Management was unaware of this requirement	1) All contracts to be extended will tabled to Council and the community will also be notified through public notices	Assistant Manager: Legal Services & SCM	31-Jan-16 and On going
7. Non-compliance with Section 62 (1) (d) of the MFMA (i.e. Reasonable steps not taken to prevent Unauthorised expenditure, Irregular, Fruitless & Wasteful expenditure) (EX.9)	1) Less provision of non-cash backed items in the budget which resulted to overspending 2) Cash flow challenges within the municipality which resulted to accruals and interests being incurred in overdue accounts 3) Irregular expenditure???	1) To ensure that there is correct and realistic budgeting 2) The budget is monitored through refencing of expenditure against the actual income 3) Expenditure is monitored through monthly cash flow analysis. 4) To ensure that all the procurement decisions are authorised and monitored by MANCO on weekly basis	MM with the assistance of the CFO	31-Dec-15 and Monthly basis

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
8. Non-compliance with Section 65 (2) (e) of the MFMA (i.e. Creditors not paid within 30 days) (EX.7)	1) Creditors could not be paid due to cash flow challenges	1) Cash flow analysis is done and monitored on a monthly basis 2) Creditors reconciliations are prepared on a monthly basis and the age analysis is also updated and monitored on a monthly basis	MM with the assistance of the CFO & Assistant Manager: Expenditure	31-Dec-15 and Monthly basis
9. Non-compliance with Section 64 (2) (f) of the MFMA (i.e. Ineffective system for debtors and revenue) (EX.1,2,3,4,5,6,34,35)	1) Lack of regular review of information inputted to and produced by the system	1) To improve the current system through regular monthly reviews of traffic reports, billing reports and DLTC reports 2) Reconcile the DLTC reports weekly and report to the CFO monthly	MM with the assistance of the Assistant Manager: Revenue & Manager: SDS	28-Feb-16
10. Section 32 (2) (a) (ii) of the MFMA (i.e. Understatement of irregular expenditure (EX.62) and Irregular expenditure incurred not investigated) (EX.63)	1) The research work was not completed during the Audit period	1) Consequence management will be implemented	MM	04-Jan-16 and On going
2. MATTERS AFFECTING THE MANAGEMENT REPORT				

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
2.1. RECEIVABLES & REVENUE				
12. Consumers from the valuation roll not found in the consumer debtors listing (EX.3)	lack of proper data cleansing process	1) An exercise will be undertaken to update the information on the billing system to agree with the information on the valuation roll. 2) Follow the developed data cleansing programme in order to rectify some account owners as pertained in the valuation roll.	Assistant Manager: Revenue	15-Feb-16
13. Traffic fines debtors not recorded in the debtors listing (EX.4)	Lack of monitoring on recording of traffic fines issued	1) Develop a worksheet which will be able to assist in the controlling of issuing of Traffic Fine books. 2) Perform monthly checking of the recorded issued fines to ensure completeness in recording.	Assistant Manager: Revenue & Manager: SDS	29-Feb-16
14. Non-compliance with MFMA and MSA (EX.6)	Deficiency in monitoring the calculation when billing and corrections through debit notes were done.	1. Develop a working document which will assist in ensuring that calculations involved during the billing process and correcting of consumer accounts are done accurately.	Assistant Manager: Revenue	31-Mar-16

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
15. Provision for bad debts - Traffic fines (EX. 12)	Incorrect approach in calculating the impairment on debtors-Traffic Fines.	1) Correction in respect of the calculation of impairment debtors-Traffic Fines has been done and acknowledged by the AG. 2) The methodology in calculating Bad Debts in respect of IGRAP1 has been noted and shall be followed in the next financial year.	Assistant Manager: Revenue	31-Jan-16 and On going
16. Provision for bad debt allowance not reasonable (EX. 14)	Usage of the previous financial year's method when calculating for impairment.	Recalculation of impairment on consumer debtors has been done following the recommended method from the AG.	Assistant Manager: Revenue	31-Jan-16 and On going
17. Misstatement of traffic fines revenue – non application of the requirements of IGRAP 1 (EX.32)	Non-compliance with the IGRAP1 requirements in terms of discounts and impairment of debtors.	1) The matter has been corrected during the adjustment of AFS and acknowledged by the AG. 2) IGRAP 1 has been noted and will be followed as correct as possible	Assistant Manager: Revenue	31-Jan-16 and On going
18. INEG: Incorrectly disclosed as grant received (EX.33)	INEP was incorrectly accounted as revenue instead to be journalised to Equitable Share Grant account, because Roll over from INEP was offset against Equitable Share Grant	The matter has been corrected during the adjustment of AFS and acknowledged by the AG. 2) To ensure that our grant register agrees with DoRA and GL	CFO	31-Jan-16 and On going

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
	by National Treasury.			
19. Internal control deficiency - traffic book fines not recorded as returned (EX.34)	Lack of monitoring on recording of traffic fines issued	1) Develop a worksheet which will be able to assist in the controlling of issuing of Traffic Fine books. 2) Perform monthly checking of the recorded issued fines to ensure completeness in recording.	Manager: SDS	31-Dec-15 and On going
20. Misstatement of the revenue from traffic fines (EX.35)	1) incomplete recording of traffic fines by the traffic department	1) To ensure that all traffic fine issued are being recorded and reconciled on the monthly basis and submitted to revenue department for review.	Manager: SDS/ Assistant Manager: Revenue	07-Jan-16
21. Misstatement of revenue – expenditure not in terms of the grant recorded as conditions met for the grant (EX.37)	There was expenditure incurred and paid under conditional grant of which it was not allowed by the condition(s) of the Grant	1) This matter has been attended to through a journal. 2) To ensure that expenditure incurred is in line project plan	CFO	31-Jan-16 and On going

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
22. Misstatement of licences and permits revenue (EX.38)	Payment of the previous year's expense incurred using the wrong vote instead of accruals.	The matter has been corrected through a journal during the adjustment and will ensure that this matter is prevented from occurring in future.	Assistant Manager: Revenue	31-Jan-16 and On going
23. Misclassification of sewerage charges to other income (EX.39)	Oversight in the allocation of different service charges by the service provider.	Correction has been done in the adjusted AFS and it will be ensured that this is prevented from now going forward.	Assistant Manager: Revenue	31-Jan-16 and On going
24. The government grant allocated for municipality not recognised in the annual financial statements (EX.40)	The grants received in kind by the municipality which are trafer to ESKOM and Dept Of Water Affairs were not recognised in the AFS and also in the System of the municipality	1) To ensure that all grants received in kind are disclosed in the notes of the AFS	CFO	31-Jan-16 and On going
25. Rental Income – discrepancies incurred (EX.41)	Deficiency in accounting for rental of facilioties as per GRAP 9.	1) The account of the identified debtor in respect of the rental income (MAY2K) has been opened and adjusted accordingly. 2) From now going forward we will ensure that all the hiring of municipal facilities are accounted correctly in the suspense account until full usage	Assistant Manager: Revenue	31-Mar-16

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
		by the client has been recognised.		
26. Deductions made on employees' salaries for accounts settlement recognized as revenue: sundry income (EX.54)	Failure by corporate services to provide for debtors on overpaid employees	The debtors accounts has been created In Oct 2015 and the deductions being credited to relevant debtors accounts	CFO	30-Jun-16
2.2. INVENTORY				
27. Stock counts performed at year end (EX.10)	Lack of understanding of Year-Eand stock take procedures and documents needed to conduct the stock take	Ensure that there are pre-numbered stock sheets with inventory item codes for each group/class of item at the Stores.	Assistant Manager: Assets	29-Jan-16
28. Inventory valuation (EX. 11)	Inventory Management was done on an excel spread sheet which made it difficult to perform an Inventory Valuation on all the items at the	Ensure that the Inventory Management Function is uploaded on the fiancial system used by the Municipality(MUNSOFT), in order to	Assistant Manager: Assets	29-Jan-16

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
	stores	get reliable monthly reports and valuations.		
2.3. VAT RECEIVABLES				
29. Incorrect Classification of VAT in the Financial Statements (EX. 15)	This is the system calculation of vat on the already included VAT items	The municipality is in the process of finalising the correction of the votes with Munsoft. We had the meeting with Andrew on munsoft last week Monday regarding the votes to be corrected	CFO	25-Jan-16
2.4. CASH AND CASH EQUIVALENTS				
30. The Cash book balances does not agree with the amounts disclosed on the Notes to Annual Financial Statements (EX. 16)	1)There was an incorrect maping in the Case are System 2) CaseWare System did not update the information as per the Munsoft System Trial Balance	1) Correction has been done in the adjusted AFS. 2) To ensure proper monitoring of the work done by consultants	CFO	31-Jan-16 and On going
2.5. LAND AND BUILDINGS				

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
31. Accounting policy disclosed in the AFS is inconsistent to prior year (EX.17)	Lack of monitoring of the Accounting Templates used for the compilation of the Annual Financial Statements	Ensure that all the policies of the Asset Management Unit are reviewed annually and the amended sections are updated on both the Asset Register and the Annual Financial Management Compilation Template. Proper review of the AFS before they are submitted for Audit to the AG and Cogta.	Assistant Manager: Assets	30-Aug-16
2.6. INFRASTRUCTURE ASSETS				
32. Accounting policy disclosed in the AFS is inconsistent to prior year (EX.18)	Lack of monitoring of the Accounting Templates used for the compilation of the Annual Financial Statements	Ensure that all the policies of the Asset Management Unit are reviewed annually and the amended sections are updated on both the Asset Register and the Annual Financial Management Compilation Template. Proper review of the AFS before they are submitted for Audit to the AG and Cogta.	Assistant Manager: Assets	30-Aug-16

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
33. Incorrect classification of accounts (EX.24)	Lack of monitoring of the Accounting Templates used for the compilation of the Annual Financial Statements	Ensure that all the policies of the Asset Management Unit are reviewed annually and the amended sections are updated on both the Asset Register and the Annual Financial Management Compilation Template. Proper review of the AFS before they are submitted for Audit to the AG and Cogta.	Assistant Manager: Assets	30-Aug-16
34. FAR schedule does not agree to the amount disclosed in the AFS (EX.25)	None performance of reconciliation between the Asset Register and the Asset Votes on the Financial System(MUNSOFT) of the Municipality.	Ensure that we perform monthly reconciliation of the Asset Register to the Asset Votes on Munsoft, and the Assets verified through the Asset Verification process.	Assistant Manager: Assets	31-Jan-16 and On going
35. Incorrect classification of land and building as PPE instead of investment property (EX.26)	Lack of understanding of the different classification of the assets and the accounting standards applicable.	Ensure that all the assets of the municipality are classified in their correct categories and the correct accounting standards and treatments are applied.	Assistant Manager: Assets	31-Jan-16 and On going

2.7. COMMUNITY ASSETS

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
36. FAR schedule does not agree to the amount disclosed in the AFS (EX.19)	None performance of reconciliation between the Asset Register and the Asset Votes on the Financial System(MUNSOFT) of the Municipality.	Ensure that we perform montly reconciliation of the Asset Register to the Asset Votes on Munsoft, and the Assets verified through the Asset Verification process.	Assistant Manager: Assets	31-Jan-16 and On going
37. Accounting policy disclosed in the AFS is inconsistent to prior year (EX.20)	Lack of monitoring of the Accounting Templates used for the compliation of the Annual Financial Statements	Ensure that all the policies of the Asset Management Unit are revied annually and the amended sections are updated on both the Asset Register and the Annual Finacial Management Compilation Tempalate. Proper reviewal of the AFS before they are submitted for Audit to the AG and Cogta.	Assistant Manager: Assets	30-Aug-16
38. Municipality does not have accounting policy for treatment of revaluation surpluses (EX.21)	None reviewal of policies annually.	Ensure that the Asset Management Policy of the municipality is reviewed and all the omitted sections are included to make the register conclusive.	Assistant Manager: Assets	26-Feb-16
39. Assets Disposal were incorrectly recorded in the AFS (EX.22)	None understand of Municipal Diposal processes	Ensure that assets are disposed of the register in line with a physical verification on the ground, and ensure that the Accounting Standard	Assistant Manager: Assets	31-Jan-16 and On going

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
		applicable to disposal of Assets is applied fully.		
2.8. ASSETS UNDER CONSTRUCTION (WIP)				
40. Asset under construction does not agree to the amount disclosed in the AFS (EX.23)	Assets under construction were not all allocated budget vote numbers during/ at the begging of the finiacial year, which led to certain vote numbers incurring expenditure for projects that have not been allocated vote numbers, which resulted in over and under expenditure when reconcilled to the acutual expenditure of the projects.	Ensure that all the WIP projects are allocated budget votes to facilitate payment on.	Manager: PMU	31-Jan-16 and On going
2.9. OTHER ASSETS				
41. FAR schedule does not agree to the amount disclosed in the AFS (EX.27)	None performance of reconciliation between the Asset Register and the Asset Votes on the Financial System(MUNSOFT) of the Municipality.	Ensure that we perform montly reconciliation of the Asset Register to the Asset Votes on Munsoft, and the Assets verified through the Asset Verification process.	Assistant Manager: Assets	31-Jan-16 and On going

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
42. Motor vehicles – impaired asset disclosed in the FAR (EX.28)	Lack of understanding of treatment of impaired assets	Esnure that all the assets that are impaired are accounted for in the Month of the Impairment	Assistant Manager: Assets	31-Jan-16 and On going
2.10. EXPENDITURE & PAYABLES				
43. Settled creditors disclosed as part of Accrued Expenses (EX.29)	1) Double captureing of year end creditors manually and electronic order generation	All the orders committed on the system at year end will be excluded during year end accruals provision.	Assistant Manager: Expenditure	30-Jul-16
44. No indigent register in place (EX.49)	Incomplete register	Management is finalising the indigent register and the clients are to benefit from December 2015.	Assistant Manager: Revenue	24-Dec-15
45. Interest amount paid not disclosed in the financial statement (EX.50)	Journals were not done from all respective votes from Jul- Apr to capture all the interest charge to the interest charge vote no. created that was created on May as per the list of frutless and waistfull expenditure	1) Journals were done to correct the actions during the Adjusted financial statement. 2) For 2015-2016 fincial year all the interest paid are captured to the interest charge vote no. 3) To ensure correct allocation of interest and penalties to the relevant votes	Assistant Manager: Expenditure	31-Jan-16 and On going

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2.11. UNSPENT CONDITIONAL GRANTS				
46. FMG: Goods bought not in terms of the financial support grant (EX.30)	There was expenditure incurred under and paid under this conditional grant of which it was not allowed by the condition(s) of the Grant	This matter has been attended to through a journal. 2) To ensure that spending on conditional grants is made in terms of the approved business plans	CFO	31-Jan-16 and On going
2.12. PROVISIONS				
47. Incorrect casting of landfill site report (EX.31)	Incorrect computation of formula	correct calculation was done and moving forward management will ensure proper computation of formula.	Assistant Manager: Waste	31-Jul-16 and On Ongoing
2.13. EMPLOYEE RELATED COSTS				
48. Terminations - Inaccurate leave payment (EX.42)	incorrect inclusion of the pro rata leave days payments	All leave payment letter to finance department will be accompanied by system generated summary screen report	CFO and Manager: Corporate Services	31-Jul-16 and On Ongoing
49. Increase in overall	Due to cashflow problems the municipality was unable to fill the	The municipality has removed all vacant unfunded positions and	Manager: Corporate Services	29-Feb-16

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
vacancy rate (EX.43)	positions that had become vacant	funded vacant positions are to be filled within three months of becoming vacant		
50. Key Vacant Position (EX.44)	Prioritisation of positions to fill.	The municipality will re-prioritise posts to fill, with consideration to availability of funds and operational requirements.	Manager: Corporate Services	31-Mar-16
51. No Performance Agreements for officials other than MM and sec 56 Managers (EX.46)	Lack of a PMS to deal with employees other than section 54 and section 56 managers	The municipality is appointing a service provider to assist in the job evaluation through task grading system and cascading PMS system to all employees	Manager: Corporate Services	30-Sep-16
52. No Annual Performance Evaluations (EX. 46)	Due to the instability as a result of the resignation of the MM the evaluations could not be performed	The evaluations will be conducted at least quarterly for all section 54 and section 56 managers in terms of pms regulations.	Manager: Corporate Services	30-Jan-16
53. Employees didn't take minimum leave days required by SALBC agreement (EX.47)	The failure of employees to take their leave days due to operational requirements	Individuals letters notifying employees about their forfeiture days stipulating the date thereof will be written to them.	Manager: Corporate Services	31-Jan-16 and On going

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
54. Disclosure Misstatement (EX. 48)	The acting CFO's salaries was erroneously disclosed as that of the CFO	To ensure that salary system agrees to the disclosure note	Assistant Expenditure Manager:	10-Aug-16
2.14. PROCUREMENT AND CONTRACT MANAGEMENT				
55. False declarations or misrepresentation by suppliers (EX.51)	Dishonesty by service providers since the municipality depends only on the declaration by service providers in terms of MBD 4	To recover all costs incurred on the dishonest service providers	Assistant Manager: SCM	31-Jan-16 and On going
56. Contract register incomplete (EX.52)	Decentralization of contract register management	To centralize the contract register that includes PMU projects and the other operating contracts.	Assistant Manager: Legal, SCM & PMU	31-Jan-16 and On going
57. Limitation of scope - tender documents (EX.53)	Extension of the contract of service provider without having the original tender document in place	3 months before the expiry of the contract issue notice of termination of contract then start with the SCM process	Assistant Manager: SCM	01-Apr-16
58. Non Compliance (Unsolicited bids) - (EX 54)	failure to follow SCM processes in appointing the service providers through unsolicited bid	To ensure strict adherence to SCM processes during appointments	Assistant Manager: SCM	31-Jan-16 and On going

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
59. Incomplete irregular expenditure (Identified during the audit) (EX.55)	The amendment of contracts was done without council approval	All amendments of contracts will tabled to council for approval	Assistant Manager: SCM	31-Jan-16
2.15. USE OF CONSULTANTS				
60. Non-compliance and internal control deficiency (use of consultants) (EX.56)	Failure to include the clauses of skill transfer clause in the TOR for consultants	The municipality will ensure that there is a clause included in the terms of references on skills transfers and the name and position of employees to be skilled and the training programme also	SCM	1-Dec-2015 and ongoing
61. Material Misstatement identified on work performed by consultants (EX.57)	the consultacts relied on the TB information based on the transactions performed by the municipality	The municipality will ensure correctness of transactions by compiling interim Financial Statements and submit for Auditing by Internal Audit	CFO	20-Jan-16
2.16. CASH FLOW				
62. Misstatement of cash flow statement (EX.59)) Late preparation of the AFS , and also the corrections of previous year error correction lead to the change of the closing balance which serves as	Correction has been done in the adjusted AFS. 2) The municipality will prepare the IFS during February 2016, and there after	Assistant Manager: Budget and Reporting	20-Jan-16

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
	opening balances in the next financial year	the municipality will update the AFS on monthly basis		
2.17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS/BUDGET				
63. No explanations provided for material variances (EX.60)	Late preparation of the AFS lead to uncompleted work	Correction has been done in the adjusted AFS. 2) The municipality will prepare the IFS during February 2016, and there after the municipality will update the AFS on monthly basis	Assistant Manager: Budget and Reporting	20-Jan-16
2.18. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE				
64. Incorrect classification of deviation as irregular expenditure (EX.61)	Incorrect classification of deviations in terms of deviations definition	To ensure that deviations are incurred only in the emergency cases (proven)	Assistant Manager: SCM	31-Dec-16
65. Understatement of irregular expenditure (EX.62)	The amendment of contracts was done without council approval	To sent the item to council for approval of the irregular expenditures regarding extension of contracts	Assistant Manager: SCM	31-Jan-16

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
66. Understatement of fruitless and wasteful expenditure (EX.63)	An amount of R2 382 896 was disclosed in the AFS as approved by council for fruitless and wasteful expenditure, however only R 2 290 528.95 was the correct amount approved by council	The defference of R92 367 will be tabled to council for approval	Assistant Manager: SCM	31-Jan-16
2.19. COMMITMENTS				
67. The actual amount spent does not agree to the GL (EX.65)	Assets under construction were not all allocated budget vote numbers during/ at the begging of the finiacial year, which led to certain vote numbers incurring expenditure for projects that have not been allocated vote numbers, which resulted in over and under expenditure when reconcilled to the acutual expenditure of the projects.	Ensure that all the WIP projects are allocated budget votes to facilitate payment on.	Assistant Manager: Assets	31-Jan-2016 and On going

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
68. Commitments disclosed at negative amounts (EX.66)	Assets under construction were not all allocated budget vote numbers during/ at the begging of the finiacial year, which led to certain vote numbers incurring expenditure for projects that have not been allocated vote numbers, which resulted in over and under expenditure when reconcilled to the acutual expenditure of the projects.	Ensure that all the WIP projects are allocated budget votes to facilitate payment on.	Assistant Manager: Assets	31-Jan-2016 and On going
69. Inaccurate calculation of commitments (EX.67)	Assets under construction were not all allocated budget vote numbers during/ at the begging of the finiacial year, which led to certain vote numbers incurring expenditure for projects that have not been allocated vote numbers, which resulted in over and under expenditure when reconcilled to the acutual expenditure of the projects.	Ensure that all the WIP projects are allocated budget votes to facilitate payment on.	Assistant Manager: Assets	31-Jan-2016 and On going
70. Inadequate supporting document submitted for audit purposes (EX.68)	Lack of proper filing and classification of projects on the WIP register	Ensure all appointment letters, extension letters, completion certificates are filled and submitted to the finance department (Asset	Assistant Manager: Assets	31-Jan-2016 and On going

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		Management Unit) as and when they are received or issued out		
2.20. PERFORMANCE INFORMATION				
71. Non-submission of Un-audited Annual Report on time (EX.69)	1) Management was not aware that it is obliged to comply with circular 63 since it was not adopted by Council	1) Submission of Circular 63 to Council for adoption 2) For the 2015/16 audit, management will submit the draft Annual Report together with the Annual Financial Statements and Annual Performance Report on the 31st of August	Assistant Manager: PMS	31-Aug-16 and On going
72. Target as per SDBIP does not agree to Annual Performance Report (EX.70)	1) Typing error that occurred during the transfer of the information relating to indicators and targets from the SDBIP to the Annual Performance Report	1) Management will exercise extra care when capturing information and during the reviews	Assistant Manager: PMS	31-Jan-2016 and On going
2.21. ROADS AND INFRASTRUCTURE				

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
73. Municipality does not have policy for planning, management and reporting of road infrastructure (EX.71)	<p>1) The Municipality was/is currently using a by-law called WORK IN ROADS RESERVE BY-LAW which governs its planning, management and reporting of roads infrastructure activities.</p> <p>2) We believed that the said by-law is sufficient since it has the rules and regulations enacted by Council to provide a framework that controls the affairs and the services that the municipality provides within its area of jurisdiction</p>	1) The Municipality has already started with the drafting of the road policy that will complement the existing by-law on roads.	Assistant Manager: Roads and Maintenance	29-Feb-16
2.22. INTERNAL AUDIT				
74. Governance - Internal Audit recommendations not implemented by management (EX.72)	1) Monitoring of the internal audit findings not embedded into the agenda of management meetings	<p>1) To track progress made by the departments in addressing the issues raised during the management meetings. Regular meetings between the and the CAE will also be held in this regard</p> <p>2) To put more emphasis on the implementation of the audit recommendations</p>	MM	Monthly till 30-Jun-16

KEY AUDIT FINDINGS	CAUSES OF THE AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
75. Governance: Internal Audit - inadequate technical competency (EX.73)	1) The membership of the auditors could not be paid due to budget constraints 2) Training could also not be provided due to the same	1) Renewal of the auditor's membership with the Institute of Internal Auditors using the R8000 provided in the budget 2) Provision of training for the minimum required hours of CPDP (40 hours each auditor)	MM	31-Jan-16
2.23. INFORMATION TECHNOLOGY				
76. Annual review of IT policies and procedures (EX.74)	The ICT policies were evaluated in 2014/15 financial year and through this evaluation process, we found them to be still relevant. They were therefore not taken to Council because there were no changes made.	All ICT policies were reviewed by council during June council sitting and they will be reviewed annually	Assistant Manager: ICT	30-Jun-16 and On going
77. Security Management (EX.75)	The antivirus software installed on the two computers was not updated with the latest version due to late payment done for license renewal.	Antivirus software is now updated and installed to all Municipal computers	Assistant Manager: ICT	30-Jun-16 and On going

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78. Programme Change Management (EX.76)	Evidence of reviews were not kept (recoded).	The municipality will do reviews on monthly basis to ensure no any unauthorised changes done by service provider	Assistant Manager: ICT	31-Dec-15 and Monthly basis